Half-yearly Financial report as at 30 June 2021

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Composition of Corporate Bodies

The Board of Directors and the Board of Statutory Auditors were elected by the Ordinary Shareholders' Meeting on 30 April 2019.

The Board of Directors and the Board of Statutory Auditors shall remain in office until the Shareholders' Meeting called to approve the financial statements for the year 2021.

Board of Directors

Chairperson	Edoardo GARRONE
Deputy Chairperson	Carlo ROBIGLIO
Chief Executive Officer	Giuseppe CERBONE
Directors	Marco GAY
	Veronica DIQUATTRO
	Patrizia Elvira MICUCCI
	Elena NEMBRINI
	Salvatore Maria NOLASCO
	Mirja CARTIA d'ASERO
	Maurizio STIRPE
	Fabio Domenico VACCARONO

Control, Risk and Sustainability Committee[1]

Chairperson	Salvatore Maria NOLASCO
Members	Carlo ROBIGLIO
	Patrizia Elvira MICUCCI
	Mirja CARTIA D'ASERO

Committee for Transactions with Related Parties

Chairperson	Patrizia Elvira MICUCCI
Members	Elena NEMBRINI
	Salvatore Maria NOLASCO

[1] By resolution dated 15 July 2021, the Company's Board of Directors expanded the responsibilities of the Control and Risk Committee, with responsibilities in the area of "Innovation, sustainability and governance", naming it the Control, Risk and Sustainability Committee. At the same time it appointed a fourth member in the person of Mirja Cartia d'Asero, an independent non-executive director.

Appointments and Remuneration Committee

Chairperson	Elena NEMBRINI
Members	Marco GAY
	Patrizia Elvira MICUCCI

Committee on compliance with the Editorial Mission of the 24 ORE Group

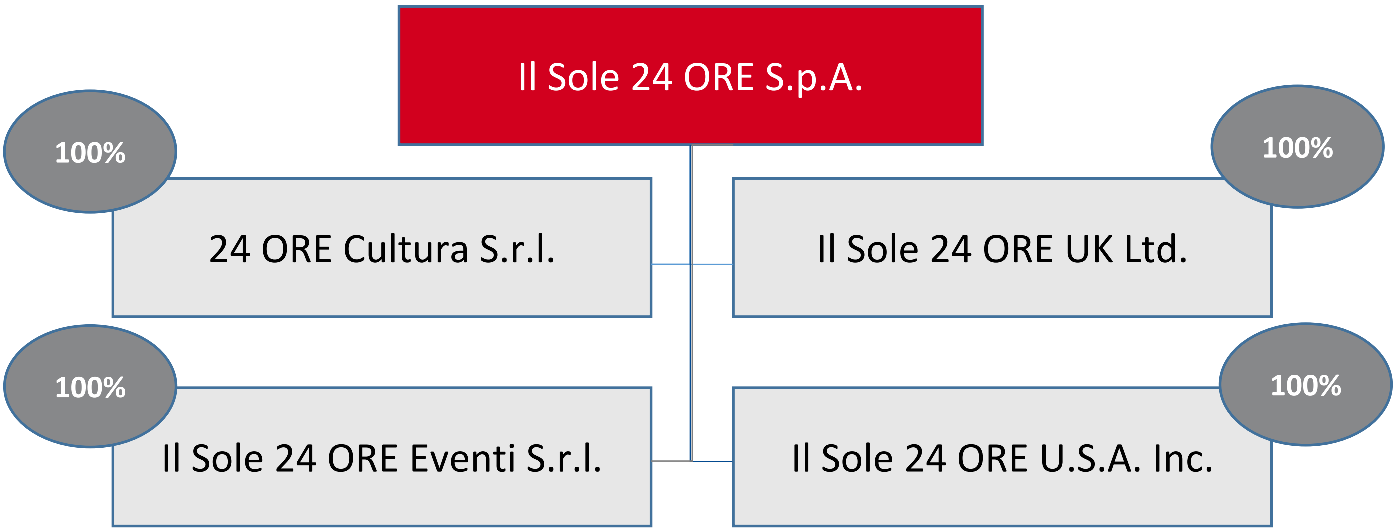
Chairperson	Carlo ROBIGLIO
Members	Marco GAY
	Fabio Domenico VACCARONO

Board of Statutory Auditors

Chairperson	Pellegrino LIBROIA
Standing Auditors	Paola COPPOLA
	Francesco PELLONE
Alternate Auditors	Alessandro PEDRETTI
	Cecilia ANDREOLI

Common representative of special category shareholders	Marco PEDRETTI
Manager in charge of financial reporting	Paolo FIETTA
Internal Audit Manager	Claudio VITACCA
Independent Auditors	EY S.p.A.

STRUCTURE OF THE 24 ORE GROUP AT 30 JUNE 2021



THE 24 ORE GROUP AT 30 JUNE 2021 - SUMMARY FIGURES AND INFORMATION

Group Profile

The 24 ORE Group is the main multimedia publishing group active in Italy in the economic-financial, professional and cultural information market, offering its services to the public, professional categories, businesses and financial institutions.

The information offered by Il Sole 24 ORE, the leading daily newspaper in economic, financial and regulatory news, is integrated with the press agency Radiocor Plus (Italian leader in financial information), the portal www.ilsole24ore.com and the news & talk radio station Radio 24.

The Group's reference market for advertising consists of the press (excluding local advertising), radio and digital media.

The Group has a leadership position in services for professionals and businesses, entirely owned in Italy, with an integrated range of publishing products and services aimed at meeting the needs of professionals, businesses and the public administration for updates and in-depth analysis on tax, legal, regulatory and economic-financial issues. The Group is also present on the software market with products focused on professional clients.

The 24 ORE Group also boasts an important presence in the organization of exhibitions and cultural events through the company 24 ORE Cultura S.r.l., one of the main players in the market which, with twenty years of experience and over 50 major exhibitions produced, can boast a consolidated network of relationships with leading institutions in Italy and around the world.

The Group operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events and meetings, also in collaboration with public and private entities through the company Il Sole 24 ORE Eventi S.r.l.

Key summary figures of the 24 ORE Group

The 24 ORE Group closed H1 2021 with a positive EBITDA of Euro 7.3 million, a negative EBIT of Euro 1.1 million and a net loss of Euro 3.3 million. Equity amounted to Euro 32.0 million, a decrease of Euro 3.3 million compared to equity in the consolidated financial statements at 31 December 2020, which amounted to Euro 35.3 million.

The following are the Group's key financial figures at 30 June 2021 derived from the consolidated financial statements:

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Euro thousands	H1 2021	H1 2020
Revenues	96,829	88,233
Gross operating margin (EBITDA)	7,276	3,744
Operating profit (loss) (EBIT)	(1,075)	(4,518)
Profit (loss) before taxes	(2,524)	(5,410)
Net profit (loss) for the period	(3,331)	(5,333)
	30.06.2021	31.12.2020
Non-current assets	142,448	146,719
Current assets	122,072	127,665
Total assets	**264,520**	**274,384**
Group equity	32,011	35,320
Minority interests	-	-
Total equity	**32,011**	**35,320**
Non-current liabilities	110,850	112,941
Current liabilities	121,659	126,123
Total liabilities	**232,509**	**239,064**
Total equity and liabilities	**264,520**	**274,384**

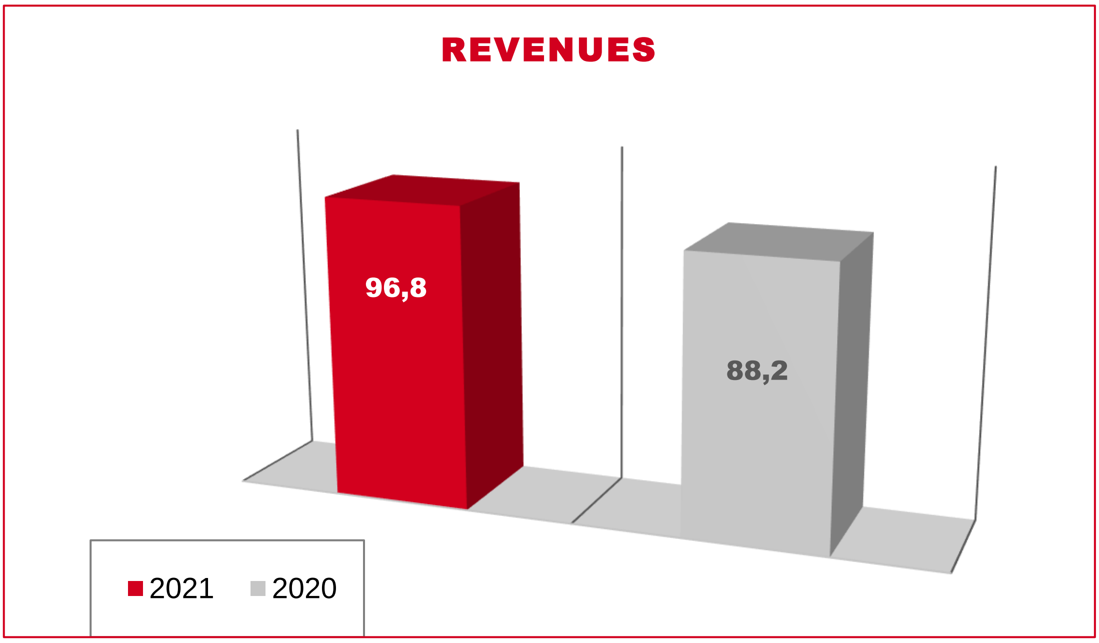
Key summary figures of the 24 ORE Group net of non-recurring income and expenses

Below are the Group's key financial figures for H1 2021, net of non-recurring income and expenses:

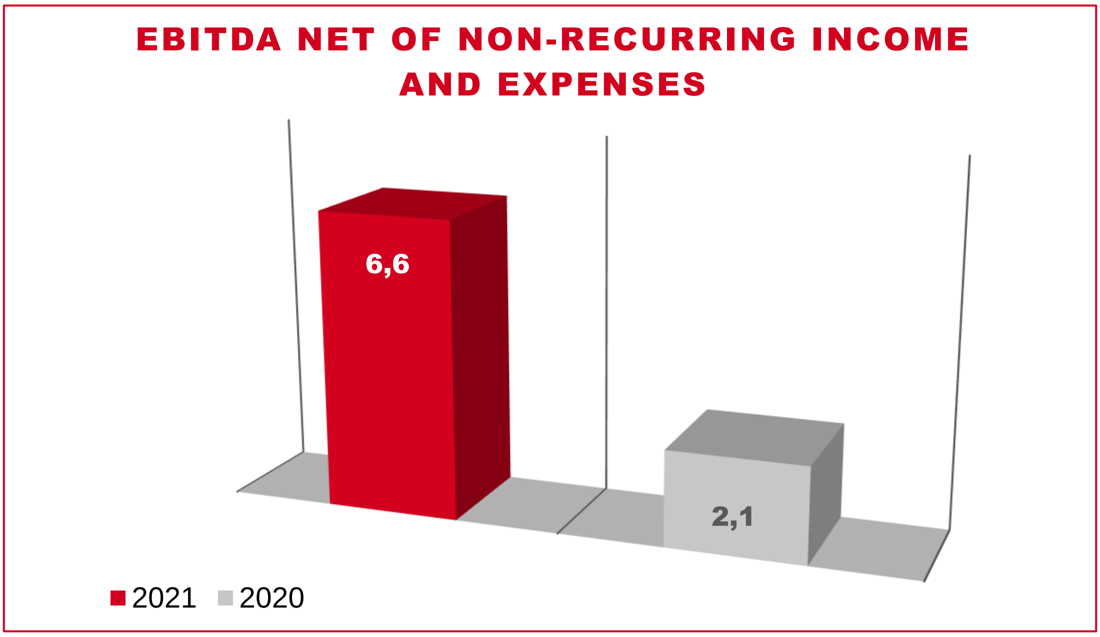
KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES		
Euro thousands	H1 2021	H1 2020
Revenues	96,829	88,233
EBITDA net of non-recurring income and expenses	6,572	2,116
EBIT net of non-recurring income and expenses	(1,099)	(6,145)
Profit (loss) before taxes net of non-recurring income and expenses	(2,547)	(7,038)
Net profit (loss) for the period net of non-recurring income and expenses	(3,355)	(6,960)
	30.06.2021	31.12.2020
Equity	32,011	35,320
Net financial position	(57,446)	(50,897)

The 24 ORE Group, while still feeling the negative effects of the health emergency linked to the spread of Covid-19 which began in March 2020, saw the first signs of growth thanks both to the improvement of the pandemic context and increasing confidence in the recovery, which are positively affecting the market as a

whole, and to the authoritativeness, the high quality of content, the launch of the new format of the newspaper, the positive advertising revenue performance, the continued development of products in the Tax & Legal area, the acceleration of the Events area and effective commercial policies in all areas. In H1 2021, the 24 ORE Group reported **consolidated revenues** of Euro 96.8 million (Euro 88.2 million in H1 2020), up 9.7% or +Euro 8.6 million compared to H1 2020.



The **gross operating margin** (EBITDA), net of non-recurring income and expenses at 30 June 2021 was a positive Euro 6.6 million, compared to a positive Euro 2.1 million in H1 2020. EBITDA for the period benefited from non-recurring income of Euro 1.3 million deriving from contributions obtained in support of companies following the health emergency caused by the spread of the Covid-19 virus, partially offset by restructuring costs of Euro 0.6 million, included among personnel costs.



Below is the breakdown of non-recurring income and expenses:

BREAKDOWN OF CONSOLIDATED NON-RECURRING INCOME AND EXPENSES		
Euro thousands	H1 2021	H1 2020
Gross operating margin (EBITDA)	**7,276**	**3,744**
Covid-19 contributions	1,280	
Release of provision for tax risks on disposal of BS24 investment		1,500
Release (allocation) of provision for social security risks		128
Provision for personnel restructuring expenses	(575)	
Total non-recurring income and expenses with impact on EBITDA	**705**	**1,628**
EBITDA net of non-recurring income and expenses	**6,572**	**2,116**
Operating profit (loss) (EBIT)	**(1,075)**	**(4,518)**
Total non-recurring income and expenses with impact on EBITDA	**705**	**1,628**
Impairment of intangible assets	(681)	
Total non-recurring income and expenses with impact on EBIT	**23**	**1,628**
EBIT net of non-recurring income and expenses	**(1,099)**	**(6,145)**
Profit (loss) before taxes	**(2,524)**	**(5,410)**
Total non-recurring income and expenses with impact on EBIT	**23**	**1,628**
Total non-recurring income and expenses on profit (loss) before taxes	**23**	**1,628**
Profit (loss) before taxes net of non-recurring income and expenses	**(2,547)**	**(7,038)**
Net profit (loss)	**(3,331)**	**(5,333)**
Total non-recurring income and expenses on net profit (loss) before taxes	**23**	**1,628**
Total non-recurring income and expenses on net profit (loss)	**23**	**1,628**
Net profit (loss) net of non-recurring income and expenses	**(3,355)**	**(6,960)**

The **net financial position** at 30 June 2021 was a negative Euro 57.4 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 6.5 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section “Significant events occurring after 30 June 2021” for more information.

The Group's current net financial position was a positive Euro 22.3 million, compared with a positive Euro 30.9 million at 31 December 2020. Current financial receivables include Euro 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. and current financial receivables in accordance with IFRS 16 for Euro 0.1 million. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.9 million.

Significant events in H1 2021

On 1 February 2021, the Company communicated to the trade unions the adoption of the restyling of the newspaper Il Sole 24 ORE starting from the edition of 16 March 2021, which provides for a new format with consequent cessation of printing activities carried out in the two production centres owned by the Group (Milan and Carsoli (AQ)) and entrusting all printing activities to third-party providers. The consequent discussions with the trade unions were concluded with the signing of an agreement for the management of the related excess employment.

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The estimates of the 2021-2024 Plan reflect the new market trend forecasts and incorporate the updated implementation schedules of the initiatives already envisaged in the post-Covid 2020-2023 Plan, confirming the investment in printed products, primarily the re-launch of the newspaper in the new format, and in innovative digital initiatives.

The actions of the Plan are centred on a “digital first” strategy as an enabling element for the continuous enrichment of the system of multi-format and multi-platform products of Il Sole 24 ORE, the efficiency of processes, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories.

The 2021-2024 Plan confirms the progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs. Compared to the 2020-2023 post-Covid Plan, updated estimates project a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in subsequent years.

The 2021-2024 Plan also provides for:

- initiatives aimed at strengthening the radio market and expanding the audience;
- greater emphasis on investments in new publishing initiatives, supported by innovative product technologies and management systems, as part of a process of accelerated digital transformation of the Group;
- reducing the costs of the operating structure through a profound industrial and editorial process reorganization, the streamlining of support and staff structures and the strengthening of distinctive skills.

On 16 March 2021 a new format of the newspaper was introduced. The initiative represents the most visible new element within a broader plan to enhance the value of content (including audio/video/podcast content) and the continuous renewal of the supply system from a multi-format and multi-platform perspective, possible by virtue of the “digital first” strategy. In addition, the new format of the newspaper Il Sole 24 ORE and related initiatives represent an opportunity to strengthen circulation and pursue the engagement of traditional and new targets. Concurrently with the restyling of the newspaper “Il Sole 24 ORE” and its attachments and cessation of production at its own plants, all printing activities were outsourced to third-party suppliers at the plants located in Erbusco (Brescia), Rome, Messina and Sassari.

The enrichment of the printed and digital offer in the professional area exploits new publishing and technological platforms for the development of products and services and to create a product system, enhancing the great strength of the brand.

On 23 March 2021, the Board of Directors resolved to change the registered and administrative office to Milan, Viale Sarca 223. In April 2021, the transfer of Milan office personnel from Via Monte Rosa to Viale Sarca was completed.

In continuity with the path of innovation of the information system of Il Sole 24 ORE launched on 16 March 2021 with the new daily newspaper, a new home page of the site was released on 30 April 2021, in order to respond to criteria of greater dynamism and flexibility in the proposal of real time update and in-depth content.
The communication stages of the new Sole project also include the inauguration of a widespread exhibition, Il Sole 24 ORE X Milano, which brings to the city, the headquarters of Il Sole 24 ORE, a twelve-stage tour of twelve symbolic places in the city with as many totems that narrate the change in the city through historical pages of the newspaper.

With reference to the appeal brought by the Company before the Lazio Regional Administrative Court (TAR) to challenge Consob resolution no. 20770 of 28 December 2018, on 23 April 2021, by judgement no. 04766/2021, the Lazio Regional Administrative Court (Second Section Quater) rejected the aforementioned appeal.

On 28 April 2021, the Shareholders' Meeting of Il Sole 24 ORE S.p.A., approved the Company's Financial Statements for the year ended 31 December 2020 with a loss for the year of Euro 1,010,732. The same Meeting also resolved to carry forward the loss for the year.

On 28 April 2021, the Shareholders' Meeting acknowledged the 2020 Consolidated Non-Financial Statement, contained in the 2020 Annual Financial Report, published on 7 April 2021 and prepared in accordance with Legislative Decree 254 of 30 December 2016.

On 28 April 2021, the Shareholders' Meeting resolved to approve the first section of the Report on Remuneration Policy and Remuneration Paid pursuant to article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance (TUF), containing the illustration of the Company's Policy on the remuneration of the Boards of Directors, Key Executives and, without prejudice to the provisions of article 2402 of the Civil Code, of the members of the Statutory Auditors as well as the procedures used for the adoption and implementation of this policy. The Shareholders' Meeting also voted in favour of the second section of the Report relating to the remuneration paid during the relevant 2020 year pursuant to article 123-ter, paragraph 6, of the TUF.

On 28 April 2021, the Shareholders' Meeting resolved to appoint as Directors of the Company, pursuant to and in accordance with article 2386, paragraph 1, of the Civil Code and article 19 of the Articles of Association, Mirja Cartia d'Asero and Veronica Diquattro, who were co-opted on 23 July 2020 and 7 October 2020, respectively, to replace Vanja Romano and Marcella Panucci. The Directors thus appointed will remain in office until the expiry of the term of office of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.
On 8 June 2021, in accordance with art. 122 of Legislative Decree 58/1998 (the “TUF”) and articles 129 and 131 of Consob Regulation no. 11971/1999 (the “Issuers' Regulation”), certain changes in the parties to the shareholders' agreements that took place on 22 February 2019 (the “Agreement”) between Confindustria and 53 other associations and entities belonging to the Confindustria system (“Adhering Associations”) were disclosed. In particular, the number of Adhering Associations was reduced from 53 to 51, due to a merger involving some Adhering Associations and the sale completed on 3 June 2021 of the equity investment held by Sicindustria to Confindustria, with the consequent exit of Sicindustria from the Agreement. The total percentage of shares contributed to the Agreement (68.549% of share capital) did not change.

On 30 June 2021, subject to the favourable opinion of the Company's Related Party Transactions Committee, pursuant to Article 4, para. 3 of the “*Regulation of Transactions with Related Parties*” approved by Consob resolution no. 17221/2010 and updated, most recently, by Consob resolution no. 21624 of 10 December 2020, the Company's Board of Directors approved the update of its own internal regulation on transactions with related parties, in compliance with the aforementioned novelty.

Market context

Starting in the second half of February 2020, the market was affected by the health emergency linked to the spread of the Covid-19 virus, but starting in March 2021 it showed signs of growth thanks to the improvement in the pandemic situation and increasing confidence in the recovery, which are positively affecting the market as a whole.

ADS data from major national newspapers indicate for the period January-May 2021, a decline in total circulation of print copies added to digital copies of -4.1% compared to the same period of 2020. This trend is attributable to a drop in circulation of the printed version of -9.9%, partly offset by an increase in digital circulation of +13.7% (*Source: ADS data processing January - May 2021*).

The most recent listening figures for radio refer to the first half of 2021 and recorded a total of 33,216,000 listeners on the average day, down 4.6% from H1 2019 (*Source: RadioTer 2019-2021*); figures for H1 2020 are not available due to the temporary interruption of surveys by research institutions due to the spread of the Covid-19 pandemic.

The reference market for the Group's advertising sales closed the first five months of 2021 with growth of +15.4% (net of local newspaper advertising), showing the first signs of recovery after a year adversely affected by the Covid-19 emergency: newspapers closed at +7.5% (net local), magazines at -2.9%, radio at +22.1% and Internet at +27.2% (*Source: Nielsen January/May 2021*).

The year 2021 continues to shape up to be a difficult year for operators in the professional publishing sector, due to the long wave triggered by the ongoing health emergency crisis (Covid-19), which will be reflected in the sectors in which the clients of professionals, the main target market, operate (especially accountants and lawyers). According to Confcommercio, which processed Movimprese Unioncamere data, more than 300 thousand businesses had to close in 2020 due to the effects of the Covid-19 pandemic. In addition to companies, it is necessary to add the self-employed, for whom it is estimated that about 200,000 ordinary and non-ordinary professionals working in professional, scientific and technical activities, administration and services and others were forced to close their businesses.

A contraction is expected for tax publishing (-2.4%) and for the legal area (-2.1%) impacted by the reduction of the income of professionals who will suffer the long wave of the crisis triggered from 2020 onwards by the effects of the restrictive measures of business activities related to Covid-19 and consequently of their client sectors.

In terms of media, in 2021, the current trends do not seem to change: overall, electronic publishing will continue to grow (+1.8%), driven by online and digital content (+3.2%), while offline publishing will continue its strong contraction trend (-60%). A slowdown in growth is expected for management software (+3.7%), which will see the increasing integration of digital editorial content within management software (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2020*).

REPORT ON PERFORMANCE OF BUSINESS AREAS

The table below shows the Group's key figures broken down by business area.

INCOME STATEMENT BY BUSINESS AREA

SECTOR	Revenues from third parties	Intersegment revenues	Total Revenues	EBITDA	Amortization/Depreciation	IFRS 16 contractual changes and other write-downs	Gains/losses	EBIT
PUBLISHING & DIGITAL								
H1 2021	31,601	22,545	54,146	5,121	(2,404)	(354)	61	2,425
H1 2020	31,749	18,730	50,479	1,270	(2,336)	-	-	(1,066)
TAX&LEGAL								
H1 2021	24,218	76	24,295	8,044	(556)	(263)	-	7,225
H1 2020	22,262	109	22,371	6,400	(482)	-	-	5,918
RADIO								
H1 2021	94	6,956	7,050	(96)	(680)	(4)	-	(781)
H1 2020	55	6,510	6,564	125	(678)	3	-	(551)
SYSTEM								
H1 2021	38,528	(780)	37,748	(554)	(13)	-	-	(567)
H1 2020	33,170	(1,049)	32,121	537	(14)	-	-	522
EVENTS								
H1 2021	1,408	1,078	2,485	636	(3)	-	-	633
H1 2020	87	1,097	1,184	(99)	(2)	-	-	(102)
CULTURE								
H1 2021	979	170	1,149	(494)	(210)	-	-	(704)
H1 2020	910	309	1,219	(1,534)	(249)	-	-	(1,783)
CORPORATE AND CENTRALIZED SERVICES								
H1 2021	0	-	0	(5,381)	(3,871)	(63)	10	(9,305)
H1 2020	0	-	0	(2,953)	(4,505)	-	2	(7,455)
CONSOLIDATED								
H1 2021	**96,829**	**-**	**96,829**	**7,276**	**(7,737)**	**(685)**	**71**	**(1,075)**
H1 2020	**88,233**	**-**	**88,233**	**3,744**	**(8,266)**	**3**	**2**	**(4,518)**

Publishing & Digital

Publishing & Digital is the business area that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, products attached to the newspaper, magazines, add-ons, the website and the press agency Radiocor Plus.

RESULTS OF THE PUBLISHING & DIGITAL AREA			
Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	31,650	31,717	-0.2%
Advertising revenues	22,496	18,761	19.9%
Revenues	**54,146**	**50,479**	**7.3%**
Gross operating margin (EBITDA)	5,121	1,270	303.4%
EBITDA Margin %	9.5%	2.5%	6.9 p.p.
Operating profit (loss) (EBIT)	2,425	(1,066)	327.4%

Market performance

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of 4.1% for the period January-May 2021 compared to the same period of 2020, with a decline in circulation of the print version of 9.9% offset in part by an increase in digital circulation of 13.7% (*Source*: *ADS data processing January - May 2021*).

Area performance

The **Publishing & Digital** area closed H1 2021 with revenues of Euro 54.1 million, up by Euro 3.7 million (+7.3%) compared to the same period of 2020.

Circulation and other revenues totalled 31.7 million, down Euro 0.1 million (-0.2% compared to 30 June 2020). Circulation figures and copies sold of Il Sole 24 ORE are reported in the section “Economic performance” below.

Advertising revenues amounted to Euro 22.5 million, an increase of Euro 3.7 million (+19.9% compared with H1 2020), a result achieved thanks also to the launch of the new format of the newspaper on 16 March 2021.

EBITDA in the Publishing & Digital area was positive at Euro 5.1 million and compares with positive EBITDA of Euro 1.3 million in H1 2020.

The main changes in H1 2021 compared to the same period last year are:

- personnel costs down by Euro 1.5 million (-5.7%);
- direct costs up by Euro 0.4 million (+2.1%), due in particular to higher production costs of Euro 1.2 million relating to the new production structure, partly offset by lower distribution costs of Euro 0.5 million (-6.3%) and lower raw material costs of Euro 0.3 million (-13.0%);
- advertising and promotional costs, up Euro 1.1 million mainly due to the campaign in support of the new newspaper;
- lower property management costs of Euro 0.9 million.

The Publishing & Digital area is divided into two units: the **Newspaper and related products**, including magazines and the website www.ilsole24ore.com and **the news agency Radiocor Plus**.

Performance of the newspaper and related products

RESULTS OF THE NEWSPAPER AND RELATED PRODUCTS (*)			
Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	28,101	28,416	-1.1%
Advertising revenues	22,461	18,761	19.7%
Revenues	**50,562**	**47,178**	**7.2%**
Gross operating margin (EBITDA)	5,198	1,480	251.3%
EBITDA Margin %	10.3%	3.1%	7.1 p.p.
Operating profit (loss) (EBIT)	2,559	(786)	425.6%

(*) Includes the website www.ilsole24ore.com and the magazines How to Spend It and 24Hours

Total revenue for the newspaper and related products was Euro 50.6 million and was up 7.2% compared to H1 2020. Advertising revenues amounted to Euro 22.5 million, up Euro 3.7 million compared to the same period of 2020 (+19.7%). Circulation and other revenues amounted to Euro 28.1 million, down Euro 0.3 million compared to the same period of the previous year (-1.1%). The newspaper's circulation revenues (print + digital) were down by Euro 1.7 million (-7.1%) compared to H1 2020, when they were Euro 24.5 million. Circulation revenues of the print newspaper amounted to Euro 12.5 million (-18.9% compared to the same period of the previous year). Circulation revenues of the digital newspaper amounted to Euro 10.3 million, up Euro 1.2 million compared to H1 2020 (+13.1%).

The gross operating margin (EBITDA) was a positive Euro 5.2 million, compared with a positive Euro 1.5 million the previous year.

During H1 2021, Il Sole 24 ORE began a product renewal process that brought a completely renewed newspaper to news-stands on 16 March 2021: a new paper format, a new scanning of the newspaper, new content, new graphics and a new App full of innovative features. The new Il Sole 24 ORE comes in the "*Rhenish*" format, moving from the 40x56 Broadsheet to the 35x53, with one column less, making it more manageable. At the same time, thanks to a clearer hierarchy of the news items on the page and useful and immediate summaries, the readability and overall distribution of the content has been improved. There are also changes to the editorial layout and content (including the new Scuola 24 vertical pages on Mondays and the new vertical pages on Sundays dedicated to leisure: Viaggi 24, Sport 24, Arredo Design 24 and Tech 24). The Plus24 insert dedicated to personal finance has been expanded both in terms of format, taking on the format of a daily newspaper compared to the previous tabloid version, and in terms of content, with new columns including Serie TV and Classifiche libri joining the Sunday cultural section.

At the same time as the release of the new newspaper, the new app for tablets and smartphones, iOS and Android, was also released on 16 March 2021, with a new, faster and more efficient experience of reading the digital copy of the newspaper, as well as one-tap access to the entire world of Il Sole 24 ORE: website, 24+ - the premium section of the website -, podcasts. Among the most innovative new features of the app are the introduction of a voice management system that makes it possible to interact in a simple and intuitive way by interfacing with Siri and Google Assistant, the new use of all the Podcasts, and the new "Brief" format, a free daily summary, edited by the central editor of Il Sole 24 ORE, which every evening at 7 pm completes and elaborates on the headlines of the morning paper.

The launch of the new Il Sole 24 ORE was accompanied, on 24 March 2021, by the live digital event "Reshape the World", dedicated to the theme of change, everyday life and also businesses and the Italian system.

Concurrently with the restyling of the newspaper "Il Sole 24 ORE" and its attachments and cessation of production at its own plants, all printing activities were outsourced to third-party suppliers at the plants located in Erbusco (Brescia), Rome, Messina and Sassari.

An important communication campaign, with the claim "*Il nuovo Sole sei tu*", supports the launch on all the Group's online and offline media and with a media plan on the touchpoints most likely to involve the reference target and to spread the values of the brand, and is flanked by actions of direct engagement with users, starting from the social channels of Il Sole 24 ORE and actions of visibility on the news-stand channel.

The Il Sole 24 ORE editorial brand maintained its position on the podium in the trust ranking drawn up by the Reuters Institute's Digital News Report 2021, first among daily newspapers and third overall.

During H1 2021, the newspaper's editorial offer for readers was enriched with numerous initiatives and appointments at news-stands:

- the items with focus of Norme e Tributi, generally on Wednesday, with in-depth analysis of the most important and current regulatory news explained by the editorial staff of Norme & Tributi. A total of twenty titles were published including Crisi d'impresa, Mille proroghe, Assemblee Condominiali;
- Instant guides, for a total of sixteen titles, dedicated to regulatory and educational issues including: Guida alla scelta della scuola superiore, Investire Green, Superbonus 110%, reprinted for a second time in optional combination following the great success of the first issue, and four publications dedicated to the National Recovery and Resilience Plan.

In addition, the need to offer specialized content that is always up-to-date has led to the continuation of the new format launched in 2020 "Le sintesi del Sole", to provide in-depth, timely and concise information on the most important issues that are subject to continuous amendments in laws and decrees.

All releases were supported by dedicated communication campaigns on the 24 ORE Group's media. The information offer of Il Sole 24 ORE is completed by Local Reports (Northwest, Northeast, Lombardy, Centre and South), every Friday, and by Enigmistica24, which changed periodicity and day of publication at news-stands from 16 March 2021 with the new daily project, moving from Saturday, fortnightly to Friday, monthly.

Many initiatives also on the line of books and add-ons, which sees books published by Il Sole 24 ORE written by journalists and contributors, with a distribution through news-stands, book stores, the latter still impacted by restrictive measures related to the Covid-19 emergency in the first half of the year, and digital stores, alongside proposals selected by third-party publishers with a view to expanding the target audience intended only for the news-stand channel.

The initiatives are divided into:

- eleven issues for books by Il Sole 24 ORE: "A stasera e fai il bravo", "Brexit, istruzioni per l'uso" and "Amori e pandemie", "Un pianeta piccolo"; "Scacchi & Management"; "Napoleone e le sue Isole"; "Fiumi"; "Primo non comandare"; "Crisis Therapy"; "24 Storie di Bici"; and "Madri della Costituzione";

- fifteen issues for books in collaboration with third-party publishes: including "Tana libera tutti", "Ragazze con i numeri", "Leader che hanno cambiato la storia"; "Il segreto di una memoria prodigiosa", "10 idee per sconfiggere il razzismo"; "Dall'io al noi"; "Il futuro del lavoro è femmina"; "Let's speak"; "Vendita e ingaggio clienti"; for the series "I grandi libri" the four issues Politics, Astronomy, Economics and Business; and the issues "Trekking Italia" and "Bici Italia".

The publication of three series for a total of fifteen volumes began in H1 2021:

- "Pazzi per la matematica": from 13 March 2021, weekly issues for children dedicated to activities to get closer to the world of numbers in an engaging and playful way, initially planned for three issues, the series is being extended to ten titles after its success at news-stands;
- "Pazzi per il coding": from 27 May 2021, five weekly issues for children dedicated to the basic concepts of programming, with a digital area for practical application of the first notions learned;
- "Quid+": "Dall'io al noi", the first issue of the Quid+ series dedicated to children to address the issue of civic education.

Closing the list of publications in conjunction with Il Sole 24 ORE is *Aspenia*, the quarterly publication of Aspen Institute Italia, which has achieved its planned release in Q1 2021.

The customary historic event with the readers of Il Sole 24 ORE took place on 28 January 2021. For the 30th edition of Telefisco, the event dedicated to all the regulatory news of the Manoeuvre, aimed at accountants and spread throughout the country, was for the first time entirely realized in digital format, with a mode of access designed to meet all the needs of users through three formulas: basic, with free live broadcasting and training credits, plus, with deferred and digital handout and advanced, with additional webinars included of continuing education from March to December 2021 and additional content. The formula was replicated for a special summer Telefisco edition, on 23 June 2021, dedicated to the 110% bonus and recovery aid.

The Alto Rendimento Award, the recognition given by Il Sole 24 ORE to Management Companies and Mutual Funds that have best combined the risk/return ratio, now in its 23rd edition, continues as already in 2020 to reward the winners in a Digital Edition with a round table and video contributions from the winners on the website ilsole24ore.com/altorendimento.

Collaboration continues with our partner Statista, which on 29 April 2021 saw the conclusion of the first edition of the "Leaders in Sustainability" project, a survey that identified the top 150 companies based in Italy capable of growing while respecting the environment, setting social objectives and choosing transparent and effective governance. All the results of the survey and their interpretation have been published in the 18-page "Sustainability Leaders" Report and a dedicated Lab24 page. The third edition of "The Law Firms of the Year 2021", aimed at identifying the law firms most recommended by clients, competitors and corporate lawyers, ended on 17 May 2021, with the production of a dedicated 18-page Report and an online special, providing a detailed and current overview of the sector.

In January-June 2021, numerous media partnership projects were formed with external partners which, in addition to the definition of specific commercial agreements, made available exclusive content then managed by our editorial staff. The main agreements include the "webinar on e-commerce in fashion in Germany" organized in Berlin by ICE; the event "Italy, France, and the Next Generation EU" organized by the French Embassy in Rome and the "start up days" organized by the University of Bologna to encourage the meeting between entrepreneurs and academy.

Starting in January 2021, once a month, in support of the project "24 ORE Experience in tempo di pandemia", a brochure with strong emotional visual content will be combined with the digital copy of Il Sole 24 ORE, with proposed destinations and travel packages designed to respect social distancing, privacy and safe travel: from stays in exclusive structures such as collection hotels, villas and castles, to the rental of private vehicles such as boats and planes.

Specific new initiatives have been launched to strengthen penetration and engagement with young people and women. In particular:

- on the occasion of 8 March 2021, Il Sole 24 ORE proposed an integrated editorial schedule for the community of readers and users of Il Sole 24 ORE with initiatives on all media and formats with a focus on women and work: the Newspaper on news-stands with a four-page folder; LAB24 infographics on female entrepreneurship; a cycle of streaming videoforums in collaboration with alleyOop, the multi-author blog of Il Sole 24 ORE dedicated to gender issues; the launch of the "Donne in campo" podcast on women's sports in collaboration with Audible, an initiative also repeated in May on the occasion of Mother's Day with an equal number of dedicated publishing initiatives;

- on the occasion of the launch of the newspaper, Il Sole 24 ORE is collaborating with the *call for ideas* launched by Università Cattolica to design how to experience the University inside and outside, at the same time offering students the opportunity of a free trial of the digital newspaper and inviting them to participate in a survey on the relationship with information.

Revenues from Group magazines (*How to Spend It* and *24 Hours*) closed H1 2021 with a 30.1% decline. Following the closure of IL in December 2020, like-for-like revenues for H1 2021 are up 20.1%.

How To Spend It, the monthly magazine dedicated to luxury in collaboration with *Financial Times*, had six issues in the half-year, with the March issue dedicated to fashion in the special edition "A Passion For Fashion" and the April issue focused on design in the special edition "Superior Interiors".

In H1 2021, the portal *www.ilsole24ore.com* recorded a daily average of 1.5 million unique browsers, down 31.4% compared to the average of the same period of 2020 (Source: *Mapp Intelligence* – formerly *Webtrekk*). The result is affected by the comparison with 2020 which from March shows data that are not directly comparable since in that month an all-time record was reached with 3.77 million unique browsers on average per day, +281.4% compared with the same period of the previous year, due to the spread of the Covid-19 emergency which continued in the following months.

There was also a decrease in video, with the average views per month for the first half falling by 21.9% compared to the 2020 figure.

Indicators were up on social media, and in particular Instagram +31.8%, Linkedin +27.8%, Facebook +6.3% and Twitter +5.7%, compared to June 2020.

Even in the continuation of the pandemic, the site is confirmed as a point of reference alongside the Covid Map, whose traffic continues to maintain high levels, the new Vaccine Map, which provides daily updated data on the trend of vaccines with details by region, by dose and by category. The maps are the result of the work of Lab24, the visual area of Il Sole 24 ORE that in H1 2021 has produced 17 formats between data visualization and long reads, all in the name of visual impact and experimentation of immersive narrative format.

In March 2021, a new graphical version of the articles was released, which improves the user experience with new modules dedicated to key content points and in-depth boxes and the enhancement of related articles. The new articles came a few weeks ahead of the launch on 30 April 2021 of the new home page of the site, part of the process of innovation that began with the new newspaper.

More dynamism, flexibility and depth are the keywords, thanks to a modular widget structure that allows rapid composition and updating of news, offering an increasingly optimized contextualization of advertising formats. The launch of the initiative was marked by the online round table "Reshape the web", the online Special Dossier on Digital Evolution and the 24+ Open Day: all premium articles were freely accessible for one day.

Among the new features of 24+ is the launch of a new form of interactive live video with subscribers in order to strengthen the community and the Holiday Desk, an area of experts available to answer questions and queries from green passes to rules for international travel.

On 31 March 2021, Google Showcase, the licence programme for the world of news, was officially launched in Italy. Thanks to it, within Google News and Discover it is possible to find new dedicated tabs, with enriched content and in-depth news, edited by partner publishers. Il Sole 24 ORE is among the partner publishers of the launch, with a selection of news with editorial curation. At the same time as the launch of Google Showcase, 24+, the premium section of the site *ilsole24ore.com* releases a new payment method, Subscribe with Google. New features on ilsole24ore.com include the new Weather section and a new format of multimedia enriched digital dossiers.

The digital offer of Il Sole 24 ORE in H1 2021 further strengthens its multimedia component, both in terms of video productions, with new web series and live appointments on the website and social networks, and in terms of audio productions, where alongside "Start24" (the Il Sole 24 ORE podcast that every morning summarizes the three useful news items for the day, constantly in the rankings of the main podcast platforms) and "Market Mover" dedicated to finance, in parallel with the launch of the newsletter of the same name, is the launch of "Sessantasecondi", the daily podcast edited by the deputy editor of Il Sole 24 ORE Alberto Orioli that every day comments on the main news of the day, and two new features "Le borse oggi" and "Covid, contagi e vaccini", which update daily on the closures of financial markets and on virus and vaccine trends, based fully on the use of artificial intelligence, from content production to speech synthesis. In addition to the production of daily and weekly podcasts, there are many new features planned, including free series, such as "I ragazzi di Nisida", or pay series such as "Tutto l'oro di Maradona", the first investigation of "Fiumi di denaro", which marks the arrival of Il Sole 24 ORE as the first daily newspaper on Apple Podcasts Subscriptions with a range of exclusive original content.

The agency Radiocor Plus reported revenues of Euro 3.5 million in H1 2021, growth of 8.8% compared to the same period of the previous year.

Tax & Legal

The Tax & Legal Area develops integrated product systems, with technical, regulatory and networking content, aimed at the world of professionals, companies and public administration. The specific market segments covered are Tax, Labour, Law, Construction and Public Administration. For each of them, integrated specialized information tools are created, capable of satisfying all the information, operational and networking needs of the reference targets: databases, vertical newspapers, magazines, books, internet services, software solutions, visibility platforms.

TAX & LEGAL RESULTS

Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	24,218	22,262	8.8%
Advertising revenues	76	109	-30.0%
Revenues	**24,295**	**22,371**	**8.6%**
Gross operating margin (EBITDA)	8,044	6,400	25.7%
EBITDA Margin %	33.1%	28.6%	4.5 p.p.
Operating profit (loss)	7,225	5,918	22.1%

Market performance

The year 2021 is shaping up to be a very difficult year for operators in the sector, due to the long wave triggered by the ongoing health emergency crisis (Covid-19), which will be reflected in the sectors in which the clients of professionals, the main target market, operate (especially accountants and lawyers). According to Confcommercio, which processed Movimprese Unioncamere data, more than 300 thousand businesses had to close in 2020 due to the effects of the Covid-19 pandemic. In addition to companies, it is necessary to add the self-employed, for whom it is estimated that about 200,000 ordinary and non-ordinary professionals working in professional, scientific and technical activities, administration and services and others were forced to close their businesses.

A contraction is expected for tax publishing (-2.4%) and for the legal area (-2.1%) impacted by the reduction of the income of professionals who will suffer the long wave of the crisis triggered from 2020 onwards by the effects of the restrictive measures of business activities related to Covid-19 and consequently of their client sectors.

In terms of media, in 2021, the current trends do not seem to change: overall, electronic publishing will continue to grow (+1.8%), driven by online and digital content (+3.2%), while offline publishing will continue its strong contraction trend (-60%). A slowdown in growth is expected for management software (+3.7%), which will see the increasing integration of digital editorial content within management software (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2020*).

A recent survey by the Milan Polytechnic Observatory on Digital Innovation shows how the effects of the pandemic have been different on different professional targets (*Source: "2020-2021 Study of Professionals, digital spending" - Osservatorio Professionisti e Innovazione Digitale Politecnico di Milano June 2021*):

- 61% of law firms reported a decrease in profitability in 2020 compared to 2019;
- on the other hand, 59% of accountancy firms and 60% of employment consultancies reported an increase in profitability in 2020 compared to 2019, as a result of more work coming from large firms, which were not affected by the drop in profitability, which instead mainly involved micro and small organizations;
- multidisciplinary firms are the category with the highest profitability growth (64%) in 2019- 2020.

Area performance

Despite the impacts of the crisis, related to the Covid-19 health emergency, revenues from the Tax & Legal area in H1 2021 amounted to Euro 24.3 million, an increase of Euro 1.9 million (+8.6%) compared to the same period of 2020.

Revenues from electronic publishing amounted to Euro 18.7 million, up by Euro 1.2 million (+6.6%) vs. H1 2020 in particular thanks to the development of the Norme & Tributi Plus product line, digital magazines and revenue from databases.

The new product lines launched in the second half of 2019, Software Valore24 and Partner24ORE networking contribute a total of Euro 2.3 million to the area revenues (Euro +1.1 million compared to the same period of the previous year).

Traditional paper products, such as books and magazines, amounted to a total of Euro 3.1 million, a fall of 14.1% compared with H1 2020, with different trends for revenues from the sale of books (+25.5%; Euro +0.1 million) and revenues from the sale of magazines, down by Euro 0.6 million (-20.7%).

Analysing revenues by main market segment, Tax and Labour products achieved revenues of Euro 14.7 million, up 0.5% compared to the same period of 2020; Law products recorded revenues of Euro 3.5 million, down (-0.7%) compared to H1 2020; Construction and PA products achieved revenues of Euro 2.0 million, up 4.4% on H1 of the previous year.

During H1 2021, work continued on the development and innovation of the offer. In the first six months of the year, new products and initiatives were launched to support professionals, companies and Public Administration:

- expansion of the *Modulo24* series: thematic modules, which offer in a single area, the updating of a newspaper, the in-depth analysis of a professional magazine, the specialist coverage of a manual and the operational indications of a practical guide;
- the implementation of the project dedicated to local Public Administration through the creation of new products (*Smart24 PA+; Smart24 Public Employees*) in order to respond in a complete and flexible manner to the needs of the market, combined with the strengthening of the dedicated sales network;
- expansion of the catalogue *Valore 24 Software* (*Invoice* - *Superbonus* - *Credit History Database* - *Third Sector* - *Business Plan*), reflecting the increasing development of the area with solutions mostly in the cloud dedicated to professionals in all areas and companies;
- the extension of the Partner 24ORE format to Employment Consultants;
- in-depth webinars linked to Telefisco: after the first edition in January, a special edition was held in June where, in addition to free participation in the streaming version, customers could choose to purchase the Plus or Advanced version with the possibility of benefiting from additional content and in-depth webinars on the 110% Bonus % - Aid to Companies - Tax return news;
- free webinars dedicated to Professionals and PA with in-depth analysis of the most current issues with the participation of the journalistic and professional editorial staff of the 24 ORE Group and experts in the field;

EBITDA was Euro 8.0 million, an improvement of 25.7% compared to H1 2020, which was Euro 6.4 million.

Radio

The Radio Area manages the national radio station Radio 24, News & Talk with an editorial format that alternates radio news with information and entertainment programmes.

RESULTS OF THE RADIO AREA

Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	144	229	-37.2%
Advertising revenues	6,906	6,336	9.0%
Revenues	**7,050**	**6,564**	**7.4%**
Gross operating margin (EBITDA)	(96)	125	-177.2%
EBITDA Margin %	-1.4%	1.9%	-3.3 p.p.
Operating profit (loss)	(781)	(551)	-41.7%

Market performance

The most recent listening figures for radio refer to the first half of 2021 and recorded a total of 33,216,000 listeners on the average day, down 4.6% from H1 2019 (*Source: RadioTer 2019-2021*); figures for H1 2020 are not available due to the temporary interruption of surveys by research institutions due to the spread of the Covid-19 pandemic.

Starting in March 2021, the advertising market of reference appears to have reversed the negative trend of the previous year, thus closing the period January-May 2021 at +22.1% compared to the same period of the previous year (*Source: FCP January/May*): in terms of spaces, the radio market in the period January/ March 2021 recorded a +16.4% compared to the previous year (*Source: Nielsen January/June; analysis by seconds*).

The spread of the Covid-19 pandemic has had a significant negative effect on advertising sales since March 2020. Companies have scaled back their advertising investments as a result of the reorganization of their activities, as well as revising their medium- to long-term communication strategies with a view to adapting them to the pandemic containment measures applied at national level.

Since the first months of the pandemic, the radio sector has promptly taken action by commissioning a series of research activities aimed at demonstrating how the reduced mobility has had a limited impact on radio listening and that, on the contrary, the use in a domestic context has increased the duration and fidelity of listening. The first two surveys in this sense have been conducted by the GFK research institute (the first during the March-April 2020 lockdown and the second in the period immediately following); between April and May 2021, three digital appointments of the fifth Radiocompass edition by FCP Assoradio were held, focused on the topic of the effectiveness of radio campaigns in Covid-19 time.

After a start still held back by the health emergency, during 2021 an increasing confidence in the recovery – thanks to the acceleration of the vaccination campaign and the consequent easing of restrictions – is positively influencing the advertising market, which is beginning to show the first signs of growth.

Automobiles and Distribution remain the leading sectors of the radio market (41% of the total in terms of space), although Automobiles recorded a significant decline compared to the same period of the previous year (-19.8% in terms of space); the Distribution sector, on the other hand, grew by 40.9%. Of note are the good results in Finance/Insurance, Professional Services and IT/Photography, which together recorded +43.1%. The positive performance of these sectors, however, does not fully compensate for the slowdown in investments by companies in the Automobile sector: the four sectors as a whole lost 4.7% compared to the same period in 2020 (*Source: Nielsen January/June 2021; analysis by seconds*).

Area performance

In H1 2021 Radio 24 reached 2,266,000 listeners in the average day (-1.7% vs. H1 2019) and 206,000 listeners in the average quarter-hour – a reference value for measuring advertising performance (up 3.0% vs. H1 2019. *Source: RadioTER 2019-2021*).

The Radio area closed H1 2021 with revenues of Euro 7.0 million and compares to revenues of Euro 6.6 million in the same period of 2020 (+7.4%).

Advertising revenues in the Radio area, including sales on radio stations and the website *www.radio24.it*, up by 9.0% compared to H1 of the previous year.

In terms of advertising space, in H1 2021, Radio 24 recorded +1.4% compared to the same period in 2020 (*Source: Nielsen January/June 2021; analysis by seconds*).

In the broadcaster's advertising sales, as in the radio reference market, the growth of Finance/Insurance, IT/Photography and Professional Services (which together record +6.8%) are not sufficient to compensate for the fall in Automobiles (-44.5%). These four sectors, which as a whole account for 46% of sales for Radio 24 in seconds, together come to -14.2% (*Source*: *Nielsen January/June 2021; analysis by seconds*).

The Radio 24 share in seconds of the total radio market is 8.2% (*Source: Nielsen - January/June 2021; no. seconds*).

In the period January/June 2021, the Radio 24 website recorded an average of 1.8 million page views per month. The number of single users of the website reaches a monthly average of 415 thousand (*Source: Webtrekk - January/June 2021*).

The profound strategic transformation launched in October 2019, which saw the Radio 24 website transformed from a news site to a digital audio hub (from which to listen to live radio and, on demand, podcasts of all broadcasts that have aired and original podcasts created *ad hoc*), continued in 2020 as part of the Group's Audio Content Strategy.

In H1 2021, audio stream (downloads and streaming on demand) of podcasts, available from the Radio 24 website and app but also from third-party platforms such as Spotify, amounted to about 33 million, for a monthly average of 5.5 million (*Sources January/March 2021: Audiometrix for the site and App, Spotify Metrix for Spotify*).

EBITDA was a negative Euro 0.1 million, compared with a positive EBITDA of Euro 0.1 million in H1 2020, which benefited from the recognition of income from a settlement agreement.

System - Advertising revenues

System is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media.

RESULTS OF THE 24 ORE SYSTEM AREA

Euro thousands	H1 2021	H1 2020	change %
Group revenues	36,608	31,155	17.5%
Revenues from third parties	1,140	966	18.0%
Revenues	**37,748**	**32,121**	**17.5%**
Gross operating margin (EBITDA)	(554)	537	-203.3%
EBITDA Margin %	-1.5%	1.7%	-3.1 p.p.
Operating profit (loss)	(567)	522	-208.6%

Market performance

The System reference market closed the first five months of 2021 with a decline of 15.4% (net of local newspaper advertising), determined by the continuation of the health emergency related to Covid-19: newspapers closed at +7.5% (net local), magazines at -2.9%, radio at +22.1% and Internet at +27.2% (*Source: Nielsen January/May 2021*).

Area performance

24 ORE System closed H1 2021 with revenues of Euro 37.7 million, up 17.5% on the first half of 2020.

From March 2020, the performance of the advertising market and, consequently, of System revenues was negatively affected by the spread of the Covid-19 pandemic. The situation immediately necessitated extreme flexibility: companies, which in an initial phase of perplexity have significantly slowed (if not stopped) their communication, progressively adapt their strategies to the new expectations and needs of consumers, as well as to the evolution of government measures aimed at containing the spread of the virus.

On the agency side, these aspects have translated into an even greater effort in the development of special initiatives created *ad hoc* for customers, which contributed, at least in part, to containing the negative effects of the crisis that struck the advertising market.

During 2021, the acceleration of the vaccination campaign, subsequent relaxation of restrictions and increasing confidence in the recovery are positively affecting the overall market, which is beginning to show signs of growth. In this context it is maintaining its position and even consolidating its share of the market dedicated to the development of special initiatives, increasingly recognized by companies as an effective vehicle of values and a means of building loyalty with their target audience.

Compared to a reference market that recorded +7.5% (total newspapers, net local. *Source: Nielsen January/May 2021*), Il Sole 24 ORE (daily newspaper + supplements) closed the first half of 2021 with 21.0% growth. If in this last year the authoritativeness, the high quality of the content and an effective commercial policy have allowed Il Sole 24 ORE to contain the negative effects of the pandemic better than the market, an additional positive contribution to the result obtained was the launch of the new format of the newspaper on 16 March 2021. This event also had wide resonance due to the celebratory online event held on 24 March 2021, which positively impacted revenue by recording an increase over both March 2020 of +43.8% and pre-Covid March 2019 (+6.4%). Thanks to a widespread institutional and commercial communication campaign, the advertising market responded positively to the launch of the new newspaper, contributing to the positive performance of advertising sales also with respect to the reference market.

In the newspaper market, there was a sharp decline in investments by companies belonging to the Finance/Insurance, Entities/Institutions and Professional Services (-11.4%) not totally offset by the growth of professional services (+9.1%. *source: Nielsen - January/June 2021; no. pages*). These two sectors account for 48% of total advertising sales in the newspaper Il Sole 24 ORE.

Magazines in the area closed H1 2021 down 30.0%, but net of the IL title closed in December 2020 growth was 22.3% (market -2.9%*; market source*: *Nielsen – January/May 2021*). The performance of magazines market was significantly affected by a fall in investments by companies in the Clothing and Home furnishings sectors (-12.4%. *source: Nielsen – January/June 2021; no. pages*). These sectors are of considerable significance within the monthly HTSI, with a 41% share of advertising sales in terms of space.

Radio 24 also performed well, posting a 9.9% increase in January/June, compared with a market that closed the period at +22.1% (*Source: Nielsen January/May 2021*).

In the radio market, the importance of the Automobile sector (which alone accounts for almost one-fifth of total advertising sales in terms of space) was confirmed, despite a significant fall compared with the same period of the previous year (-19.8% by no. of seconds). Of note are the good results in Finance/Insurance, Professional Services and IT/Photography, which together recorded +43.1%. The positive performance of these sectors, however, does not fully compensate for the slowdown in investments by companies in the Automobile sector: the four sectors as a whole lost 4.7% compared to the same period in 2020 (*Source: Nielsen January/June 2021; analysis by seconds*). Automobiles, Finance/Insurance, Professional Services and IT/Photography account for 46% of sales for Radio 24 in seconds.

For 24 ORE System, online sales in H1 2021 (net of fund type and sales on foreign titles) recorded 18.5% growth compared to a digital market that recorded +27.2% (*Source: Nielsen January/May 2021*). The revenue of the Group's websites recorded a positive performance (+27.6% in H1 2021, net of funds), benefiting from growth in the core sectors of Automobiles (+40.9%), Finance/Insurance (+9.2%) and Industry/Construction/Business (+23.9%); by contrast, the Media/Publishing sector declined (-18.2%. *Source: FCP January/May 2021; turnover*). Together, the four sectors account for 59% of the Group's total advertising sales (net of funds).

Gross operating margin (EBITDA) was negative for Euro 0.6 million, compared to a positive EBITDA of Euro 0.5 million in H1 2020, which benefited from the redetermination of provisions for the previous years.

Culture

The Culture Area operates in the management and enhancement of museums (Mudec), in the production and sale of exhibitions and related services (bookshop, ticketing, events) as well as in the design and publication of books and merchandising. These activities are carried out through 24 ORE Cultura S.r.l.

RESULTS OF THE CULTURE AREA

Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	1,149	1,219	-5.8%
Revenues	**1,149**	**1,219**	**-5.8%**
Gross operating margin (EBITDA)	(494)	(1,534)	67.8%
EBITDA Margin %	-43.0%	-125.9%	82.9 p.p.
Operating profit (loss)	(704)	(1,783)	60.5%

Market performance

As indicated by Confcultura, the museum sector is recording losses of over Euro 20 million per month. In addition to direct damage, there are also indirect damages, deriving from the reduction in the use of auxiliary services that are part of the museum offer, provided by the concessionaires.

In general, we are talking about decreases in collections and turnover ranging from 20% to 70%, while at the level of consumption, there could be a loss of about Euro 3 billion in spending on cultural and recreational activities, with an estimated decrease of a further 20% of consumption in the sector.

Following the emergency linked to the spread of the Covid-19 virus, cultural institutions reacted by conveying their traditional offer in completely new forms, above all by implementing their own remote services and creating new and innovative cultural products in terms of quantity and quality in order to satisfy citizens' demand for culture from a remote location (*from a survey by the Osservatorio Innovazione Digitale nei Beni e Attività Culturali of the School of Management of the Politecnico di Milano*).

In addition, the Observatory of the Italian Publishers Association (AIE), the main trade association for book publishing, recorded that, in the year of the pandemic, Italy closed with a positive sign. In 2020, paper book sales grew by 0.3% at cover price, hitting Euro 1.43 billion. The growth is even more marked, equal to 2.4%, if we consider e-books (up 37% to 97 million) and audio books (+94%, 17.5 million). Thanks to these increases, digital reading and listening now account for 7.4% of sales in the miscellaneous sector. Even more significant was the growth in terms of copies (+2.9%), where the +36.6% of e-books more than offset the slight fall in the number of copies of books (-0.8%). Overall, Italians bought 104.5 million books, not including audio books. Book stores - and more generally physical channels - cede market share to online, which grows from 27% in 2019 to 43%. Physical channels, however, recovered ground compared to online over the course of the year, going from 52% in April to 57% at the end of December (*source from AIE website: "AIE Data - Growing Book Market in 2020"*).

Area performance

The Culture area recorded revenues of Euro 1.1 million in H1 2021, down 5.8% compared to the same period of the previous year, which recorded revenues of Euro 1.2 million.

In H1 2021, the EBITDA of the Culture area was negative for Euro 0.5 million and compares with a negative EBITDA of Euro 1.5 million in the same period of the previous year.

The health emergency resulting from the epidemic of the Covid-19 virus had a major impact on the area performance. The activities of Mudec - Museo delle Culture di Milano were completely closed from 1 January 2021 to 25 April 2021.

Subsequently, following the presidential decrees, museums were allowed to open from 26 April 2021. The exhibitions *Robots. The Human Project* and *Tina Modotti. Women, Mexico and Freedom* were open to the public as of 1 May 2021. Instead, it was decided to postpone the exhibition *Disney*. *The Art of Telling Timeless Stories* in September, the most favourable season for the specific target audiences.

Mudec's Permanent Collection is currently closed for refurbishment and will reopen on 15 September 2021. With the opening of the museum, the activities of the Educational24 section have also restarted, with virtual visits in distance learning for schools, summer camps and tailor-made commercial activities.

During the 2020 financial year, in order to cope with the effects resulting from the Covid-19 virus health emergency, the company 24 ORE Cultura S.r.l. had obtained relief from the Ministry of Cultural Heritage and Tourism in the amount of Euro 3.5 million, and requested a second relief from the Ministry of Cultural Heritage and Tourism. With MD “Allocation of a portion of the emergency fund for cultural enterprises and institutions referred to in article 183, paragraph 2, of Decree-Law no. 34 of 2020, intended to compensate operators in the field of art exhibitions of 18 November 2020”, with respect to the loss of revenue from the production of exhibitions in the differential between the year 2019 and the year 2020 (1 August - 30 November), the competent Ministry has allocated by decree no. 326 of 12 April 2021 a contribution to the company 24 ORE Cultura S.r.l. equal to 62% of the requested compensation (Euro 2 million) for a value of Euro 1.2 million. The contribution was incorporated into this Half-yearly financial report as at 30 June 2021. In addition, the competent Ministry allocated Euro 0.1 million to the company 24 ORE Cultura S.r.l.; the latter will be acknowledged upon completion of the authorization and verification process envisaged in this regard and has therefore not been reflected in this Half-yearly financial report as at 30 June 2021.

The promotion useful for conveying the exhibitions aimed at the international market continued with the sale finalized in June 2021 of the exhibition “Banksy and the street artists” (scheduled to open in March 2022) for Japan; in addition, following the reopening of the Museum, the promotion of the sale of physical events behind closed doors in coexistence with digital formats was resumed in order to meet the market's new needs. In the publishing area, commercial activities involving sponsored volumes are being implemented, the production of books in paper format for book stores continues and sales of books in e-book format continue. In June the first three new titles under the “Libri Scheiwiller” brand, owned by 24 ORE Cultura, were launched on the market. The Libri Scheiwiller publishing catalogue plans a further 7 volumes by the end of 2021.

Events

The Events Area operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events and meetings, also in collaboration with public and private entities. These activities are carried out through the company Il Sole 24 ORE Eventi S.r.l..

RESULTS OF THE EVENTS AREA

Euro thousands	H1 2021	H1 2020	change %
Circulation revenues/other	125	304	-58.9%
Advertising revenues	2,361	880	168.3%
Revenues	**2,485**	**1,184**	**109.9%**
Gross operating margin (EBITDA)	636	(99)	739.6%
EBITDA Margin %	25.6%	-8.4%	n.s.
Operating profit (loss)	633	(102)	721.3%

Market performance

The year 2020, in this case the spread of the Covid-19 virus, constituted a watershed in the trend of the events sector: after years of constant growth that in Italy led the corporate events sector to reach Euro 900 million in 2019 (+1.8% compared to 2018; 5 billion by expanding the range to other types such as trade fairs, medical-scientific congresses, fashion, etc.), in 2020, the market value more than halved, from Euro 900 to 439 million (*source: "XVI Monitor on the Events and Live Communication Market in Italy", AstraRicerche. Survey period: November 2019/October 2020*).

The fifth survey carried out by AstraRicerche, in order to monitor the trend of events in times of health emergency, conducted between March and April 2021 and involving 427 players in the sector, forecast of an average loss of turnover for 2021 of around 64% (*source*: *"Event Industry in the Covid-19 Phase", AstraRicerche*).

In this last year and a half, the sector has had to reinvent itself, finding alternative solutions to physical events to meet the communication needs of companies, adopting methods of interaction and meeting on digital platforms. Despite the lack of in-person events, there is a growing appreciation of digital technology, which offers advantages from several points of view: broadening audience reach, using technology to stimulate participation, more effective monitoring of attendance, longer content lifecycle, and greater flexibility in being able to involve authoritative speakers (who can also connect remotely).

The events sector is certainly heterogeneous and not everyone benefits from online; however, in general there is a growing awareness that the future of events is hybrid (physical/digital. *Source: "The Events and Live Communication Industry in the Covid19 crisis", AstraRicerche*). Moreover, it remains to be considered that for some time to come the full resumption of physical events will be conditioned by the course of measures linked to the current health situation.

Area performance

The Events area closed H1 2021 with revenues of Euro 2.5 million, compared to revenues of Euro 1.2 million in the same period of the previous year: a result that demonstrates the ability to adapt its offer to the constantly evolving needs of a market strongly influenced by the pandemic.

The spread of Covid-19, from the end of February 2020, forced the suspension of all planned physical events and necessitated a rapid rethinking of the range: the area's activity therefore focused on the conversion of products from physical to digital. Il Sole 24 ORE Eventi S.r.l. has thus renewed its offer through the launch of new formats for the realization of digital events; moreover, in June 2020, the company Il Sole 24 ORE Eventi S.r.l. has started an activity as a service for the other companies of the Group, supporting them in proposing digital events to the market.

Notable initiatives in 2021 include:

- “Telefisco”, an event now in its 30th edition that covers the year's tax news;
- the “Emicrania” (Migraine) tailor-made event, supported by four pharmaceutical companies;
- “*Welfare & HR Summit*”, supported by the country's leading law firms;
- *Merger&Acquistion Summit;*
- *Recovery Plan. PNRR (National Recovery and Resilience Plan): challenges and opportunities for the Italian economy;*
- *Luxury Summit”;*
- *Made in Italy: setting a new course;*
- *Automotive Business Summit.*

In addition, in March 2021, three new and important events were held, such as “La strategia Italiana dell’Idrogeno” (The Italian Hydrogen Strategy), “*Corporate Sustainability Hub*” and, above all, the event for the launch of the new format of the daily newspaper Il Sole 24 ORE, which were a great success with the public and partners.

In May 2021, among the Summits held, we should also mention the “*Real Estate & Finance Summit”* and the “*Food Industry Summit”* and the second stage of the series dedicated to Extraordinary Finance “Utp 2021: The current situation and the players in the market”.

COMMENTS ON THE ECONOMIC AND FINANCIAL RESULTS

Economic performance

The following table shows the Group's key figures.

SUMMARY CONSOLIDATED INCOME STATEMENT		
Euro thousands	H1 2021	H1 2020
Revenues	96,829	88,233
Other operating income	2,136	4,757
Personnel costs	(40,223)	(40,796)
Change in inventories	(336)	(914)
Purchases of raw and consumable materials	(1,833)	(1,908)
Costs for services	(42,699)	(40,314)
Other operating costs	(4,472)	(4,126)
Provisions and bad debts	(2,126)	(1,188)
Gross operating margin	**7,276**	**3,744**
Amortization, depreciation and write-downs	(8,423)	(8,263)
Gains/losses on intangible and tangible assets	71	2
Operating profit (loss)	**(1,075)**	**(4,518)**
Financial income (expenses)	(1,477)	(995)
Gains (losses) on investments	28	103
Profit (loss) before taxes	**(2,524)**	**(5,410)**
Income taxes	(807)	78
Net profit (loss) from continuing operations	**(3,331)**	**(5,333)**
Profit (loss) from assets held for sale	-	-
Net profit (loss)	**(3,331)**	**(5,333)**
Profit (loss) attributable to minority shareholders	-	-
Net profit (loss) attributable to parent company shareholders	**(3,331)**	**(5,333)**

In H1 2021 the 24 ORE Group, while still feeling the negative effects of the health emergency linked to the spread of Covid-19 which began in March 2020, saw the first signs of growth thanks both to the improvement of the pandemic context and increasing confidence in the recovery, which are positively affecting the market as a whole, and to the authoritativeness, the high quality of content, the launch of the new format of the newspaper, the positive advertising revenue performance, the continued development of products in the Tax & Legal area, the acceleration of the Events area and effective commercial policies in all areas. The 24 ORE Group achieved **consolidated revenues** of Euro 96.8 million compared to Euro 88.2 million in H1 2020, up by Euro 8.6 million (+9.7%).

In particular, publishing revenues grew by Euro 0.7 million in H1 2021 (up +1.3% from Euro 50.8 million to Euro 51.4 million) due primarily to the growth in revenues from digital subscriptions to the newspaper, the *www.ilsole24ore.com* website, Tax & Legal products, add-ons and books, offsetting the decline in revenues from print newspaper and the sale of magazines. Advertising revenues rose by Euro 6.6 million or 20.1% compared to the first half of the previous year and amounted to Euro 39.7 million; other revenues recorded an increase of Euro 1.3 million (+29.5% from Euro 4.4 to 5.7 million), mainly due to the development of new initiatives in the Tax & Legal area. Revenues from the Tax & Legal area increased compared to H1 2020.

The health emergency caused by the spread of the Covid-19 virus produced negative impacts on ongoing sales to business segments that were affected by the lockdown and restrictive measures. As regards the digital version of the newspaper, on the other hand, there was a significant increase in new subscriptions with an increase in the number of copies circulated compared with the period before Covid-19.
The main dynamics that characterized consolidated revenues are:

- circulation revenues of the newspaper (print + digital) amounted to Euro 22.8 million, down by Euro 1.7 million (-7.1%) compared to H1 2020. Circulation revenues of the print newspaper amounted to Euro 12.5 million, down by Euro 2.9 million (-18.9%) compared to H1 2020. Circulation revenues of the digital newspaper amounted to Euro 10.3 million, up by Euro 1.2 million (+13.1%) compared to the same period of the previous year;
- the Group's advertising revenues of Euro 39.7 million were up on H1 2020. This result was achieved thanks to the authoritativeness and high quality of the content and effective commercial policies that allowed Il Sole 24 ORE to contain the negative effects of the pandemic better than the market, in addition to the launch of the new format of the newspaper on 16 March 2021. The Group's advertising revenues outperformed the reference market, up by 15.4% (*Source: Nielsen – January/May 2021*).
  The spread of the Covid-19 pandemic led to the suspension of the “physical” events of the subsidiary Il Sole 24 ORE Eventi S.r.l. in compliance with legal requirements. In order to mitigate the economic impacts, management's attention was promptly focused on converting initiatives to digital through the renewal of the offer and the launch of new event formats. These activities resulted in revenues of Euro 2.5 million in H1 2021 (Euro 1.2 million in H1 2020);
- revenues from electronic publishing in the Tax & Legal area amounted to Euro 18.7 million, up by Euro 1.2 million (+6.6%) vs. H1 2020 by virtue of the renewal of the product portfolio and the sales network launched in previous years and despite the impacts of the crisis related to the Covid-19 health emergency;
- revenues from the Culture Area, amounting to Euro 1.1 million, down by Euro 0.1 million (-5.8%) compared to H1 2020, were heavily penalized by the Covid-19 emergency, which led to the closure of all museums and exhibition venues during the lockdown period.

Circulation (paper + digital) of the daily newspaper Il Sole 24 ORE from January to May 2021 was 146,807 average copies per day (+1.6% compared to the same period of 2020). Specifically, the average daily print circulation reported to ADS for the period January-May 2021 is 59,159 copies (-9.1% compared to the same period of 2020). Digital circulation reported to ADS was 87,648 average copies per day (+10.3% compared to the period January-May 2020). News-stand sales in January to May 2021 were down 13.0% compared to the same period of the previous year with the market contracting in the same channel by 10.9% (Source: *ADS, News-stand Sales*).

The data refer to what the Publisher declared to ADS, considering that the new Additional Regulation for the execution of ADS assessments of digital editions, valid from the declaration of May 2017 and until December 2020, provides for the possibility of declaration of multiple and promotional digital copies in the presence of adoption.

A new ADS Regulation was released on 1 January 2021, which updates and unifies the reporting rules for both the print and digital daily newspaper. These rules apply from the declaration for January 2021 and provide for new data publication schedules that aggregate in a different way the declaration items already present in the previous version. Among the innovations with the greatest impact for Il Sole 24 ORE is the possibility to declare also the copies adopted in gracing if renewed within the deadline of the monthly accounting statement.

On 25 February 2019, the 24 ORE Group opened a discussion table with ADS to clarify some critical issues inherent in the requirements requested by ADS itself for the verification and certification of digital copies for the year 2017 with impacts also on the data declarations of subsequent periods. Based on these critical issues, on 5 February 2019, the auditor in charge of certifying the 2017 annual figures declared by the Publisher sent ADS the outcome of the audits, issuing a report with findings with respect to the current requirements of the “Regulations for Digital Editions” and related “Technical Annex”, in addition to the opinions of ADS itself, and correcting the data in the schedules.

The ADS Board discussed in depth in the ADS Technical Committee the issues on the critical issues in the Regulation raised in the 25 February 2019 letter. With regard to one of the issues raised by the 24 ORE Group relating to the certification of copies of the Il Sole 24 ORE daily newspaper circulated through multi-year subscriptions affected by the change in the VAT regime in 2016, Il Sole 24 ORE S.p.A. on 30 October 2019, received confirmation from ADS of its acceptance of the criterion for calculating the value of subscriptions, for their entire duration, based on the VAT rate in force at the time the subscription contracts were signed. The Company has informed the appointed auditor that it has updated its report and annual templates for the year 2017 based on the guidance received from ADS.

As a result of these corrections, the ADS Board issued the certificate for the year 2017 without, however, accepting, for the purposes of the annual certification, the other critical issues on digital copies raised by the 24 ORE Group, and thus confirming the other corrections made by the auditor on multiple and promotional digital copies subject to adoption.

On 17 April 2020, the same auditor in charge of certifying also the 2018 annual figures declared by the Publisher sent ADS the outcome of the audits, issuing a report with findings similar to those raised for the year 2017, with respect to the current requirements of the “Regulation for Digital Editions” and related “Technical Annex”, in addition to the opinions of ADS itself and correcting the data declared by the Publisher for the year 2018. Although many of the critical issues noted by the auditor were corrected by the Publisher and overcome as early as the end of 2018, the ADS Board, at its 25 May 2020 meeting, issued the 2018 certification, accepting the corrections indicated by the auditor.

Finally, with regard to the audit of the 2019 annual figures, the appointed auditor, while highlighting the corrective actions put in place by the Publisher during 2018, issued on 12 January 2021 a report with qualifications with respect to the current requirements of the “Regulation for Digital Editions” and related “Technical Annex”. On 5 May 2021, the ADS Board issued the certification for the year 2019 without making any changes to the data declared by the Publisher. In addition, the Group asked an independent third-party company to express an opinion on the effective application of the appropriate procedures adopted for the calculation of the Total Paid For Circulation (“TPFC”, i.e. the total number of daily paid sales of Il Sole 24 ORE in all markets through print and digital channels) at 30 June 2021; on conclusion of its checks, the independent third-party company issued an unqualified Assurance Report (*ISAE 3000 - Limited assurance*) on 26 July 2021.

Based on these procedures, the average Total Paid For Circulation for the period January-June 2021 was determined to be 178,332 copies (-0.8% compared to the same period of 2020), including all multiple digital copies sold, but not reportable as circulated for ADS purposes and therefore not included in the relevant statement.

The H1 2021 **gross operating margin (EBITDA)** was a positive Euro 7.3 million and compares to a positive EBITDA of Euro 3.7 million in the same period of the previous year. The change in EBITDA, positive by 3.5 million compared to the same period of 2020, is mainly attributable to the growth in revenues of Euro 8.6 million (+9.7%), lower operating income of Euro 2.6 million and an increase in costs totalling

Euro 2.4 million. Net of non-recurring income and expenses, EBITDA in H1 2021 was a positive Euro 6.6 million and compares with a positive EBITDA of Euro 2.1 million in H1 2020, up by Euro 4.5 million.

Personnel costs of Euro 40.2 million were down by Euro 0.6 million (-1.4%) compared to H1 2020, when they amounted to Euro 40.8 million. Net of non-recurring restructuring charges of Euro 0.6 million, staff costs are down Euro 1.1 million (-2.8%). The average number of employees, 832, decreased by 46 (mainly graphic designers and printers) compared with the previous year when it amounted to 878. Lower personnel costs are mainly the result of a reduction in average headcount compared to H1 2020 following redundancies resulting from the optimizations implemented. In addition, the Group, in order to contain the economic effects of the Covid-19 health emergency, resorted to the work support measures made available by the law. In particular, for the graphics and printing areas, as from 18 January 2021, ordinary wage subsidies were activated for Covid-19 for the maximum period permitted by law; for the journalism areas, agreements were signed for the use of the Cassa Integrazione in Deroga (Wage Guarantee Fund in derogation) for Covid-19 with different starting point for each newspaper and expiring on 30 June 2021. In addition, as from 15 March 2021, following the cessation of printing activities carried out in the Group's own printing centres, an agreement was signed with the trade unions for the management of surplus graphic designers and printers.

Costs for services amounted to Euro 42.7 million, up by Euro 2.4 million (5.9%) compared to H1 2020. The main changes are attributable to:

- commissions and other sales expenses up by Euro 0.9 million (11.4% from Euro 7.8 million to Euro 8.7 million);
- printing costs up Euro 1.3 million (+126.0% from Euro 1.0 to 2.4 million) correlated to the new production structure;
- promotional and commercial costs increased by Euro 1.3 million (up 48.3% from Euro 2.8 to Euro 4.1 million) due primarily to the launch of the new newspaper;
- IT and software services up by Euro 0.1 million (+4.3% from Euro 3.4 to 3.5 million);
- distribution costs down Euro 0.5 million (-5.0% from Euro 9.4 million to Euro 8.9 million);
- costs for administrative services down Euro 0.2 million (-45.8% from Euro 0.5 to 0.3 million);
- costs for other consulting services down Euro 0.5 million (-24.1% from Euro 2.0 to 1.5 million);

EBIT for H1 2021 was a loss of Euro 1.1 million, an improvement of Euro 3.4 million compared to a loss of Euro 4.5 million in H1 2020. Depreciation and amortization for the period amounted to Euro 7.7 million compared to Euro 8.3 million in H1 2020. During the period, intangible assets were written down by Euro 0.7 million in connection with software developments that are no longer used. Net of non-recurring income and expenses, EBIT was a negative Euro 1.1 million, an improvement of Euro 5.0 million compared to a negative Euro 6.1 million in the same period of the previous year.

The **loss before taxes** was Euro 2.5 million and compares with a loss of Euro 5.4 million at 30 June 2020. Negative net financial expenses and income of Euro 1.5 million (negative Euro 1.0 million in H1 2020) had an impact.

In H1 2021, **income taxes** reflect the reversal of deferred tax assets on taxed temporary differences of Euro 0.9 million.

The **net loss attributable to shareholders of the parent company** was Euro 3.3 million, an improvement of Euro 2.0 million on the loss of Euro 5.3 million in the same period of 2020. The net loss attributable to the shareholders of the parent company net of non-recurring income and expenses was Euro 3.4 million, an improvement of Euro 3.6 million over the loss of Euro 7.0 million reported in H1 2020.

Alternative Performance Measures

In order to facilitate the understanding of the economic and financial performance of the 24 ORE Group, the directors have identified in the preceding paragraphs some Alternative Performance Measures (APM).

These indicators are also tools that help the directors themselves to identify operational trends and make decisions about investments, allocation of resources and other operational decisions. For a correct interpretation of these APMs, the following should be noted:

- these indicators are based exclusively on the Group's historical data and are not indicative of the Group's future performance;
- APMs are not required by international accounting standards (IFRS) and, although they are derived from the Group's consolidated financial statements, they are not subject to audit;
- APMs should not be considered as a substitute for the indicators provided for by the reference accounting standards (IFRS);
- the reading of said APMs must be carried out together with the Group's financial information taken from the consolidated financial statements of the 24 ORE Group;
- the definitions of the indicators used by the Group, insofar as they do not derive from the reference accounting standards, may not be consistent with those adopted by other groups/companies and therefore comparable with them;
- the APMs used by the Group are elaborated with continuity and uniformity of definition and representation for all the periods for which financial information is included in these financial statements.

The APMs shown below have been selected and represented in the Report on Operations as the Group believes that:

- the net financial position, together with other indicators such as net financial position/equity, allows for a better assessment of the overall level of debt, equity solidity and debt repayment capacity;
- the Gross Operating Margin (EBITDA), the EBITDA margin, and the Operating profit (loss) (EBIT) (also in the version net of non-recurring income and expenses), together with other indicators of relative profitability, illustrate changes in operating performance and provide useful information on the Group's ability to sustain its debt; these indicators are also commonly used by analysts and investors in the sector to which the Group belongs, in order to evaluate company performance.

Statement of financial position

SUMMARY STATEMENT OF FINANCIAL POSITION		
Euro thousands	30.06.2021	31.12.2020
Non-current assets	142,448	146,719
Current assets	122,072	127,665
Total assets	**264,520**	**274,384**
Group equity	32,011	35,320
Total equity	**32,011**	**35,320**
Non-current liabilities	110,850	112,941
Current liabilities	121,659	126,123
Total liabilities	**232,509**	**239,064**
Total equity and liabilities	**264,520**	**274,384**

Non-current assets amounted to Euro 142.4 million compared to Euro 146.7 million at 31 December 2020, a decrease of Euro 4.3 million. In particular:

- deferred tax assets amounted to Euro 21.7 million, a decrease of Euro 0.9 million compared to 31 December 2020, of which Euro 19.1 million related to tax assets recognized on tax loss that can be carried forward and Euro 3.1 million related to assets recognized on other temporary differences. It should be noted that no new deferred tax assets have been recognized on losses since 2013 and no tax assets have been recognized on new deductible temporary differences since 2019, pending the Group's return to positive taxable income. The additional theoretical tax asset on losses - determined on the basis of the last tax return filed – that the Group did not recognize, amounted to Euro 72.4 million;
- intangible assets amounted to Euro 39.5 million, of which Euro 27.9 million related to radio frequencies and Euro 11.5 million related to licences and software, including projects in progress. Investments amounted to Euro 2.5 million, depreciation and amortization to Euro 3.3 million and write-downs to Euro 0.7 million;
- goodwill amounted to Euro 22.0 million, unchanged from the previous year;
- property, plant and equipment amounted to Euro 58.3 million, including Euro 37.7 million for rights of use under IFRS 16. The depreciation of rights of use amounted to Euro 2.7 million. Other property, plant and equipment amounted to Euro 20.6 million, depreciated by Euro 1.7 million and investments for the year amounted to Euro 2.8 million;
- other non-current assets amounted to Euro 0.2 million, down Euro 0.6 million compared with the financial statements at 31 December 2020 due to the reclassification under sundry receivables of a deposit repayable upon completion of the renovation works for the new headquarters in Milan, Viale Sarca.

Current assets amounted to Euro 122.1 million compared to Euro 127.7 million at 31 December 2020, a decrease of Euro 5.6 million. The change is mainly attributable to the decrease in cash and cash equivalents of Euro 12.1 million (at 31 December 2020, they were Euro 40.9 million) and the increase in other current assets of Euro 2.7 million. Other current financial assets include the receivable from Educations Acquisitions Limited of Euro 16.2 million related to the deferred component of the disposal of the investment in Business School24 S.p.A., with a nominal Euro 16.5 million due on 31 December 2021 at the latest. This receivable has been discounted at a rate of 4.2%. Trade receivables amounted to Euro 62.3 million, an increase of Euro 3.4 million (Euro 58.9 million at 31 December 2020).

Equity amounted to Euro 32.0 million, a decrease of Euro 3.3 million compared to 31 December 2020, when it amounted to Euro 35.3 million, due to the result for H1 2021, which was negative by Euro 3.3 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a positive effect of Euro 23 thousand.

Non-current liabilities amounted to Euro 110.8 million and compare with a value of Euro 112.9 million at 31 December 2020, a decrease of Euro 2.1 million.

Non-current financial liabilities amounted to Euro 79.8 million (Euro 81.8 million at 31 December 2020) and include the medium/long-term loan taken out on 20 July 2020, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, and disbursed on 22 July 2020 for a nominal amount of Euro 37.5 million maturing on 30 June 2026. The initial measurement of the financial liability was carried out at fair value, net of transaction costs that are directly attributable to the transaction. After initial recognition, the financial liability is measured using the amortized cost method, applying the effective interest rate. Non-current financial liabilities also include Euro 36.9 million for financial debt arising from lease contracts relating to the Group's offices, car rentals and rentals of space held for the positioning of radio broadcasting equipment owned by the Group. In addition, the item includes the financial payable due beyond 12 months amounting to Euro 3.9 million attributable to the present value at 30 June 2021 (Euro 4.9 million at 31 December 2020) of the deferred component, relating to the indemnity deriving from the settlement agreement for the early termination of the lease agreement for the Milan - Via Monte Rosa office.

Deferred taxes amounted to Euro 5.6 million and derive from the recognition of the value of radio frequencies, with indefinite useful life, at a book value higher than their tax value, as well as the residual value of deferred taxes on temporary differences deriving from the application of IFRS 16 on sublease agreements.

Provisions for risks and charges amounted to Euro 10.3 million, an increase of Euro 0.6 million (Euro 9.6 million at 31 December 2020) compared to the previous year. Provisions of Euro 1.3 million and utilizations of Euro 0.6 million were recognized in the half-year.

Current liabilities amounted to Euro 121.7 million, down Euro 4.5 million from Euro 126.1 million at 31 December 2020. Trade payables amounted to Euro 79.9 million, an increase of Euro 0.8 million compared to 31 December 2020. Current liabilities include the liability for restructuring expenses, which amounted to Euro 5.0 million at 30 June 2021. Current financial liabilities relating to contracts under IFRS 16 amounted to Euro 2.9 million, up Euro 0.4 million.

Statement of cash flows

Total cash flow for the period was negative at Euro 12.1 million and compares with negative cash flow of Euro 6.9 million in H1 2021.

Below is a summary of the financial figures:

SUMMARY CONSOLIDATED FINANCIAL FIGURES	H1 2021	H1 2020
Profit (loss) before taxes from continuing operations attributable to the Group	(2,524)	(5,410)
Adjustments	11,626	8,055
Changes in net working capital	(8,638)	(159)
Total cash flow from operating activities	**465**	**2,485**
Investments	(5,285)	(4,428)
Proceeds from disposal of investments	-	115
Other changes	89	655
Cash flow from investing activities	**(5,196)**	**(3,658)**
Free cash flow	**(4,731)**	**(1,173)**
Cash flow from financing activities	**(7,395)**	**(5,690)**
Change in cash and cash equivalents	**(12,126)**	**(6,863)**
Cash and cash equivalents:		
At the beginning of the year	40,246	15,122
At the end of the period	28,120	8,259
Change in cash and cash equivalents	**(12,126)**	**(6,863)**

Cash flow from operating activities was a positive Euro 0.5 million, compared to a positive Euro 2.5 million in H1 2021, and is attributable to operating performance.

Cash flow from investing activities was a negative Euro 5.2 million, mainly relating to operating investments for the half-year, particularly the disbursements for the new Viale Sarca headquarters in Milan.

Cash flow from financing activities was a negative Euro 7.4 million, compared with a negative Euro 5.7 million in H1 2020.

Net financial position

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF THE 24 ORE GROUP		
Euro thousands	30.06.2021	31.12.2020
A. Cash	60	47
B. Cash equivalents	28,721	40,842
C. Other current financial assets	16,244	16,004
D. Liquidity (A + B + C)	**45,025**	**56,893**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(8,020)	(9,445)
G. Current financial debt (E + F)	**(22,683)**	**(25,991)**
H. Current net financial position (G + D)	**22,341**	**30,902**
I. Non-current financial payables	(79,788)	(81,799)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(79,788)**	**(81,799)**
M. Net financial position (H + L)	**(57,446)**	**(50,897)**

The **net financial position** at 30 June 2021 was a negative Euro 57.4 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 6.5 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, "Liquidity Decree", with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section "Significant events occurring after 30 June 2021" for more information.

The Group's current net financial position was a positive Euro 22.3 million, compared with a positive Euro 30.9 million at 31 December 2020. Current financial receivables include Euro 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. and current financial receivables in accordance with IFRS 16 for Euro 0.1 million. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.9 million.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE (ARTICLE 123-BIS OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998)

Il Sole 24 ORE S.p.A., with a resolution of the Shareholders' Meeting of 20 August 2007, adhered for the first time to the Corporate Governance Code for listed companies. Adherence was confirmed by subsequent resolutions of the Board of Directors in relation to the individual amendments approved from time to time to the Corporate Governance Code by the Corporate Governance Committee.

In accordance with the provisions of the Corporate Governance Code, from time to time the Company communicated, until the year ended 31 December 2020, any exceptions to the individual principles of the Code.

Subsequently, by resolution of the Board of Directors of 25 February 2021, Il Sole 24 ORE S.p.A. adhered, in continuity with its previous adherence to the Corporate Governance Code, to the Corporate Governance Code, detailed information on which will be provided in the Report on Corporate Governance and Ownership Structure for the year 2021 to be published in 2022.

The primary objective of the corporate governance system adopted by the Company is to create value for shareholders, in the awareness of the importance of transparency in the choices and formation of corporate decisions, as well as the need to set up an effective internal control system.

In order to illustrate the Company's corporate governance system, pursuant to articles 123-bis of the Consolidated Law on Finance and 89-bis of Consob Issuers' Regulation a Corporate Governance Report was recently prepared for 2020 which, in addition to providing a description of the corporate governance system adopted by the Group, contains information on the ownership structure, adherence to the Corporate Governance Code and compliance with the consequent commitments.

In compliance with applicable regulations, the Corporate Governance and Ownership Structure Report approved each year by the Company's Board of Directors illustrates the Corporate Governance system of Il Sole 24 ORE and indicated, until the end of 2020, the concrete ways in which the Company has implemented the provisions of the Corporate Governance Code, the text of which is available on the website of Borsa Italiana at http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm.

MAIN RISKS AND UNCERTAINTIES

In the context of the activity carried out, the 24 ORE Group is exposed to a series of risks that could limit or prevent the achievement of the objectives defined. The Chief Executive Officer, also in the capacity as Director in charge of overseeing the internal control and risk management system, is responsible for identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Parent Company and its subsidiaries, and periodically submits them to the Board of Directors for examination.

Below is a representation of the main risks for the 24 ORE Group.

Strategic/market risks

Risks related to the non-implementation of the 2021-2024 Plan

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The estimates of the 2021-2024 Plan reflect the new market trend forecasts and incorporate the updated implementation schedules of the initiatives already envisaged in the post-Covid 2020-2023 Plan, confirming the investment in printed products, primarily the re-launch of the newspaper in the new format, and in innovative digital initiatives.

The actions of the Plan are centred on a “digital first” strategy as an enabling element for the continuous enrichment of the system of multi-format and multi-platform products of Il Sole 24 ORE, the efficiency of processes, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories, whose timing and methods of effective implementation may vary depending on the regulatory framework and other elements of context.

The 2021-2024 Plan confirms the progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs. Compared to the 2020-2023 post-Covid Plan, updated estimates project a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in subsequent years.

As part of a process of accelerated digital transformation of the Group, the 2021-2024 Plan envisages a greater thrust on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The same 2021-2024 Plan sets the strategic objective of reducing the costs of the operating structure through a profound industrial and editorial process reorganization, the streamlining of support and staff structures and the strengthening of distinctive skills.

The forecasts contained in the 2021-2024 Plan confirm the growth in profitability over time, also thanks to the continuous focus on further efficiencies to be achieved in direct and operating costs, and on the containment of labour costs for all professional categories, to be implemented through both temporary measures and structural cost-reduction initiatives.

The forecasts of the 2021-2024 Plan show a worsening of the net financial position for the years 2021 and 2022, mainly due to the acceleration of investments and the dynamics of disbursements related to personnel restructuring expenses, to then gradually improve in subsequent years during the Plan period.

The forecasts of the 2021-2024 Plan confirm compliance with the existing financial covenants.

It should be noted that the forward-looking figures represented in the 2021-2024 Plan are strategic objectives established as part of corporate planning. The development of the 2021-2024 Plan was based on, among other things: *(i)* general and hypothetical assumptions, as well as discretionary assumptions, and *(ii)* a series of estimates and hypotheses relating to the implementation by the directors of specific actions to be undertaken in the reference time period, or relating to future events that the directors can only partially influence and that may not occur or may vary during the plan period.

The realization of the objectives and the achievement of the results envisaged by the 2021-2024 Plan depend not only on the actual realization of the volume of revenues indicated, but also on the effectiveness of the actions identified and the timely implementation of these actions, in accordance with the time frame and economic impacts assumed.

If the Group's results were to differ significantly from those forecast in the 2021-2024 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group continues to monitor very carefully both the evolution of the health emergency linked to the Covid-19 virus and the potential repercussions on the reference markets, maintaining proactive and constant attention to the containment of all costs and to the identification of initiatives that can further mitigate the risk linked to revenues in order to protect profitability and expected cash flows.

Impact of general economic conditions on the Company's business sector

The Group's financial position, results of operations and cash flows are influenced by the overall performance of the economy in Italy, Europe and globally. In particular, there is a close correlation between the trend of the main economic indicators, on the one hand, and the trend of advertising investments and the purchase of editorial products on the other hand, which - in scenarios of economic crisis, political instability and/or financial weakness - undergo a contraction.

The economic and financial crisis that has hit western markets, which is felt more acutely in the publishing market because of its negative impact on consumption and investments in communication by companies, is currently undoubtedly an element of risk for the Group.

In Italy, the first easing of anti-Covid-19 restrictions began in April 2021 and the most recent ISTAT forecasts for Italy indicate sustained GDP growth both in 2021 (+4.7%) and in 2022 (+4.4% - *source: ISTAT press release - Italian economy outlook 2021-2022- 4 June 2021*).

The current uncertainty related to the possible continuing spread of the Covid-19 virus and its variants requires us to maintain a certain degree of caution with respect to the positive forecasts of the macroeconomic scenario and there could in any case be a contraction in turnover for the Company and the other companies in the Group, with possible negative effects, including of a significant degree, on their financial performance and/or financial position. In such cases, the Group's activities, strategies and prospects could also be negatively affected, especially with regard to advertising sales and exhibition and event organization activities.

The Group constantly monitors the performance of the main macroeconomic indicators in order to anticipate any deviations from the forecasts underlying the Plan assumptions and promptly identify the appropriate corrective and/or mitigating actions.

Impact of current trends and competitiveness in the Italian publishing sector on corporate revenues

The publishing sector in Italy is characterized by a trend of progressive decline in sales through traditional channels (news-stands, book stores, subscriptions, etc.). This trend, accentuated by the economic crisis that has also hit Italy, is amplified by the gradual spread of digital media that are both a threat to the paper media, as they replace traditional reading, and an opportunity, as they add a new channel of circulation of the traditional product in a new digital form. Throughout Western societies, the younger generation has less and less of a habit of reading newspapers, as well as little inclination to pay for news online. However, there is no clear evidence, even in more developed markets, of the final impact of this trend on the traditional publishing sector.

As of February 2020, the above scenario has been further negatively affected by the health emergency related to the ongoing spread of the Covid-19 virus and its variants, which continue to cause general uncertainty in the sector. During the first half of 2021, the improving pandemic environment and increasing confidence in the recovery are positively affecting the overall market, which is beginning to show signs of growth.

The Group will in any event require increasingly leverage on its specificities in the Italian publishing (and advertising) market. Should the level of direct and above all indirect competition in the sectors in which the Group operates intensify, it cannot be ruled out that this could have a negative impact on its competitive positioning, with consequent negative effects on the Group's economic and financial situation and prospects.

The Group constantly monitors the performance of the Italian publishing sector and the conduct of its main competitors with a view to anticipating possible divergences from the assumptions underlying the Plan and identifying in a timely manner appropriate corrective and/or mitigating action.

Impact of the general condition of the reference market on advertising revenues

The Group generates a considerable part of its revenues through advertising sales on its own media (the daily newspaper Il Sole 24 ORE, magazines, radio, websites and apps) and on the media of third-party publishers. System is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media.

The advertising market, especially the national one, is characterized by a close relationship with the performance of the economy and the macroeconomic context in general, in crisis since 2008. In particular, the spread of the Covid-19 virus had repercussions on the macroeconomic scenario and, consequently, on the advertising sector.

The spread of the aforementioned pandemic has imposed extreme flexibility: companies, which in an initial phase of perplexity have significantly slowed (if not stopped) their communication, progressively adapted their strategies to the new expectations and needs of consumers, as well as to the evolution of government measures aimed at containing the spread of the virus. During the first half of 2021, the improving pandemic environment and increasing confidence in the recovery are positively affecting the overall market, which is beginning to show signs of growth. The System reference market closed the first five months of 2021 at +15.4% (net of local newspaper advertising): newspapers closed at +7.5% (net local), magazines at -2.9%, radio at +22.1% and Internet at +27.2% (*Source: Nielsen January/May 2021*).

With reference to the trend of the advertising sector in the coming months, the positive signs registered as from April are representative of a market that seems to have overcome the most acute critical phase. Industry players, while maintaining some caution regarding estimates for 2021, expect an overall recovery of between 7 and 11% from the previous year.

The repercussions of the health emergency could however be felt in the long term, acting on the macroeconomic scenario and the advertising market, causing a contraction in advertising revenues in the medium/long term, with consequent negative effects on the Group's financial performance and financial position.

The Group constantly monitors the performance of the main macroeconomic indicators in order to anticipate any deviations from the forecasts underlying the Plan assumptions and promptly identify the appropriate corrective and/or mitigating actions.

Risks related to the contraction of circulation revenues

The Group generates a significant part of its revenues from the sale of publishing products. Publishing & Digital is the business area that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, vertical newspapers, products attached to the newspaper, magazines, add-ons, the website and the press agency Radiocor Plus.

The market in which the Group operates has been characterized in recent years by an ongoing crisis affecting the circulation of newspapers and other publishing initiatives. In fact, ADS data for major national newspapers indicate for the period January-May 2021 a decline in total circulation of print copies added to digital copies of -4.1% compared to the same period of the previous year attributable to the decline in circulation of the print version of -9.9%, offset in part by the increase in digital circulation of +13.7% (*Source: ADS data processing January - May 2021*).

The trend in revenues from the circulation of the Company's publications, like the market trend, has been declining in recent years. This deterioration is associated with a radical change in consumption habits due to the rapid emergence of digital media, however, not yet sufficient to offset the negative trend of traditional media, also because strongly dominated by a few international operators also defined for this reason OTT (Over the Top).

The Company implemented a series of actions aimed at revitalizing the circulation of its newspaper: in the period, a number of products were included in compulsory (focus of Norme e Tributi, monthly Instant Book, in-depth analysis of regulations on specific issues) and optional (books published by Il Sole 24 ORE and third-party publishers) supplements.

The possible continuation of the crisis in the circulation of newspapers and the persistence of the economic and social crisis resulting from the spread of the Covid-19 virus and its variants could lead to a contraction in revenues from the circulation of editorial products with consequent negative effects on the Group's economic, equity and financial situation.

The Group has identified a series of commercial actions and the development of new segments deemed appropriate to ensure that circulation figures at least follow the sector trend. The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risks related to the contraction of advertising revenues due to lower circulation figures

In general terms, in the publishing market, the reduction in advertising revenues can be associated not only with the trend of the reference market but also with the simultaneous contraction of circulation figures. In this respect, however, it is necessary to take into account that there is no immediate cause/effect correlation between the circulation trend and advertising revenues (in the sense that a decrease or an increase in the number of copies does not correspond to an immediate and equal change in advertising revenues). In fact, advertising investment decisions are influenced only in part by the “audience” (i.e. the number of readers) of a publication, being based above all on other factors including, in particular, the credibility of the publication (understood as its reputation and prestige) and the quality of its target audience (i.e. the socio-demographic profile of the reader, to which its spending power is normally correlated). These factors, with reference to the Group, are at high levels and prevail over those relating simply to the number of copies distributed.

Variations in the number of copies circulated could in theory produce effects on advertising sales only in the long term and in any case not in a proportional way, since the advertising market could be impacted, albeit slowly and late, by the variations in the number of copies sold.

The trend in circulation figures is expected to continue in the coming years. In this case, should the Company not be able to achieve circulation results in contrast with the market, there could be a further decline in the circulation of the Group's publications. This circumstance could be taken into account by advertisers in the context of their investment choices, along with the other factors mentioned above. This could affect the Group's equity, economic result and financial position.

The Group has identified a series of commercial actions and the development of new segments deemed appropriate to ensure that circulation figures follow the sector trend. The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risks related to the contraction of revenues from database sales

The Company sells databases to professionals (accountants, lawyers, labour consultants, technical professions), companies and the public administration that can be used on PCs, tablets or smartphones. The databases consist of digital platforms that allow the search and consultation of regulatory and academic content, articles and operational tools such as forms, calculation and simulation tools, e-learning courses, enriched with numerous features (such as alerts, notifications, personalized information, creation of dossiers, newsletters). Access to the databases is by means of an activation code that the user receives by e-mail after signing the subscription contract. The databases are sold primarily on an annual or multi-year subscription basis by the Company's sales network.

The year 2021 is shaping up to be a very difficult year for operators in the sector, due to the long wave triggered by the ongoing health emergency crisis (Covid-19), which will be reflected in the sectors in which the clients of professionals, the main target market, operate (especially accountants and lawyers).

A contraction is forecast for tax publishing (-2.4%) and for the legal area (-2.1%).

In terms of media, in 2021, the current trends do not seem to change: overall, electronic publishing will continue to grow slightly (+1.8%), driven by online and digital content (+3.2%), while offline publishing will continue its strong contraction trend (-60%). A slowdown in growth is expected for management software (+3.7%), which will see the increasing integration of digital editorial content within management software (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2020*).

The crisis in many professional firms impeded the work of the Company's network of agents, although the network was quickly and effectively reorganized to remote methods. The protracted Covid-19 crisis will have repercussions in terms of editorial production, work organization, price reductions, and initiatives to support the sales force and end customers.

If the downturn in the reference market continues, this could lead to a contraction in turnover with negative effects on the Company's economic and financial situation.

The Group has identified a series of commercial actions and initiatives relating to the development of new products and market segments considered suitable to counter the market trend.

The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risk related to the improper use of reproduction rights of newspapers and magazines by press review companies

As of 1 January 2019, Il Sole 24 ORE S.p.A. ceased to adhere to the collective agreement with the company, Promopress, which manages the reproduction rights of daily newspapers and magazines of publishers belonging to the Promopress repertory itself, aimed at regulating the licensing of reproduction rights by press review companies. This termination was decided by the Company because of the economic irrelevance and inadequacy of the Promopress agreement to protect the copyright and investments of the Company which, due to the peculiarity of its publishing product and business model, are not adequately protected by this agreement.

The change in the content licensing policy towards press review companies entails risks for the entire publishing sector and in particular for Il Sole 24 ORE because of its business model. The risk shared with the entire publishing industry is the uncertainty surrounding the management of reproduction rights. In this context of uncertainty and transition, in the absence of contractual regulation, the major press review companies continue to reproduce newspaper content on the basis of past practice without considering themselves obliged to pay adequate royalties to publishers. For Il Sole 24 ORE, in particular, this risk is accentuated by the fact that its offer model significantly includes digital subscriptions for companies, which usually also use the press review services, and therefore might not subscribe to the newspaper and use only the press review. Should this phase of uncertainty continue, the Company may find it more difficult both to achieve its subscription growth targets and to obtain the rights to which it is entitled from the press review companies.

In order to mitigate this risk, the Company has prepared a new license agreement; several contracts were signed starting in 2020.

On the piracy front, i.e. the unlawful distribution of editorial content, including press reviews or the entire newspaper, in mid-April 2020, FIEG asked AGCOM for a measure to combat the phenomenon of piracy on the Telegram platform, on the basis of a detailed analysis of the trend of the phenomenon during the pandemic, which has reached intolerable levels of spread: Telegram channels have recorded, during the current health emergency, +46% of subscribers to the channels and +88% of illegally distributed newspapers. The estimate of losses incurred by publishing companies, in a highly conservative hypothesis, is Euro 670 thousand per day, about Euro 250 million per year (*Source: FIEG press release 14 April 2020*).

The activity was carried out by the Public Prosecutor's Office of Bari and the Finance Police (Guardia di Finanza), which, working together on a complaint by the FIEG, ordered the closure, in February 2021, of 329 Telegram channels and the shutdown of ten websites, through which articles protected by copyright were illegally made available to the public free of charge. (*Source*: *FIEG Press Release of 24 February 2021*).

With regard to the aforementioned risk in relation to press reviews, it should be noted that on 5 May 2020, with Resolution no. 169/20/CONS, AGCOM - accepting the Company's request in this regard - ordered the company L'Eco della Stampa, one of the largest Italian providers of press reviews, to remove, within two days of notification of the measure, the articles of the newspaper Il Sole 24 ORE bearing the wording “confidential reproduction” from its service, including the archives, deeming the operator's conduct to be in violation of copyright law.

With the removal order, AGCOM reiterated that the legislation in force requires providers of press review services to obtain the consent of the publisher for the reproduction of “confidential reproduction” articles, in line with what has been repeatedly stated by case law. On 14 May 2020, L'Eco della Stampa filed an appeal with the Lazio Regional Administrative Court for the annulment of AGCOM Resolution no. 169/20/CONS of 5 May 2020, requesting, as precautionary measure and also as a matter of urgency, the suspension of the measure.

On 16 May 2020, the request for suspension made by L'Eco della Stampa was rejected with presidential decree that set the Council Chamber for the collegial precautionary hearing on 3 June 2020.

At the hearing of 3 June 2020, the Lazio Regional Administrative Court (TAR) rejected the request for suspension made by L'Eco della Stampa, also on a collegial basis.

On 26 June 2020, L'Eco della Stampa:

- lodged a precautionary appeal with the Council of State against the order of the Lazio Regional Administrative Court referred to above with a request for a presidential injunction;
- notified additional grounds in the appeal on the merits before the Lazio Regional Administrative Court signed by new defence counsel.

On 30 June 2020, the President of the Sixth Section of the Council of State granted the L'Eco della Stampa request for a single-judge precautionary measure and suspended the deeds challenged in first instance, setting the hearing for discussion in chambers for 16 July 2020.

On 6 July 2020, L'Eco della Stampa served additional grounds in the appeal on the merits before the Lazio Regional Administrative Court.

On 17 July 2020, the Council of State filed Order no. 4289/2020, referring the case back to the Lazio Regional Administrative Court for the setting of the hearing on the merits; the Council of State therefore accepted the precautionary appeal of L'Eco della Stampa only for the part relating to the setting of the hearing on the merits, essentially reconfirming both the validity of the AGCOM resolution of 5 May 2002, and the Lazio Regional Administrative Court's precautionary order of 3 June 2020.

On 22 July 2020, L'Eco della Stampa notified the Company of a further appeal before the Council of State to obtain the revocation of collegial order no. 4289/2020, of the sixth section of the same Council of State, which upheld the precautionary appeal proposed by L'Eco della Stampa only "for the purposes of promptly setting the hearing on the merits", pursuant to article 55, paragraph 10, of the Administrative Procedure Code.

Also on 22 July 2020, the Company filed its brief in the appeal proceedings.

On 24 July 2020, the President of the Sixth Section of the Council of State rejected by decree the application for the grant of the single-judge precautionary measures requested by L'Eco della Stampa in its appeal for revocation of collegial order no. 4289/2020.

By order of the Council of State of 28 August 2020, the appeal for revision was also dismissed in its entirety for inadmissibility.

On 4 November 2020, AGCOM notified the Company of Resolution no. 565/20/CONS concerning the dismissal for settlement of the proceedings initiated against L'Eco della Stampa for non-compliance with the order set out in Resolution 169/20/CONS of 5 May 2020.

Finally, with sentence no. 4260 of 12 April 2021, the TAR of Lazio rejected the appeal and the additional grounds of L'Eco della Stampa, fully confirming the validity of the AGCOM measure of 5 May 2020.

On 28 June 2021, L'Eco della Stampa notified the Company of its appeal to the Council of State, for the annulment and/or overturning of the aforementioned Judgment no. 4260/2021, formulating a request for single-judge precautionary protection, until the date of discussion of the application for suspension.

By presidential decree of 30 June 2021, L'Eco della Stampa's precautionary petition was granted and, as a result, both the appealed Judgment no. 4260/2021 and AGCOM Resolution no. 169/20/CONS of 5 May 2020 were stayed and the case was adjourned to the Council Chamber of 29 July 2021. It should also be noted that on 7 August 2020, Data Stampa S.r.l. – another important press review operator - notified the Company (and FIEG) of a writ of summons before the Court of Milan seeking to ascertain the right to use in press reviews articles, news and information, including those bearing the "confidential reproduction" clause, published in the titles of Il Sole 24 ORE and, conversely, that Il Sole 24 ORE is not entitled to receive any remuneration for the inclusion of articles, including those bearing the “*confidential reproduction*” clause, included in press reviews prepared by reviewers for their clients.

This summons was followed on 28 September 2020 by a similar summons from Intelligence 2020 - Waypress Agency and, on 2 October 2020, from L'Eco della Stampa.

All three summonses are before the Court of Milan.

The first hearing of the judgement brought by Data Stampa (G.R. no. 30679/2020) was held on 24 February 2021 and the Judge granted the terms pursuant to article 183 paragraph 6 of the Code of Civil Procedure for the filing of preliminary statements, and set the hearing for the taking of evidence for 25 May 2021. At this hearing, the Judge deemed the case ready for a decision on the merits and continued the case to the hearing of 9 June 2022 for entry of conclusions, reserving the right to reopen the evidentiary procedure for the *quantum* at a later date.

The first hearing of the judgment brought by L’Eco della Stampa (G.R. no. 35260/2020) was held on 2 March 2021 and the Judge granted the terms pursuant to article 183 paragraph 6 of the Code of Civil Procedure for the filing of preliminary statements, and set the hearing for the taking of evidence for 8 June 2021. At this hearing, the Judge deemed the case ready for a decision on the merits and continued the case to the hearing of 21 July 2022 for entry of conclusions, reserving the right to reopen the evidentiary procedure for the *quantum* at a later date.

The first hearing of the case brought by Intelligence 2020 – Waypress Agency (G.R. no. 34139/2020) – initially scheduled for 25 May 2021 – was then postponed ex officio to 10 November 2021.

Legal/regulatory risks

Risks related to the outcome of the proceedings before the Milan Public Prosecutor's Office crim. proc. no. 5783/17 R.G.N.R.

On 16 November 2018, the Milan Public Prosecutor's Office issued against Benito Benedini, Roberto Napoletano, Donatella Treu - respectively former Chairperson of the Board of Directors, former Editorial Director and former Chief Executive Officer of Il Sole 24 ORE S.p.A. (the Company) - the notice of conclusion of the investigations pursuant to article 415 *bis* of the Code of Criminal Procedure (c.c.p.) with reference to criminal proceedings no. 5783/17 R.G.N.R. for the offences of *false corporate communications by listed companies* pursuant to article 2622 of the Civil Code and *market manipulation* pursuant to article 185 of the Consolidated Law on Finance (TUF). It should be noted that the aforementioned offences were contested by the Milan Public Prosecutor's Office against Roberto Napoletano as de facto director of Il Sole 24 ORE S.p.A.

In the same notice, Il Sole 24 ORE S.p.A. was also charged with the administrative offences referred to in articles 5, paragraph 1, letter a), 6, 25 *ter*, paragraph 1, letter b) of Legislative Decree no. 231/2001 and articles 5, paragraph 1, letter a), 6, 25 *sexies* of Legislative Decree no. 231/2001, which are presumed to depend on the predicate offences indicated above.

On 15 February 2019, the Milan Public Prosecutor's Office requested that the Company be committed for trial in relation to the administrative offences under articles 25 *ter* and 25 *sexies* of Legislative Decree no. 231 of 2001 articles 5 paragraph 1, letter a), 6, 25 *ter* paragraph 1, letter b) of Legislative Decree no. 231/2001 and articles 5 paragraph 1 letter a), 6, 25 *sexies* of Legislative Decree no. 231/2001.

In particular, the Company has been charged with the administrative offences of false corporate communications (article 2622 of the Civil Code) and information manipulation of the market (article 185 of the Consolidated Law on Finance) alleged against its former directors and executives mentioned above.

More specifically, the aforementioned former directors and executives have been charged with the crime of false corporate communications for having, "in order to ensure an unjust profit for themselves and third parties", disclosed material facts that were not true about the Company's economic, equity and financial situation in the Half-Yearly Financial Report at 30 June 2015, the Interim Report on Operations at 30 September 2015, as well as in the financial statements at 31 December 2015.

This false representation focused "on the performance of the newspaper Il Sole 24 ORE on the sales of digital and printed copies and related revenues"; this was achieved with a representation always tending to overstate the operating results of the most significant asset of the company - the newspaper Il Sole 24 ORE - in particular, the general revenues from the sale of copies and market penetration, also camouflaging the losses accrued through the aggregation of different business areas".

The aforementioned persons were also charged with information manipulation of the market for having, by means of press releases issued between 2014 and 2016, provided the market with false information concretely capable of causing a significant alteration in the share price and relating to the performance of the circulation figures of the newspaper Il Sole 24 ORE S.p.A. and the related revenues.

On 12 September 2019, the first preliminary hearing was held before the preliminary hearing judge (GUP) at the Court of Milan, Ms Mannoci. In this context, the defendants Benito Benedini, Roberto Napoletano and Donatella Treu were joined as plaintiffs seeking damages by Consob, Confindustria, the Common Representative of Holders of Special Category Shares, Marco Pedretti, and the shareholders Angelo Mincuzzi, Roberto Galullo, Alessandro Di Cagno, Leonardo Sergio Cosmai, Nicola Alessio Borzi and Vincenza Loddo. The latter also filed a motion requesting that Il Sole 24 ORE S.p.A. be joined as a plaintiff seeking damages. The Judge, deciding on the objections raised by the parties, admitted the appearance of all the aforementioned civil parties except for that of Vincenza Loddo against Il Sole 24 ORE S.p.A.. The preliminary hearing judge also acknowledged that Benito Benedini and Donatella Treu had filed plea bargains and that the Public Prosecutor had given consent.

The hearing was then adjourned until 24 September 2019. On that date, Il Sole 24 ORE S.p.A. also filed a plea bargaining application with the preliminary hearing judge, indicating the consent already given by the Public Prosecutor in relation to a pecuniary administrative sanction of Euro 50,310.00. In this context, the defendants' counsel, Benito Benedini and Donatella Treu, also delivered to the counsel for Il Sole 24 ORE S.p.A. two checks for Euro 100,000 and Euro 300,000, respectively, which the Company's counsel received as a mere down payment for the greater damages suffered.

After the Judge ordered the separation of the proceedings against Roberto Napoletano, the hearing continued with a discussion by the defence counsel for the Public Prosecutor and the civil plaintiffs, who requested that the defendant be indicted, and by the defence counsel for the defendant, who requested acquittal.

On 29 October 2019, the Court of Milan, in ruling no. 19/2880, accepted the plea bargain submitted by the Company on 24 September 2019.

With the aforementioned ruling no. 19/2880, the Court, accepting the plea bargaining, also ordered the infliction of a mere pecuniary sanction for a reduced amount of Euro 50,310.00, acknowledging, at the same time, the suitability of the remedial measures adopted by the Company to strengthen and optimize its integrity and reliability. In particular, the reduction of the pecuniary administrative fine was granted - as mentioned in the same ruling - in consideration of the preparation of an organizational model suitable to prevent the commission of similar crimes and of the tenor of the communication of the dismissal order issued by Consob against the entity.

At the same hearing, the former Chairperson Benito Benedini and the former Chief Executive Officer Donatella Treu made plea bargains and were sentenced to 1 year, 5 months and 20 days imprisonment and 1 year and 8 months imprisonment, respectively, and to pay the costs of the civil parties. The aforementioned defendants were also granted a suspended sentence.

On 16 January 2020, the trial of Roberto Napoletano, former editor-in-chief of Il Sole 24 ORE and other titles of the 24 ORE Group, opened before the judges of the second criminal section of the Court of Milan. Napoletano is charged with false corporate communications and market manipulation.

At the aforementioned hearing of 16 January 2020, Consob - which had already joined the proceedings as a plaintiff in the preliminary hearing - announced that it would file a motion requesting that Il Sole 24 ORE be held civilly liable; consequently, Il Sole 24 ORE would be held jointly and severally liable with the other defendants, as a civilly liable party pursuant to article 2049 of the Civil Code, for any damages caused to third parties by the alleged criminal acts.

Six employees and former employees of the 24 ORE Group, as well as Confindustria (Confederation of Italian Industry), have already joined the proceedings as plaintiffs in the preliminary hearing.

At the 30 January 2020 hearing, the Lombardy Order of Journalists also joined the ongoing trial as a plaintiff.

At the hearing of 13 February 2020, which was dedicated to explaining the exceptions relating to the civil plaintiffs that had joined the proceedings, the Court reserved its decision on their admission and adjourned the hearing to 16 April 2020, which, as a result of the measures taken by the Government following the Covid-19 emergency, was postponed to 21 May 2020.

At the hearing of 21 May 2020, the Court preliminarily read out the decision by which all the civil parties were admitted, with the exception of that of the Order of Journalists, which was considered late.

As mentioned earlier in this Report, Consob, a plaintiff in a civil action, filed a motion requesting that the Company be held civilly liable. The Court continued the trial until 28 May 2020, reserving the right to lift the reserve.

At the hearing held on 28 May 2020, the Court granted the request to hold the Company civilly liable in accordance with the Consob motion.

On 6 June 2020, the Company was served with the relevant order summoning the civilly liable party for a hearing on 7 July 2020.

On 24 June 2020, through the Company's defence attorneys, the deed of incorporation and witness list were filed in the interest of the Company as civilly liable party.

At the trial hearing on 7 July 2020, the Company acknowledged the filing of the deed of constitution of the civilly liable party, as well as the list of witnesses and the late summons were pleaded since they occurred after four trial hearings and the Court - having also taken note of the replies from the Consob civil party - reserved the decision.

At the hearing on 15 September 2020, the Court lifted the reservation made, rejecting - as expected - the request for exclusion of the civilly liable party and the requests for exclusion of the civil parties. The Court then declared the trial open and invited the parties to request the admission of evidence. The Court, having suspended the hearing because the anti-Covid measures could not be guaranteed, therefore continued the trial to the hearing of 15 January 2021 to exhaust the evidence requests and for the hearing of the first witnesses of the Prosecution.

At the hearing of 15 January 2021, the Court completed the phase of the admission of evidence by authorizing the summoning of all witnesses requested by the parties as well as the examination of the defendant.

The preliminary hearing phase was then opened and continued - as scheduled - with hearings on 28 January 2021, 17 and 25 February 2021, 11 and 25 March 2021, 15 and 29 April 2021, 13 and 27 May 2021 and 13 July 2021. The next hearing is scheduled for 28 September 2021.

Following the commencement of the proceedings before the Milan Public Prosecutor's Office with a view to full transparency and although it did not affect the Company's possession of the requirements under article 80 of Legislative Decree no. 50/2016 (Public Contracts Code), the Company had prudently taken steps to declare in the public evidence tender documents its status as a legal entity under investigation pursuant to Legislative Decree 231 of 2001, given that this information had also been the subject of official communications by the Company, as well as widely circulated in the press.

This being said, the fact that the Company has been subjected to the pecuniary sanction pursuant to Legislative Decree no. 231/2001 constitutes a circumstance that must be declared when participating in procedures for the award of public contracts. The sanction does not have any automatic exclusionary effect on the Company's participation in the awarding procedures, but it must in any case be submitted to the individual contracting stations for the purpose of assessing the possible consideration of “a serious professional misconduct”, i.e. the cause of exclusion “of a discretionary nature” provided for by article 80 paragraph 5 letter c) of Legislative Decree no. 50/2016). In particular, in order to be able to order exclusion from the procedure, the contracting station should, following an adversarial procedure with the Company, identify the existence of a situation that is likely to undermine the integrity/reliability of the Company for the purposes of carrying out the specific contract. In this regard, it should however be considered that, in order to demonstrate its integrity and reliability in the performance of the services covered by the contract, in the declarations that are submitted as part of the awarding procedures, the Company is already providing evidence of the self-cleaning measures that have been adopted.

In relation to these measures, it should be noted - inter alia - that in 2019, the Board of Directors resolved to entrust external lawyers and technical consultants with the task of assessing the existence of the circumstances for proposing to the ordinary shareholders' meeting to resolve to initiate liability actions, based on the findings.

On 12 March 2019, the Board of Directors resolved to submit to the Shareholders' Meeting called for 30 April 2019 a proposal for a corporate liability action pursuant to articles 2392 and 2393 of the Civil Code against Benito Benedini, Donatella Treu and Roberto Napoletano, under the terms specified in the illustrative report published pursuant to law.

On 30 April 2019, the Shareholders' Meeting resolved to approve the proposal of the Board of Directors concerning the aforementioned corporate liability action pursuant to articles 2392 and 2393 of the Civil Code against Benito Benedini, Donatella Treu and Roberto Napoletano, under the terms specified in the illustrative report published pursuant to law.

Accordingly, on 18 June and 24 June 2019, the Company served summonses on the following persons:

a) Benito Benedini, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to the Business Media Transaction (as defined in the illustrative report pursuant to article 125-ter, Legislative Decree no. 58 of 24 February 1998 published on 29 March 2019), currently quantifiable in no less than Euro 4,328,280.00, jointly with Donatella Treu.

b) Donatella Treu, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to:

   (i) commercial and reporting practices aimed at artificially increasing the circulation figures of the Newspaper, currently quantifiable in no less than Euro 7,548,043.31, jointly with Roberto Napoletano and KPMG S.p.A., which is also a defendant in the action;

   (ii) the Business Media Transaction, currently quantifiable in no less than Euro 4,328,280.00, jointly with Benito Benedini;

   (iii) the Stampa Quotidiana Transaction (as defined in the illustrative report pursuant to article 125-ter, legislative decree no. 58 of 24 February 1998 published on 29 March 2019), currently quantifiable in no less than Euro 665,560.00, an order to be made jointly with KPMG S.p.A..

c) Roberto Napoletano, in his capacity (deemed to exist by both the Public Prosecutor and CONSOB) as de facto Director of the Company, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to commercial and reporting practices aimed at artificially increasing the circulation figures of the Newspaper, currently quantifiable in no less than Euro 7,548,043.31, jointly with Donatella Treu and KPMG S.p.A..

The lawsuit was entered in the register of the Civil Court of Milan with G.R. 30810/2019 on 20 June 2019, and was subsequently assigned to the Investigations Judge (G.I.) Guido Vannicelli.

By order of 2 March 2020, the Investigations Judge postponed the date of the first hearing to 17 November 2020, in order to allow the defendants to sue the insurance companies. Subsequently, with a decree issued on 21 May 2020, the Judge, in order to reschedule the hearing due to the problems caused by the Covid-19 emergency, postponed the first hearing to 9 February 2021.

At the hearing on 9 February 2021 the Judge asked the parties to consider a possible settlement, adjourning the hearing. At the hearing of 18 May 2021, having ascertained that no amicable agreement had been reached, the Judge granted the terms for filing the briefs pursuant to art. 183, paragraph 6 of the Code of Civil Procedure and set the hearing for the discussion of the preliminary motions for 14 December 2021.

Risks associated with Consob inspections

The events described above were also the subject of the following proceedings by Consob:

1) On 3 August 2018, the Company was notified by Consob of certain objections pursuant to article 187-septies of the Consolidated Law on Finance (prot. no. 0291113/18 and proceedings no. 84400/2018). In particular, the aforementioned objections concerned the case referred to in article 187-ter of the Consolidated Law on Finance (market manipulation), in the version applicable *ratione temporis,* and were directed both against five individuals no longer part of the Company (Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli) and against the Company, as the party jointly liable, pursuant to article 6 of Law 689/1981.

The company was also charged with the offence envisaged by article 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance (liability of the entity), for violation of article 187-ter, paragraph 1, of the Consolidated Law on Finance committed, in the opinion of Consob, in the interest of Il Sole 24 ORE S.p.A. by a former company representative no longer in office (Donatella Treu).

More specifically, the conduct alleged by Consob concerned the procedures for detecting and communicating to the company Accertamenti Diffusione Stampa S.r.l. (ADS) circulation data. Consob contested that the Company, in the period between 2012 and 2016, allegedly implemented unfair commercial and reporting practices aimed at artificially increasing the newspaper's circulation figures and providing an altered representation of the newspaper's circulation; all “*in a context of inadequate information systems and deficiencies in procedures and operational control mechanisms*”.

On 8 November 2018, the Company submitted its written counter-claims to the Consob Administrative Sanctions office regarding the objections pursuant to article 187-septies of Legislative Decree no. 58/1998.

On 22 February 2019, the Consob Administrative Sanctions Office submitted the “Report for the Commission” with which it proposed the application of pecuniary administrative sanctions for the violation of article 187-ter, paragraph 1, of Legislative Decree 58/1998 against Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for a total of Euro 1,050 thousand. The Administrative Sanctions Office also proposed the application of a fine of Euro 140,000 against Il Sole 24 ORE S.p.A. pursuant to article 187-quinquies of Legislative Decree no. 58/1998.

With reference to the penalty proposed against Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for a total of Euro 1,050 thousand and for which Il Sole 24 ORE S.p.A. is obliged to pay, by way of joint liability, the level of risk has been assessed as possible, but not probable, and therefore no provision for risks has been set up.

On 11 September 2019, the aforementioned administrative sanctioning proceedings no. 84400/2018 were therefore concluded. In particular, Consob, having assessed the results of the preliminary investigation, did not consider that the conditions existed for the adoption of any sanctioning measure against the Company and, therefore, ordered the closure of the proceedings by means of a communication notified on 11 September 2019. In this regard, Consob did not find any orientation on the part of the Company aimed at achieving the unlawful purpose which, pursuant to current regulations, would make it administratively liable and, consequently, subject to sanctions against it. Moreover, Consob decided not to formulate any judgement of reprehensibility towards the Company itself, since it had taken steps to prepare organizational models capable of preventing offences of the kind that occurred.

However, the Company remains jointly liable, pursuant to article 6, paragraph 3 of Law 689 of 1981, for payment of the penalties applied to the individuals (no longer present in the company) Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli, for violation of article 187-ter, paragraph 1, of Legislative Decree 58/1998, amounting to a total of Euro 1,050 thousand, without prejudice, in any event, to the right of recourse. Following an appeal by some of these individuals, the amount of the fines was reduced to Euro 870,000. In addition, on 21 May 2021, following the decision of the Rome Court of Appeal which upheld Napoletano's appeal against the penalty of Euro 280,000 against him, overturning it, the total amount of the penalties was further reduced. Therefore, on the basis of the information available at the moment, the Company remains jointly and severally liable for the payment of the fines of Donatella Treu, Anna Matteo, Alberto Biella and Massimo Arioli, which amount to Euro 590 thousand, without prejudice to the right of recourse.

In view of the intervening closure of the proceedings before Consob, in the context of the procedures for the award of public contracts, the Company is not required to provide any statement in relation to the outcome of the proceedings themselves, since this is an irrelevant circumstance as it is not likely to affect the Company's possession of the requirements set out in article 80 of Legislative Decree no. 50/2016.

On 19 December 2019, Consob adopted an order notifying the Company that it was replacing the monthly supplemental periodic reporting requirements established in an order adopted on 14 December 2016 with quarterly reporting requirements.

Therefore, the yearly and half-yearly financial reports and the interim management reports for the first and third quarters of the financial year published by the Company on a voluntary basis, starting with the Annual Financial Report at 31 December 2019, as well as, where relevant, press releases concerning the approval of the aforementioned accounting documents, will be supplemented with the additional information required by Consob.

2) On 13 August 2018, Consob notified the Company of the notice of initiation of the proceeding aimed at adopting the measure pursuant to article 154-ter, paragraph 7 of the Consolidated Law on Finance (prot. no. 0305181/18 and proceeding no. 84944/2018 L3). In particular, the aforementioned proceeding relates to Consob detection of certain critical issues that emerged in relation to the valuations carried out at the time of the 2015 financial statements and, consequently, in the subsequent method of recognizing certain related write-downs in the 2016 consolidated financial statements as well as, as a result of the above, in the 2016 comparative figures presented in the consolidated financial statements at 31 December 2017.

On 22 October 2018, the Company submitted to Consob its written comments on the notification of 13 August 2018 regarding the initiation of the proceeding aimed at adopting the measure pursuant to article 154-ter, paragraph 7 of Legislative Decree no. 58/98.

On 28 December 2018, the Commission communicated to the Company its resolution no. 20770 (the “Resolution”), whereby it ascertained the “non-compliance of the consolidated financial statements at 31 December 2017 of the company Il Sole 24 ORE S.p.A. with the rules governing their preparation, pursuant to article 154-ter, paragraph 7, of Legislative Decree no. 58/98”. Specifically, according to the Resolution, the non-compliance of the Company's financial statements concerned, in particular, non-compliance profiles of the 2015 consolidated financial statements that were not identified in the 2016 financial statements and, consequently, in the 2016 comparative figures presented in the 2017 consolidated financial statements. Therefore, because of the non-compliance of the 2015 consolidated financial statements, this resulted in the incorrect application of IAS 1, paragraphs 27 and 28 and IAS 8, paragraphs 42 and 49 in relation to the 2016 financial statements and IAS 1, paragraphs 10, 38 and 38A in relation to the comparative information for the 2016 financial year presented in the 2017 consolidated financial statements.

Consob, therefore, pursuant to article 154-ter, paragraph 7, of Legislative Decree no. 58 of 1998, requested the Company to disclose the following information to the market:

- the shortcomings and critical aspects noted by Consob regarding the correctness of the accounting of the above financial statements;
- the applicable international accounting standards and the violations found in this regard;
- the illustration, in a special pro-forma statement of financial position - accompanied by comparative figures - of the effects that a true and fair view would have had on the balance sheet, income statement and equity for the year for which incorrect information was provided.

The Company, while reiterating its arguments already illustrated to Consob in the note of 22 October 2018, replied on 2 January 2019 to questions (i) and (ii) and on 22 January 2019 to question (iii) by means of a specific press release.

On 8 February 2019, the Company filed an application with Consob for access to records to review documents in the office file relevant to its defence.

On 26 February 2019, Il Sole 24 ORE S.p.A. announced that it had filed an appeal before the Lazio Regional Administrative Court to challenge Consob resolution no. 20770 of 28 December 2018. With the aforementioned appeal, registered in the general register under no. 2436/19, the Company requested the annulment of the contested resolution, with all consequent rulings.

On 15 January 2020, having learned of the existence of further internal proceeding deeds in relation to Consob resolution no. 20770 of 28.12.2018, challenged before the Lazio Regional Administrative Court, with appeal G.R. no. 2436/19, the Company submitted a new request for access to the deeds.

The case (G.R. no. 2436/19), after several adjournments, was finally discussed and held for decision by the Regional Administrative Court of Lazio at the hearing on 2 March 2021. With sentence no. 4766/2020 published on 23 April 2021, the Lazio Regional Administrative Court (TAR) rejected the above appeal.

On the basis of the studies carried out, the Company believes that it will not appeal against the aforesaid ruling by the Lazio Regional Administrative Court, taking into account the margins of uncertainty associated with any appeal, as well as, in terms of advisability, the limited benefits and effects that would arise from a successful outcome; in this regard, it is not believed that the negative outcome of the aforesaid ruling by the Regional Administrative Court could have any further significant impact on the reputation of the Company, the brand and the Group's products, such as to potentially affect the Group's turnover.

Risks related to the use of social shock absorbers

In the second quarter of 2017, the Company engaged a leading consulting firm to perform an assessment with respect to the management and application of social shock absorbers. The findings of this assignment showed that, in the period from May 2013 to April 2016, at the maintenance area of the Milan plant, additional work was provided for by union agreement during the period of application of the defensive solidarity contract, to the extent of 12 hours/month per person, for which an indemnity was paid that was not offset against the wage supplement.

This constitutes an irregularity that exposes the Company to the obligation of repaying to the Paying Institution an amount corresponding to the wage integration allowance recognized and not due, in relation to the working hours actually not reduced with respect to the solidarity contract, in addition to the increases provided for administrative sanctions and interest on arrears that will be determined, within the limits of the law, by the same Institute and subsequently communicated to the Company.

The request for spontaneous regularization to INPS was activated and was granted. On 21 October 2019, the Company paid the regularization expense.

Although the assessment carried out did not reveal any further critical issues, the Company cannot rule out the possibility that the anomalies found have also occurred in other areas of the Group.

In view of the residual criticalities illustrated above, the Company has maintained a provision for contingent liabilities at 30 June 2021 with a residual value of Euro 1,252 thousand.

Risks related to pending litigation

The Group is a party in civil, criminal, administrative, tax and labour law proceedings.

The Company monitors the development of these disputes, also with the help of external consultants, and proceeds to set aside the sums necessary to deal with existing disputes in relation to the varying degree of probability of losing the case, proceeding - in compliance with accounting principles - to allocate provisions for risks in cases where the occurrence of a liability is considered probable and, vice versa, highlighting exclusively in the notes to the financial statements the potential liabilities the occurrence of which is, on the other hand, considered possible and which must, in any case, be taken into consideration and highlighted as not being remote.

In particular, to cover the risk deriving from proceedings underway, a provision for risks is recognized, which at 30 June 2021 amounted to Euro 7,907 thousand (provision for litigation and provision for sundry risks). The provision includes accruals for risks relating primarily to libel suits against the newspaper and radio station, labour litigation, expected legal fees and contingent liabilities, including tax liabilities.

The Company believes that the amounts allocated to the risk provision are adequate in light of the circumstances existing at 30 June 2021, in accordance with IFRS accounting standards.

In particular, the Company is exposed, as are other operators in the sector, to the risk of legal action, with particular reference to disputes concerning claims for damages based on hypotheses of defamation in the press.

At 30 June 2021, the number of lawsuits related to claims against the 24 ORE Group was 66.

With reference to such disputes involving press defamation, it should be noted that, on the basis of the Group's experience, in those cases in which the Company is found not to have lost the case, the outcome is usually an award of damages amounting to a minimal sum compared with the original claim.

Moreover, for litigation initiated before 2010, the Company has insurance policies in place to cover financial losses caused involuntarily and directly to third parties as a result of unintentional breaches of obligations deriving from the law in the publishing of its publications, including libel suits, up to a maximum coverage of Euro 516,000 per claim.

Risks related to the protection of intellectual property

The protection of intellectual property, including copyright and industrial property rights, is fundamental to the traditional business model of a publishing company. In addition to copyright on editorial content, the Group owns numerous Internet domains and national, international and EU trademarks used to identify products and services in the product categories of interest of the Group. The Company therefore relies on the legal protection of copyrights, its own industrial property rights arising from the registration thereof, as well as the intellectual property rights of third parties granted to the Company under licence for use.

The Company regularly protects its industrial property rights through the filing of applications for the registration of trademarks relating to its printed and online publications, as well as the titles of radio broadcasts by Radio 24 and software products. However, even if trademark registrations are obtained, the related rights, given also the limited distinctiveness resulting from the use of the numeral 24, could: *(i)* not prevent competitors from developing products identified by similar signs, and in any case, *(ii)* prove ineffective in preventing acts of unfair competition by third parties. Moreover, the granting of regular registrations does not prevent the rights granted therein from being challenged by third parties.

Despite the fact that the Company has devised and launched an articulated enforcement strategy to protect its copyright on its own editorial content, it cannot exclude the occurrence of phenomena of unlawful exploitation of such rights by third parties, with consequent negative effects on the Group's operations and its economic and financial situation and prospects.

In this context, reference is made to the dispute with certain journalists, for which reference should be made to the paragraph entitled “Risk related to the improper use of reproduction rights for newspapers and magazines by press review companies”.

Risks related to the failure to adopt EU Regulation 2016/679 on network access and personal data protection (GDPR)

On 25 May 2018, the new General Data Protection Regulation (GDPR - EU Regulation 2016/679) came into force across the European Community, with which the European Commission intended to strengthen and make more homogeneous the protection of personal data of EU citizens, both within and outside its borders. The GDPR stems from a clear need for legal certainty, harmonization and greater simplicity of the rules regarding the transfer of personal data from the EU to other parts of the world.

The GDPR applies to the wholly or partly automated processing of personal data and to the non-automated processing of personal data held in or intended to be held in a filing system. The GDPR applies to data of EU residents and also to companies and entities, organizations in general, with registered offices outside the EU that process personal data of EU residents.

Companies were therefore obliged to adopt a system of data processing according to the principle of privacy by design and by default. In other words, the Data Controller has been called upon to implement appropriate technical and organizational measures to ensure that only the personal data necessary for each specific purpose of processing is processed by default. This obligation applies to the quantity and quality of personal data collected, the period of storage and related accessibility by the parties concerned. The GDPR has therefore imposed interventions on various levels: from governance to processes, from physical and logical security to information modes.

A breach of the rules set out in the GDPR could expose the Company to the payment of administrative fines.

In fact, article 83 of the GDPR introduces specific administrative pecuniary sanctions against the Data Controller or the external Data Processor that does not comply with its provisions. Penalties for violations of the new rule consist of fines of up to 4% of turnover and up to a maximum of Euro 20.0 million. In addition to administrative pecuniary sanctions, each Member State shall, in accordance with article 84, lay down the rules on other sanctions for infringements of the Regulation, in particular for infringements not subject to administrative pecuniary sanctions under article 83, and shall take all measures necessary to ensure that they are implemented. Such penalties shall be effective, proportionate and dissuasive. In addition to the direct damage resulting from the penalties introduced by the Legislator, it is necessary not to overlook the damage to image and reputation that could result from non-compliance with the rules introduced by the GDPR.

Il Sole 24 ORE S.p.A. in order to ensure that the processing of personal data is carried out in accordance with the GDPR has initially set up a working group (consisting of personnel experienced in legal issues, IT, organization and marketing and assisted by a leading consulting firm) that has conducted a project of corporate compliance with the GDPR. As a result of this activity, the Company appointed a Data Protection Officer and adopted an Organization Model for the respect of privacy and the processing of personal data (GDPR Policy) in order to define the rules and security measures used in the processing and protection of the personal data of each individual with whom it comes into contact. The Company has also adopted monitoring systems useful for verifying the correct application of policies/procedures during the phases of each project that foresees the collection of personal data with a view to privacy by design and by default and has assigned internal and external privacy roles.

Risks related to the regulatory framework in the Group's business sectors

In the context of the Group's business, it is subject to detailed regulations at both national and EU level regarding publishing, printing and broadcasting. Amendments in the current regulatory framework could have negative effects on the Group's activities and economic, equity and financial situation.

Moreover, the Group companies, like any other operators in these sectors, are subject to controls, including periodic controls, by the competent regulatory authority (AGCOM), aimed at ascertaining that they comply with sector regulations and that they continue to meet the conditions necessary to maintain the authorizations provided for by the applicable legislation.

More specifically, the Group's activities are regulated:

a. as far as the publishing and press sector is concerned, inter alia, by (i) Law no. 47 of 8 February 1948 (“Provisions on the press”); (ii) Law no. 416 of 5 August 1981 (“Discipline of publishing companies and benefits for the publishing industry”); (iii) Law no. 67 of 25 February 1987 (“Renewal of Law no. 416 of 5 August 1981, regulating publishing companies and benefits for the publishing industry”); (iv) Law no. 62 of 7 March 2001 (“New rules on publishing and publishing products and amendments to Law no. 416 of 5 August 1981”); (v) Legislative Decree no. 170 of 24 April 2001 (“Reorganization of the system for circulation of newspapers and magazines, pursuant to article 3 of Law no. 108 of 13 April 1999”); (vi) Legislative Decree no. 177 of 31 July 2005 (“Consolidated law on audiovisual and radio media services”), as amended by Legislative Decree no. 44 of 15 March 2010 (“Romani Decree”); (vii) Law no. 198 of 26 October 2016: “Establishment of the Fund for pluralism and innovation of information and delegation to the Government for the redefinition of the discipline of public support for the publishing sector and local radio and television broadcasting, the discipline of pension profiles of journalists and the composition and powers of the National Council of the Order of Journalists. Procedure for the concession of the public radio, television and multimedia service (OG no.255 of 31 October 2016)”; and
b. with regard to the radio sector, inter alia, by Legislative Decree no. 177 of 31 July 2005 (“Consolidated law on audiovisual and radio media services”) (amended inter alia by Legislative Decree no. 44 of 15 March 2010).

Regulatory amendments could require particular and additional burdens on Group companies not foreseen to date or cause slowdowns and interruptions to the Group's business, with possible negative repercussions on the Group's business and economic, equity and financial situation.

Following the Covid-19 emergency, a number of measures have been adopted to deal with the consequences in the publishing sector, including the further extension of tax benefits for the retail sale of newspapers, magazines and periodicals, the introduction of an extraordinary scheme for access to tax credits for advertising investments, simplifications for access to direct contributions and for payments by publishing companies, tax credits for the purchase of paper and digital services, and contributions for newsagents.

The specific measures implemented to deal with the consequences in the publishing sector of the epidemic emergency, aimed, in particular, at safeguarding the publishing industry and limiting the impact of losses for the economic operators involved, especially through the instrument of tax credits, were carried out through a series of decree-laws, as well as by the 2021 Budget Law, which, in turn, in some cases, also introduced new provisions aimed at encouraging the recovery and revitalization of the sector.

In particular:

- Decree-Law 18/2020 expanded, for 2020, the tax credit for news-stands by extending it to companies distributing daily newspapers and/or magazines to outlets located in municipalities with a population of less than 5,000 inhabitants and in municipalities with only one sales outlet. At the same time, the types of expenses that can be offset have been expanded to include electricity, telephone and Internet connection services, as well as home delivery of copies of newspapers; the maximum amount paid to each beneficiary has been increased from Euro 2 to 4 thousand. The 2021 Budget Law extended the tax credit for news-stands to 2021 and 2022, recognizing it to businesses operating exclusively in the retail sale of newspapers, magazines and periodicals and to press distribution companies that supply newspapers or periodicals to outlets located in municipalities with a population of less than 5,000 inhabitants and in municipalities with only one sales outlet, up to an annual expenditure limit of Euro 15 million;
- Decree-Law 18/2020 provided, for 2020, an extraordinary mechanism for access to the tax credit for advertising investments in newspapers, periodicals and local radio and television broadcasters, in view of the expected drop in investment volumes resulting from the COVID-19 health emergency. In particular, it provided that the tax credit was to be granted, for 2020, under the same conditions and to the same parties as those already envisaged, in the single measure of 30% of the value of the investments made, and not up to 75% of the incremental investments alone. Lastly, the 2021 Budget Law envisages that, for the years 2021 and 2022, the tax credit is granted in the single measure of 50% of the value of advertising investments made in newspapers and periodicals, including digital ones, up to a maximum limit of Euro 50 million for each of the years 2021 and 2022;
- Decree-Law 34/2020 provided, for 2020, the recognition of a tax credit for the purchase of paper used for the printing of newspapers and periodicals equal to 10% of the expenditure incurred in 2019, within the limit of Euro 30 million. It also provided that the tax credit is not cumulative with direct contributions;
- Decree-Law 34/2020 recognized, again for 2020, for publications published in digital format, a tax credit for the acquisition of server, hosting and evolutionary maintenance services, and for information technology for connectivity management, equal to 30% of the expenditure incurred in 2019, within the limit of Euro 8 million. The tax credit is not cumulative with direct contributions. Subsequently, the 2021 Budget Law extended the tax credit to the years 2021 and 2022, under the conditions and in the manner provided for 2020, up to a maximum limit of Euro 10 million for each of the years 2021 and 2022;

- Decree-Law 34/2020 introduced, for 2020, for VAT purposes, an extraordinary flat-rate system for returns of newspapers and periodicals, aimed at allowing a 95% reduction (instead of the 80% envisaged under the ordinary system);
- Decree-Law 34/2020 authorized the Presidency of the Council of Ministers to extend (from 31 December 2020) to 31 December 2021 the duration of existing contracts entered into with press agencies for the purchase of journalistic and information services.

In view of the health emergency situation arising from the spread of the Covid-19 virus, in accordance with the order of 23 February 2020 by the Ministry of Health and the President of the Lombardy Region, some 24 ORE Group events and others were rescheduled during 2020 and 2021.

According to Decree Law no. 44 of 1 April 2021, MUDEC was reopened from 2 May 2021.

On 8 September 2020, the bill was definitively approved converting Decree-Law no. 76 of 16 July 2020, setting forth “Urgent measures for simplification and digital innovation” (Simplification Decree).

Article 1 and article 2 of the decree modify, until 31 July 2021, the procedures for awarding public contracts, with consequences on the obligations to publish notices in daily newspapers.

In particular, article 1 of the decree provides - until 31 December 2021 - the applicability of the negotiated procedure without a call for tenders to works contracts between Euro 1 and 5.3 million (the current Community threshold), with the consequence of eliminating the obligation to publish the related calls for tenders in at least one local newspaper and one national newspaper.

Article 2 provides for the use - also in this case until 31 December 2021 - in many cases of the procedure without a call for tenders also for contracts above the thresholds of services and supplies (amounting to more than Euro 214 million) and works (amounting to more than Euro 5.3 million) and, therefore, without publication of the relevant call for tenders in at least two local newspapers and two national newspapers.

In the conversion bill, a number of amendments have been introduced to extend the effectiveness of the extraordinary and temporary procedures to 31 December 2021 (the original text of the decree set 31 July 2021) and introduce some specifications on the subject of advertising the start of negotiated procedures without a call for tenders.

The derogation from tendering procedures in public contracts leads to the non-publication of the relative notices in the press, with the consequence of reducing the knowledge of the activity of the Public Administration.

The decision to eliminate the publication of procurement information in newspapers is a further detriment to publishing companies.

Official Gazette no. 253/2020 of 13 October 2020 published the law no. 126/2020, for the conversion of Decree-Law no. 104 of 14 August 2020, containing “Urgent measures for the support and relaunch of the economy” (August Decree).

Among the articles relating to the measures for the publishing industry, the following are noted in particular:

- article 27 extends the exemption from social security contributions for employment in disadvantaged areas, as provided for in paragraph 1 of article 27 of the Decree, also to journalists employed by publishing companies, attributing the competence to INPGI; the related cost, estimated at Euro 1.5 million for 2020 and Euro 0.5 million for 2021, shall be covered by the resources of the Fund for publishing;
- article 96 provides refinancing and simplifications for the publishing sector. In particular, the resources allocated to finance the tax credit for advertising investments in the newspaper and magazine press and television and radio broadcasters are increased from Euro 60 million to Euro 85 million (those allocated to newspapers are increased from Euro 40 million to Euro 50 million), and

the tax credit granted to companies that publish newspapers and magazines for the purchase of paper used to print the titles published is raised from 8 to 10 percent, with reference to expenditure incurred in 2019, raising the related expenditure ceiling from Euro 24 million to Euro 30 million. In addition, the regulation of direct contributions to the publishing industry has been simplified through a number of provisions.

Decree-Law 73/2021 of 26 May 2021, amending the provisions of the 2021 Budget Law, also extended the availability the tax credit in the single measure of 50% of the value of advertising investments to those made on local and national television and radio broadcasters, whether analogue or digital, not owned by the State. The tax credit is granted up to a maximum limit of Euro 90 million for each of the years 2021 and 2022, of which Euro 65 million for advertising investments in newspapers and periodicals, including online, and Euro 25 million for those made on local and national television and radio broadcasters, whether analogue or digital, not owned by the State. It also provided that, for 2021, the communication for access to the benefit must be submitted between 1 and 30 September 2021. Finally, the same Decree-Law 73/2021 authorized the expenditure of Euro 45 million per annum for the granting of the tax credit as from 2023.

The effects of Covid-19 and of the consequent measures introduced at regional and national level listed above could also have an impact on the Group's business and on economic, equity and financial position.

Financial risks

Financial risks related to existing credit lines and loans

The Company has a securitization transaction in place, created by the vehicle company Monterosa SPV S.r.l. and structured by Banca IMI S.p.A. as arranger, whose maximum total amount that can be financed is Euro 50.0 million.

The transaction provides for the ongoing monthly transfer of portfolios of the Company's trade receivables to Monterosa SPV, either on a definitive non-recourse (i.e., without a guarantee of the transferred debtors' solvency) or on a recourse basis (i.e., with a guarantee of the transferred debtors' solvency) and matures in December 2026.

At 30 June 2021, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

The securitization contract does not provide for financial covenants but does provide for causes of impediment to the acquisition of the Company's portfolios of receivables, which, if not remedied, could result in the termination of the contract. It should also be noted that the contract provides for the possibility for both parties to conclude transactions at the end of each calendar quarter.

Any termination of the securitization transaction would impact the Group's financial operations if the Company were unable to fund itself through commercial net working capital leverage, or unable to raise additional capital and credit resources.

On 20 July 2020, the Company signed the addendum with Monterosa SPV regarding the extension of the securitization programme for an additional six years, extending the maturity date to December 2026, and also modifying the option for both parties to terminate transactions at the end of each calendar half year.

On 20 July 2020, the Group signed a new medium/long-term loan agreement with a pool of lending banks, comprising Intesa Sanpaolo (also acting as Financing and Guarantee Agent Bank), Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”.

In relation to the SACE guarantee provided by the loan and in accordance with the provisions of the "Liquidity Decree", the Group has made the following commitments:

a) allocate the loan for the purpose of financing: *(i)* investments; *(ii)* working capital; *(iii)* personnel costs; *(iv)* costs of lease or rent fees of business units, exclusively for production facilities and business activities located in Italy (excluding acquisitions of investments); and: *(i)* to keep the substantial part of production in Italy; *(ii)* to use the proceeds of the loan exclusively in accordance with the purpose envisaged in such contract;
b) comply with the regulations in force from time to time concerning the fight against money laundering, financing of terrorism and corruption;
c) not to approve or execute dividend distributions or share repurchases during 2020 and to ensure that any other company based in Italy that is part of the same group does not approve or execute dividend distributions or share repurchases during 2020;
d) manage employment levels through trade union agreements for the entire duration of the loan.

There are no collateral or compulsory guarantees, but financial covenants recorded at consolidated level and calculated without giving effect to IFRS 16.

The contract includes, in addition to the clauses that are standard practice for this type of financing, such as: negative pledge, *pari passu*, cross-default and change of control, and some specific provisions that provide for mandatory partial early repayment upon the occurrence of certain events.

Failure to comply with even one covenant means that all amounts for which the Company has been declared delinquent will be immediately due and payable and the loan will be immediately cancelled. However, the lending banks may be asked to make amendments to the loan agreement, or to waive their rights to early termination, in the event of non-compliance with a covenant.

The Company ensures continuous monitoring of the performance indicators which could, if not met, trigger the causes of impediment envisaged in the securitization contract, and of the covenants which could cause the Company to lose the benefit of the term envisaged by the SACE loan, also for the purpose of taking all appropriate action in a timely manner to avoid such eventualities.

Tax risks

Tax risks related to the ability to recover deferred tax assets

At 30 June 2021, the Group recorded deferred tax assets of Euro 22.3 million, including Euro 19.2 million related to prior-year losses.

The recovery of this asset is subject to the availability over the next few years of a flow of taxable income sufficient to generate a theoretical tax expense sufficient to absorb past losses.

In this regard, article 23, paragraph 9 of Decree Law no. 98 of 6 July 2011 allows the recovery of tax losses without a time limit and a ceiling for their use in each year equal to 80% of taxable income. No indication of the length of the recovery period can be found in the relevant Accounting Standard.

As in previous years, the valuation of deferred tax assets on past losses was carried out using recovery forecasts consistent with the Business Plan, and extending these forecasts to the subsequent period, appropriately reducing them by 30% for the period 2025-2027, 55% for the period 2028-2030 and 100% beyond 2030.

If there are negative differences between the forecasts contained in the Plan and the actual figures available, the relevant accounting item will have to be written down. Under no circumstances will the Group recognize new deferred tax assets on prior losses before it has returned to positive taxable income. Similarly, the Group does not recognize deferred tax assets on new deductible temporary differences arising from the 2019 financial year.

Tax risk related to the Di Source Ltd affair

With reference to commercial relationships with Di Source Ltd, and in part Edifreepress S.r.l., Johnsons Holding S.r.l., Johnsons Inflight News Italia S.r.l., and P Publishing S.r.l., a risk profile of a fiscal nature is reported. In particular, invoices received by the Companies could be considered irregular, with consequent recovery of taxes and related penalties.

In order to address the tax risk profile, a specific provision for risks was recorded in the separate and consolidated financial statements at 31 December 2016, and then partially utilized for voluntary disbursements and adjustments, to cover the risk related to taxes and related penalties, the residual amount of which is Euro 1,123 thousand.

Risk resulting from the transfer of the IRES credit

On 28 September 2018, the Parent Company transferred without recourse to Banca IFIS the IRES credit for non-deduction of IRAP relating to employee and assimilated personnel expenses of Euro 2,400,978 plus related accrued and accruing interest, requested for the 2007 and 2008 tax periods.

In the event that future tax liabilities emerge due to disputes currently in litigation or any other future disputes, the Revenue Agency may suspend payment of the refund pending the final outcome of the litigation or a suitable surety guarantee. In such case, Banca IFIS requests to be held harmless and indemnified.

If the Revenue Agency requested a surety to guarantee disputes, including those not concerning the credit transferred, and the Company was unable to obtain such a guarantee, a breach of contract would occur. However, this possibility is remote, both because there are no disputes underway with a significant risk of losing and because there are no elements that, at present, suggest that the Company is unable to obtain this surety. In this regard, it should be noted that the Parent Company referred to the provisions of articles 6 and 7 of Decree Law no. 119 of 23 October 2018 for the facilitated settlement of two disputes that contained certain findings whose risk of losing the case was considered probable.

Operational risks

Risks related to the valuation of goodwill, intangible assets and tangible assets (impairment test)

The Group is characterized by a high incidence of goodwill, other intangible assets and tangible assets compared to total assets and equity, and is exposed to the risk of impairment of these assets.

At 30 June 2021, goodwill recognized in the consolidated financial statements amounted to Euro 22,019 thousand, intangible assets amounted to Euro 39,458 thousand and tangible assets, including rights of use recognized in accordance with IFRS 16, amounted to Euro 58,288 thousand, representing 8.3%, 14.9% and 22.0% of total consolidated assets, respectively. In total, at 30 June 2021, goodwill, intangible assets and tangible assets totalled Euro 119,765 thousand, or 45.2% of total consolidated assets, compared to consolidated equity of Euro 32,011 thousand.

On 25 February 2021, the Company's Board of Directors approved the update of the 2021-2024 Plan, which confirms the strategic direction and medium to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration, and the same was the basis for the impairment test. The results of the impairment test were determined on the basis of the impairment test procedure adopted by the Group, which was approved by the Board of Directors of Il Sole 24 ORE S.p.A. on 25 February 2021.

Consolidated revenues for H1 2021 were lower than expected, particularly with reference to the Culture area and the slower recovery in Radio area revenues.

At the level of EBITDA and EBIT, H1 2021, due to a different development of the business and to actions to contain direct and operating costs, marked an improvement in results on the 2021-2024 Plan approved by the Company's Board of Directors on 25 February 2021, which incorporates the impacts of the health crisis related to the spread of Covid-19, which was used to determine the value in use for the impairment test at 31 December 2020. It is therefore possible to confirm the medium/long-term objectives reflected in that plan. In consideration of the results of H1 2021, it is deemed that there is no trigger event in the period of reference and therefore, no new impairment test was carried out on the Group's CGUs.

The assumptions made for the purpose of determining the value in use of the individual cash-generating units, which support these asset values, by their very nature incorporate an element of uncertainty connected with all forecasts; therefore, they could lead to future adjustments to the book values depending on the actual realization of the assumptions underlying the estimates made by the directors.

Any future impairment of goodwill, intangible assets and tangible assets tested for impairment could result in a reduction in the Company's and the Group's assets and equity under IFRS, which would have a material adverse effect on the Company's and the Group's business and economic, equity and financial situation and going concern.

Risks related to the internal control and risk management system

Between November 2016 and January 2017, the need emerged to review and analyse the operational processes adopted by the Company deemed most significant in order to identify any critical issues and possible solutions.

The need to do so arose from specific circumstances, namely: the start of inspections by the Supervisory Authority; news that investigations were pending (at the time against unknown persons) by the Judicial Authorities; the results of the audit entrusted to an external consultant on the circulation and sale of copies of the newspaper; and the remarks made by the newly established Supervisory Body and the independent auditors. Following a resolution of the Board of Directors of Il Sole 24 ORE S.p.A., on 16 March 2017, the Company awarded a series of assignments to a leading consulting firm, all aimed at: *(i)* the identification of any shortcomings and/or significant areas for improvement in the design of the internal control and risk management system (hereinafter also “SCIGR”) and of the control processes with respect to the existing Guidelines and Procedures, to the best reference practices and to the requirements of current legislation; *(ii)* the assessment of the operation and effectiveness of the controls in place. In particular, the audits focused on the following company areas: *(i)* purchasing area, *(ii)*commercial area, *(iii)* expense reimbursement, *(iv)* circulation and distribution of the newspaper,*(v)* environment, *(vi)* health and safety.

These audits were followed by other audits carried out by the Internal Audit Department - in accordance with the annual audit plans approved by the Board of Directors - and by other third-party auditors.

The recommendations made as a result of the aforementioned audits and aimed at strengthening the internal control and risk management system are monitored by the Internal Audit Department which, in coordination with the Corporate General Management, verifies their actual implementation. The results of these follow-up actions are promptly reported to the Chairperson of the Board of Directors and the Chief Executive Officer.

In addition, work continued on monitoring administrative and accounting processes in accordance with Law no. 262/2005, assessing the main risks to which the Company is exposed (ERM) and updating the internal regulatory system with the issuance of new policies, guidelines and operating procedures and the resulting training/information for Company employees. In this last regard, it should be noted that in February 2021, the Board of Directors approved the latest version of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (CFR - Risk Organization and control model pursuant to Legislative Decree 231, 8 June 2001).

Should the SCIGR be inadequate for the nature and size of the company, inefficiencies or dysfunctions could arise with consequent economic, equity and financial losses for the Company and the Group.

Risk of interruption of printing activity at plants

The printing of the Group's editorial products and the daily newspaper “Il Sole 24 ORE” was carried out until 15 March 2021 in part at the Group's two production sites located in Milan and Carsoli (L'Aquila), and in part under contract at third-party sites located in Sassari and Rende (Cosenza).

With specific reference to proprietary plants, it should be noted that these plants were subject to operational risks, including, by way of example, equipment breakdowns, work stoppages, revocation of permits and licences, as well as events of an exceptional nature, including unlawful acts of third parties and natural disasters. In order to minimize these operational risks, the Group has followed thorough operating and control procedures. Insurance policies have also been taken out, which are considered adequate and sufficient to guarantee coverage of direct damage to plants and equipment and coverage of indirect damage due to interruption of activities.

Any interruptions or delays in the delivery of products, which could also arise as a result of the emergency caused by the spread of the Covid-19 virus, could have an adverse effect on the Group's economic, equity and financial position.

The Group has implemented, with the 16 March 2021 edition, the restyling of the Newspaper “Il Sole 24 ORE” and its attachments with the consequent cessation of production at its own plants and outsourcing all printing activities to third-party suppliers at the plants located in Erbusco (Brescia), Rome, Messina and Sassari.

With all of its printing activities contracted out to third parties, the Group is exposed, in particular with regard to its newspapers, to the possibility that the contracting companies may not abide by the terms agreed upon. It is also exposed to the operational risks of the plants of these companies. For this reason, the Company believes there is dependence on third-party printers. Contractual clauses have therefore been included to guarantee coverage of damage to the Group's activities due to non-compliance by contractors.

In order to minimize the operational risks, audits are carried out on a quarterly basis to check product quality and the efficiency, functionality and maintenance of the machinery present at external printers. In addition, third-party printers in Erbusco and Rome, which supply 94% of copies produced, were requested a further contractual guarantee that provides for the availability, albeit partial and with limitations, of other rotary presses at the same plants or others owned by them, for the printing of Group products in case the rotary presses included in the contract should become inoperative.

Risk related to the availability of the raw material “coloured paper” in the supply market

The European paper market is characterized by an increasingly small number of reliable and stable suppliers. The last two years have seen the closure of a number of paper mills and the concentration of production in a smaller number of production sites, due to the decrease in overall volumes and the reduction in profit margins for paper suppliers. In this last period, following the consequences of Covid-19, one of the largest paper manufacturers declared disinterest in continuing the coloured paper business and declared the closure of a paper mill. This has led to the spread of uncertainties in the market, which could also undermine free competition.

Faced with this uncertain and critical period for the supply of paper, the 24 ORE Group has signed a series of Framework Agreements for the year 2021, with the main players in the supply of coloured paper in Europe, reducing the risk of non-supply and ensuring a favourable purchase price.

Risk related to dependence on a single supplier for the distribution of publishing products in Italy and abroad

On 29 June 2006, the Company signed with M-Dis Distribuzione Media S.p.A. (hereinafter, “M-DIS”) an agreement for the exclusive distribution and marketing in Italy and abroad (France, Slovenia and Switzerland) of newspapers, add-ons and magazines published by the Group (hereinafter, the “Contract”). M-DIS is a joint venture between RCS (which holds 45%), Istituto Geografico DeAgostini S.p.A. (which holds 45%) and Hearst Magazines Italia S.p.A. (which holds 10%).

During the first few months of 2020, the Company signed new addenda both for the newspaper and for add-on products and magazines, with the aim of containing distribution costs as much as possible while extending their validity by 2 years; as a result, following the latest contractual amendments of 28 April 2020, the contract for the physical distribution and marketing in the news-stand channel of the newspaper Il Sole 24 ORE (and any future magazines that the Company decides to sell compulsorily in conjunction with the aforementioned newspaper) in Italy will expire on 31 December 2022; the contract regarding the distribution and marketing of magazines in Italy will expire on 31 December 2022, as will the contract regarding the distribution and marketing of add-ons in Italy, which will also expire on 31 December 2022. The contract for the physical distribution and marketing of the newspaper Il Sole 24 ORE abroad in the news-stand channel was also recently renewed, aligning its expiration with the other three existing contracts.

The Company has the right to terminate the Contract in advance, pursuant to article 1456 of the Civil Code, in case of breach - by M-DIS - of obligations provided for by specific contractual provisions (including failure to pay, for at least 4 times during the year, sums due to the Company as advance payment and/or balance), as well as in case of unilateral and voluntary suspension and/or interruption of the distribution activity by M-DIS (even where such suspension and/or interruption is justified by the Company's non-fulfilment).

The decision to turn to M-DIS as the main supplier is consistent with the search for and selection of a better condition for the Group, in terms of reliability and proven ability of the counterparty to manage this activity. Despite the situation of dependence on the contractual relationship with M-DIS, the Company believes that the contents and conditions of the same are currently in line with market practice.

Since M-DIS is the exclusive distributor of the Group's entire distribution service, any suspension and/or interruption of the relationship between the parties could entail the need to identify new operators that can satisfy the Group's needs in a similar manner, both domestically and abroad. During this possible transition phase, the Group may incur higher costs.

It is not possible to exclude that the gradual concentration of distributors of publishing products could generate monopolies and/or territorial oligopolies for certain operators, resulting in a significant increase in the distribution costs borne by the Group, with a consequent negative impact on the Group's business and on its economic, equity and/or financial situation.

The Group constantly monitors developments in the distribution of editorial products in Italy, also with a view to identifying possible alternative solutions in the event of potential interruptions to activities (even for limited periods) by the current sole supplier and in view of future contractual expiry.

Risks related to possible escalation of conflict with workers

The Company, in order to contain the economic effects of the Covid-19 health emergency, resorted to the work support measures made available by the law. In particular, for the graphics and printing areas, ordinary wage subsidies are provided for the maximum period permitted by law; for the journalism areas, agreements were signed for the use of the Cassa Integrazione in Deroga (Wage Guarantee Fund in derogation) with different starting point for each newspaper, expiring on 30 June 2021. The continuation of the health emergency and the related economic effects may lead to the need for further action.

In accordance with the 2021-2024 Business Plan approved by the Board of Directors on 25 February 2021, the Company is pursuing the action of reducing the overall cost of labour, through a structural reduction of the workforce (of all the categories journalists, managers, printers, graphic designers and radio operators) with benefits for the cost structure of the Group.

In this context, it is not possible to exclude the possibility of an escalation of conflict with workers.

Given that the Group's activities mainly include publishing, and journalism activities, work stoppages or other forms of conflict by certain categories of workers (in particular journalists and printers, given the rapidity of the economic cycle of the product) could lead to interruptions and, if prolonged, to inefficiencies that could affect the Group's economic results.

The Group ensures that any actions it intends to take that may have an impact on workers and the general corporate climate are discussed as a matter of priority with trade union representatives and communicated in compliance with applicable regulations.

FURTHER INFORMATION

Ownership structure and treasury shares

At 30 June 2021, the share capital of Il Sole 24 ORE S.p.A., fully subscribed and paid in, amounted to Euro 570,124.76, divided into 9,000,000 ordinary shares (representing 13.77% of the share capital) and 56,345,797 special category shares listed on the Mercato Telematico Azionario - MTA organized and managed by Borsa Italiana S.p.A. (representing 86.23% of the share capital), including 330,202 treasury shares, all without indication of nominal value.

Confindustria holds all of the ordinary shares of Il Sole 24 ORE S.p.A. and 31,371,684 special category shares, the latter having the rights referred to in article 7 of the Articles of Association, including the right to vote at the Company's general, ordinary and extraordinary shareholders' meetings.

The ordinary shares and special category shares held by Confindustria represent a total of 61.785% of the share capital.

All the shares issued by Il Sole 24 ORE S.p.A., currently owned by Confindustria - Confederazione Generale dell'Industria Italiana, are held in trust for Carlo Bonomi as Chairperson. All further shares that may be acquired in the future by Confindustria will be registered in the name of the *pro tempore* Chairperson.

By a resolution of the Shareholders' Meeting on 28 June 2017, the limits on share ownership of special category shares already in the Articles of Association were abolished.

Pursuant to article 7 of the Articles of Association, the distribution of interim dividends may be resolved in favour of special category shares within the limits and in the manner provided for by law. Pursuant to article

37 of the Articles of Association, they are attributed a preferential dividend of 5%, equal to Euro 2.60 or, if higher, to the share implicit par value, which may not be accumulated from one financial year to the next. In the event of dissolution of the Company, they shall have a right of preference in the distribution of the Company's assets up to the share implicit par value.

At the date of the Board of Directors' meeting to approve this Half-yearly financial report as at 30 June 2021, based on the results of the Shareholders' Register and taking into account the communications received pursuant to article 120 of the Consolidated Law on Finance, the following parties held, directly or indirectly, shares in the Company equal to or greater than 5% of the share capital:

PARTIES THAT DIRECTLY OR INDIRECTLY OWN 5% OR MORE OF THE COMPANY'S SHARE CAPITAL

Declaring Party	Direct Shareholder	% of share capital	% of voting capital
Ordinary shares			
Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	13.773%	13.843%
Special category shares			
Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	48.009%	48.253%

It should be noted that pursuant to paragraph 7 of article 119-bis of the Issuers' Regulation, added by Consob resolution no. 16850 of 1 April 2009 and subsequent amendments and additions, management companies and qualified entities that have acquired, as part of the management activities referred to in article 116-terdecies, paragraph 1, letters e) and f) respectively, of the Issuers' Regulation, managed investments of more than 3% and less than 5%, are not required to comply with the disclosure obligations provided for in article 117 of the aforementioned Regulation.

There are no authorizations by the Shareholders' Meeting to purchase treasury shares pursuant to article 2357 and following of the Civil Code. However, the Board of Directors was authorized by the Shareholders' Meeting of 28 April 2009 to dispose of the treasury shares held in portfolio, pursuant to article 2357-ter of the Civil Code, without time limits, in accordance with the terms and conditions set out in the share incentive plans approved by the Company from time to time. At the date of this document, Il Sole 24 ORE holds 330,202 treasury shares, equal to 0.58% of the special category shares and 0.51% of the entire share capital, for which voting rights are suspended.

At the date of this Half-yearly financial report at 30 June 2021, the Shareholders' Meeting had not granted any powers to the Board of Directors to increase share capital pursuant to article 2443 of the Civil Code or to issue equity instruments.

Organization and Control Model pursuant to Legislative Decree 231, 8 June 2001

Legislative Decree no. 231 of 8 June 2001 introduced into Italian law the administrative liability of entities arising from the commission of crimes in the interest or to the advantage of the entity itself.

Also for the purpose of preventing conduct that could result in the perpetration of the offences listed in the Decree, Il Sole 24 ORE S.p.A. adopted for the first time on 28 July 2005 specific internal rules and regulations formalized in the Organization, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter the "231 Model") in accordance with the requirements of the Decree and the guidelines issued by Confindustria.

The Company's Board of Directors therefore approved the 231 Model and appointed the Supervisory Body, which is responsible for overseeing the functioning of and compliance with the Model, as well as for periodically checking its effectiveness and updating it.

The Supervisory Body currently in office was appointed on 30 April 2019 and is composed of Raffaele Squitieri (Chairperson), Gianluca Ferrero and Lelio Fornabaio.

The Body carries out a detailed check of the state of updating and adequacy of the 231 Model in force, with reference to both the organizational and legislative framework of reference, and notified the need to proceed with an overall update of the 231 Model, focusing on a complete review of the mapping of risks related to the framework of sensitive activities and the types of predicate offences referred to in the Decree (which in the meantime have expanded as a result of the inclusion in the body of the Decree of new offences-231 compared with those contemplated in the 231 Model previously in force). The report was promptly acknowledged by the Company, which quickly launched a comprehensive review of its risk assessment. The activity was completed at the beginning of the second half of 2020 and on 30 July 2020, the Board of Directors approved the new 231 Model of the Company and updated the Code of Ethics of the 24 ORE Group. Finally, in the second half of 2020 the risk assessment was further updated in view of the issuance of Legislative Decree 14 July, no. 75/2020 and in February 2021, an update to Model 231 was approved.

Model 231 currently applicable thus defines the rules of conduct and the control principles aimed at preventing the following predicate offences:

A. Offences committed to the detriment of the Public Administration;
B. IT offences;
C. Organized Crime offences;
D. Corporate offences;
E. Offences against the person;
F. Financial offences or market abuse;
G. Offences of manslaughter and serious or very serious culpable injuries, committed in violation of accident prevention rules and on the protection of workplace health and safety;
H. Offences of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering;
I. Offences of copyright infringement;
L. Inducement not to make statements or to make false statements to the Supervisory Authority;
M. Environmental offences;
N. Employment of illegally staying third-country nationals;
O. Racism and Xenophobia;
P. Tax offences.

On the basis of the analysis carried out, the commission of the other types of offence provided for by the Decree was considered remote or only abstractly and not concretely possible.

The Model also defines the internal disciplinary system aimed at sanctioning any failure to comply with its provisions.

The Model of the Company, general part, and the Code of Ethics of the 24 ORE Group are available on the website of the Company at *www.gruppo24ore.com* in the Governance section.

In order to ensure greater effectiveness in the application of the rules adopted, the Company has promoted the knowledge and dissemination of the Model and the Code of Ethics. Specific training on the Decree extended to all personnel was therefore carried out in 2020.

The Company continues to monitor regulatory sources in order to promptly make any further updates to the Model.

During 2019 and 2020, the subject matter was affected by a number of legislative amendments including:

- Law no. 3/2019 concerning "*Measures for combating offences against the public administration, as well as in the matter of the prescription of the offences and in the matter of transparency of political parties and movements*" which, in addition to tightening the criminal and prohibitory sanctions provided for certain offences underlying the responsibility pursuant to Legislative Decree no. 231/2001, introduced amendments to the offences of *trafficking in illegal influences pursuant to article 346 bis of the Criminal Code*, also including it in the catalogue of predicate offences;
- Decree Law no. 124 of 26 October 2019, converted, with amendments, by Law no. 157 of 19 December 2019, containing "*Urgent provisions on tax matters and for unavoidable needs*" ("Tax Decree"), which extended the catalogue of predicate offences set out in the Decree to include the tax offences provided for by Legislative Decree no. 74/2000. In particular, article 39, paragraph 2 of the Tax Decree introduced in Legislative Decree 231/2001 the new article 25-quinquiesdecies, by virtue of which some tax offences entail the administrative liability of legal entities and determine the application of pecuniary sanctions;
- The Legislative Decree (Legislative Decree 14 July, no. 75/2020) implementing the PIF Directive (Directive (EU) 2017/1371), which provides for amendments to the regulation of several offences and an extension of the list of predicate offences under Legislative Decree no. 231/2001. In fact, the Decree introduces special aggravating circumstances to the Legislative Decree provided for by articles 316 (embezzlement by means of profit from the error of others), 316 ter (undue receipt of funds to the detriment of the State), 319 quater (undue induction to give or promise benefits), in cases where the act offends the financial interests of the European Union and the damage or profit is greater than Euro 100,000.00. Articles 322 bis and 640 of the Criminal Code have also been amended to provide for an extension of punishability, also in the case of illegal activities to the detriment of the EU.

  The Decree has also provided for the punishability of the attempt for some tax offences, which is not normally provided for by article 6 of Legislative Decree no. 74/2000. Specifically, the implementing decree provides for the punishability of the attempt for the offences referred to in articles 2 (fraudulent declaration through the use of invoices or other documents for non-existent transactions), 3 (fraudulent declaration through other devices) and 4 (unfaithful declaration) of Legislative Decree no. 74/2000, in the case of transnational facts (within the Union), if committed in order to evade VAT for an amount of not less than Euro 10 million.

  The Decree also extended the list of predicate offences pursuant to Legislative Decree no. 231/2001. In fact, the heading of article 24 "Undue receipt of payments, fraud against the State, a public entity or the European Union or to obtain public funds, IT fraud to the detriment of the State or a public entity and fraud in public supplies" has been replaced, extending the liability of companies to the offences of: Fraud in public supplies (article 356 of the Criminal Code); Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (article 2 of Law 898/1986).

  The heading of article 25 "Embezzlement, extortion, undue induction to give or promise benefits, bribery and abuse of office" has also been amended, with the introduction in the list of offences against the P.A. of: Embezzlement of public funds, excluding embezzlement of use (article 314, paragraph 1, of the Criminal Code); Embezzlement of public funds by exploiting the error of others (316 of the Criminal Code); Abuse of office (323 of the Criminal Code). Article 25 quinquiesdecies of Legislative Decree no. 231/2001 introduces new tax offences: False declaration (in case of serious cross-border VAT fraud, article 4 Legislative Decree 74/200); Failure to make a declaration (in case of serious cross-border VAT fraud, article 5 Legislative Decree 74/200); Undue compensation (in case of serious cross-border VAT fraud, article 10 quater Legislative Decree. 74/200).

Finally, article 25 sexiesdecies was added, which provides for the offence of Smuggling (Presidential Decree 43/1973), modulating the penalty according to whether or not the offence exceeds the threshold of Euro 100,000.00, above which the damage to the EU financial interests must be deemed considerable.

Transactions with related parties

With reference to transactions with related parties, it should be noted that all transactions carried out with related parties are limited in substance to commercial transactions with related parties and commercial, administrative and financial services with subsidiaries and associates. These transactions are part of normal business operations, within the scope of the typical activity of each party involved, and are regulated at market conditions.

The Company observes its own internal procedure “Regulation of Transactions with Related Parties”, adopted on 12 November 2010 by resolution of the Board of Directors (the “Regulation”), in implementation of the Regulation approved by CONSOB resolution no. 17221 of 12 March 2010, and subsequently amended by resolution no. 17389 of 23 June 2010 (the “CONSOB Regulation”). The aforementioned Regulation was updated by resolution of the Board of Directors on 19 December 2018, subsequently revised, in order to update certain references contained therein, by resolution of the Board of Directors on 19 December 2019 and, lastly, updated, in accordance with Consob resolution no. 21624 of 10 December 2020, by resolution of the Board of Directors on 30 June 2021.

Information on transactions with related parties is provided in paragraph 10.1 Transactions with related parties in the notes to the financial statements.

Related parties consist of parties entered in the Register of Related Parties established by the Company. The Regulation is available on the website *www.gruppo24ore.com*, Governance section.

SIGNIFICANT EVENTS OCCURRING AFTER 30 JUNE 2021

On 15 July 2021, the Company's Board of Directors expanded the responsibilities of the Control and Risk Committee, appointed on 30 April 2019 with responsibilities in the area of “Innovation, sustainability and governance”, naming it the Control, Risk and Sustainability Committee. At the same time it appointed a fourth member in the person of Mirja Cartia d'Asero, an independent non-executive director.

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements functional to the issuance of an unsecured, non-convertible bond for a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, exempt from the rules on public offerings set forth in Regulation (EU) 2017/1129.

The bonds were issued on 29 July 2021 and placed at an issue price equal to 99% of the nominal value of these securities, with a coupon of 4.950%. The bonds are governed by English law save in respect of matters governed by Italian law and are listed from 29 July 2021 on the “Euro MTF” multilateral trading facility of the Luxembourg Stock Exchange. The notes representing the bond have not been assigned a rating.

The regulation of the bond requires compliance with a covenant on an incurrence basis relating to the ratio between the net financial position and EBITDA of the 24 ORE Group.

This bond, which allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the “Liquidity Decree”, allows the Company to further strengthen its financial structure, providing it with the flexibility and resources to carry out the investments and actions planned over the plan period, which are necessary to develop revenues and achieve greater operating efficiency.

OUTLOOK

The first signs of market recovery began to be seen in April 2021, positively influencing the trend of advertising sales. In particular, the improving pandemic environment and increasing confidence in the recovery are positively affecting the market as a whole.

In Italy, the first easing of anti-Covid-19 restrictions began in April 2021 and the most recent ISTAT forecasts for Italy indicate sustained GDP growth both in 2021 (+4.7%) and in 2022 (+4.4% - *source: ISTAT press release - Italian economy outlook 2021-2022- 4 June 2021*).

The current uncertainty related to the possible continuing spread of the Covid-19 virus and its variants calls for caution with respect to the positive forecasts of the macroeconomic scenario. Therefore, in view of the health emergency situation, the publishing sector–in particular the advertising market and the exhibition and event organization activities–remain characterized by uncertainty as to what the possible effects of the continuing Covid-19 epidemic will be.

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The 2021-2024 Plan confirms the progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs, including personnel expenses for all categories. Compared to the 2020-2023 post-Covid Plan, updated estimates project a slower recovery for the current year, due to the effects of the pandemic, and an acceleration in subsequent years.

The Group continues to monitor very carefully both the evolution of the health emergency linked to the Covid-19 virus and the performance of the reference markets with respect to the hypotheses of the Plan, evaluating the actual possibility of rescheduling the planned initiatives, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

Milan, 30 July 2021

The Chairperson of the Board of Directors Edoardo GARRONE

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Euro thousands	Notes (*)	30.06.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	58,288	59,633
Goodwill	(2)	22,019	22,019
Intangible assets	(3)	39,458	40,914
Non-current financial assets	(4)	731	704
Other non-current assets	(5)	239	846
Deferred tax assets	(6)	21,713	22,604
Total		**142,448**	**146,719**
Current assets			
Inventories	(7)	1,557	1,893
Trade receivables	(8)	62,285	58,887
Other receivables	(9)	5,721	5,180
Other current financial assets	(10)	16,244	16,004
Other current assets	(11)	7,483	4,813
Cash and cash equivalents	(12)	28,780	40,889
Total		**122,072**	**127,665**
Assets available for sale		-	-
TOTAL ASSETS		**264,520**	**274,384**

(*) Section 8 of the Notes to the Financial Statements.

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.5 and detailed in point 13.1.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	Notes (*)	30.06.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity	(13)		
Equity attributable to shareholders of the parent company			
Share capital	(14)	570	570
Capital reserves	(15)	19,452	19,452
Employee severance indemnity (TFR) reserve - IAS adjustment	(16)	(4,799)	(4,822)
Profits (losses) carried forward	(17)	20,119	21,108
Profit (loss) attributable to shareholders of the parent company	(18)	(3,331)	(989)
Total		**32,011**	**35,320**
Equity attributable to minority shareholders	(13)		
Capital and reserves attributable to minority shareholders		-	-
Profit (loss) attributable to minority shareholders		-	-
Total		**-**	**-**
Total equity		**32,011**	**35,320**
Non-current liabilities			
Non-current financial liabilities	(19)	79,788	81,799
Employee benefits	(20)	15,157	15,774
Deferred tax liabilities	(6)	5,616	5,617
Provisions for risks and charges	(21)	10,289	9,648
Other non-current liabilities	(22)	0	103
Total		**110,850**	**112,941**
Current liabilities			
Current bank overdrafts and loans	(23)	15,324	17,188
Other current financial liabilities	(24)	7,360	8,803
Trade payables	(25)	79,884	79,104
Other current liabilities	(26)	34	424
Other payables	(27)	19,057	20,605
Total		**121,659**	**126,123**
Liabilities available for sale		-	-
Total liabilities		**232,509**	**239,064**
TOTAL EQUITY AND LIABILITIES		**264,520**	**274,384**

(*) Section 8 of the Notes to the Financial Statements.

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.5 and detailed in point 13.1.

Statement of profit (loss) for the period

CONSOLIDATED STATEMENT OF PROFIT (LOSS)			
Euro thousands	Notes (*)	H1 2021	H1 2020
1) Continuing operations			
Revenues	**(28)**	**96,829**	**88,233**
Other operating income	(29)	2,136	4,757
Personnel costs	(30)	(40,223)	(40,796)
Change in inventories	(7)	(336)	(914)
Purchases of raw and consumable materials	(31)	(1,833)	(1,908)
Costs for services	(32)	(42,699)	(40,314)
Costs for rents and leases	(33)	(3,187)	(2,597)
Other operating expenses	(34)	(1,285)	(1,528)
Provisions	(21)	(1,322)	(439)
Bad debt	(8.9)	(804)	(750)
Gross operating margin		**7,276**	**3,744**
Amortization of intangible assets	(3)	(3,292)	(2,851)
Depreciation of tangible assets	(1)	(4,446)	(5,414)
Impairment of tangible and intangible assets	(35)	(685)	3
Gains/losses on disposal of non-current assets	(36)	71	2
Operating profit (loss)		**(1,075)**	**(4,518)**
Financial income	(37)	342	373
Financial expenses	(37)	(1,819)	(1,369)
Total financial income (expenses)		**(1,477)**	**(995)**
Other income from investment assets and liabilities		28	103
Profit (loss) before taxes		**(2,524)**	**(5,410)**
Income taxes	(38)	(807)	78
Profit (loss) from continuing operations		**(3,331)**	**(5,333)**
2) Assets held for sale			
Profit (loss) from assets held for sale		**-**	**-**
Net profit (loss)	**(18)**	**(3,331)**	**(5,333)**
Profit (loss) attributable to minority shareholders	**-**	**-**	**-**
Profit (loss) attributable to the shareholders of the parent company	**(18)**	**(3,331)**	**(5,333)**
Basic earnings (loss) per share in Euro	**(18)**	**(0.05)**	**(0.08)**
Diluted earnings (loss) per share in Euro	**(18)**	**(0.05)**	**(0.08)**

(*) Section 8 of the Notes to the Financial Statements.

Statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Euro thousands	H1 2021	H1 2020
Net profit (loss)	**(3,331)**	**(5,333)**
Other components of comprehensive income		
Other components of comprehensive income that can be reclassified to the income statement	**-**	**-**
Other non-reclassifiable components of comprehensive income	**23**	**124**
Actuarial gains (losses) on defined-benefit plans	23	124
Other components of comprehensive income, net of tax effects	**23**	**124**
Total comprehensive income (expense)	**(3,308)**	**(5,209)**
Attributable to:		
Minority shareholders	**-**	**-**
Shareholders of the parent company	**(3,308)**	**(5,209)**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**(3,308)**	**(5,209)**

(*) Section 8 of the Notes to the Financial Statements.

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.5 and detailed in point 13.1.

Income components arising from non-recurring events or transactions, i.e. transactions or events that do not recur frequently, are also reported in point 13.5.

Statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS			
Euro thousands	Notes (*)	H1 2021	H1 2020
Statement items			
Profit (loss) before taxes from continuing operations attributable to the Group [a]		(2,524)	(5,410)
Adjustments [b]		**11,626**	**8,055**
Amortization/Depreciation	(1.3)	7,737	8,266
(Gains) losses	(36)	(71)	(2)
Effect of valuation of investments	(4)	(28)	(40)
Gain on disposal of minority investments		-	(62)
Allocation and (release) of provisions for risks and charges	(21)	1,187	(1,202)
Restructuring expenses		575	-
Provision for employee benefits	(20)	67	100
Impairment of tangible and intangible assets	(35)	682	-
Financial income and expenses	(37)	1,477	995
Changes in operating net working capital [c]		**(8,638)**	**(159)**
Change in inventories	(7)	336	914
Change in trade receivables	(8)	(3,399)	606
Change in trade payables	(25)	781	9,501
Other changes in net working capital		(6,356)	(11,181)
Total cash flow from operating activities [d=a+b+c]		**465**	**2,485**
Cash flow from investing activities [e]		**(5,196)**	**(3,658)**
Investments in intangible and tangible assets	(1.3)	(5,285)	(4,428)
Proceeds from disposal of minority investments		-	115
Other changes in investing activities		89	655
Cash flow from financing activities [f]		**(7,395)**	**(5,690)**
Net financial interest paid	(37)	(1,383)	(995)
Change in medium/long-term bank loans	(19)	(335)	(317)
Change in short-term bank loans	(23)	(1,882)	592
Changes in other financial payables and receivables		(2,963)	(854)
Other changes in financial assets and liabilities		-	31
Change in payables IFRS 16		(833)	(4,147)
Change in financial resources [g=d+e+f]		**(12,126)**	**(6,863)**
Cash and cash equivalents at the beginning of the year		**40,246**	**15,122**
Cash and cash equivalents at the end of the period		**28,120**	**8,259**
Increase (decrease) for the period		**(12,126)**	**(6,863)**

(*) Section 8 of the Notes to the Financial Statements.

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.5 and detailed in point 13.1.

Statement of changes in Equity

24 ORE GROUP - STATEMENT OF CHANGES IN EQUITY

Euro thousands	Share capital	Capital reserves	Employee severance indemnity (TFR) reserve - IAS adjustment	Profits (losses) carried forward	Profit (loss) for the period	Equity of parent company shareholders	Equity of minority shareholders	Total equity
	(14)	(15)	(16)	(17)	(18)	(14)		(14)
Balance at 31 December 2019	**570**	**19,482**	**(4,553)**	**22,274**	**(1,202)**	**36,572**	**-**	**36,572**
Actuarial adjustment TFR			124			124		124
Net profit (loss) for the period	-	-	-	-	(5,333)	(5,333)		(5,333)
Total income/expenses	**-**	**-**	**124**	**-**	**(5,333)**	**(5,209)**	**-**	**(5,209)**
Change in profit (loss) 2019		(30)		(1,172)	1,202	-		-
Balance at 30 June 2020	**570**	**19,452**	**(4,429)**	**21,102**	**(5,333)**	**31,363**	**-**	**31,363**
Balance at 31 December 2020	**570**	**19,452**	**(4,822)**	**21,108**	**(989)**	**35,320**	**-**	**35,320**
Actuarial adjustment TFR			23			23		23
Net profit (loss) for the period	-	-			(3,331)	(3,331)		(3,331)
Total income/expenses	**-**	**-**	**23**	**-**	**(3,331)**	**(3,308)**	**-**	**(3,308)**
Other changes				-		-		-
Change in profit (loss) 2020		-		(989)	989	-		-
Balance at 30 June 2021	**570**	**19,452**	**(4,799)**	**20,119**	**(3,331)**	**32,011**	**-**	**32,011**

(*) Section 8 of the Notes to the Financial Statements.

Milan, 30 July 2021

The Chairperson of the Board of Directors Edoardo GARRONE

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The 24 ORE Group operates in a leadership position in the economic-financial information market, offering its services to the public, professional categories, businesses and financial institutions.

The composition of the Group and the scope of consolidation at 30 June 2021, with changes compared to 31 December 2020, is provided in paragraph 9, Scope of consolidation.

The companies included in the Group's scope of consolidation at 30 June 2021 are:

- **Il Sole 24 ORE S.p.A.**, the Parent Company, which acts both as a holding company, holding the controlling investments in the Group companies, and as an operating company, through the exercise of the core businesses (general, financial and professional information, news agency, etc.);
- **Il Sole 24 ORE UK Ltd.**, a wholly-owned subsidiary, which is responsible for the intermediation in the sale of advertising space in the United Kingdom;
- **24 ORE Cultura S.r.l.**, a wholly-owned subsidiary specialized in products dedicated to art and photography, and the organization of exhibitions and events;
- **Il Sole 24 ORE U.S.A. Inc.**, wholly-owned subsidiary operating in the sector of political-economic and financial information in the United States;
- **Il Sole 24 ORE Eventi S.r.l.**, wholly-owned subsidiary operating, both in Italy and abroad, in the sector of organization, management, promotion and sale of conferences, events, meetings and forums, which can also be attended remotely and aimed at students, professionals, companies, public and private entities.

The registered and administrative office of Il Sole 24 ORE S.p.A. is in Milan at Viale Sarca 223. Confindustria holds control of the Parent Company.

The share capital of the Parent Company amounts to Euro 570,124.76, represented by 65,345,797 shares. The total shares are broken down as follows:

- 9,000,000 ordinary shares held by Confindustria, equal to 13.77% of the total number of shares;
- 56,345,797 special category shares listed on the MTA Standard Segment (Class 1) of Borsa Italiana S.p.A., equal to 86.23% of the total number of shares, of which 31,371,684 held by Confindustria, 24,643,911 held by other shareholders and 330,202 treasury shares.

The special category shares of Il Sole 24 ORE S.p.A. are currently listed on the MTA in the Standard Segment (Class 1) of Borsa Italiana S.p.A..

SHARE IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN Code	IT0005283111
Reuters Code	S24.MI
Bloomberg Code	S24: IM

The Half-yearly financial report, comprising the Group's condensed half-yearly consolidated financial statements for the period ended 30 June 2021, the report on operations and the certification required by article 154-bis, paragraph 5 of Legislative Decree 58/1998, Consolidated Law on Finance (T.U.F.), in accordance with the provisions of article 154-ter, paragraph 1 of Legislative Decree 58/1998 (T.U.F.), was authorized for publication by the Board of Directors on 30 July 2021.

2. Form, content and international accounting standards

These condensed half-yearly consolidated financial statements at 30 June 2021 have been prepared on a going concern basis and in accordance with the recognition and measurement criteria established by the International Accounting Standards (IAS and International Financial Reporting Standards - IFRS), as integrated by the relevant interpretations (Standing Interpretations Committee - SIC and IFRS Interpretations Committee - IFRIC), approved and published by the International Accounting Standards Board - and endorsed by Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions.

Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions adopts International Accounting Standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, expressly referred to in article 154 ter, paragraph 3 of Legislative Decree 58/1998 (TUF) for the preparation of the condensed half-yearly consolidated financial statements at 30 June 2021.

The form and content of these condensed half-yearly consolidated financial statements at 30 June 2021 comply with the disclosures required by IAS 34 - Interim Financial Reporting for condensed half-yearly financial statements. Therefore, the condensed half-yearly consolidated financial statements at 30 June 2021 do not include all the information required by the annual financial statements and shall be read together with the consolidated financial statements for the year ended 31 December 2020. In fact, its purpose is to provide an update since the last annual consolidated financial statements, focusing on new activities, events and circumstances that occurred during the period between 31 December 2020 and 30 June 2021 and providing an explanation of transactions and events that are significant for an understanding of the changes in financial position and result for the period.

The accounting standards and measurement bases used in the preparation of the condensed half-yearly consolidated financial statements at 30 June 2021 are the same as those used in the preparation of the most recent annual consolidated financial statements, to which reference should be made, except as noted in paragraph 4 Changes in accounting standards, errors and changes in estimates.

The currency used for presentation of these condensed half-yearly consolidated financial statements at 30 June 2021 is the Euro and the amounts are expressed in thousands of Euro, except where expressly indicated.

3. Financial Statements

The Group has prepared a Statement of financial position that classifies current and non-current assets and current and non-current liabilities separately.

For each asset and liability item that includes both amounts due within twelve months of the reporting date and amounts due beyond twelve months, the amount expected to be recovered or settled beyond twelve months has been indicated.

The Statement of financial position has been prepared at the end of the reporting period and the comparative figures relate to the annual consolidated financial statements for the previous year.

All revenue and expense items recognized in the period, including financial expenses, share of profit or loss of associates and joint ventures accounted for using the equity method, tax expense, and a single amount relating to total discontinued operations, are presented in the statement of profit (loss) for the period, which immediately precedes the Statement of comprehensive income.

The Statement of comprehensive income begins with the profit or loss for the period, presents the other comprehensive income section and the total other comprehensive income. The result of the Statement of comprehensive income is the total of the profit (loss) for the period and other comprehensive income.

The statement of profit (loss) for the period presents the allocation of profit (loss) for the period attributable to the shareholders of the parent entity and profit (loss) for the period attributable to minority interests.

The Statement of comprehensive income presents a breakdown of comprehensive income for the period attributable to the shareholders of the parent entity and comprehensive income attributable to minority interests.

Items that are recognized outside profit (loss) for the current period on specific provision of certain IAS/IFRS are presented in the other comprehensive income section of the statement of comprehensive income.

The other comprehensive income section must present the items relating to the amounts of other comprehensive income for the period, classified by nature (including the portion of other comprehensive income attributable to associates and joint ventures accounted for using the equity method) and grouped into those which, in accordance with the provisions of other IAS/IFRS:

- will not be reclassified subsequently to profit (loss) for the year;
- will subsequently be reclassified to profit (loss) when certain conditions are met.

Other comprehensive income components that may be reclassified to profit (loss) for the year are:

- gains and losses arising from the translation of the financial statements of a foreign operation;
- the effective portion of gains and losses on hedging instruments in a cash flow hedge;
- gains and losses on the restatement of non-current financial assets.

Other comprehensive income components that cannot be reclassified to profit (loss) for the period are actuarial gains and losses from defined benefit plans.

Items of the statement of other comprehensive income are presented gross of the related tax effects, with a single figure relating to the aggregate amount of tax relating to those items. The tax is allocated between items that could be subsequently reclassified to profit (loss) for the year and those that will not be subsequently reclassified to profit (loss) for the period.

The classification used for the statement of profit (loss) for the period is by nature. The statement of profit (loss) for the period and the Statement of comprehensive income have been prepared for the reference period of the current year and compared with the statements for the corresponding period in the previous year.

Information on cash flows is provided in the Statement of cash flows, which is an integral part of these condensed interim consolidated financial statements.

The method used to present cash flows is the indirect method, whereby the result for the period is adjusted for effects of:

- changes in inventories, receivables and payables generated by operating activities;
- non-monetary transactions;
- all other items the monetary effects of which are cash flows from investing or financing activities.

The statement in which the net financial position is presented has been prepared in accordance with the guidelines on disclosure requirements under the Prospectus Regulation (ESMA 32-382-1138 dated 4 March 2021).

The statement of changes in equity shows:

- the total comprehensive income statement for the period, showing separately the total amounts attributable to the shareholders of the parent company and those attributable to minority interests;

- for each Equity item, any effects of retrospective application or retrospective restatement recognized in accordance with *IAS 8 Accounting standards, changes in accounting estimates and errors*;

for each Equity item, a reconciliation between the book value at the beginning and end of the period, showing separately the changes resulting from:

- profit or loss;
- other components of comprehensive income;
- any transactions with shareholders, with separate indication of contributions from shareholders, distributions of equity to shareholders and changes in interests in subsidiaries without loss of control.

For each component of equity, the statement of changes in equity also presented an analysis of other comprehensive income by element.

The statement of changes in equity has been prepared with reference to the closing date of the period compared with the figures for the corresponding period of the previous year.

A specific table, which is an integral part of these condensed half-yearly consolidated financial statements, lists the Group companies, indicating their name, registered office, capital, shares held directly or indirectly, by the parent company and by each of the subsidiaries, the method of consolidation, as well as the list of investments accounted for using the equity method.

The Notes are presented selectively as an explanation of transactions and events that are significant for an understanding of changes in the statement of financial position and operating results after the end of the last year. In the Statement of financial position, the Statement of profit (loss) for the period, the Statement of comprehensive income, the Statement of cash flows and the Statement of changes in equity, reference is made to the detailed disclosures in paragraph 8 Notes to the financial statements.

4. Changes in Accounting standards, errors and changes in estimates

The accounting standards adopted in the report of these condensed half-yearly consolidated financial statements at 30 June 2021 are changed from those adopted in the previous annual consolidated financial statements only if the change, which will be reflected in the subsequent annual consolidated financial statements, is required by a new standard or if it contributes to more reliable and relevant information about the effects of transactions on the entity's financial position, results of operations or cash flows.

Changes in accounting standards are accounted for:

- in accordance with the specific transitional provisions, if any, of that standard;
- retrospectively, if the standard does not contain transitional provisions, or if the standard is amended voluntarily, with the effect in opening equity. Other comparative amounts indicated for each prior year are also adjusted as if the new standard had been applied from inception.

The prospective approach is adopted only when it is impracticable to determine the period-specific effects or the cumulative effect of the amendment for all prior periods.

In the case of material errors, the same treatment applies as for amendments in accounting standards as outlined above. In the case of immaterial errors, they are accounted for in the statement of profit (loss) for the period in which the error is detected.

In periods when there is a change in accounting standard with retrospective application, and where said change has a material impact on the information reported in the statement of financial position at the beginning of the previous year, three statements of financial position are required:

- at the end of the period of the current year;
- at the end of the previous year;

- at the beginning of the previous year.

Changes in estimates made in prior interim periods or in prior years are accounted for prospectively in the statement of profit (loss) for the interim period if they affect only the latter. If it affects subsequent periods, it is recognized in the interim, year-end and subsequent financial statements.

Changes in accounting standards, errors and changes in estimates that are the subject of these condensed half-yearly consolidated financial statements are described in detail in paragraph 8.

New accounting standards, interpretations and amendments adopted by the Group

As of 1 January 2021, no new standards apply with respect to financial statements at 31 December 2020. Other amendments to accounting standards on or after 1 January 2021, but which did not impact the Group's financial statements, are detailed below.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

Amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of expedients, which apply to all hedging directly affected by the interest rate benchmark reform. Hedging is affected if the reform creates uncertainties about the timing and/or amount of cash flows based on benchmarks of the hedged item or hedging instrument. These amendments had no impact on these interim consolidated financial statements of the Group as the Group does not have any interest rate hedging transactions in place.

Accounting standards, amendments and interpretations approved by the European Union but not yet in force and not adopted in advance by the Group

The IASB and IFRIC have approved some amendments to the IAS/IFRS already in force and issued new IAS/IFRS and new IFRIC interpretations. As these new documents have a deferred effective date, they have not been adopted for the preparation of these interim consolidated financial statements, but will be applied from the effective date established as mandatory.

The IASB has issued the following amendments, endorsed or not yet endorsed by the European Union: IFRS 17 Insurance Contracts (issued on 18 May 2017), Amendments to IAS 1 Presentation of Financial Statements classification of liabilities as current or non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020), Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (all issued on 14 May 2020), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued 12 February 2021), Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued 31 March 2021) and Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

5. Financial instruments and risk management

With reference to the Group's financial position, economic result and cash flows, additional information is provided to facilitate the assessment of the extent and nature of the related risks.

The risks related to the financial instruments used are:

- market risk, which is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. This risk can be further broken down into:
  - currency risk, i.e. the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
  - interest rate risk on fair value, i.e. the risk that the value of a financial instrument or its future cash flows will fluctuate due to changes in market interest rates;
  - price risk, i.e. the risk that the fair value of a financial instrument or its future cash flows fluctuate due to changes in market prices;
- credit risk, i.e. the risk that one party to a financial instrument will fail to discharge an obligation and cause a financial loss to the other party;
- liquidity risk, i.e. the risk of encountering difficulties in meeting obligations relating to financial liabilities settled with cash or another financial asset.

Group financial situation

Available credit lines

In order to cover its short-term financial requirements, at 30 June 2021 the Group has available usable credit lines for a total of Euro 20.0 million relating to credit lines for advances on trade receivables with recourse connected with the securitization transaction described below.

At 30 June 2021, lines of credit for advances on trade receivables with recourse were used for a total amount of Euro 14.7 million; the remaining portion of the credit lines and available liquidity total Euro 33.7 million (cash and cash equivalents, lines available with recourse, net of the portion to be relegated on collections of receivables already factored without recourse).

On 20 July 2020, a medium-long term loan agreement was stipulated, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, for an amount of Euro 37.5 million maturing on 30 June 2026 and disbursed on 22 July 2020. On 29 July 2021, Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section “Significant events occurring after 30 June 2021” for more information.

On 20 July 2020, an addendum was signed with Monterosa SPV to extend to December 2026 the trade receivables securitization line described below.

Securitization of trade receivables

In 2013, the Company took part in a securitization transaction, carried out by Monterosa SPV S.r.l. (a special purpose vehicle established pursuant to Law 130 of 30 April 1999 and subsequent amendments and additions) and structured by Banca IMI S.p.A. as arranger, through the issue of asset-backed securities to finance the purchase of trade receivables of Il Sole 24 ORE S.p.A. Monterosa SPV S.r.l. is not controlled by the Group and is therefore not included in the scope of consolidation. The 24 ORE Group does not hold any investment in the financial instruments issued by the vehicle.

The transaction provides for the ongoing monthly transfer of portfolios of the Company's trade receivables to Monterosa SPV, either on a definitive non-recourse (i.e., without a guarantee of the transferred debtors' solvency) or on a recourse basis (i.e., with a guarantee of the transferred debtors' solvency).

On 13 November 2017, the Company entered into an agreement with Monterosa SPV to extend the maturity of the transaction until December 2020; however, it should be noted that the agreement provides for the option to terminate operations by either party at the end of each calendar quarter.

The maximum total amount that can be financed is Euro 50.0 million; at 30 June, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

The securitization contract does not provide for financial covenants but does provide for causes of impediment to the acquisition of the Company's portfolios of receivables, which, if not remedied, could result in the termination of the contract.

At 30 June 2021, there were no causes of impediment to purchase and/or material events that would result in contract termination. On 20 July 2020, an agreement was signed with Monterosa SPV to extend the maturity of the operation for a further 6 years, thus bringing the new maturity date to December 2026; the agreement also provides for the possibility for both parties to terminate the operation at the end of each calendar half-year.

Medium/long-term loan backed by SACE guarantee

On 20 July 2020, the Group signed a medium/long-term loan agreement with the pool of lending banks, comprising Intesa Sanpaolo (also acting as Financing and Guarantee Agent Bank), Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”.

In relation to the SACE guarantee provided by the loan and in accordance with the provisions of the “Liquidity Decree”, the Group has made the following commitments:

a) allocate the loan for the purpose of financing: *(i)* investments; (*ii*) working capital; (*iii*) personnel costs; *(iv)* costs of lease or rent fees of business units, exclusively for production facilities and business activities located in Italy (excluding acquisitions of investments); and: (*i)* to keep the substantial part of production in Italy; *(ii*) to use the proceeds of the loan exclusively in accordance with the purpose envisaged in this contract;

b) comply with the regulations in force from time to time concerning the fight against money laundering, financing of terrorism and corruption;

c) not to approve or execute dividend distributions or share repurchases during 2020 and to ensure that any other company based in Italy that is part of the same group does not approve or execute dividend distributions or share repurchases during 2020;

d) manage employment levels through trade union agreements for the entire duration of the loan.

The amount of the loan is Euro 37.5 million and the duration is 6 years with maturity of 30 June 2026 and 24 months of pre-amortization; the amortization plan provides for quarterly instalments with a constant capital quota and the interest margin is equal to 3-month Euribor +1.65%.

The loan is backed by a first demand guarantee issued by SACE pursuant to the “Liquidity Decree”, for a maximum amount equal to 90% of the loan amount; the cost of the guarantee is 50 bps for the first year, 100 bps for the second and third years, 200 bps from the fourth year. The Company considers that the effective interest rate on this loan (interest rate margin and cost of the SACE guarantee) is in a market range.

There are no collateral or compulsory guarantees, but financial covenants recorded at consolidated level and calculated without giving effect to IFRS 16. The structure of the covenants is described in the following table:

FINANCIAL COVENANTS										
Euro millions	30/06/2021	31/12/2021	30/06/2022	31/12/2022	30/06/2023	31/12/2023	30/06/2024	31/12/2024	30/06/2025	31/12/2025
EBITDA (*) ≥	0	8								
Minimum SE ≥	18	18								
Lev Ratio (NFP/EBITDA (*)) ≤			2.75x	2.0x	2.0x	1.50x	1.50x	1.50x	1.50x	1.50x
Gearing Ratio (NFP/SE) ≤			2.5x	2.0x	1.5x	1.0x	1.0x	1.0x	1.0x	1.0x

(*) values to be calculated on a 12-month rolling basis

The contract includes, in addition to the clauses that are standard practice for this type of financing, such as: negative pledge, *pari passu*, cross-default and change of control, and some specific provisions that provide for mandatory partial early repayment upon the occurrence of certain events.

Failure to comply with even one covenant means that all amounts for which the Company has been declared delinquent will be immediately due and payable and the loan will be immediately cancelled. However, the lending banks may be asked to make amendments to the loan agreement, or to waive their rights to early termination, in the event of non-compliance with a covenant.

On 22 July 2020, the loan was disbursed to the Company for a total amount of Euro 37.5 million.

With reference to the last contractual recognition on 30 June 2021, compliance with the covenant is confirmed:

- (rolling 12 month) EBITDA net of the application of IFRS 16 Euro 16.7 million higher than the covenant minimum of Euro 0 million,
- equity net of the application of IFRS 16 of Euro 31.5 million higher than the covenant minimum of Euro 18.0 million.

On 29 July 2021 the Company issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of seven years. This bond allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the “Liquidity Decree”.

Financial risk

Financial risks are managed in accordance with the principle of prudence and the minimization of risks associated with financial assets and liabilities; transactions involving the investment of liquidity or the raising of the necessary financial resources are carried out with the primary objective of neutralizing, on the one hand, the risk of loss of capital, avoiding speculative transactions, and, on the other, the risk of fluctuations in interest rates, avoiding exposing the result for the period to any unexpected increases in financial expenses.

The Group constantly monitors the financial risks to which it is exposed, in order to assess any negative impact and take appropriate action to mitigate them. The Board of Directors of the Parent Company has overall responsibility for the creation and supervision of the Group's risk management system, as well as for the development and control of risk management policies.

The Group's risk management policies aim to identify and analyse the risks to which the Group is exposed, defining the appropriate limits and systems for monitoring these risks. The policies and related systems are reviewed periodically in consideration of changes in market conditions and the Group's business.

The financial management of subsidiaries is carried out through specific intercompany current accounts into which any surplus liquidity is deposited or into which the Parent Company transfers the financial resources necessary for the operating management of the same companies, with the aim of optimizing also the impact on the income statement in terms of financial income and expenses accrued on said current accounts.

The terms and conditions applied to intercompany current account agreements as of 30 June 2021 are as follows:

- lending rate on stocks of subsidiaries: 1-month Euribor flat;
- borrowing rate on the debt of subsidiaries: 1-month Euribor +2.81% (determined considering the effective rate of the medium/long-term loan inclusive of the cost of the SACE guarantee);
- repayment terms within 48 hours of any request by the Parent Company.

Centralized management of Group finance also makes it possible to efficiently control and coordinate the operations of the individual subsidiaries, including through more effective financial planning and control, which can also provide useful indications for optimizing the management of relations with banks and credit institutions of reference, and to systematically monitor the Group's financial risk and treasury performance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, due to changes in interest rates, foreign exchange rates, or the prices of equity instruments. The objective of market risk management is to manage and control the Group's exposure to this risk within appropriate levels, while at the same time optimizing the return on the investments to which this risk is linked.

Exchange rate risk

The Group is marginally exposed to exchange rate risk on purchases denominated in currencies other than the functional currency of the various Group entities.

These transactions mainly refer to the EUR/USD, EUR/GBP and EUR/CHF exchange rates.

It is the Group's policy to fully hedge, where possible, significant exposures arising from receivables and payables denominated in currencies other than the Euro.

Interest rate risk

The Group's economic result is exposed to fluctuations in market interest rates following the signing of the medium/long-term loan secured by a SACE guarantee, which provides for an interest margin equal to 3-month Euribor +1.65%. The loan has a Euribor zero floor clause. Thus, as long as Euribor is negative, the value applied is zero. The interest rate risk on the unsecured, nonconvertible bond with a principal amount of Euro 45 million is reduced because the instrument is fixed-rate.

The return on any financial investments, represented by short-term financial investments with maturities not exceeding three months, is not affected by changes in interest rates.

The cost of any financial funding relating to current account overdrafts and short-term hot money lines, which do not have maturities exceeding six months, is therefore not affected by changes in interest rates.

Price risk

The main raw material used by the Group, which could show significant price risks, is paper.

Paper procurement is managed centrally for all the Group's business units through careful planning of purchases and stock management. In line with best market practice, supply agreements are stipulated with leading Italian and foreign counterparts at defined quantity and price conditions for the maximum duration that the market currently allows, i.e. approximately one year.

The Group is not using hedging derivatives such as paper swaps, as these instruments are characterized by limited liquidity in terms of both counterparties and maturities.

Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument will generate a financial loss by failing to meet an obligation.

Within the Group, credit risk mainly relates to trade receivables generated by the sale of products and services by the various business units.

In relation to the type of customers to which the Group's products and services are aimed, it is not considered that there is a high risk in terms of trade receivables, against which, given that there is no evidence of an excessive concentration of risk, it is nevertheless considered appropriate to follow operating procedures that limit sales to customers considered not solvent or unable to provide adequate guarantees.

Credit risk control activities for customers are carried out by grouping them by type and business area, considering whether they are advertising agencies, companies and financial institutions, public entities, professionals and individuals, distributors and book stores, or other customers, also examining their geographical location, sector, age of credit, due date of invoices issued and previous payment behaviour.

A specific bad debt provision has been set up to cover any losses due to non-collectible receivables.

Liquidity risk

Liquidity risk is represented by the risk that the Group may have difficulty in fulfilling the obligations associated with its financial liabilities and, therefore, have difficulty in obtaining, on economic terms, the financial resources necessary for its operations.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that there are always sufficient financial reserves to meet its obligations as they fall due, both in normal conditions and in the event of financial stress.

The main factors that determine the Group's liquidity are represented by the flows generated or absorbed by operating and investment activities, and by the flows linked to the repayment of financial liabilities and the collection of income from financial investments, as well as the trend in market rates.

The Group has launched a series of actions to optimize the management of financial resources and mitigate liquidity risk:

- centralized management of the Group's liquidity through constant withdrawal of the financial surpluses of the subsidiaries and by covering the needs of the same subsidiaries with resources provided by the Parent Company;
- maintaining an adequate reserve of available liquidity;
- availability of adequate short and medium-term credit lines;
- planning of the prospective financial situation also with reference to the incidence of medium/long-term debt on the overall net financial position;
- use of an adequate internal control system to assess available liquidity in relation to the company's operational planning.

Criteria for determining fair value

The methods and main assumptions used to determine the fair values of financial instruments are set out below.

Non-derivative financial liabilities

Fair value is calculated on the basis of the present value of estimated future cash flows of principal and interest, discounted using the market interest rate at the reporting date.

Interest rates used to calculate fair value

The interest rates used to discount expected cash flows, where applicable, are based on the yield curve of government securities at the reporting date plus an appropriate credit spread.

Fair value and book value

The following table shows, for each financial asset and liability and for trade receivables and payables, the book value recorded in the balance sheet and the relative fair value:

FAIR VALUE

Euro thousands	30.06.2021		31.12.2020	
	Book value	Fair Value	Book value	Fair Value
Minority investments	731	731	704	704
M/L financial receivables and security deposits	124	124	721	721
M/L financial receivables IFRS16	105	105	114	114
Receivables from customers	66,768	66,768	62,845	62,845
Cash and cash equivalents	28,780	28,780	40,889	40,889
S/T financial receivables IFRS16	71	71	117	117
S/T financial receivables	16,173	16,173	15,887	15,887
Unsecured loans from banks	(4,056)	(4,759)	(4,373)	(5,222)
M/L financial payables IFRS16	(36,935)	(36,935)	(37,934)	(37,934)
SACE guaranteed financing	(37,331)	(37,331)	(37,052)	(37,052)
Other M/L financial payables to third parties	(3,925)	(3,925)	(4,870)	(4,870)
Unsecured current account advances	(14,663)	(14,663)	(16,545)	(16,545)
Other financial payables to third parties	(2,628)	(2,628)	(4,505)	(4,505)
S/T financial payables IFRS16	(2,932)	(2,932)	(2,510)	(2,510)
Trade and other payables	(41,717)	(41,717)	(47,782)	(47,782)
Total	**(31,435)**	**(32,137)**	**(34,295)**	**(35,144)**
(Loss) / Profit not recognized		(702)		(849)

Guarantees and commitments

At 30 June 2021, the Group has bank and insurance sureties outstanding for a total of Euro 13,625 thousand.

These sureties are summarized below:

- sureties issued by the Parent Company to guarantee lease contracts for Euro 4,354 thousand. In particular, we note the sureties in favour of Finamo for the property located at Piazza Indipendenza 23 in Rome for Euro 238 thousand and in favour of Sarca 223, as a deposit to guarantee the signing of the lease agreement and the taking over by 1 May 2021 of the property located at Viale Sarca 223 in Milan, for Euro 4,100 thousand;
- guarantee in favour of Selective Core Italy SICAF to guarantee the payment of the instalments relating to the indemnity for the early termination of the lease contract for the property located at Via Monte Rosa 91 for Euro 6,514 thousand;
- sureties issued by the Parent Company and its subsidiaries mainly in favour of ministries, public entities or municipalities to guarantee calls for tenders, competitions for prizes, contracts for the supply of services, etc., totalling Euro 1,654 thousand;
- sureties issued by the Parent Company to guarantee the commitments of its subsidiaries to private third parties or public entities in relation to tenders, commercial transactions, supply contracts, etc., totalling Euro 1,103 thousand, granted on the Parent Company's bank lines of credit.

It should be noted that, in order to guarantee the issuance of the surety in favour of Selective Core Italy SICAF connected to the payment of the instalments relating to the indemnity for the early termination of the lease of the property located at Via Monte Rosa 91 for residual Euro 6,514 thousand, on 19 December 2019, the Parent Company signed with Banca Intesa Sanpaolo a deed of pledge on the balance of a dedicated current account and a contract for the transfer of receivables as collateral, having as its object the receivable connected to the deferred price portion, amounting to Euro 16,500 thousand, deriving from the disposal of the shares of the company Business School24 S.p.A., the payment of which is set by 31 December 2021. The pledge is effective for a maximum guaranteed residual amount of Euro 6,514 thousand until the obligations connected with the guarantee are fulfilled and in particular, the payment of the instalments of the indemnity indicated above.

6. Key sources of estimation uncertainties

Estimates are made primarily in the context of the going concern assumption, for the assessment of the recoverability of deferred tax assets, the recognition of impairment losses on assets, the calculation of returns to be received for distributed publishing products, the calculation of renewal rates for gracing subscriptions, the valuation of receivables and inventories, and the quantification of amounts to be set aside against probable risks.

They are also used in actuarial calculations to determine employee severance indemnities and agents' termination indemnities, to measure taxes, to determine fair value and the useful life of assets.

In accordance with *IAS 34 Interim Financial Reporting*, interim measurements of figures in the condensed interim consolidated financial statements may be based on estimates to a greater extent than measurements of figures in the annual consolidated financial statements. The measurement procedures followed for this purpose were designed to ensure that the information provided was reliable and that all significant financial information relevant for an understanding of the Group's financial position or performance was disclosed.

Estimates and assumptions are reviewed at least annually and the effects of any changes are immediately reflected in the income statement.

In particular, estimates of returns of publishing products are carried out using statistical techniques and updated monthly on the basis of final figures received.

The estimate of legal risks also takes into account the nature of the dispute and the probability of losing the case.

Moreover, estimates relating to the measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful life are made at least annually and if there is an indication of impairment, on the basis of fair value less costs to sell or value in use using the discounted cash flow technique.

7. Scope of consolidation

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ON A LINE-BY-LINE BASIS

Company Name	Business	HQ	Currency	Share Capital fully paid-in	% of consolidation	Held by
24 ORE Cultura S.r.l.	Products dedicated to art	Milan	Euro	120,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE Eventi S.r.l.	Organization, management and sale of events	Milan	Euro	24,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE UK Ltd.	Sale of advertising space	London	Euro	50,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE U.S.A. INC.	American News Agency	New York	Dollar	2,000	100.0%	Il Sole 24 ORE S.p.A.

Investments in subsidiaries

At the date of these condensed half-yearly financial statements, there were no changes from the Consolidated financial statements for the year ended 31 December 2020.

Investments in associates and joint ventures

At the date of these consolidated financial statements, there were no investments in associated companies.

Minority investments

There were no changes compared to the previous approved financial statements. Details are shown in the notes to the statement of financial position under the corresponding item.

8. Notes to the financial statements

Impairment test

The impairment test consists of verifying whether there are any indications that an asset may be impaired. In the case of goodwill and intangible assets with indefinite useful life, it shall be verified at least annually that their recoverable amount is at least equal to their book value.

The impairment test must be carried out at least annually and when necessary, i.e. in the presence of a trigger event (IAS 36 paragraph 9).

In this regard, it is noted that:

- in terms of EBITDA and EBIT in H1 2021, due to both a different business development and actions to contain direct and operating costs, it showed improved results compared to the 2021-2024 Plan used to determine the value in use for the impairment test at 31 December 2020;
- with regard to the determination of the fair value of concessions and radio frequencies (intangible assets with indefinite useful life), in the first six months of 2021, there were no elements that would revise the assessment of the market value of these assets.

In consideration of the above, it is deemed that there is no trigger event in the period of reference and therefore, no new impairment test was carried out on the Group's CGUs.

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment amounted to Euro 58,288 thousand and the breakdown is as follows:

PROPERTY, PLANT AND EQUIPMENT		
Euro thousands	Net value at 30.06.2021	Of which investments
Land	2,870	-
Buildings	3,788	-
Plant and equipment	10,148	1,505
Industrial and commercial equipment	3,771	1,216
Rights of use	37,659	384
Other assets	52	52
Total	**58,288**	**3,158**

Investments in H1 2021 amounted to Euro 3,158 thousand and mainly relate to:

- plant and equipment amounting to Euro 1,505 thousand and relating to general plant (Euro 1,400 thousand) and broadcasting equipment for Radio (Euro 105 thousand);
- industrial and commercial equipment, amounting to Euro 1,216 thousand, relating to purchases of hardware (Euro 211 thousand) and furniture and fittings (Euro 1,005 thousand);
- rights of use amounting to Euro 384 thousand and referring to the recognition of the present value of future lease payments as an asset (right of use) in relation to the present value of car rental fees. With regard to contracts for the lease of space and areas held for the positioning

of radio broadcasting equipment owned by the Group, the useful life of the asset was determined considering their duration equal to the plan period;
- other assets amounting to Euro 52 thousand and referring mainly to investments in plant and equipment at the new Milan headquarters in Viale Sarca that are not yet available for use.

The changes are as follows:

PROPERTY, PLANT AND EQUIPMENT							
Euro thousands	Opening Balance	Purchases	Disposals	Depreciation	Disposal of assets - Write off	Other changes	Closing Balance
Historical Cost:							
Land	2,870	-	-	-	-	-	2,870
Buildings	29,062	-	-	-	-	-	29,062
Plant and equipment	83,175	1,505	(310)	-	-	5,942	90,312
Industrial and commercial equipment	39,996	1,216	(503)	-	(1,789)	800	39,720
Rights of use	54,782	384	-	-	-	(95)	55,071
Other assets	6,748	52	-	-	-	(6,748)	53
Total historical cost	**216,632**	**3,158**	**(813)**	**-**	**(1,789)**	**(101)**	**217,088**
Accumulated depreciation:							
Buildings	(24,974)	-	-	(299)	-	-	(25,273)
Plant and equipment	(79,422)	-	299	(1,041)	-	-	(80,165)
Industrial and commercial equipment	(37,838)	-	503	(403)	1,789	-	(35,950)
Rights of use	(14,765)	-	-	(2,702)	-	55	(17,411)
Other assets	(1)	-	-	-	-	-	(1)
Total accumulated depreciation	**(156,999)**	**-**	**801**	**(4,446)**	**1,789**	**55**	**(158,800)**
Tangible assets:							
Land	2,870	-	-	-	-	-	2,870
Buildings	4,087	-	-	(299)	-	-	3,788
Plant and equipment	3,753	1,505	(12)	(1,041)	-	5,942	10,148
Industrial and commercial equipment	2,158	1,216	-	(403)	(0)	800	3,771
Rights of use	40,016	384	-	(2,702)	-	(39)	37,659
Other assets	6,748	52	-	-	-	(6,748)	52
Total	**59,633**	**3,158**	**(12)**	**(4,446)**	**(0)**	**(45)**	**58,288**

Depreciation of tangible assets amounted to Euro 4,446 thousand and was determined in relation to the expected useful life. Assets purchased during the year are depreciated from the time they are available for use. The criteria used to determine them did not change from the previous year.

The application of IFRS 16 resulted in the recognition under non-current assets of the right to use the asset covered by the contract, in particular rental of hardware and vehicles, leases of spaces and areas held for the positioning of radio broadcasting equipment owned by the Group. The value of the rights of use thus determined is Euro 37,659 thousand.

Below is the breakdown of the rights of use:

RIGHTS OF USE						
Euro thousands	Opening Balance	Purchases	Disposals	Amortization	Other changes	Closing Balance
Historical Cost:						
Right of use properties	47,673	-	-	-	(49)	47,624
Right of use broadcasting towers	4,839	-	-	-	-	4,839
Right of use cars	2,270	384	-	-	(46)	2,608
Total historical cost	**54,782**	**384**	**-**	**-**	**(95)**	**55,071**
Accumulated depreciation:						
Right of use properties	(12,092)	-	-	(2,030)	34	(14,088)
Right of use broadcasting towers	(1,479)	-	-	(427)	-	(1,907)
Right of use cars	(1,194)	-	-	(244)	22	(1,416)
Total accumulated depreciation	**(14,765)**	**-**	**-**	**(2,702)**	**55**	**(17,411)**
Rights of use						
Right of use properties	35,581	-	-	(2,030)	(15)	33,535
Right of use broadcasting towers	3,360	-	-	(427)	-	2,932
Right of use cars	1,076	384	-	(244)	(24)	1,192
Total	**40,016**	**384**	**-**	**(2,702)**	**(39)**	**37,659**

With reference to the lease agreement for the new offices in Milan, it should be noted that this contract provides for a term of ten years, tacitly renewable for a further six years unless one of the parties gives formal notice of termination at least twelve months prior to expiry, in accordance with current legislation. For the purposes of accounting for this lease in accordance with IFRS 16, the Group has considered the initial ten-year period as the term of the contract but has not included the renewal period as, at the date of preparation of the financial statements, it is not reasonably certain that it will exercise this option.

The following table shows the useful life of the assets included in the categories reported in the financial statements:

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT

Asset category	Useful Life	Rate
Land	Indefinite	-
Buildings		-
Industrial buildings	30-33 years	3%-3.33%
Lightweight construction	12 years	8.33%
Plant and equipment		-
General plants	10-20 years	5%-10%
Plants (leasehold improvements)	10-12 years	8.33%-10%
Rotary presses	8-15 years	6.5%-12.5%
Finishing machines	5-15 years	6.5%-20%
Electronic photocomposition and photoreproduction systems	5 years	20.00%
Radio broadcasting systems	3-9 years	11.1%-33.33%
Industrial and commercial equipment		
Hardware	5 years	20.00%
Furniture and fittings	5-20 years	5%-20%
Electronic office equipment	5 years	20%
Acclimatization plants	20 years	5.00%
Internal means of transport	10 years	10.00%
Miscellaneous and small equipment	10 years	10%

The right of use is depreciated over the duration of the contract or, if shorter, over the useful life of the asset.

(2) Goodwill

Goodwill recorded in the financial statements amounted to Euro 22,019 thousand and is unchanged from 31 December 2020.

The book values of goodwill attributed to CGUs (Cash Generating Units) are as follows:

GOODWILL

values in Euro thousands	30.06.2021
Tax & Legal	15,469
Events	6,549
Total	**22,019**

Goodwill and intangible assets with indefinite useful life are not subject to amortization but to an impairment test of their book value, not necessary for the purposes of preparing these condensed interim consolidated financial statements as described above.

(3) Intangible assets

Intangible assets amounted to Euro 39,458 thousand and the breakdown is as follows:

INTANGIBLE ASSETS

Euro thousands	Net value at 30.06.2021	Of which investments
Radio frequencies	27,929	-
Licences and software	10,120	1,526
Assets in progress and advances	1,408	986
Total	**39,458**	**2,511**

Investments in intangible assets amounted to Euro 2,511 thousand and included Euro 537 thousand for the capitalization of internally developed software (in H1 2020, they amounted to Euro 721 thousand).

Investments in assets in progress relate to software projects in progress and refer to the development of new products and development of systems for processes.

Investments in licences and software amounting to Euro 1,526 thousand refer to activities related to the development of systems for processes and the development and implementation of products, in particular digital products.

Changes in intangible assets in H1 2021 are as follows:

INTANGIBLE ASSETS

Euro thousands	Opening Balance	Purchases	Disposals	Amortization	Other changes	Write off	Closing Balance
Historical cost:							
Newspapers	9,245	-	-	-	-	-	9,245
Trademarks	724	-	-	-	-	-	724
Radio frequencies	105,254	-	-	-	-	-	105,254
Licences and software	120,733	1,526	-	-	472	(682)	122,049
Assets in progress and advances	889	986	-	-	(466)	-	1,408
Total historical cost	**236,844**	**2,511**	**-**	**-**	**6**	**(682)**	**238,680**
Accumulated amortization:							
Newspapers	(9,245)	-	-	-	-	-	(9,245)
Trademarks	(724)	-	-	-	-	-	(724)
Radio frequencies	(77,325)	-	-	-	-	-	(77,325)
Licences and software	(108,637)	-	-	(3,292)	-		(111,929)
Total accumulated amortization	**(195,930)**	**-**	**-**	**(3,292)**	**-**	**-**	**(199,222)**
Intangible assets:							
Newspapers	-	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-	-
Radio frequencies	27,929	-	-	-	-	-	27,929
Licences and software	12,096	1,526	-	(3,292)	472	(682)	10,120
Assets in progress and advances	889	986	-	-	(466)	-	1,408
Total	**40,914**	**2,511**	**-**	**(3,292)**	**6**	**(682)**	**39,458**

Amortization of intangible assets amounted to Euro 3,292 thousand. The criteria for determining amortization did not change compared to the previous year.

The value of intangible assets with indefinite useful life refers to the value of radio frequencies, amounting to Euro 27,929 thousand.

During the first half of the year, intangible assets were written down by Euro 682 thousand in connection with software developments that are no longer used.

The following table shows the useful life of the assets included in the categories reported in the financial statements:

USEFUL LIFE OF INTANGIBLE ASSETS		
Asset category	Useful life	Rate
Radio frequencies	Indefinite	-
Licences and software	3 - 8 years	12.5%-33%

The value of intangible assets with indefinite useful life attributable to the value of radio frequencies is not subject to amortization but to an impairment test, which was not necessary for the preparation of these condensed interim consolidated financial statements as described above.

(4) Non-current financial assets

This item relates to minority investments totalling Euro 732 thousand (Euro 704 thousand at 31 December 2020).

Minority investments are measured at fair value (with changes recognized in the income statement), which is considered to be close to the value of the Group's portion of equity of the investee company.

MINORITY INVESTMENTS			
Euro thousands	30.06.2021	fair value measurement	31.12.2020
Ansa Soc. Coop a r.l.	542	15	527
Dab Italia Società consortile per azioni	68	2	66
C.S.I.E.D.	72		72
Immobiliare Editoriale Giornali S.r.l.	20	(1)	20
S.F.C. Società Consortile per azioni	1	-	1
Player editore radio S.r.l.	5	4	1
Tavolo Editori Radio S.r.l.	24	7	17
Total minority investments	**732**	**28**	**704**

(5) Other non-current assets

Other non-current assets amounted to Euro 239 thousand and the breakdown is as follows:

OTHER NON-CURRENT ASSETS			
Euro thousands	30.06.2021	31.12.2020	Changes
Medium/long-term financial receivables IFRS 16	105	114	(9)
Security deposits	124	721	(597)
Tax receivables	10	10	-
Total	**239**	**846**	**(607)**

In accordance with IFRS 16, “Medium/long-term financial receivables IFRS 16” were recorded for Euro 105 thousand equal to the present value of collections due under sublease agreements, the value of which was Euro 114 thousand at 31 December 2020.

The change in security deposits amounting to Euro 597 thousand mainly refers to the reclassification as current assets of deposits that will be refunded on completion of renovation work on the new Milan Viale Sarca office.

(6) Deferred tax assets and deferred tax liabilities

The items express the effect of deferred tax assets and liabilities calculated, respectively, on deductible and taxable differences temporarily arising between the book values and tax values.

The amounts at 30 June 2021 and 31 December 2020 of deferred tax assets and deferred tax liabilities are shown below:

DEFERRED TAX ASSETS AND LIABILITIES

	30.06.2021	31.12.2020	Changes
Deferred tax assets	21,713	22,604	(891)
Deferred tax liabilities	5,616	5,617	(1)

Deferred tax assets decreased by Euro 891 thousand.

Deferred tax assets relate to tax assets recognized on tax loss that can be carried forward of Euro 19,017 thousand and Euro 2,696 thousand relating to assets recognized on other temporary differences.

In this regard, it should be noted that article 23, paragraph 9, of Decree Law 98 of 6 July 2011 allows the recovery of tax losses without maturity. However, taking into account the difficulty of estimating taxable profits, the Group has not recognized deferred tax assets since 2013. Moreover, as in previous years, the valuation of deferred tax assets on past losses was carried out using recovery forecasts consistent with the Business Plan, and extending these forecasts to the subsequent period, appropriately reducing them by 30% for the period 2025-2027, 55% for the period 2028-2030 and 100% beyond 2030.

The Group will continue to monitor on an ongoing basis any differences between the forecasts contained in the Business Plan and the actual figures available. These differences, if any, will provide supporting considerations for a possible further manoeuvre on the residual value of deferred tax assets, limiting, however, the recognition of new deferred tax assets on previous tax losses only from the tax period in which positive taxable income will be recognized. Similarly, the company does not recognize deferred tax assets on new deductible temporary differences arising from the 2019 financial year.

The total theoretical tax asset on losses, on which no deferred tax assets have been recognized (determined on the basis of the last tax return filed) amounted to Euro 72.4 million.

Deferred tax assets recorded on tax losses decreased by Euro 150 thousand. The change is attributable to the use with respect to the result for the period of some Group companies.

Deferred tax assets on other timing differences arise from taxed changes that will be reversed in future years, mainly in relation to taxed provisions and asset impairment. During H1 2021, these temporary differences were reduced, resulting in the use of deferred tax assets of Euro 741 thousand.

Deferred tax liabilities are recognized on the value of radio frequencies originally recognized following reorganization operations and following the tax-only amortization of frequencies with indefinite useful life as well as taxable timing differences on subleases, recognized on the first-time adoption of the new IFRS 16.

Current assets

(7) Inventories

INVENTORIES			
Euro thousands	30.06.2021	31.12.2020	Changes
Paper	1,086	1,528	(442)
Inks	27	33	(6)
Photographic material	14	24	(10)
Raw, ancillary and consumable materials	**1,127**	**1,585**	**(458)**
Work in progress and semi-finished products	**(0)**	**1**	**(1)**
Books	500	533	(33)
Other products	368	365	3
Provision for write-down of finished products	(437)	(592)	155
Finished products	**430**	**307**	**123**
Total	**1,557**	**1,893**	**(336)**

Inventories are presented net of provisions for inventory write-downs, which have changed as follows:

PROVISION FOR WRITE-DOWNS				
Euro thousands	Opening Balance	Provisions	Use of provisions	Closing Balance
Provision for write-down of finished products	(592)	(19)	174	(437)

(8) Trade receivables

Trade receivables derive from normal operations and the breakdown is as follows:

TRADE RECEIVABLES			
Euro thousands	30.06.2021	31.12.2020	Changes
Receivables from customers	66,768	62,845	3,923
Provision for returns to be received	(544)	(400)	(144)
Bad debt provision	(3,938)	(3,558)	(380)
Total	**62,285**	**58,887**	**3,399**

The Group's trade receivables amounted to Euro 62,285 thousand at 30 June 2021 and are recorded net of securitized receivables sold without recourse for Euro 4,842 thousand.

The Group's trade receivables include securitized receivables assigned with recourse for Euro 14,663 thousand. When the proceeds from the disposal of the receivable are recognized, a balancing entry is recognized in current financial liabilities.

It should also be noted that the balance of trade receivables includes receivables, totalling Euro 7,879 thousand, belonging to customers in the securitization portfolio but not yet sold at 30 June 2021. These receivables, which will soon be sold, amounted to Euro 3,691 thousand, referring to the portfolio of customers transferred without recourse, and Euro 4,188 thousand, referring to the portfolio of customers transferred with recourse.

SECURITIZED LOANS		
Euro thousands	Nominal value receivables assigned at 30 June 2021	Nominal value receivables to be assigned at 30 June 2021
Receivables securitized without recourse	4,842	3,691
Receivables securitized with recourse	14,663	4,188
Total	**19,505**	**7,879**

The value of trade receivables is shown net of the provision for returns to be received, amounting to Euro 544 thousand, which will occur after the end of the period and net of the bad debt provision of Euro 3,938 thousand.

Changes in these provisions were as follows:

PROVISION FOR RETURNS TO BE RECEIVED AND BAD DEBT PROVISION				
Euro thousands	Opening Balance	Provisions	Use of provisions and other changes	Closing Balance
Provision for returns to be received	(400)	(180)	36	(544)
Bad debt provision	(3,558)	(804)	424	(3,938)
Total	**(3,958)**	**(984)**	**459**	**(4,482)**

(9) Other receivables

The item amounted to Euro 5,721 thousand and the breakdown is as follows:

OTHER RECEIVABLES			
Euro thousands	30.06.2021	31.12.2020	Change
Ordinary supplier advances	5,782	5,610	172
Tax receivables	17	482	(465)
Current taxes	265	118	147
Receivables relating to personnel	65	67	(2)
Other receivables	1,321	632	689
Bad debt provision - other receivables	(1,729)	(1,729)	-
Total	**5,721**	**5,180**	**541**

Other receivables are shown net of the bad debt provision for other receivables.

BAD DEBT PROVISION - OTHER RECEIVABLES				
Euro thousands	Opening Balance	Provisions	Use of provisions and other changes	Closing Balance
Bad debt provision - other receivables	(1,729)	-	-	(1,729)
Total	**(1,729)**	**-**	**-**	**(1,729)**

The purpose of the bad debt provision is to adjust the value of advances to suppliers recorded in the financial statements to their estimated realizable value.

Ordinary supplier advances include advances to agents of Euro 743 thousand.

Tax receivables are broken down as follows:

TAX RECEIVABLES			
Euro thousands	30.06.2021	31.12.2020	Changes
VAT Receivable	4	469	(465)
Receivables from foreign tax authorities	13	13	0
Total	**17**	**482**	**(465)**

Receivables from personnel amounting to Euro 67 thousand refer mainly to provisions for employee expenses and the advance of the Covid-19 redundancy fund.

Other receivables, which amounted to Euro 1,321 thousand, are broken down as follows:

OTHER RECEIVABLES			
Euro thousands	30.06.2021	31.12.2020	Changes
Receivables from Poste Italiane	136	129	7
Receivables from social security institutions	92	19	73
Receivables for reimbursement of legal fees	64	65	(1)
Receivables for municipal taxes	50	50	(0)
Refundable deposit receivable - work on Sarca headquarters	600	-	600
Other	378	369	9
Total	**1,321**	**632**	**689**

(10) Other current financial assets

Other current financial assets amounted to Euro 16,244 thousand.

OTHER CURRENT FINANCIAL ASSETS			
Euro thousands	30.06.2021	31.12.2020	Changes
Receivables from Education Acquisitions Limited deferred price	16,161	15,887	275
Short-term financial receivables IFRS 16	71	117	(46)
Other receivables	12	-	12
Total	**16,244**	**16,004**	**241**

The receivable from Education Acquisitions Limited of Euro 16,161 thousand is attributable to the present value at 30 June 2021 of the deferred component, maturing no later than 31 December 2021 of a nominal amount of Euro 16,500 thousand. This receivable has been discounted at a rate of 4.2%.

Short-term financial receivables IFRS 16 amounting to Euro 71 thousand refer to receivables relating to the sublease of properties to third parties. The decrease is attributable to collections during the period.

(11) Other current assets

Other current assets consist of prepaid expenses and refer to:

PREPAID EXPENSES			
Euro thousands	30.06.2021	31.12.2020	Changes
Agents' commissions	3,606	3,560	46
User licence fees	896	325	571
Hardware and software maintenance fees	836	374	462
Provision of IT services	665	43	622
Insurance premiums	426	18	408
Royalties on software fees	186	186	-
Expenses for the organization of conferences, exhibitions and fairs	172	125	47
Other	696	182	514
Total	**7,483**	**4,812**	**2,671**

(12) Cash and cash equivalents

Cash and cash equivalents amounted to Euro 28,780 thousand, down Euro 12,108 thousand (Euro 40,889 thousand at the beginning of the year).

Cash and cash equivalents consist of cash on hand, equivalents and demand or short-term deposits with banks that are actually available and readily realizable.

In the statement of cash flows, cash and cash equivalents are shown at Euro 28,120 thousand, as outlined below:

CASH AND CASH EQUIVALENTS			
Euro thousands	30.06.2021	31.12.2020	Change
Cash and cash equivalents	28,780	40,889	(12,108)
Short-term portion of the payable to MPS Leasing & Factoring	(660)	(643)	(18)
Cash and cash equivalents at the end of the period	**28,120**	**40,246**	**(12,126)**

The short-term portion of medium/long-term loans amounting to Euro 660 thousand refers to the residual portion of the payable to MPS Leasing & Factoring S.p.A.

Equity

(13) Equity

Consolidated equity at 30 June 2021 amounted to Euro 32,011 thousand and compared to a figure of Euro 35,320 thousand at 31 December 2020, decreased by Euro 3,308 thousand from the previous year due to the following effects:

- loss for the year of Euro 3,331 thousand;
- actuarial adjustments to employee severance indemnities (TFR) recognized in equity for Euro 23 thousand.

(14) Share capital

The share capital, fully subscribed and paid in, amounts to Euro 570,125, divided into 65,345,797 shares, of which 9,000,000 ordinary shares (13.77% share capital) and 56,345,797 special category shares (86.23% share capital), of which 330,202 treasury shares. The book value of treasury shares, amounting to Euro 22,447 thousand, is reduced to zero by an equity item of the same amount.

Special category shares are assigned a preferential dividend of 5%, equal to Euro 2.60 or, if higher, to the share implicit par value, which may not be accumulated from one financial year to the next.

(15) Capital reserves

Capital reserves refer to the share premium reserve and amounted to Euro 19,452 thousand, unchanged from 31 December 2020.

(16) Employee severance indemnity (TFR) reserve - IAS adjustment

The item Employee severance indemnity (TFR) reserve - IAS adjustment went from a negative value of Euro 4,822 thousand to a negative value of Euro 4,799 thousand for the actuarial adjustment of the TFR.

(17) Profits (losses) carried forward

Profits (losses) carried forward were positive at Euro 20,119 thousand (positive at Euro 21,108 thousand at the end of 2020). The change is attributable to the change in the 2020 profit (loss).

(18) Profit (loss) for the period

At 30 June 2021, a loss of Euro 3,331 thousand was recorded. The loss per share is equal to Euro 0.05 and is determined by the ratio between the result attributable to the shareholders of the parent company, negative for Euro 3,331 thousand, and the weighted average number of shares outstanding during the year, equal to 65,015,595.

Non-current liabilities

(19) Non-current financial liabilities

Non-current financial liabilities amounted to Euro 79,788 thousand and comprise:

NON-CURRENT FINANCIAL LIABILITIES

Euro thousands	30.06.2021	31.12.2020	Changes
Financial payables IFRS 16	36,935	37,934	(999)
SACE medium/long-term guaranteed financing	35,531	35,264	267
Financial payables to MPS Leasing & Factoring	3,396	3,731	(335)
Other financial payables	3,925	4,870	(945)
Total	**79,788**	**81,799**	**(2,011)**

The item SACE-guaranteed financing of Euro 35,531 refers to the medium/long-term loan agreement entered into on 20 July 2020 backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, for a nominal amount of Euro 37,500 million maturing on 30 June 2026 and disbursed on 22 July 2020. The initial measurement of financial liabilities was carried out at fair value, net of transaction costs that are directly attributable to underwriting (Euro 545 thousand). After initial recognition, the financial liability was measured at amortized cost, using the effective interest method.

As a result of the application of IFRS 16, non-current financial payables of Euro 36,935 thousand were recorded at 30 June 2021, deriving from lease agreements relating to the Group's offices, capital goods (rental of hardware and cars) and lease of space and areas held for the positioning of radio broadcasting equipment owned by the Group. The change of Euro 999 thousand is mainly attributable to payments during the period.

The item other financial payables amounting to Euro 3,925 thousand is attributable to the present value at 30 June 2021 of the deferred component, relating to the indemnity deriving from the settlement agreement for the early termination of the lease agreement for the Milan - Via Monte Rosa office. The financial payable provides for quarterly payments from January 2021 to April 2024 of a total nominal amount of Euro 7,600 thousand. This payable is discounted at a rate of 4.2%.

Non-current financial liabilities include Euro 3,396 thousand relating to the residual medium/long-term portion of the payable to MPS Leasing & Factoring.

(20) Employee benefits

Employee benefits amounted to Euro 15,157 thousand and have changed since the beginning of the year as follows:

EMPLOYEE BENEFITS

Euro thousands	Opening Balance	Labour cost	Financial income and expenses	Actuarial gains and losses	Uses and other changes	Closing Balance
Employee severance indemnity (TFR)	15,774	29	38	(23)	(661)	15,157
Total	**15,774**	**29**	**38**	**(23)**	**(661)**	**15,157**

The main actuarial assumptions used to estimate the benefits to be recognized on termination of employment are as follows:

Demographic assumptions:

- for mortality, the IPS55 tables were used;
- the annual probability of a request for advance payment of employee severance indemnities was set at 2%, based on the historical data of the Companies included in the valuation.

Economic financial assumptions:

- the discount rate was determined to be 0.7% based on Euro area High Quality Corporate Bonds;
- the inflation rate used is 1.3%;
- the average percentage of accrued severance indemnity requested in advance was set at 7.5%, based on historical data;
- salary/wage growth rate 2%.

(21) Provisions for risks and charges

Provisions for risks and charges at 30 June 2021 amounted to Euro 10,289 thousand and changed as follows:

PROVISION FOR RISKS AND CHARGES					
Euro thousands	Opening Balance	Provisions	Use of provisions	Releases	Closing Balance
Provision for litigation	2,084	1,079	(282)	(90)	2,791
Provision for other risks	5,194	39	(106)	(11)	5,116
Provision for agents' indemnities	2,370	205	(159)	(34)	2,381
Total	**9,648**	**1,322**	**(547)**	**(135)**	**10,289**

The provision for litigation (Euro 2,791 thousand) covers risks known at the date of preparation of these condensed half-yearly consolidated financial statements. These risks relate primarily to litigation involving personnel and agents (Euro 2,335 thousand), litigation against the newspaper (Euro 349 thousand) and Radio (Euro 95 thousand), and other litigation (Euro 12 thousand).

Uses of the provision for litigation amounted to Euro 282 thousand and consisted primarily of litigation involving the newspaper (Euro 30 thousand), litigation involving personnel and agents (Euro 156 thousand), Radio (Euro 40 thousand) and other litigation (Euro 56 thousand). Releases totalled Euro 90 thousand, of which Euro 76 thousand related to personnel and agent disputes, Euro 4 thousand to disputes brought against the newspaper and Euro 10 thousand to other litigation.

Provisions for litigation of Euro 1,079 thousand mainly refer to litigation related to personnel and agents for Euro 1,058 thousand.

The provision for other risks amounted to Euro 5,116 thousand and covers the following risks:

- contingent liabilities, also of a fiscal nature, amounting to Euro 1,123 thousand, which could arise on conclusion of the criminal proceedings pending before the Court of Milan under no. 5783/17 R.G.N.R;
- liabilities for expenses that the Group may incur for the disposal of production plants amounting to Euro 720 thousand. In H1 2021, Euro 30 thousand was provisioned;
- risks relating to potential critical issues in the application and management of social shock absorbers amounting to Euro 1,579 thousand;
- risks for disputes relating to the company 24 ORE Cultura S.r.l. for a total of Euro 450 thousand, unchanged compared to the previous year;

- risks for terminated agents amounting to Euro 824 thousand. In H1 2021, utilisations of Euro 117 thousand and provisions of Euro 9 thousand were recognized;
- risks for a claim for contractual damages amounting to Euro 400 thousand, in respect of which mediation proceedings are underway;
- risks for other disputes for a total of Euro 20 thousand.

The agents' termination indemnity includes provisions to cover risks arising from early termination of contracts and those relating to the termination of the agency relationship pursuant to article 1751 of the Civil Code. The actuarial valuation of the agents' termination indemnity is based on the following actuarial assumptions:

- the discount rate 0.70%
- IPS55 mortality tables
- INPS disability tables
- voluntary turnover rate 8.0%
- corporate turnover rate 8.0%
- retirement current compulsory general insurance requirements.

(22) Other non-current liabilities

No other non-current liabilities were recorded at 30 June 2021. The Euro 103 thousand present at 31 December 2020 referring to security deposits received for the subleases of the properties in Rome and Milan have been reclassified under current liabilities.

Current liabilities

(23) Bank overdrafts and loans due within one year

These amounted to Euro 15,324 thousand (Euro 17,188 thousand at 31 December 2020) and refer for Euro 14,663 thousand to the financial payable relating to the securitization transaction of trade receivables with recourse and for Euro 660 thousand to the residual payable relating to the lease with MPS Leasing & Factoring expiring in the short term:

CURRENT BANK OVERDRAFTS AND LOANS

Euro thousands	30.06.2021	31.12.2020	Changes
Financial payable for securitization with recourse	14,663	16,545	(1,882)
Short-term portion of the payable to MPS Leasing & Factoring	660	643	18
Total	**15,324**	**17,188**	**(1,864)**

(24) Other current financial liabilities

Other current financial liabilities amounted to Euro 7,360 thousand (Euro 8,803 thousand at 31 December 2020) and also include the short-term financial payables arising from the application of IFRS 16, relating to short and medium-term financial liabilities arising from the present value of future lease payments for Euro 2,932 thousand and the short-term portion of the SACE guaranteed loan for Euro 1,800 thousand. The item other financial payables for non-recourse management and other payables amounting to Euro 2,628 thousand includes: *i)* the financial payable of Euro 457 thousand to Monterosa SPV S.r.l. for the management of the collection of receivables securitized without recourse; *ii)* other financial payables relating to the current portion of the payable for the indemnity deriving from the settlement agreement for the early termination of the lease contract for the Milan - Via Monte Rosa office.

OTHER CURRENT FINANCIAL LIABILITIES

Euro thousands	30.06.2021	31.12.2020	Changes
Financial payables IFRS 16	2,932	2,510	422
Financial payables for non-recourse management and other payables	2,628	4,505	(1,877)
Short-term portion of SACE guaranteed financing	1,800	1,788	12
Total	**7,360**	**8,803**	**(1,443)**

(25) Trade payables

TRADE PAYABLES

Euro thousands	30.06.2021	31.12.2020	Changes
Suppliers	36,924	41,808	(4,884)
Deferred income	38,168	31,322	6,846
Trade payables to associated companies and minorities	59	73	(14)
Other trade payables	4,734	5,900	(1,166)
Total	**79,884**	**79,104**	**782**

Trade payables, amounting to Euro 79,884 thousand, increased by Euro 782 thousand compared to 31 December 2020.

Deferred income is broken down as follows:

DEFERRED INCOME			
Euro thousands	30.06.2021	31.12.2020	Changes
Electronic publishing by subscription	30,609	25,539	5,070
Subscriptions Il Sole 24 ORE Newspaper	3,337	2,619	718
Services	2,036	1,342	694
Sale of magazines	908	1,049	(141)
Subscription software	936	689	247
Other deferred income	342	84	258
Total	**38,168**	**31,322**	**6,846**

Other trade payables amounted to Euro 4,734 thousand, of which Euro 2,412 thousand relate to payables to agents.

(26) Other current liabilities

Other current liabilities amounted to Euro 34 thousand (Euro 424 thousand at 31 December 2020) and consisted of:

OTHER CURRENT LIABILITIES			
Euro thousands	30.06.2021	31.12.2020	Changes
Accrued liabilities	9	9	-
Current tax liabilities	25	415	(390)
Total	**34**	**424**	**(390)**

(27) Other payables

Other payables amounted to Euro 19,057 thousand (Euro 20,605 thousand at 31 December 2020) and consisted of the following:

OTHER PAYABLES			
Euro thousands	30.06.2021	31.12.2020	Changes
Payables to personnel for restructuring	5,028	7,440	(2,412)
13th and 14th monthly salaries accrued but not paid	2,971	1,549	1,422
Payables for holidays accrued and not taken	4,011	2,320	1,691
Social security institutions	3,711	5,483	(1,773)
Tax payables	2,648	3,328	(681)
Other personnel expenses	17	17	0
Other payables	671	466	204
Total	**19,057**	**20,605**	**(1,548)**

Payables to personnel for restructuring, amounting to Euro 5,028 thousand, relate to the liability recorded for restructuring expenses. Disbursements for restructuring expenses made in 2021, in accordance with the plans, amounted to Euro 2,987 thousand (Euro 1,044 thousand in H1 2020). In H1 2021, on the basis of the actions taken to reorganize the Group's structure, in line with the Business Plan approved on 25 February 2021, a charge of Euro 575 thousand was recognized.

Tax payables amounted to Euro 2,648 thousand and regard payables to the tax authorities for withholding tax on income from self-employment and employment and VAT payable.

TAX PAYABLES

Euro thousands	30.06.2021	31.12.2020	Changes
Withholding taxes on employee income	1,650	2,745	(1,095)
Withholding taxes on self-employment income	322	204	118
VAT payable and pro rata	563	285	279
Payables to foreign tax authorities	88	73	16
Other tax payables	24	22	2
Total	**2,648**	**3,328**	**(682)**

Statement of profit (loss)

(28) Revenues

REVENUES

Euro thousands	H1 2021	H1 2020	Change	% change
Publishing revenues	51,420	50,766	654	1.3%
Advertising revenues	39,721	33,073	6,648	20.1%
Other revenues	5,688	4,393	1,294	29.5%
Total	**96,829**	**88,233**	**8,596**	**9.7%**

In H1 2021, the 24 ORE Group reported **consolidated revenues** of Euro 96,829 thousand, up Euro 8,596 thousand (+9.7%) compared to the corresponding period of the previous year.

Publishing revenues amounted to Euro 51,420 thousand, an increase of Euro 654 thousand (+1.3%) compared to H1 2020.

Advertising revenues of Euro 39,721 thousand were up Euro 6,648 thousand (+20.1%) compared to the same period in 2020.

Other revenues, amounting to Euro 5,688 thousand, were up Euro 1,294 thousand (+29.5%) compared to H1 2020, due to the development of new initiatives in the Tax & Legal area.

(29) Other operating income

OTHER OPERATING INCOME

Euro thousands	H1 2021	H1 2020	Change	% change
Recovery of sundry expenses	560	1,200	(641)	-53.4%
Contingent assets	-	1,327	(1,327)	100%
Contributions	1,350	380	970	255.3%
Lease income	51	127	(76)	-60.0%
Releases of provisions	135	1,641	(1,506)	-91.8%
Other	41	83	(42)	-50.6%
Total	**2,136**	**4,757**	**(2,621)**	**-55.1%**

Releases of provisions amounted to Euro 135 thousand and refer to the release of provisions for risks and charges, to which reference should be made (note 21 of the Notes to the financial statements).

Contributions of Euro 1,350 thousand include income of Euro 1,280 thousand obtained in support of companies following the health emergency caused by the spread of the Covid-19 virus.

(30) Personnel costs

PERSONNEL COSTS				
Euro thousands	H1 2021	H1 2020	Change	% change
Wages, salaries and remuneration	26,982	27,786	(804)	-2.9%
Contributions and pension fund	9,119	9,516	(397)	-4.2%
Employee severance indemnity (TFR)	1,931	2,021	(90)	-4.5%
Overtime, holidays and other costs and income	2,190	1,473	717	48.7%
Total personnel costs	**40,223**	**40,796**	**(573)**	**-1.4%**

Personnel costs of Euro 40,223 thousand decreased by Euro 573 thousand compared to H1 2020, when they amounted to Euro 40,796 thousand. Net of non-recurring restructuring charges of Euro 575 thousand, staff costs are down Euro 1,148 thousand (-2.8%). The average number of employees, 832, decreased by 46 (mainly graphic designers and printers) compared with the corresponding period of the previous year when it amounted to 878.

In H1 2021, personnel costs of Euro 537 thousand (Euro 721 thousand in H1 2020) were capitalized for internally developed software. It should also be noted that personnel carried out additional projects aimed at innovation that did not qualify for capitalization.

(31) Purchases of raw and consumable materials

PURCHASES OF RAW AND CONSUMABLE MATERIALS				
Euro thousands	H1 2021	H1 2020	Change	% change
Purchase of paper	1,605	1,292	313	24.2%
Purchase of goods for resale	76	38	38	99.3%
Purchase of photographic material and ink	49	201	(152)	-75.5%
Purchase of material for plant maintenance	45	181	(136)	-75.1%
Purchase of fuel	69	129	(60)	-46.4%
Other sundry costs	26	68	(42)	-61.3%
Adjustments previous years	(36)	(2)	(34)	<-100%
Total	**1,833**	**1,908**	**(73)**	**-3.8%**

Purchases of raw and consumable materials amounted to Euro 1,833 thousand, down by Euro 73 thousand (-3.8%) compared to H1 2020 (amounting to Euro 1,908 thousand) and are mainly represented by the purchase of paper.

(32) Costs for services

COSTS FOR SERVICES				
Euro thousands	H1 2021	H1 2020	Change	% change
Commissions and other sales expenses	8,726	7,836	890	11.4%
Distribution costs	8,903	9,371	(468)	-5.0%
IT and Software services	3,541	3,395	146	4.3%
Editorial costs	3,293	3,236	57	1.8%
Promotional and commercial expenses	4,145	2,796	1,349	48.3%
Costs for conferences and exhibitions	1,146	1,028	118	11.5%
Other consultancy costs	1,483	1,953	(470)	-24.1%
Printing costs	2,367	1,047	1,320	126.0%
Utilities (telephone, energy, water, etc.)	1,344	1,581	(237)	-15.0%
Administrative services	294	542	(248)	-45.8%
Fees for Corporate Bodies and Independent Auditors	726	739	(13)	-1.8%
Sundry production costs	1,160	932	228	24.5%
General services expenses	864	581	283	48.7%
Maintenance and repair expenses	988	995	(7)	-0.7%
News agency costs	672	694	(22)	-3.2%
Insurance expenses	452	374	78	20.9%
Employee services	730	664	66	9.9%
News purchase costs	682	663	19	2.9%
Preparation costs	602	766	(164)	-21.4%
Reimbursement of personnel expenses	86	189	(103)	-54.6%
Bank fees	517	478	39	8.2%
Product storage costs	268	245	23	9.4%
Packaging costs	54	71	(17)	-24.1%
Adjustments previous years	(342)	141	(483)	<-100%
Total	**42,699**	**40,314**	**2,385**	**5.9%**

Costs for services amounted to Euro 42,699 thousand and were up overall by Euro 2,385 thousand (+5.9%) compared to H1 2020, when they amounted to Euro 40,314 thousand.

In particular, it should be noted that:

- commissions and other sales expenses increased by Euro 890 thousand (11.4% from Euro 7,836 to 8,726 thousand);
- printing costs up Euro 1,320 (+126.0% from Euro 1,047 to 2,367 million) correlated to the new production structure;
- promotional and commercial costs increased by Euro 1,349 thousand (up 48.3% from Euro 2,796 to Euro 4,145 million) due primarily to the launch of the new newspaper;
- IT and software services increased by Euro 146 thousand (+4.3% from Euro 3,395 to Euro 3,541 thousand);
- distribution down Euro 468 thousand (-5.0% from Euro 9,371 to 8,903 thousand);
- costs for administrative services decreased by Euro 248 thousand (-45.8% from Euro 542 to 294 thousand);
- costs for other consulting services decreased by Euro 470 (-24.1% from Euro 1,953 to 1,483).

(33) Costs for rents and leases

COSTS FOR RENTS AND LEASES				
Euro thousands	H1 2021	H1 2020	Change	% change
Lease expenses and other condominium expenses	582	869	(287)	-33.0%
Rental fees and ancillary costs for mixed use cars	530	545	(14)	-2.6%
Hardware rental-lease fees	40	60	(20)	-33.2%
Rental fees and ancillary costs for radio broadcasting systems	135	179	(43)	-24.3%
Royalties	711	519	191	36.9%
Copyrights	258	139	119	85.8%
Other fees	894	785	108	13.8%
Other sundry costs	38	12	26	210.1%
Adjustments previous years	(1)	(510)	509	99.9%
Total	**3,187**	**2,597**	**590**	**22.7%**

Costs for rents and leases amounted to Euro 3,187 thousand and increased by Euro 590 thousand compared to H1 2020. This item includes the costs of rental contracts which, also on the basis of the contractual clauses applied, did not require the recognition of rights of use in accordance with IFRS 16. In 2020, income of Euro 473 thousand was recognized in relation to a settlement agreement.

(34) Other operating expenses

OTHER OPERATING EXPENSES				
Euro thousands	H1 2021	H1 2020	Change	% change
Other taxes and duties	507	604	(97)	-16.1%
VAT to be paid by the Publisher	245	294	(50)	-16.9%
Entertainment expenses	20	72	(52)	-72.6%
Purchase of newspapers and magazines	140	146	(5)	-3.6%
Expenses for membership fees	150	155	(6)	-3.7%
Other sundry expenses	277	220	57	25.9%
Adjustments previous years	(56)	37	(93)	-250.6%
Total	**1,285**	**1,528**	**(243)**	**-15.9%**

Other operating expenses amounted to Euro 1,285 thousand in H1 2021, down Euro 243 thousand (Euro 1,528 thousand in H1 2020).

(35) Impairment of tangible and intangible assets

Impairment of tangible and intangible assets amounted to Euro 685 thousand and refers mainly to impairment of intangible assets attributable to software developments no longer in use.

(36) Gain/loss on disposal non-current assets

Gains of Euro 71 thousand were recorded in H1 2021 following the disposal of equipment no longer used.

(37) Financial income (expenses)

FINANCIAL INCOME (EXPENSES)

Euro thousands	H1 2021	H1 2020	Change	% change
Other financial income	338	372	(35)	-9.3%
Exchange rate gains	4	1	3	359.1%
Total income	**342**	**373**	**(31)**	**-8.3%**
Exchange rate losses	(55)	(3)	(52)	-1588.2%
Financial expenses on short-term payables	(311)	(379)	68	17.9%
Financial expenses from amortized cost	(279)	-	(279)	
Other financial expenses	(1,174)	(986)	(187)	-19.0%
Total expenses	**(1,819)**	**(1,369)**	**(450)**	**-32.9%**
Total	**(1,477)**	**(995)**	**(481)**	**-48.4%**

Net financial income and expenses were a negative Euro 1,477 thousand and increased by Euro 481 thousand compared to the same period of the previous year.

The application of IFRS 16 resulted in the recognition of net expenses of Euro 618 thousand (financial expenses of Euro 364 thousand in H1 2020).

(38) Income taxes

The main components of income taxes for the periods ended 30 June 2021 and 30 June 2020 are as follows:

TAXES

Euro thousands	H1 2021	H1 2020	Change
IRAP	(93)	-	(93)
Foreign taxes	(34)	(25)	(10)
Total current taxes	**83**	**(25)**	**108**
Use of provision for deferred taxes	1	103	(101)
Deferred tax assets/liabilities	(891)	-	(891)
Deferred tax assets/liabilities	**(890)**	**103**	**(993)**
Total	**(807)**	**78**	**(885)**

It should be noted that Il Sole 24 ORE S.p.A. and its Italian subsidiaries have adopted the group taxation regime pursuant to article 117 et seq. of Presidential Decree no. 917 of 22 December 1986 (tax consolidation), as a result of which they determine a single overall IRES taxable base.

In H1 2021, the overall tax result of the tax consolidation was negative.

The current taxes recognized in the period therefore relate exclusively to IRAP of the company Il Sole 24 ORE Eventi S.r.l. and the taxes of foreign subsidiaries.

In the period, deferred tax liabilities of Euro one thousand were derecognized, recognized on the first-time adoption of IFRS 16 in relation to sublease dynamics. In addition, deferred tax assets on taxed temporary differences amounting to Euro 891 thousand were derecognized.

Pending a return to positive tax results, neither deferred tax assets on period losses nor deferred tax assets on newly taxed temporary differences were recognized.

9. Segment reporting

Segment reporting has been prepared in such a way as to provide the information necessary to allow an evaluation of the nature and effects on the financial statements of the activities carried out and the economic context of reference.

Operating segments have been identified on the basis of the company's operating activities that generate revenues and costs, the results of which are periodically reviewed at the highest operational decision-making level for the purpose of making decisions on resource allocation and performance assessment, and for which separate financial information is available.

An operating segment identified in accordance with the qualitative requirements set out above is separately disclosed when the following quantitative limits have been exceeded:

- reported revenues, including both sales to external customers and intersegment sales, represent at least 10% of the total revenues of all operating segments;
- the segment profit or loss represents at least 10% of the greater, in absolute value, between the total profit of all operating segments in profit and the total loss of all operating segments in loss;
- the activities of one segment account for at least 10% of the total activities of all operating segments.

If the quantitative thresholds indicated above are not exceeded, but management has deemed it useful to provide separate disclosure for the purposes of assessing the nature and effects on the financial statements of the related operating activities, the operating segments identified for this purpose have been reported in detail.

The Group's operating segments, which are indicated separately, are as follows:

- **Publishing & Digital** is the division responsible for the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, products attached to the newspaper, magazines, add-ons; the website; the press agency Radiocor Plus;
- **Tax & Legal** develops integrated product systems, with technical, regulatory and networking content, aimed at the world of professionals, companies and public administration. The specific market segments covered are Tax, Labour, Law, Construction and Public Administration. For each of them, integrated specialized information tools are created, capable of satisfying all the information, operational and networking needs of the reference targets: databases, vertical newspapers, magazines, books, internet services, software solutions, visibility platforms;
- **Radio** manages the national radio station Radio 24, News & Talk with an editorial format that alternates radio news with information and entertainment programmes;
- **System** is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media;
- **Culture** operates in the management and enhancement of museums (Mudec), in the production and sale of exhibitions and related services (bookshop, ticketing, events) as well as in the design and publication of books and merchandising. These activities are carried out through the company 24 ORE Cultura S.r.l.;

- **Events** operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events, meetings, also in collaboration with public and private entities. These activities are carried out through the company Il Sole 24 ORE Eventi S.r.l.;
- **Corporate and centralized services** includes the Group's coordination departments and services related to support processes.

For these areas, the following information is provided as it is periodically presented to the highest level of operational decision-making:

- revenues from external customers, for the assessment of the segment profit or loss;
- intersegment revenues for the measurement of segment profit or loss;
- depreciation and amortization for the valuation of segment profit or loss;
- an evaluation of the segment profits and losses, represented by EBITDA (gross operating margin) and EBIT (operating profit/loss);
- the assets for each segment are shown for the purposes of assessing the performance of the segment and relate in particular to property, plant and equipment, intangible assets, goodwill and trade receivables;
- a reconciliation of the total of the reportable segments' measures of profit or loss to the profit or loss reported in the statement of profit or loss for the period before tax expense and gains or losses from discontinued operations.

The Group carries out its activities mainly in Italy and the activities carried out in other countries are not relevant. With regard to information on its customers, it should be noted that there are no external customers with which transactions exceeding 10% of the Group's revenues have been carried out.

INCOME STATEMENT BY BUSINESS AREA

SECTOR	Revenues from third parties	Intersegment revenues	Total Revenues	EBITDA	Amortization/Depreciation	IFRS 16 contractual changes and other write-downs	Gains/losses	EBIT
PUBLISHING & DIGITAL								
H1 2021	31,601	22,545	54,146	5,121	(2,404)	(354)	61	2,425
H1 2020	31,749	18,730	50,479	1,270	(2,336)	-	-	(1,066)
TAX&LEGAL								
H1 2021	24,218	76	24,295	8,044	(556)	(263)	-	7,225
H1 2020	22,262	109	22,371	6,400	(482)	-	-	5,918
RADIO								
H1 2021	94	6,956	7,050	(96)	(680)	(4)	-	(781)
H1 2020	55	6,510	6,564	125	(678)	3	-	(551)
SYSTEM								
H1 2021	38,528	(780)	37,748	(554)	(13)	-	-	(567)
H1 2020	33,170	(1,049)	32,121	537	(14)	-	-	522
EVENTS								
H1 2021	1,408	1,078	2,485	636	(3)	-	-	633
H1 2020	87	1,097	1,184	(99)	(2)	-	-	(102)
CULTURE								
H1 2021	979	170	1,149	(494)	(210)	-	-	(704)
H1 2020	910	309	1,219	(1,534)	(249)	-	-	(1,783)
CORPORATE AND CENTRALIZED SERVICES								
H1 2021	0	-	0	(5,381)	(3,871)	(63)	10	(9,305)
H1 2020	0	-	0	(2,953)	(4,505)	-	2	(7,455)
CONSOLIDATED								
H1 2021	**96,829**	**-**	**96,829**	**7,276**	**(7,737)**	**(685)**	**71**	**(1,075)**
H1 2020	**88,233**	**-**	**88,233**	**3,744**	**(8,266)**	**3**	**2**	**(4,518)**

BUSINESS BY SECTOR

SECTOR	Property, plant and equipment	Goodwill	Intangible assets	Trade receivables
PUBLISHING & DIGITAL				
30.06.2021	9,913	-	4,211	6,506
31.12.2020	10,698		4,702	5,765
TAX&LEGAL				
30.06.2021	30	15,469	1,527	27,109
31.12.2020	36	15,469	2,059	22,152
RADIO				
30.06.2021	3,920	-	28,096	202
31.12.2020	4,478		28,150	-
SYSTEM				
30.06.2021	59	-		27,093
31.12.2020	49		-	28,958
CULTURE				
30.06.2021	2,134	-	83	83
31.12.2020	2,303		94	649
EVENTS				
30.06.2021	8	6,550		1,128
31.12.2020	5	6,550		1,207
CORPORATE AND CENTRALIZED SERVICES				
30.06.2021	42,224	-	5,541	164
31.12.2020	42,064		5,908	155
CONSOLIDATED				
30.06.2021	**58,288**	**22,019**	**39,458**	**62,285**
31.12.2020	**59,633**	**22,019**	**40,913**	**58,886**

10. Further information

10.1 Transactions with related parties

A related party is a person or entity related to the Parent Company, identified in accordance with the provisions of *IAS 24 Related Party Disclosures*. The definition of a related party always includes companies controlled by associates and joint ventures of the Parent Company.

For transactions entered into with related parties during the period covered by these Condensed Interim Consolidated Financial Statements, the nature of the existing transaction with the related party, the amount of transactions, the amount of outstanding balances, including commitments, contractual terms and conditions, any guarantees received or given have been disclosed. If it had been necessary to make provisions for bad debts or recognize losses on non-collectible receivables, it would have been disclosed.

Transactions between the Parent Company and its subsidiaries are always indicated, regardless of whether transactions have taken place between them.

The information concerning related parties and transactions with them is summarized in the summary table below, with specific evidence of transactions, positions or balances that have an impact on the Group's financial position, economic result and cash flows. Transactions and outstanding balances with intercompany related parties have been derecognized in the preparation of these Condensed half-yearly consolidated financial statements.

Transactions carried out with related parties are essentially limited to commercial, administrative and financial services with subsidiaries and associates. These transactions are part of normal business operations, within the scope of the typical activity of each party involved, and are regulated at market conditions.

The Company observes its own internal procedure “Regulation of Transactions with Related Parties”, adopted on 12 November 2010 by resolution of the Board of Directors (the “Regulation”), in implementation of the Regulation approved by CONSOB resolution no. 17221 of 12 March 2010, and subsequently amended by resolution no. 17389 of 23 June 2010 (the “CONSOB Regulation”). The aforementioned Regulation was updated by resolution of the Board of Directors on 19 December 2018, subsequently revised, in order to update certain references contained therein, by resolution of the Board of Directors on 19 December 2019 and, lastly, updated, in accordance with Consob resolution no. 21624 of 10 December 2020, by resolution of the Board of Directors on 30 June 2021.

Related parties consist of parties entered in the Register of Related Parties established by the Company. The Regulation is available on the website *www.gruppo24ore.com*, Governance section.

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 30 JUNE 2021								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	1	-	-	-	25	-	-	-
Total Parent Company	**1**	**-**	**-**	**-**	**25**	**-**	**-**	**-**
Key Executives	-	-	(88)	-	-	(968)	-	-
Board of Directors	-	-	(723)	-	-	(1,144)	-	-
Board of Statutory Auditors	-	-	(110)	-	-	(110)	-	-
Other related parties	61	-	(48)	-	71	(46)	-	-
Total other related parties	**61**	**-**	**(969)**	**-**	**71**	**(2,267)**	**-**	**-**
Total related parties	**62**	**-**	**(969)**	**-**	**97**	**(2,267)**	**-**	**-**

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space.

Revenues relate primarily to the sale of advertising space in proprietary publications and subscriptions to the newspaper.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2021, through specific declaration forms addressed to “Related Parties” as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2021, Key Executives (“DIRS”) are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

On 28 April 2021, the Shareholders' Meeting resolved to appoint as Directors of the Company, pursuant to and in accordance with article 2386, paragraph 1, of the Civil Code and article 19 of the Articles of Association, Mirja Cartia d'Asero and Veronica Diquattro, who were co-opted on 23 July 2020 and 7 October 2020, respectively, to replace Vanja Romano and Marcella Panucci. The Directors thus appointed will remain in office until the expiry of the term of office of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

10.2 Breakdown of the Group's past due positions by type

PAST DUE DEBT POSITIONS OF THE 24 ORE GROUP									
values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	574	16	16	10	68	1	604	746	2,035
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	574	**16**	**16**	**10**	**68**	**1**	**604**	**746**	**2,035**

The past due debt positions of the 24 ORE Group refer to trade payables.

With regard to past due amounts exceeding 210 days, it is noted that this past due amount includes suppliers blocked for disputed claims that amount to a total of Euro 336 thousand for the Parent Company. With regard to the amounts in dispute, the Parent Company has received an injunction for Euro 51 thousand, which it has opposed. On 29 April 2021, a summons was served to the Court of Milan for the resumption of an injunction, issued in 2018 by the Court of Rome and then, by judgement no. 1547/2021 of 28 January 2021, revoked by the same Court which had declared itself not to have territorial jurisdiction.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of this Half-yearly report at 30 June 2021, there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

10.3 Significant events occurring after 30 June 2021

On 15 July 2021, the Company's Board of Directors expanded the responsibilities of the Control and Risk Committee, appointed on 30 April 2019 with responsibilities in the area of "Innovation, sustainability and governance", naming it the Control, Risk and Sustainability Committee. At the same time it appointed a fourth member in the person of Mirja Cartia d'Asero, an independent non-executive director.

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements functional to the issuance of an unsecured, non-convertible bond for a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, exempt from the rules on public offerings set forth in Regulation (EU) 2017/1129.

The bonds were issued on 29 July 2021 and placed at an issue price equal to 99% of the nominal value of these securities, with a coupon of 4.950%. The bonds are governed by English law save in respect of matters governed by Italian law and are listed from 29 July 2021 on the "Euro MTF" multilateral trading facility of the Luxembourg Stock Exchange. The notes representing the bond have not been assigned a rating.

The regulation of the bond requires compliance with a covenant on an incurrence basis relating to the ratio between the net financial position and EBITDA of the 24 ORE Group.

This bond, which allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the "Liquidity Decree", allows the Company to further strengthen its financial structure, providing it with the flexibility and resources to carry out the investments and actions planned over the plan period, which are necessary to develop revenues and achieve greater operating efficiency.

10.4 Disclosure pursuant to Consob Resolution no. 15519 of 27 July 2006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Euro thousands	30.06.2021	of which related parties	31.12.2020	of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment	58,288	-	59,633	-
Goodwill	22,019	-	22,019	-
Intangible assets	39,458	-	40,914	-
Non-current financial assets	731	-	704	-
Other non-current assets	239	-	846	-
Deferred tax assets	21,713	-	22,604	-
Total	**142,448**	**-**	**146,719**	**-**
Current assets				
Inventories	1,557	-	1,893	-
Trade receivables	62,285	62	58,887	59
Other receivables	5,721		5,180	
Other current financial assets	16,244	-	16,004	-
Other current assets	7,483	-	4,813	-
Cash and cash equivalents	28,780	-	40,889	-
Total	**122,072**	**62**	**127,665**	**59**
Assets available for sale	-	-	-	-
TOTAL ASSETS	**264,520**	**62**	**274,384**	**59**

(*) Section 8 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	30.06.2021	of which related parties	31.12.2020	of which related parties
EQUITY AND LIABILITIES				
Equity				
Equity attributable to shareholders of the parent company				
Share capital	570	-	570	-
Capital reserves	19,452	-	19,452	-
Employee severance indemnity (TFR) reserve - IAS adjustment	(4,799)	-	(4,822)	-
Profits (losses) carried forward	20,119	-	21,108	-
Profit (loss) attributable to shareholders of the parent company	(3,331)	-	(989)	-
Total	**32,011**	**-**	**35,320**	**-**
Equity attributable to minority shareholders				
Capital and reserves attributable to minority shareholders	-	-	-	-
Profit (loss) attributable to minority shareholders	-	-	-	-
Total	**-**	**-**	**-**	**-**
Total equity	**32,011**	**-**	**35,320**	**-**
Non-current liabilities				
Non-current financial liabilities	79,788	-	81,799	-
Employee benefits	15,157	-	15,774	-
Deferred tax liabilities	5,616	-	5,617	-
Provisions for risks and charges	10,289	-	9,648	-
Other non-current liabilities	0	-	103	-
Total	**110,850**	**-**	**112,941**	**-**
Current liabilities				
Current bank overdrafts and loans	15,324	-	17,188	-
Other current financial liabilities	7,360	-	8,803	-
Trade payables	79,884	301	79,104	228
Other current liabilities	34	-	424	-
Other payables	19,057	668	20,605	176
Total	**121,659**	**969**	**126,123**	**404**
Liabilities available for sale	-	-	-	-
Total liabilities	**232,509**	**969**	**239,064**	**404**
TOTAL EQUITY AND LIABILITIES	**264,520**	**969**	**274,384**	**404**

(*) Section 8 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT (LOSS)

Euro thousands	H1 2021	of which related parties	of which non-recurring	H1 2020	of which related parties	of which non-recurring
1) Continuing operations						
Revenues	**96,829**	**97**		**88,233**	**57**	
Other operating income	2,136	-	1,280	4,757		1,628
Personnel costs	(40,223)	(1,543)	(575)	(40,796)	(1,152)	-
Change in inventories	(336)			(914)		
Purchases of raw and consumable materials	(1,833)			(1,908)		-
Costs for services	(42,699)	(724)		(40,314)	(458)	-
Costs for rents and leases	(3,187)			(2,597)		-
Other operating expenses	(1,285)			(1,528)	-	-
Provisions	(1,322)			(439)	-	-
Bad debt	(804)			(750)		
Gross operating margin	**7,276**	**(2,170)**	**705**	**3,744**	**(1,553)**	**1,628**
Amortization of intangible assets	(3,292)			(2,851)		
Depreciation of tangible assets	(4,446)			(5,414)		
Impairment of tangible and intangible assets	(685)		(682)	3		
Gains/losses on disposal of non-current assets	71			2		
Operating profit (loss)	**(1,075)**	**(2,170)**	**23**	**(4,518)**	**(1,553)**	**1,628**
Financial income	342	-		373		
Financial expenses	(1,819)	-		(1,369)	-	-
Total financial income (expenses)	**(1,477)**	**-**	**-**	**(995)**	**-**	**-**
Other income from investment assets and liabilities	28	-		103	-	
Gains (losses) on valuation of investments	-	-	-	-	-	-
Profit (loss) before taxes	**(2,524)**	**(2,170)**	**23**	**(5,410)**	**(1,553)**	**1,628**
Income taxes	(807)	-		78	-	-
Profit (loss) from continuing operations	**(3,331)**	**(2,170)**	**23**	**(5,333)**	**(1,553)**	**1,628**
2) Assets held for sale						
Profit (loss) from assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Net profit (loss)	**(3,331)**	**(2,170)**	**23**	**(5,333)**	**(1,553)**	**1,628**
Profit (loss) attributable to minority shareholders	**-**	**-**	**-**	**-**	**-**	**-**
Profit (loss) attributable to the shareholders of the parent company	**(3,331)**	**(2,170)**	**23**	**(5,333)**	**(1,553)**	**1,628**

(*) Section 8 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands	H1 2021	of which related parties	H1 2020	of which related parties
Statement items				
Profit (loss) before taxes from continuing operations attributable to the Group [a]	(2,524)	(2,170)	(5,410)	(1,553)
Adjustments [b]	**11,626**	**-**	**8,055**	**-**
Amortization/Depreciation	7,737		8,266	
(Gains) losses	(71)		(2)	
Effect of valuation of investments	(28)		(40)	
Gain on disposal of minority investments	-		(62)	
Allocation and (release) of provisions for risks and charges	1,187		(1,202)	
Restructuring expenses	575		-	
Provision for employee benefits	67		100	
Impairment of tangible and intangible assets	682		-	
Financial income and expenses	1,477		995	
Changes in operating net working capital [c]	**(8,638)**	**562**	**(159)**	**(388)**
Change in inventories	336		914	
Change in trade receivables	(3,399)	(3)	606	16
Change in trade payables	781	73	9,501	73
Other changes in net working capital	(6,356)	492	(11,181)	(477)
Total cash flow from operating activities [d=a+b+c]	**465**	**(1,608)**	**2,485**	**(1,941)**
Cash flow from investing activities [e]	**(5,196)**	**-**	**(3,658)**	**-**
Investments in intangible and tangible assets	(5,285)		(4,428)	
Proceeds from disposal of minority investments	-		115	
Other changes in investing activities	89		655	
Cash flow from financing activities [f]	**(7,395)**	**-**	**(5,690)**	**-**
Net financial interest paid	(1,383)		(995)	
Change in medium/long-term bank loans	(335)		(317)	
Change in short-term bank loans	(1,882)		592	
Changes in other financial payables and receivables	(2,963)		(854)	
Other changes in financial assets and liabilities	-		31	
Change in payables IFRS 16	(833)		(4,147)	
Change in financial resources [g=d+e+f]	**(12,126)**	**(1,608)**	**(6,863)**	**(1,941)**
Cash and cash equivalents at the beginning of the year	**40,246**		**15,122**	
Cash and cash equivalents at the end of the period	**28,120**		**8,259**	
Increase (decrease) for the period	**(12,126)**		**(6,863)**	

(*) Section 8 of the Notes to the Financial Statements.

It should be noted that no atypical and/or unusual transactions were carried out with third parties, related parties or Group companies.

10.5 Net financial position

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the “Prospectus Regulation” of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF THE 24 ORE GROUP

Euro thousands	30.06.2021	31.12.2020
A. Cash	60	47
B. Cash equivalents	28,721	40,842
C. Other current financial assets	16,244	16,004
D. Liquidity (A + B + C)	**45,025**	**56,893**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(8,020)	(9,445)
G. Current financial debt (E + F)	**(22,683)**	**(25,991)**
H. Current net financial position (G + D)	**22,341**	**30,902**
I. Non-current financial payables	(79,788)	(81,799)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(79,788)**	**(81,799)**
M. Net financial position (H + L)	**(57,446)**	**(50,897)**

The **net financial position** at 30 June 2021 was a negative Euro 57.4 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 6.5 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section “Significant events occurring after 30 June 2021” for more information.

The Group's current net financial position was a positive Euro 22.3 million, compared with a positive Euro 30.9 million at 31 December 2020. Current financial receivables include Euro 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. and current financial receivables in accordance with IFRS 16 for Euro 0.1 million. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.9 million.

10.6 Employees

The average number of employees by category is as follows:

EMPLOYEES						
AVERAGE WORKFORCE	H1 2021		H1 2020		Change	
	Number	%	Number	%	Number	%
Executives	27.2	3.3%	29.0	3.3%	(1.8)	-6.2%
Journalists	273.0	32.8%	281.4	32.1%	(8.4)	-3.0%
White-collar workers	509.0	61.2%	526.2	60.0%	(17.1)	-3.3%
Blue-collar workers	22.5	2.7%	41.0	4.7%	(18.5)	-45.0%
Total	**831.8**	**100.0%**	**877.6**	**100.0%**	**(45.8)**	**-5.2%**

DIRECTORS' ASSESSMENT OF THE GOING CONCERN ASSUMPTION

The 24 ORE Group closed H1 2021 with a net loss of Euro 3.3 million (net loss of Euro 5.3 million in the corresponding period of the previous year) and at 30 June 2021 had equity of Euro 32.0 million (Euro 35.3 million at 31 December 2020), and a negative net financial position of Euro 57.4 million (Euro 50.9 million at 31 December 2020).

Starting in the second half of February 2020, the market was affected by the health emergency linked to the spread of the Covid-19 virus, but starting in March 2021 it showed signs of growth thanks to the improvement in the pandemic situation and increasing confidence in the recovery, which are positively affecting the market as a whole.

Within this framework, on 29 July 2021 Il Sole 24 ORE S.p.A issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of seven years. This bond, which allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the "Liquidity Decree", allows the Company to further strengthen its financial structure, providing it with the flexibility and resources to carry out the investments and actions planned over the plan period, which are necessary to develop revenues and achieve greater operating efficiency.

Therefore, despite the uncertainties deriving from the continuation of the health emergency linked to the Covid-19 virus and the inevitable uncertainties typical of the sector and of any forecasting activity that could affect the results that will actually be achieved, as well as the related methods and timing of occurrence, the Directors believes, also in light of the provisions of the 2021-2024 Plan approved by the Board of Directors on 25 February 2021, that it has the financial and equity resources to allow the Half-yearly financial report at 30 June 2021 to be prepared on a going concern basis.

OUTLOOK

The first signs of market recovery began to be seen in April 2021, positively influencing the trend of advertising sales. In particular, the improving pandemic environment and increasing confidence in the recovery are positively affecting the market as a whole.

In Italy, the first easing of anti-Covid-19 restrictions began in April 2021 and the most recent ISTAT forecasts for Italy indicate sustained GDP growth both in 2021 (+4.7%) and in 2022 (+4.4% - *source: ISTAT press release - Italian economy outlook 2021-2022- 4 June 2021*).

The current uncertainty related to the possible continuing spread of the Covid-19 virus and its variants calls for caution with respect to the positive forecasts of the macroeconomic scenario. Therefore, in view of the health emergency situation, the publishing sector–in particular the advertising market and the exhibition and event organization activities–remain characterized by uncertainty as to what the possible effects of the continuing Covid-19 epidemic will be.

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The 2021-2024 Plan confirms the progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs, including personnel expenses for all categories. Compared to the 2020-2023 post-Covid Plan, updated estimates project a slower recovery for the current year, due to the effects of the pandemic, and an acceleration in subsequent years.

The Group continues to monitor very carefully both the evolution of the health emergency linked to the Covid-19 virus and the performance of the reference markets with respect to the hypotheses of the Plan, evaluating the actual possibility of rescheduling the planned initiatives, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

Milan, 30 July 2021

The Chairperson of the Board of Directors
Edoardo GARRONE

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

1. The undersigned Giuseppe Cerbone, in his capacity as Chief Executive Officer, and Paolo Fietta, in his capacity as Manager in charge of financial reporting of Il Sole 24 ORE S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, certify

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed half-yearly consolidated financial statements at 30 June 2021.

2. In this respect, the following significant issues have emerged:

- the verification of the adequacy and effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements and the analysis of the results achieved were carried out in a complex context characterized, among other things, by the continuation of the organizational review of corporate processes;
- the adequacy of the administrative and accounting procedures for the preparation of the consolidated condensed half-yearly financial statements at 30 June 2021 was assessed on the basis of the methodological standards of Il Sole 24 ORE S.p.A. defined taking into account the *Internal Control - Integrated Framework* model issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, which represents the main reference framework for the creation, analysis and evaluation of the internal control system used at international level. The analysis that was carried out with reference to the 2016 financial year and the subsequent in-depth analyses developed during 2017 have revealed margins for improvement in the controls, mainly relating to documentary and authorization aspects or concerning the need to update/adjust certain company procedures/processes. With reference to these aspects of improvement, an action plan providing for the necessary corrective actions has been prepared and was approved by the Company's Control and Risk Committee and the Board of Directors at the beginning of 2018;
- the significant renewal of top management and the partial organizational redesign in 2018 meant that only a portion of the corrective actions envisaged in the action plan were actually implemented and had a desired impact as early as 2018. In particular, during the fourth quarter of 2018, an in-depth revision of the Administrative - Accounting Model was initiated pursuant to Law no. 262/2005. Further actions were carried out in 2019, 2020 and are continuing during 2021. Pending the full implementation of the above plan, compensating control procedures have also been put in place, as a result of which there has been no economic or financial impact on the amounts shown in the condensed half-yearly consolidated financial statements at 30 June 2021.

3. It is further certified that:

- the condensed interim consolidated financial statements:
  - have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
  - correspond to the information contained in the accounting ledgers and records;
  - provide a true and fair representation of the equity, economic and financial situation of the Company in question.

The report on operations includes a reliable analysis of the operating performance and results for H1 2021, as well as the situation of the issuer, together with a description of the principal risks and uncertainties.

Milan, 30 July 2021

CEO — Manager in charge of financial reporting

Giuseppe CERBONE Paolo FIETTA

ADDITIONS AT THE REQUEST OF CONSOB PURSUANT TO ARTICLE 114 OF LEGISLATIVE DECREE 58/1998

The net financial position of Il Sole 24 ORE S.p.A. and the 24 ORE Group, showing the short-term components separately from the medium/long-term components

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF THE 24 ORE GROUP

Euro thousands	30.06.2021	31.12.2020
A. Cash	60	47
B. Cash equivalents	28,721	40,842
C. Other current financial assets	16,244	16,004
D. Liquidity (A + B + C)	**45,025**	**56,893**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(8,020)	(9,445)
G. Current financial debt (E + F)	**(22,683)**	**(25,991)**
H. Current net financial position (G + D)	**22,341**	**30,902**
I. Non-current financial payables	(79,788)	(81,799)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(79,788)**	**(81,799)**
M. Net financial position (H + L)	**(57,446)**	**(50,897)**

The **net financial position** at 30 June 2021 was a negative Euro 57.4 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 6.5 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, "Liquidity Decree", with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section "Significant events occurring after 30 June 2021" for more information.

The Group's current net financial position was a positive Euro 22.3 million, compared with a positive Euro 30.9 million at 31 December 2020. Current financial receivables include Euro 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. and current financial receivables in accordance with IFRS 16 for Euro 0.1 million. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.9 million.

Net financial position of the Parent Company

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the “Prospectus Regulation” of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF IL SOLE 24 ORE S.p.A.		
Euro thousands	30.06.2021	31.12.2020
A. Cash	28	29
B. Cash equivalents	24,401	36,595
C. Other current financial assets	16,161	16,328
D. Liquidity (A + B + C)	**40,591**	**52,951**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(9,885)	(9,780)
G. Current financial debt (E + F)	**(24,548)**	**(26,325)**
H. Current net financial position (G + D)	**16,043**	**26,626**
I. Non-current financial payables	(78,805)	(80,713)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(78,805)**	**(80,713)**
M. Net financial position (H + L)	**(62,762)**	**(54,087)**

The **net financial position** at 30 June 2021 was a negative Euro 62.8 million and compares with a negative Euro 54.1 million at 31 December 2020, a deterioration of Euro 8.7 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”, with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.0 million (Euro 36.8 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section “Significant events occurring after 30 June 2021” for more information.

The Company's current net financial position was a positive Euro 16.0 million, compared with a positive Euro 26.6 million at 31 December 2020. Current financial receivables include Euro 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.7 million.

The past due debt positions of the Company and the Group, broken down by type (financial, commercial, tax, social security and employee) and any related creditor reaction initiatives (reminders, injunctions, suspension of supplies, etc.)

Past due debt positions of the 24 ORE Group broken down by type at 30 June 2021

PAST DUE DEBT POSITIONS OF THE 24 ORE GROUP

values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	574	16	16	10	68	1	604	746	2,035
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	574	**16**	**16**	**10**	**68**	**1**	**604**	**746**	**2,035**

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 30 June 2021

PAST DUE DEBT POSITIONS OF IL SOLE 24 ORE S.p.A.

values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	553	13	16	5	55	1	602	581	1,827
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	553	**13**	**16**	**5**	**55**	**1**	**602**	**581**	**1,827**

The past due debt positions of the 24 ORE Group and the parent company Il Sole 24 ORE S.p.A. refer to trade payables.

With regard to past due amounts exceeding 210 days, it is noted that this past due amount includes suppliers blocked for disputed claims that amount to a total of Euro 336 thousand for the Parent Company. With regard to the amounts in dispute, the Parent Company has received an injunction for Euro 51 thousand, which it has opposed. On 29 April 2021, a summons was served to the Court of Milan for the resumption of an injunction, issued in 2018 by the Court of Rome and then, by judgement no. 1547/2021 of 28 January 2021, revoked by the same Court which had declared itself not to have territorial jurisdiction.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of the Half-yearly report at 30 June 2021 there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

The main changes in the related party transactions of this Company and Group since the last annual or half-yearly financial report approved in accordance with article 154-ter of the Consolidated Law on Finance (TUF) are as follows

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 30 JUNE 2021								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	1	-	-	-	25	-	-	-
Total Parent Company	**1**	**-**	**-**	**-**	**25**	**-**	**-**	**-**
Key Executives	-	-	(88)	-	-	(968)	-	-
Board of Directors	-	-	(723)	-	-	(1,144)	-	-
Board of Statutory Auditors	-	-	(110)	-	-	(110)	-	-
Other related parties	61	-	(48)	-	71	(46)	-	-
Total other related parties	**61**	**-**	**(969)**	**-**	**71**	**(2,267)**	**-**	**-**
Total related parties	**62**	**-**	**(969)**	**-**	**97**	**(2,267)**	**-**	**-**

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space.

Revenues relate primarily to the sale of advertising space in proprietary publications and subscriptions to the newspaper.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2021, through specific declaration forms addressed to “Related Parties” as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2021, Key Executives (“DIRS”) are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

On 28 April 2021, the Shareholders' Meeting resolved to appoint as Directors of the Company, pursuant to and in accordance with article 2386, paragraph 1, of the Civil Code and article 19 of the Articles of Association, Mirja Cartia d'Asero and Veronica Diquattro, who were co-opted on 23 July 2020 and 7 October 2020, respectively, to replace Vanja Romano and Marcella Panucci. The Directors thus appointed will remain in office until the expiry of the term of office of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 30 JUNE 2021								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	1	-	-	-	25	-	-	-
Total Parent Company	**1**	**-**	**-**	**-**	**25**	**-**	**-**	**-**
24 ORE Cultura S.r.l.	312	-	(45)	(1,053)	271	(170)	-	-
Il Sole 24 ORE Eventi S.r.l.	836	-	(537)	(1,016)	479	(1,078)	2	-
Il Sole 24 ORE UK Ltd	-	-	(386)	-	-	(208)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(327)	-	-	(250)	-	-
Total Subsidiaries	**1,148**	**-**	**(1,295)**	**(2,069)**	**750**	**(1,705)**	**2**	**-**
Key Executives	-	-	(88)	-	-	(968)	-	-
Board of Directors	-	-	(723)	-	-	(1,144)		
Board of Statutory Auditors	-	-	(99)	-	-	(99)	-	-
Other related parties	61	-	(48)	-	71	(46)	-	-
Total other related parties	**61**	**-**	**(958)**	**-**	**71**	**(2,256)**	**-**	**-**
Total related parties	**1,209**	**-**	**(2,253)**	**(2,069)**	**847**	**(3,961)**	**2**	**-**

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space in its proprietary publications;
- receivables for corporate services;
- receivables for advertising space brokerage activities;
- receivables from tax consolidation and VAT.

Trade payables/other payables refer mainly to:

- payables to the subsidiary Il Sole 24 ORE UK Ltd., for commercial brokerage activities relating to the sale of advertising space in the United Kingdom;
- payables to the subsidiary Il Sole 24 ORE Eventi S.r.l., for commercial brokerage activities relating to the organization of events on behalf of the Parent Company;
- trade payables for services to Il Sole 24 ORE U.S.A. Inc;
- payables for services and editorial services;
- payables for the purchase of information;
- payables from tax consolidation and VAT consolidation.

Financial payables relate to current account relations with the subsidiary 24 ORE Cultura S.r.l. and the subsidiary Il Sole 24 ORE Eventi S.r.l.

Operating revenues and income mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space in its proprietary publications;
- debit of centralized services to Group companies.

Costs mainly refer to:

- contractual agreement with the subsidiary Il Sole 24 ORE UK Ltd., for commercial brokerage activities relating to the sale of advertising space in the United Kingdom;
- contractual agreement with the subsidiary Il Sole 24 ORE U.S.A Inc. for the provision of services;
- contractual agreement with the subsidiary Il Sole 24 ORE Eventi S.r.l., for commercial brokerage activities relating to the sale of advertising space and for its share of the sponsorship of events.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2021, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2021, Key Executives ("DIRS") are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

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There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

Non-compliance with covenants, negative pledges and any other clause of the Group's debt that imposes restrictions on the use of financial resources, with an indication of the degree of compliance with these clauses at the date of the financial statements

On 20 July 2020, the Company entered into an agreement with Monterosa SPV to extend the maturity of the transaction until December 2026; however, it should be noted that the agreement provides for the option to terminate operations by either party at the end of each calendar half-year.

The maximum total amount that can be financed is Euro 50.0 million; at 30 June 2021, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

The securitization contract does not provide for financial covenants but does provide for causes of impediment to the acquisition of the Company's portfolios of receivables, which, if not remedied, could result in the termination of the contract. At 30 June 2021, there were no causes of impediment to purchase and/or material events that would result in contract termination.

On 20 July 2020, the Group signed a new medium/long-term loan agreement with a pool of lending banks, comprising Intesa Sanpaolo (also acting as Financing and Guarantee Agent Bank), Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, “Liquidity Decree”.

In relation to the SACE guarantee provided by the loan and in accordance with the provisions of the “Liquidity Decree”, the Group has made the following commitments:

a) allocate the loan for the purpose of financing: *(i)* investments; (*ii*) working capital; (*iii*) personnel costs; *(iv*) costs of lease or rent fees of business units, exclusively for production facilities and business activities located in Italy (excluding acquisitions of investments); and: (*i)* to keep the substantial part of production in Italy; *(ii*) to use the proceeds of the loan exclusively in accordance with the purpose envisaged in this contract;

b) comply with the regulations in force from time to time concerning the fight against money laundering, financing of terrorism and corruption;

c) not to approve or execute dividend distributions or share repurchases during 2020 and to ensure that any other company based in Italy that is part of the same group does not approve or execute dividend distributions or share repurchases during 2020;

d) manage employment levels through trade union agreements for the entire duration of the loan.

The amount of the loan is Euro 37.5 million and the duration is 6 years with maturity of 30 June 2026 and 24 months of pre-amortization; the amortization plan provides for quarterly instalments with a constant capital quota and the interest margin is equal to 3-month Euribor +1.65%.

The loan is backed by a first demand guarantee issued by SACE pursuant to the “Liquidity Decree”, for a maximum amount equal to 90% of the loan amount; the cost of the guarantee is 50 bps for the first year, 100 bps for the second and third years, 200 bps from the fourth year. The Company considers that the effective interest rate on this loan (interest rate margin and cost of the SACE guarantee) is in a market range.

There are no collateral or compulsory guarantees, but financial covenants recorded at consolidated level and calculated without giving effect to IFRS 16. The structure of the covenants is described in the following table:

FINANCIAL COVENANTS										
Euro millions	30/06/2021	31/12/2021	30/06/2022	31/12/2022	30/06/2023	31/12/2023	30/06/2024	31/12/2024	30/06/2025	31/12/2025
EBITDA (*) ≥	0	8								
Minimum SE ≥	18	18								
Lev Ratio (NFP/EBITDA (*)) ≤			2.75x	2.0x	2.0x	1.50x	1.50x	1.50x	1.50x	1.50x
Gearing Ratio (NFP/SE) ≤			2.5x	2.0x	1.5x	1.0x	1.0x	1.0x	1.0x	1.0x

(*) values to be calculated on a 12-month rolling basis

The contract includes, in addition to the clauses that are standard practice for this type of financing, such as: negative pledge, *pari passu*, cross-default and change of control, and some specific provisions that provide for mandatory partial early repayment upon the occurrence of certain events.

Failure to comply with even one covenant means that all amounts for which the Company has been declared delinquent will be immediately due and payable and the loan will be immediately cancelled. However, the lending banks may be asked to make amendments to the loan agreement, or to waive their rights to early termination, in the event of non-compliance with a covenant.

On 22 July 2020, the loan was disbursed to the Company for a total amount of Euro 37.5 million.

With reference to the last contractual recognition on 30 June 2021, compliance with the covenant is confirmed:

- (rolling 12 month) EBITDA net of the application of IFRS 16 Euro 16.7 million higher than the covenant minimum of Euro 0 million,
- equity net of the application of IFRS 16 of Euro 31.5 million higher than the covenant minimum of Euro 18.0 million.

On 29 July 2021 the Company issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of seven years.; the bonds were placed at an issue price equal to 99% of their face value, with a coupon of 4.950%. This bond allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the “Liquidity Decree”.

The status of implementation of the business plan, highlighting any deviations from the actual figures compared to those forecast.

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The estimates of the 2021-2024 Plan reflect the new market trend forecasts and incorporate the updated implementation schedules of the initiatives already envisaged in the post-Covid 2020-2023 Plan, confirming the investment in printed products, primarily the re-launch of the newspaper in the new format, and in innovative digital initiatives.

The actions of the Plan are centred on a “digital first” strategy as an enabling element for the continuous enrichment of the system of multi-format and multi-platform products of Il Sole 24 ORE, the efficiency of processes, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories.

The 2021-2024 Plan confirms the progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs. Compared to the 2020-2023 post-Covid

Plan, updated estimates project a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in subsequent years.

On 16 March 2021, the new format of the Newspaper was introduced. The initiative represents the most visible new element within a broader plan to enhance the value of content (including audio/video/podcast content) and the continuous renewal of the supply system from a multi-format and multi-platform perspective, possible by virtue of the “digital first” strategy. In addition, the new format of the newspaper Il Sole 24 ORE and related initiatives represent an opportunity to strengthen circulation and pursue the engagement of traditional and new targets.

The enrichment of the printed and digital offer in the professional area exploits new publishing and technological platforms for the development of products and services and to create a product system, enhancing the great strength of the brand.

The 2021-2024 Plan also envisages initiatives aimed at strengthening coverage of the radio market and expanding the audience.

As part of a process of accelerated digital transformation of the Group, the 2021-2024 Plan envisages a greater thrust on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The same 2021-2024 Plan sets the strategic objective of reducing the costs of the operating structure through a profound industrial and editorial process reorganization, the streamlining of support and staff structures and the strengthening of distinctive skills.

The forecasts contained in the 2021-2024 Plan confirm the growth in profitability over time, also thanks to the continuous focus on further efficiencies to be achieved in direct and operating costs, and on the containment of labour costs for all professional categories, to be implemented through both temporary measures and structural cost-reduction initiatives.

The forecasts of the 2021-2024 Plan show a worsening of the net financial position for the years 2021 and 2022, mainly due to the acceleration of investments and the dynamics of disbursements related to personnel restructuring expenses, to then gradually improve in subsequent years during the Plan period.

The main forecast economic indicators expected in the 2021-2024 Plan are shown below:

2021-2024 PLAN		
Euro millions	Plan 2021	Plan 2024
Revenues	203	245
EBITDA	16	54
EBIT	(2)	36

In the first half of 2021 the 24 ORE Group, while still feeling the negative effects of the health emergency linked to the spread of Covid-19 which began in March 2020, began to see the first signs of growth thanks both to the improvement of the pandemic context and increasing confidence in the recovery, which are positively affecting the market as a whole, and to the authoritativeness, the high quality of content, the launch of the new format of the newspaper, the continued development of products in the Tax & Legal area, the acceleration of the Events area and effective commercial policies in all areas.

However, consolidated revenues for the first half of 2021 were lower than expected, particularly with reference to the Culture area, which was only able to reopen Mudec from May 2021, and the slower recovery of revenues on the Radio area.

In terms of EBITDA and EBIT, due to both a different business development and actions to contain direct and operating costs, H1 2021 showed improved results compared to plan.

The Group confirms its expectations of compliance with existing financial covenants.

It should be noted that the forward-looking figures represented in the 2021-2024 Plan are strategic objectives established as part of corporate planning.

The development of the 2021-2024 Plan was based on, among other things: *(i)* general and hypothetical assumptions, as well as discretionary assumptions, and *(ii)* a series of estimates and hypotheses relating to the implementation by the directors of specific actions to be undertaken in the Plan reference time period, or relating to future events that the directors can only partially influence and that may not occur or may vary during the Plan period.

The realization of the objectives and the achievement of the results envisaged by the 2021-2024 Plan depend not only on the actual realization of the volume of revenues indicated, but also on the effectiveness of the actions identified and the timely implementation of these actions, in accordance with the time frame and economic impacts assumed.

If the Group's results were to differ significantly from those forecast in the 2021-2024 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group continues to monitor very carefully both the evolution of the health emergency linked to the Covid-19 virus and the performance of the reference markets with respect to the hypotheses of the Plan, evaluating the actual possibility of rescheduling the planned initiatives, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

Milan, 30 July 2021

The Chairperson of the Board of Directors
Edoardo GARRONE

Il Sole 24 Ore S.p.A.

Review report on the interim condensed consolidated financial statements at June 30, 2021

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Il Sole 24 Ore S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statement of profit (loss) for the period, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows and the related explanatory notes of Il Sole 24 Ore S.p.A. and its subsidiaries (the "24 Ore Group") at June 30, 2021. The Directors of Il Sole 24 Ore S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of 24 Ore Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

1 – Going concern assumption

We draw attention to paragraph "Directors' assessment of the going concern assumption" of the explanatory notes, which describes Directors' considerations regarding going concern basis. In particular, despite the uncertainties arising from the extension of the health emergency due to Covid-19 and the unavoidable uncertainties of this industry and any projection generally, which could affect the results that will be actually achieved, as well as their outcome and timing, Directors assessed that the 24 Ore Group has the financial and equity resources to prepare these interim condensed consolidated financial statements at June 30, 2021 on a going concern basis. Our conclusions are not modified in respect of this matter.

2 – Risk related to the outcome of the proceedings before the Public Prosecutor's Office and to Consob inspections

We draw attention to paragraphs "Risks related to the outcome of the proceedings before the Milan Public Prosecutor's Office crim. proc. no. 5783/17 R.G.N.R." and "Risks associated with Consob inspections" of the Directors' Report, which describe the relevant updates, the assessments and the actions taken by the Directors regarding the outcome of the ongoing proceedings before the Public Prosecutor's Office and the Consob inspections. Our conclusions are not modified in respect of these matters.

Milan, August 3, 2021

EY S.p.A.
Signed by: Massimo Meloni, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers