2021 Annual
Financial Report

GRUPPO 24 ORE

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The 2021 Annual Financial Report has been translated into the English language solely for the convenience of international readers and constitutes a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

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

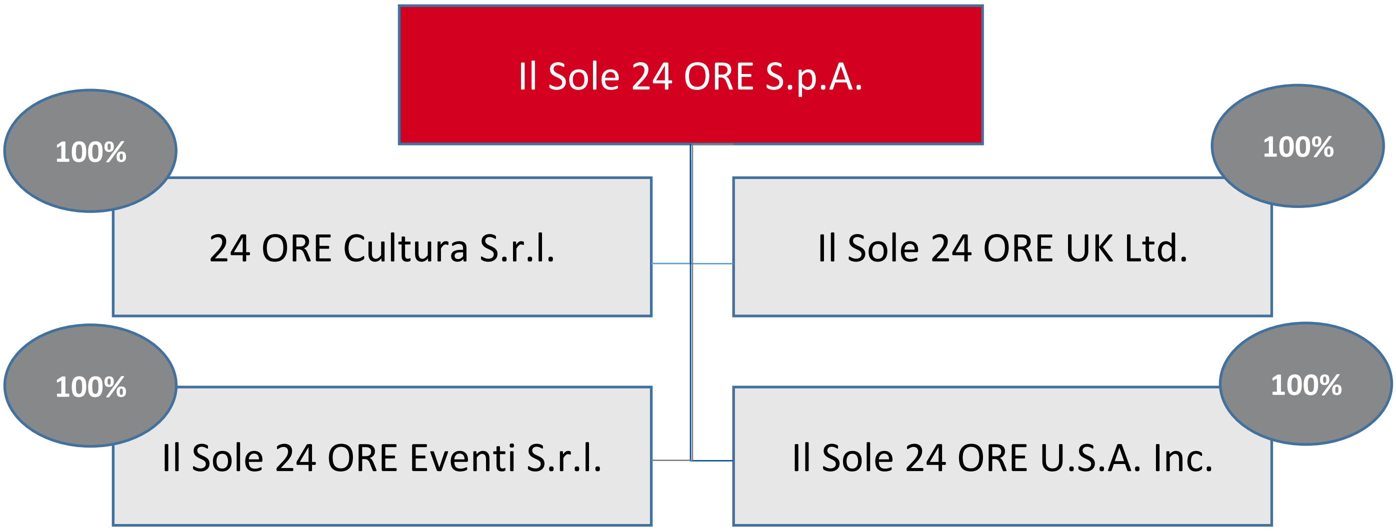
Chairperson	Carlo ROBIGLIO
Members	Marco GAY
	Fabio Domenico VACCARONO

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 31 DECEMBER 2021



24 ORE GROUP IN 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 2021 with a positive EBITDA of Euro 11.3 million, a negative EBIT of Euro 15.3 million and a net loss of Euro 21.0 million. Equity amounted to Euro 13.9 million, a decrease of Euro 21.5 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 31 December 2021 derived from the consolidated financial statements:

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Euro thousands	FY 2021	FY 2020
Revenues	203,545	190,976
Gross operating margin (EBITDA)	11,255	20,119
Operating profit (loss) (EBIT)	(15,279)	2,268
Profit (loss) before taxes	(18,985)	324
Net profit (loss)	(21,029)	(989)
	31.12.2021	31.12.2020
Non-current assets	131,084	146,719
Current assets	117,027	127,665
Total assets	**248,112**	**274,384**
Group equity	13,851	35,320
Minority interests	-	-
Total equity	**13,851**	**35,320**
Non-current liabilities	121,325	112,941
Current liabilities	112,936	126,123
Total liabilities	**234,261**	**239,064**
Total equity and liabilities	**248,112**	**274,384**

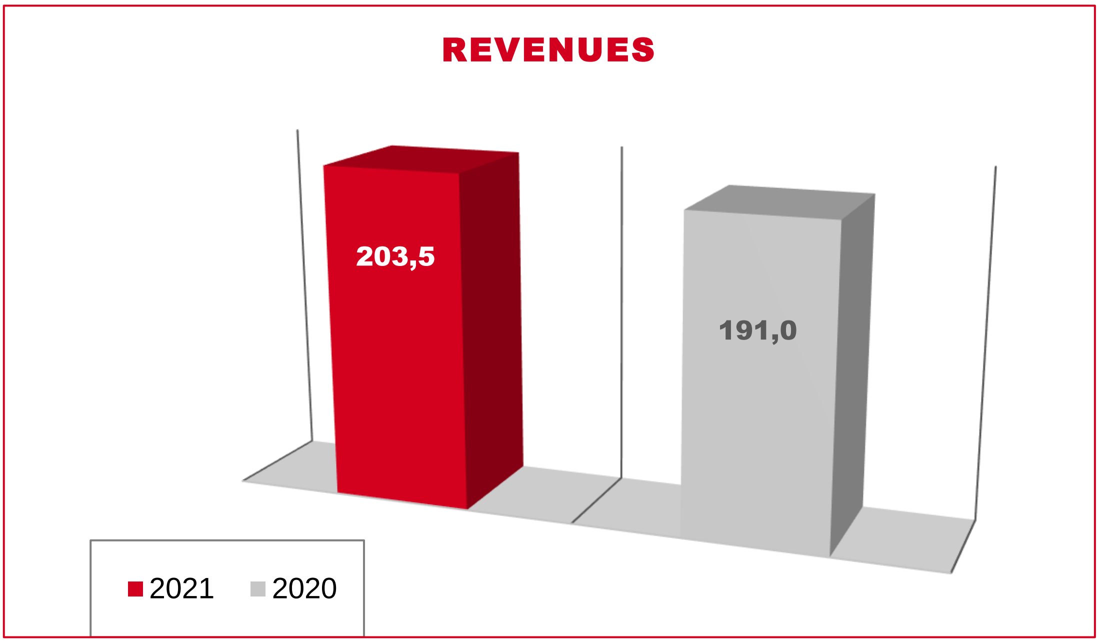
Key summary figures of the 24 ORE Group net of non-recurring income and expenses

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

KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES		
Euro thousands	FY 2021	FY 2020
Revenues	203,545	190,976
EBITDA net of non-recurring income and expenses	22,586	17,741
EBIT net of non-recurring income and expenses	5,017	586
Profit (loss) before taxes net of non-recurring income and expenses	1,311	(1,359)
Net profit (loss) net of non-recurring income and expenses	(733)	(2,874)
	31.12.2021	31.12.2020
Equity	13,851	35,320
Net financial position	(63,849)	(50,897)

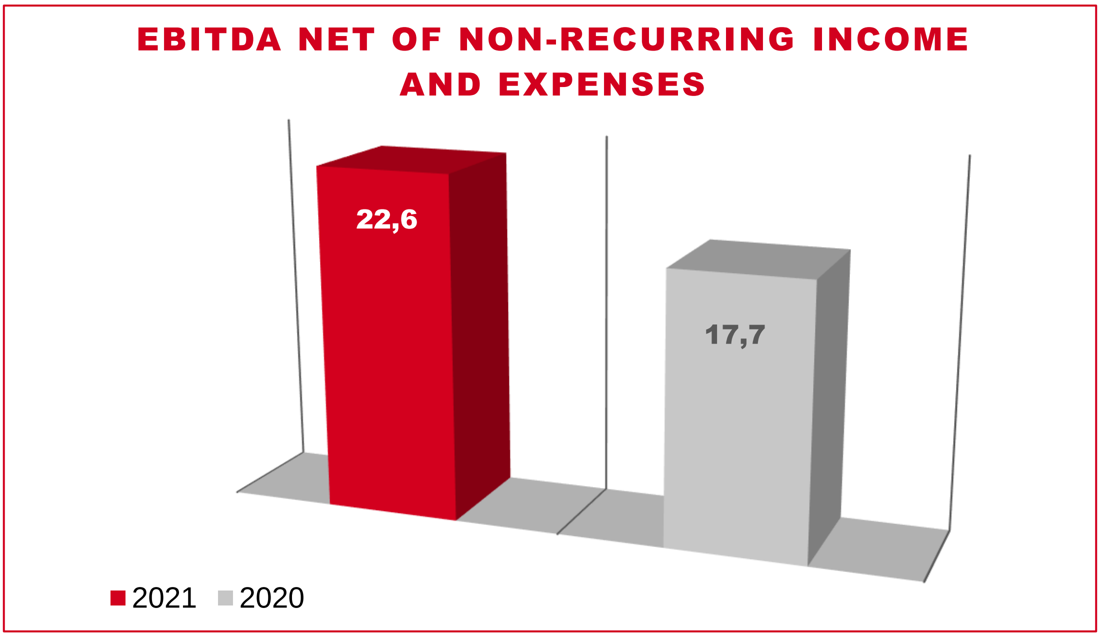
The 24 ORE Group, while still feeling the negative effects of the health emergency linked to the spread of Covid-19 which began in March 2020, saw the first signs of growth thanks both to the improvement of the pandemic context and increasing confidence in the recovery, and to the authoritativeness, 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 Professional Services area, the acceleration of the Events area

and effective commercial policies in all areas. In 2021, the 24 ORE Group reported **consolidated revenues** of Euro 203.5 million (Euro 191.0 million in 2020), up 6.6% or +Euro 12.6 million compared to 2020.



The **gross operating margin** (EBITDA), net of non-recurring income and expenses at 31 December 2021 was a positive Euro 22.6 million, compared to a positive Euro 17.7 million in 2020. EBITDA includes non-recurring income and expenses, negative for Euro 11.3 million deriving from:

- release of the provision for social security risks for Euro 1.1 million. At the date of these consolidated financial statements, the provision for social security risks has been restated on the basis of potential residual criticalities relating to the application and management of social shock absorbers;
- restructuring expenses of Euro 13.9 million, included in personnel costs. The allocation of these expenses was made on the basis of the actions for the reorganization of the Group structure communicated on 8 November 2021 to the trade unions, and saw an anticipation to the current year 2021 of the simplification and rationalization actions already present overall in the 2021-2024 Business Plan approved on 25 February 2021;
- income of Euro 1.4 million collected in 2021 by the company 24 ORE Cultura S.r.l. for the period 1 August to 30 November 2020 mainly relating to the “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 art exhibition sector on 18 November 2020”.



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

BREAKDOWN OF CONSOLIDATED NON-RECURRING INCOME AND EXPENSES		
Euro thousands	FY 2021	FY 2020
Gross operating margin (EBITDA)	**11,255**	**20,119**
Covid-19 contributions	1,403	3,812
Release of provision for tax risks on disposal of BS24 investment		1,500
Release (allocation) of provision for social security risks	1,131	(199)
Recalculation of payable for personnel restructuring expenses	(13,864)	(2,736)
Total non-recurring income and expenses with impact on EBITDA	**(11,330)**	**2,377**
EBITDA net of non-recurring income and expenses	**22,586**	**17,741**
Operating profit (loss) (EBIT)	**(15,279)**	**2,268**
Total non-recurring income and expenses with impact on EBITDA	**(11,330)**	**2,377**
Write-down of rotary press Bologna		(33)
Early termination of the lease agreement for the rotary press in Medicina (BO)	(188)	
Write-down of goodwill (impairment test)	(1,295)	
Write-down of radio frequencies (impairment test)	(5,383)	
Effects of contractual changes on lease contracts		(662)
Write-down of intangible assets	(2,100)	
Total non-recurring income and expenses with impact on EBIT	**(20,296)**	**1,682**
EBIT net of non-recurring income and expenses	**5,017**	**586**
Profit (loss) before taxes	**(18,985)**	**324**
Total non-recurring income and expenses with impact on EBIT	**(20,296)**	**1,682**
Total non-recurring income and expenses on profit (loss) before taxes	**(20,296)**	**1,682**
Profit (loss) before taxes net of non-recurring income and expenses	**1,311**	**(1,359)**
Net profit (loss)	**(21,029)**	**(989)**
Total non-recurring income and expenses on net profit (loss) before taxes	**(20,296)**	**1,682**
Release of deferred taxes due to contractual changes		203
Total non-recurring income and expenses on net profit (loss)	**(20,296)**	**1,885**
Net profit (loss) net of non-recurring income and expenses	**(733)**	**(2,874)**

The **net financial position** at 31 December 2021 was a negative Euro 63.8 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 13.0 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Group’s current net financial position was a positive Euro 18.6 million, compared with a positive Euro 30.9 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 25 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.0 million.

Significant events in the year

On 1 February 2021, the Company communicated to the trade unions the adoption of the restyling of the newspaper Il Sole 24 ORE, which provided for a new format and 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 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, 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. 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 currently located in Erbusco (Brescia), Rome, Cagliari and Messina.

The enrichment of the print 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 *www.ilsole24ore.com* 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 format 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 Board of 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 resolution.

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 and according to Regulation S of the U.S. Securities Act of 1933.

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 on 29 July 2021 of the loan of Euro 37.5 million entered into on 20 July 2020, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the "Liquidity Decree" as amended from time to time and converted into law with Conversion Law no. 40 of 5 June 2020, 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.

On 6 August 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 were disclosed. In particular, the number of Adhering Associations was further reduced from 51 to 50 as a result of the sale, completed on 3 August 2021, of the investment of Unione degli Industriali di Napoli - Confindustria Napoli ("UI Napoli") in favour of Confindustria, with the consequent exit of UI Napoli from the Agreement. The total percentage of shares contributed to the Agreement (68.549% of share capital) did not change.

On 1 November 2021, the unsecured and non-convertible bond loan for a principal amount of Euro 45 million, issued on 29 July 2021 and listed on the "Euro MTF" multilateral trading facility of the Luxembourg Stock Exchange, was also listed on the "ExtraMOT PRO" multilateral trading facility of Borsa Italiana S.p.A., under the same terms and conditions.

On 8 November 2021, following meetings with the labour unions, the strategic objective was confirmed of reducing labour costs to be achieved through structural cost-cutting measures for all professional categories, as established in the 2021-2024 Business Plan. As a result, the effects of the simplification and rationalization measures already included in the 2021-2024 Business Plan were brought forward to 2021 with the establishment of a liability for restructuring expenses, resulting in a lower result than previously disclosed in terms of EBITDA and EBIT.

On 10 November 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 were disclosed. In particular, the number of Adhering Associations was further reduced from 50 to 46 as a result of the sale, completed on 5 November 2021, of the equity investment of: Unindustria - Unione degli Industriali e delle Imprese di Roma, Frosinone, Latina, Rieti e Viterbo; Confindustria Lecco e Sondrio; Associazione degli Industriali della Provincia di Mantova - named Confindustria Mantova; Unione Industriale Biellese; in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement. The total percentage of shares contributed to the Agreement (68.549% of share capital) did not change.

On 12 November 2021, the number of Adhering Associations was further reduced from 46 to 40 as a result of the sale, completed on 12 November 2021, of the equity investment of: Farmindustria - Associazione delle Imprese del Farmaco; Confindustria Ceramica; Federchimica - Federazione Nazionale dell'Industria Chimica; Confindustria Dispositivi Medici (formerly Assobiomedica); Unindustria Calabria, Unione degli Industriali e delle Imprese delle province di Catanzaro, Cosenza, Crotone, Reggio Calabria, Vibo Valentia; Confindustria Umbria; in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement.

On the same date, Confindustria also acquired additional Special Category Shares from a Shareholder who is not a party to the Agreement, with a further increase in its shareholding and consequent increase in the overall percentage of shares contributed to the Agreement from 68.549% to 68.581% of the share capital, equal to 44,814,656 shares.

On 19 November 2021, the number of Adhering Associations was further reduced from 40 to 35 as a result of the sale of the equity investment of: Confindustria Cuneo - Unione Industriali della Provincia; ALI - Associazione Industriale Alto Milanese, in short Confindustria Alto Milanese; Confindustria Canavese - Associazione Industriali del Canavese; Unione Industriali della Provincia di Savona; Federazione di Filiera dell'Industria del Gioco Legale e dell'Intrattenimento, denominated Sistema Gioco Italia; in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement. The total percentage of shares contributed to the Agreement (68.581% of share capital) did not change.

On 26 November 2021, the number of Adhering Associations was further reduced from 35 to 31 as a result of the sale of the equity investment of: Unione Industriali Torino; Confindustria Bergamo - Unione degli Industriali della Provincia di Bergamo; UCIMU - Sistemi per produrre - Associazione Costruttori Italiani Macchine Utensili, Robot e Automazione; Assografici - Associazione Italiana Industrie Grafiche Cartotecniche e Trasformatrici, in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement. On the same date, Confindustria also acquired Special Category Shares from a Shareholder who is not a party to the Agreement, with a further increase in its shareholding and consequent increase in the overall percentage of shares contributed to the Agreement from 68.581% to 68.596%, equal to 44,824,896 shares.

On 10 December 2021, the number of Adhering Associations was further reduced from 31 to 25 as a result of the sale of the equity investment of: COFIVA S.p.A.; Assoimprenditori Alto Adige; Associazione Industriale Lombarda dei territori di Milano, Lodi, Monza e Brianza, Pavia, in abbreviated form Assolombarda; Federlegno Arredo Eventi S.p.A.; SI S.r.l.; Associazione Italiana Confindustria Alberghi, in abbreviated form AICA, in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement. The total percentage of shares contributed to the Agreement (68.596% of share capital) did not change.

On 16 December 2021, the number of Adhering Associations was further reduced from 25 to 20 as a result of the sale of the equity investment of: Elettricità futura - Unione delle imprese elettriche italiane; Confindustria Romagna; Confindustria Basilicata; Confindustria Nautica (formerly Ucina); Associazione

Industriali della Provincia di Cremona, in favour of Confindustria, with the consequent exit of the above-mentioned Adhering Associations from the Agreement.

On the same date, Confindustria also acquired additional Special Category Shares from a Shareholder who is not a party to the Agreement, with a further increase in its shareholding and consequent increase in the overall percentage of shares contributed to the Agreement from 68.596% to 68.645%, equal to 44,856,396 shares.

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 April 2021 it showed signs of growth thanks to the improvement in the pandemic situation and growing confidence in the recovery, which are positively affecting the market as a whole.

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of 5.1% for the period January-December 2021 compared to 2020, with a decline in circulation of the print version of 10.0% offset in part by an increase in digital circulation of 8.8% *(Source: ADS data processing January - December 2021*).

The most recent listening figures for radio refer to the year 2021 and recorded a total of 33,850,000 listeners on the average day, down 2.9% from 2019 (*Source: RadioTER 2019-2021*); figures for 2020 are not available due to the temporary interruption of surveys by research institutions due to the Covid-19 health emergency.

The reference market for the Group's advertising sales closed 2021 with growth of 10.3% (net of local newspaper advertising), thus consolidating the signs of recovery recorded starting from the second quarter of 2021, after a year adversely affected by the Covid-19 health emergency: newspapers closed at +4.5% (net local), magazines at +3.6%, radio at +10.4% and Internet at +17.6% (*Source: Nielsen January/December 2021*).

The year 2021 was a difficult one for operators in the professional publishing sector, due to the long wave triggered by the ongoing Covid-19 health emergency crisis, which however showed positive trends compared to 2020 figures, particularly for the legal (+3.9% compared to 2020) and tax (+6.0% compared to 2020) sectors.

In terms of media, in 2021 the current trends did not seem to change: overall, electronic publishing continued to grow (+4.1% compared to 2020), driven by online and digital content, while traditional media (books and magazines) continued their contraction trend. Growth continued for management software (+5.3% compared to 2020), with an increasing integration of digital editorial content within it (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2021)*.

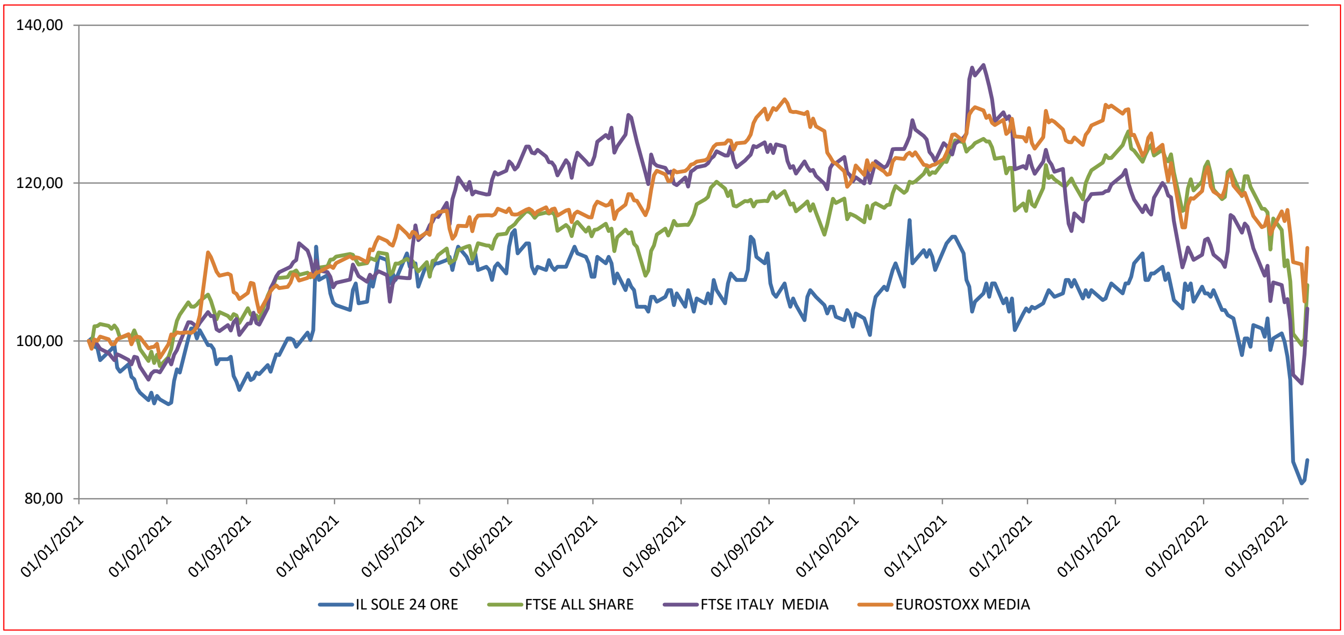
Shareholders

Through its Investor Relations department, the Company endeavours to establish a transparent and ongoing dialogue with its shareholders and investors, based on an understanding of their reciprocal roles, by promoting meetings with representatives of the Italian and international financial community, in full compliance with the relevant provisions in force and the rules governing the handling and disclosure of inside information.

In order to provide timely and easy access to information about the Issuer that is important to its shareholders, the Company has set up a dedicated Investor section on its institutional website (www.gruppo24ore.com), where it is possible to find information on the Issuer's economic and financial obligations, price-sensitive press releases and documentation prepared in support of corporate events and presentations.

A separate section of the Company website (www.gruppo24ore.com) was also set up, reserved for the Common Representative of special category shareholders, which lists the documents produced by the Representative and the related correspondence with the special category shareholders.

Performance of Il Sole 24 ORE share compared to the main indices (04/01/2021 = 100)



THE SOLE 24 ORE SHARE ON THE STOCK EXCHANGE			
Indicator	Date	Value	
Max price	20/10/2021	Euro	0.546
Min price	01/02/2021	Euro	0.436
Opening price	04/01/2021	Euro	0.474
Closing price	30/12/2021	Euro	0.508
December average price		Euro	0.502
Annual average price		Euro	0.499
Max volumes ('000)		no.	4,188.3
Min volumes ('000)		no.	0.8
Annual average volumes ('000)		no.	122.5
One-off capitalization (*)	30/12/2021	Euro M	33.2
Current price	09/03/2022	Euro	0.40

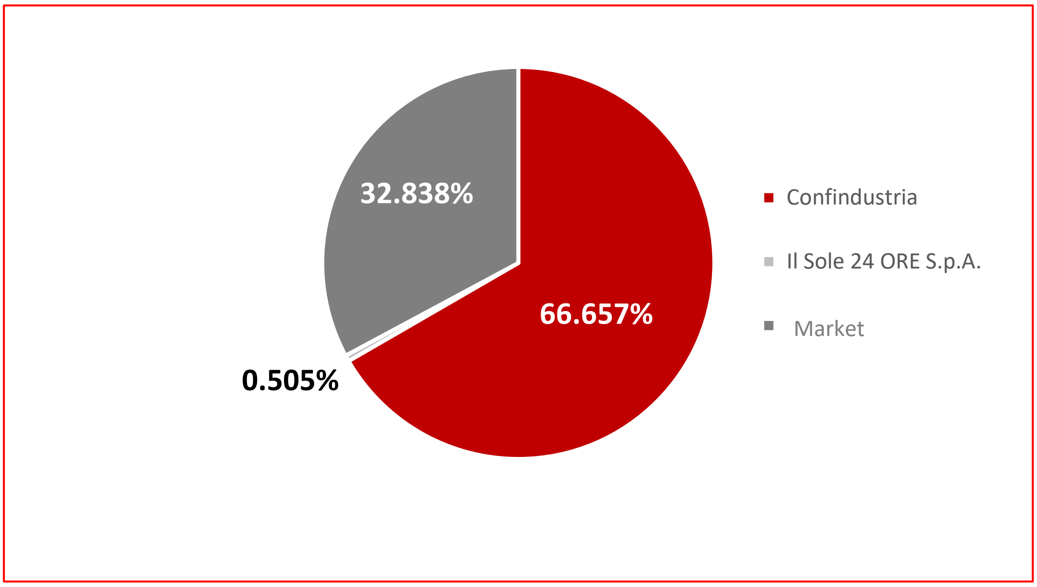
(*) calculated including the 9 million unlisted ordinary shares held by Confindustria

Source: Refinitiv for prices and volumes

Shareholding structure at 31 December 2021

SHAREHOLDING STRUCTURE				
Shareholders	no. ordinary shares	no. special shares	Total shares	%
Confindustria	9,000,000	34,557,584	43,557,584	66.657%
Il Sole 24 ORE S.p.A.	-	330,202	330,202	0.505%
Market	-	21,458,011	21,458,011	32.838%
Total shares	**9,000,000**	**56,345,797**	**65,345,797**	**100.000%**

SHAREHOLDING STRUCTURE



After 31 December 2021, on 28 January 2022, Confindustria finalized the acquisition of the entire investment held by Confindustria Friuli Venezia Giulia in the Company’s share capital, resulting in an increase in the Confindustria investment from 66.657% to 66.816% of the share capital.

At the date of this Annual Report, the Company is aware, pursuant to art. 122 of the Consolidated Law on Finance, that the "Shareholders' Agreement" between Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry) and the 53 other associations and entities belonging to the Confindustria system stipulated on 22 February 2019 expired on 22 February 2022 and has not been renewed. There are no other shareholders' agreements known to the Company.

REPORT ON PERFORMANCE OF BUSINESS AREAS

The following table shows the Group's key financial figures broken down by area of activity, highlighting EBITDA and EBIT net of non-recurring income and expense, as described in the following paragraphs.

INCOME STATEMENT BY BUSINESS AREA

SECTOR	Revenues from third parties	Intersegment revenues	Total Revenues	EBITDA	Amortization /Depreciation	Impairment of tangible and intangible assets	Gains/ losses	EBIT	EBITDA net of non-recurring income and expenses	EBIT net of non-recurring income and expenses
PUBLISHING & DIGITAL										
FY 2021	55,404	48,533	103,937	6,528	(4,850)	(720)	66	1,024	15,690	10,905
FY 2020	58,348	42,711	101,059	11,656	(4,717)	(33)	1	6,906	11,656	6,939
PROFESSIONAL SERVICES										
FY 2021	54,166	244	54,411	14,200	(1,166)	(307)	0	12,727	15,510	14,344
FY 2020	50,946	392	51,338	13,674	(1,181)	-	1	12,494	13,674	12,494
RADIO										
FY 2021	236	16,137	16,373	1,805	(3,225)	(5,386)	22	(6,785)	2,069	(1,135)
FY 2020	164	15,755	15,919	2,825	(1,375)	-	4	1,453	2,825	1,453
SYSTEM										
FY 2021	84,849	(1,700)	83,148	(250)	(28)	-	-	(278)	(250)	(278)
FY 2020	77,789	(2,205)	75,584	554	(28)	-	-	526	554	526
EVENTS										
FY 2021	4,007	2,388	6,394	1,878	(7)	(1,295)	-	577	1,878	1,872
FY 2020	1,681	2,662	4,343	1,027	(5)	-	-	1,022	988	983
CULTURE										
FY 2021	4,883	603	5,486	(2,584)	(429)	-	0	(3,013)	(3,987)	(4,416)
FY 2020	2,048	434	2,482	631	(485)	(662)	-	(517)	(3,040)	(3,526)
CORPORATE AND CENTRALIZED SERVICES										
FY 2021	1	-	1	(10,321)	(7,958)	(1,258)	7	(19,531)	(10,321)	(16,276)
FY 2020	1	-	1	(10,248)	(9,376)	-	9	(19,617)	(8,915)	(18,284)
CONSOLIDATED										
FY 2021	**203,545**	**-**	**203,545**	**11,255**	**(17,664)**	**(8,966)**	**95**	**(15,279)**	**22,586**	**5,017**
FY 2020	**190,976**	**-**	**190,976**	**20,119**	**(17,169)**	**(696)**	**14**	**2,268**	**17,741**	**586**

The 2020 comparative figures have been appropriately reclassified to reflect the new organization. In particular, the results of Radiocor Plus operating sector are included in the Professional Services area (in the 2020 financial statements, they were shown in the Publishing & Digital area).

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 and the website.

RESULTS OF THE PUBLISHING & DIGITAL AREA

Euro thousands	FY 2021	FY 2020	change %
Circulation revenues/other	55,839	58,307	-4.2%
Advertising revenues	48,098	42,752	12.5%
Revenues	**103,937**	**101,059**	**2.8%**
Gross operating margin (EBITDA)	6,528	11,656	-44.0%
EBITDA Margin %	6.3%	11.5%	-5.3 p.p.
Operating profit (loss) (EBIT)	1,024	6,906	-85.2%

Products, customers and operations

The editorial offices of the daily newspaper Il Sole 24 ORE are organized by thematic sections and are located in the two main offices of Milan and Rome and in five other Italian offices (Genoa, Turin, Naples, Venice and Palermo). The Newspaper, in particular, has international coverage through correspondents posted in two foreign offices (Brussels and Frankfurt). Overall, the newspaper's editorial structure includes 197 employed journalists, who also contribute to the content of the *www.ilsole24ore.com* portal and the titles *How To Spend It* and *24Hours*.

The 2020 comparative figures have been appropriately reclassified to reflect the new organization. In particular, the results of Radiocor Plus operating sector are included in the Professional Services area (in the 2020 financial statements, they were shown in the Publishing & Digital area).

The printing process of the newspaper in 2021 took place, until the 15 March edition, at two proprietary printing centres, Milan and Carsoli (AQ), and at the following two third-party plants: Rende (CS) and Sassari. On the occasion of the format change, starting with the 16 March edition, activities at the company's printing centres were moved to third-party plants in Erbusco and Rome. Subsequently, third-party plants in Messina and Cagliari replaced Rende (CS) and Sassari respectively. Of a total of 30.81 million copies printed in 2021, 19.9% were printed at proprietary plants and 80.1% at third-party plants.

Market performance

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of 5.1% for the period January-December 2021 compared to 2020, with a decline in circulation of the print version of 10.0% offset in part by an increase in digital circulation of 8.8 % *(Source: ADS data processing January - December 2021*).

Area performance

The **Publishing & Digital** area closed 2021 with revenues of Euro 103.9 million, up 2.8% compared to 2020.

Circulation and other revenues totalled Euro 55.8 million, down Euro 2.5 million (-4.2% compared to 31 December 2020), mainly due to the reduction in revenues generated by the sale of print newspaper, partly offset by the increase in revenues from digital subscriptions to the newspaper and the website www.ilsole24ore.com. Circulation figures and copies sold of Il Sole 24 ORE are reported in the section "Economic performance" below.

Advertising revenues amounted to Euro 48.1 million, up Euro 5.3 million (+12.5% compared to 2020).

The newspaper's circulation revenues (print + digital) were down by Euro 4.2 million (-8.5%) compared to 31 December 2020, when they were Euro 49.2 million. Circulation revenues of the print newspaper amounted to Euro 24.2 million (-18.3% compared to the previous year). Circulation revenues of the digital newspaper amounted to Euro 20.9 million, up Euro 1.2 million compared to 2020 (+6.3%).

EBITDA in the Publishing & Digital area was positive for Euro 6.5 million and includes non-recurring expenses for Euro 9.2 million and compares with positive EBITDA of Euro 11.7 million in 2020. The 2021 EBITDA net of non-recurring income and expenses was Euro 15.7 million and compares with a 2020 figure of Euro 11.7 million.

The main changes in 2021 compared to 2020 refer to:

- personnel costs of Euro 49.4 million, up by Euro 7.9 million (+19.1%) and include restructuring expenses for Euro 9.2 million. After non-recurring expenses, personnel costs amounted to Euro 40.3 million, down Euro 1.2 million (-3.0%);
- direct costs down Euro 0.1 million (-0.4%). In particular, the change is primarily due to lower distribution costs of Euro 1.7 million (-10.0%), sales costs down Euro 0.2 million (-6.9%) and raw material costs down Euro 0.8 million (-17.7%), partly offset by higher production costs of Euro 2.8 million connected to the new production structure;
- advertising and promotional costs, up Euro 1.6 million also in relation to the campaign in support of the new newspaper;
- property management costs down Euro 2.0 million.

During 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 layout 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 currently located in Erbusco (Brescia), Rome, Cagliari and Messina.

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 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 thirty-five titles were published including Crisi d'impresa, Mille proroghe, Assemblee Condominiali and Superbonus Guides, Delegation Law;
- Instant guides, for a total of thirty-two 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, 730 Guide, six publications dedicated to the National Recovery and Resilience Plan, two issues dedicated to Financial Education Month.

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.

During the month of September, the Domenica (Sunday) supplement was the subject of a communication campaign aimed at reinforcing the presence of readers and subscribers at the main literary festivals, Festivaletteratura in Mantua and Pordenonelegge, with the Sunday live reading format and the presentation of books published by the publishing house.

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:

- twenty-eight issues for books by Il Sole 24 ORE: "A stasera e fai il bravo", "Brexit, istruzioni per l'uso"; "Amori e pandemie", "Un pianeta piccolo piccolo"; "Scacchi & Management"; "Napoleone e le sue Isole"; "Fiumi"; "Primo non comandare"; "Crysis Therapy"; "24 Storie di Bici"; "Madri della Costituzione" "Tokio Story"; "Sportivi e felici"; "I Re Mida del calcio"; "L'Italia in 50 vetrine"; "Josquin Despretz"; "Fisco Facile"; "Investire perché"; "Dante per Manager"; "Emozioni al lavoro"; "Fiumi di denaro"; "Gli sbandati"; "Io sarò"; "Matematici di profilo"; "People and growth"; "Dodici presidenti";
- twenty-three issues for books in collaboration with third-party publishers: 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"; "Come funziona il cervello"; "Let's speak"; "Vendita e ingaggio clienti"; "Sommelier in 5 minuti"; for the series "I grandi libri" the four issues Politica, Astronomia, Economia, Business; the two issues "Trekking Italia" and "Bici Italia"; the two issues of George Orwell classics with preface by Paolo Borzacchiello.

The publication of five series for a total of thirty volumes began in 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+": including "Dall'io al noi", "Magia delle parole" and "Montessori 2.0", seven issues in the Quid+ series dedicated to kids to address the issues of civic education and learning;
- "Pazzi per l'inglese": a collection of English language fairy tales for kids, complete with an audio version;
- "Lampi di genio": from 14 September 2021 four weekly issues (the last in October) for kids, monographic series on the genius of Dante, Leonardo, Einstein and Marie Curie.

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 releases in 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 tax package, 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.

On 13 December 2021, the 32nd edition of the Quality of Life rankings was released. The aim of the edition, entitled "Ricucire l'Italia: il ruolo delle città" (Reconnecting Italy: the role of cities), is to share the new territory framework in light of the innovations introduced by the National Recovery and Resilience Plan.

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. Finally, July 2021 saw the launch of the new "Champions of Export" project, the fourth with Statista, to draw up a ranking that will see those with the highest % ratio of exports to turnover excel. The results were presented at the end of the year.

In 2021, numerous media partnership projects were formed with external partners which, in addition to the definition of specific commercial agreements, made available exclusive content for 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; the Genoa boat show.

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

- on the occasion of the most relevant calendar dates (8 March, Mother’s Day, International Day for the Elimination of Violence against Women), 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 Alley Oop, the multi-author blog of Il Sole 24 ORE dedicated to gender issues; further dedicated editorial events;
- 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 live the University inside and outside the university, at the same time offering students the opportunity to have a free trial of the digital newspaper and inviting them to participate in a survey on their relationship with information; starting in November, the social column “God save the data” in collaboration with Factanza Media, a community dedicated to sharing news with younger targets through an Instagram profile with tens of thousands of followers.

Revenues from Group magazines *(How to Spend It*, and *24 Hours*) closed 2021 with a 22.1% decline. Following the closure of IL in December 2020, like-for-like revenues for the period were up 15.9%.

How To Spend It, the monthly magazine dedicated to luxury in collaboration with Financial Times, had twelve issues in 2021, with the March and October issues dedicated to fashion in the special edition “A Passion For Fashion” and the April and September issues focused on design in the special edition “Superior Interiors”. In addition, in order to strengthen storytelling and the opportunities for contact with readers and customers, a number of brand extension initiatives are being supported, including a podcast on design, the book “L’Italia in 50 vetrine” (Italy in 50 shop windows), a digital extension of the issue through a webapp and NFT content.

In 2021, the portal www.ilsole24ore.com recorded a daily average of 1.4 million unique browsers, down 24.1 % 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 2020 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.

On the other hand, thanks to good performance in the last quarter, the video segment has seen substantial stability in overall media views (-0.8% compared to the figure for 2020).

Social media indicators were up compared to 2020, particularly LinkedIn (+20%), passing the milestone of one million followers and confirming our primacy among publishers in Italy for the breadth of followers on the platform, followed by Instagram (+19%), Facebook (+4%) and Twitter (+6%).

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 2021 produced about 20 formats including data visualization and long reads, all in the name of visual impact and experimentation of immersive narrative format. The focus on innovation in editorial format earned Lab24 the gold medal at the "Lovie Awards 2021", a coveted international award dedicated to new digital and journalistic languages, with the long form "Cose che noi umani".

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 and a series of insights on the topic of leadership.

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.

In September 2021, the digital offer dedicated to the world of School was renewed through the launch of a new free section of the ilsole24ore.com website and the new pay newsletter Scuola+. The launch of the new School section was supported by a *School Day* with the release on news-stands of a guidebook, "La Scuola del futuro" (The School of the Future) and the digital event of the same name with round tables and the presence of the Minister of Education.

In November 2021, the new Shopping24 was presented: an innovative and unique shopping experience in the content store of the Group's products. Many new features: mobile first approach, new design and visual experience, new editorial treatment, a launch promotion with free shipping and a communication campaign to support it.

In December 2021, a new mode of content correlation was released, alongside semantic and editorial correlation, through the proposal of personalized suggested content for users.

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 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 “Terzo Tempo” on Audible and “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 attention paid to the world of podcasts and the promptness with which Il Sole 24 ORE was among the first to appear on the platforms means that it has always maintained a good position in the rankings. The podcasts “Il tesoro di Maradona” and “Olivetti, l’occasione perduta” from Il Sole 24 ORE have been selected by Apple Podcasts as the best and most listened to podcasts of 2021. The former was selected from the editorial staff’s top picks, the latter from the most listened-to new podcasts of 2021. Also on Spotify, Il Sole 24 ORE podcasts are included in the 2021 top charts.

September 2021 saw the launch of the “Young Finance” video series, a format designed for Generation Z, which involves talent and creators through a financial education journey, in preparation for the annual Financial Education Month promoted by the EduFin Committee. With the launch of “Young Finance”, Il Sole 24 ORE officially inaugurated its channel on TikTok, where some project quick views and live events are published.

Increasing attention is being paid to the circularity of multi-format digital projects: for example, the work of the Deputy Editor-in-Chief of Il Sole 24 ORE Alberto Orioli dedicated to the re-election of the President of the Republic, which is at the same time a podcast exclusively for Audible, a book published by Il Sole 24 ORE, and a series of video forums with politicians on the website ilsole24ore.com.

Professional Services

The Professional Services 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. In addition, the Radiocor Plus press agency falls under the responsibility of this business area.

RESULTS OF THE PROFESSIONAL SERVICES AREA

Euro thousands	FY 2021	FY 2020	change %
Circulation revenues/other	54,166	51,046	6.1%
Advertising revenues	244	292	-16.1%
Revenues	**54,411**	**51,338**	**6.0%**
Gross operating margin (EBITDA)	14,200	13,674	3.8%
EBITDA Margin %	26.1%	26.6%	-0.5 p.p.
Operating profit (loss)	12,727	12,494	1.9%

Products, customers and operations

The professional publishing offering includes a product portfolio consisting of: 33 databases and online services, 9 magazines/periodicals (specialized titles in print and digital versions), 5 vertical thematic daily newspapers (Tax; Labour; Law; Condominium; Local authorities & Construction), 19 software packages and over 100 instant books and books sold at news-stands, book stores and through e-commerce. Periodicals are primarily sold by subscription through mail order and e-commerce.

The news agency Il Sole 24 ORE Radiocor follows in real time the performance of financial markets, news about the Italian and international economy, the activities of Parliament and the Government. The schedule offers news and insights into the real economy sectors (Healthcare, Agro-industry, Real Estate, Infrastructure), with particular attention to the issue of sustainability and European funding. The Agency employs 44 journalists. The main products produced by the Agency are: the economic-financial news bulletin Radiocor Finance, the news bulletin Radiocor Plus, the news bulletin ESG, Breaking News, personalized publishing products (newsletters, articles, video interviews) and tabular data on macroeconomic and financial indicators. The agency also oversees thematic information platforms (MyJournal24) that provide users with industry information, databases and profiled and personalized multimedia content.

Market performance

The year 2021 was a difficult one for operators in the sector, due to the long wave triggered by the ongoing Covid-19 health emergency, which however showed positive trends compared to 2020 figures, particularly for the legal (+3.9% compared to 2020) and tax (+6.0% compared to 2020) sectors.

In terms of media, in 2021 the current trends did not seem to change: overall, electronic publishing continued to grow (+4.1% compared to 2020), driven by online and digital content, while traditional media (books and magazines) continued their contraction trend. Growth continued for management software (+5.3% compared to 2020), with an increasing integration of digital editorial content within it (*Source: "Rapporto Databank Editoria Professionale" – Cerved S.p.A., December 2021*).

The effects of the health emergency triggered in early 2020 have also had repercussions for professional groups.

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;
- in fact, 59% of accounting firms and 60% of employment consultancy firms report increased profitability in 2020 compared to 2019, due to more work resulting from government measures;
- the decline in profitability has mainly affected micro and small firms, rather than large firms;
- multidisciplinary firms are the category with the highest profitability growth (64%) in 2019-2020.

The *6th report on liberal professions*, edited by the Confprofessioni Observatory**,** indicates that in 2020, 154,000 self-employed jobs were lost and of these 38,000 are freelancers (-2.7%). The contraction, for freelancers, comes at the end of a decade of strong growth, with over 250 thousand entries. However, even for freelancers, the negative outcome with the pandemic crisis cannot be read as a simple oversight in the path. Instead, it is a sign of weakness in the industry.

Area performance

Despite the impacts of the crisis, related to the Covid-19 health emergency, revenues from the Professional Services area in 2021 amounted to Euro 54.4 million, an increase of Euro 3.1 million (+6.0%) compared to 2020.

The 2020 comparative figures have been appropriately reclassified to reflect the new organization. In particular, the results of Radiocor Plus operating sector are included in the Professional Services area (in the 2020 financial statements, they were shown in the Publishing & Digital area). The agency Radiocor Plus reported revenues of Euro 7.1 million in 2021, up 1.2% compared to 2020.

Revenues from electronic publishing amounted to Euro 43.3 million, up by Euro 1.5 million (+3.6%) vs. 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 5.1 million to the area revenues (Euro +2.2 million year-on-year).

Traditional paper products, such as books and magazines, amounted to a total of Euro 4.3 million, a fall of 16.3% compared with 2020, with different trends for revenues from the sale of books (+14.0%) and revenues from the sale of magazines, down by Euro 0.9 million (-20.8%).

Analysing revenues by main market segment, Tax and Labour products achieved revenues of Euro 27.5 million, down 0.3% compared to 2020; Law products recorded revenues of Euro 6.8 million, down (-2.9%) compared to 2020; Construction and PA products achieved revenues of Euro 4.2 million, up 7.9% compared to the previous year.

During 2021, work continued on the development and innovation of the offer. In 2021, 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 14.2 million and included non-recurring expenses of Euro 1.3 million, an improvement of 3.8% compared to 2020, when it was Euro 13.7 million. The 2021 EBITDA net of non-recurring income and expenses was Euro 15.5 million and compares with a 2020 figure of Euro 13.7 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	FY 2021	FY 2020	change %

Circulation revenues/other	405	749	-45.9%
Advertising revenues	15,967	15,170	5.3%
Revenues	**16,373**	**15,919**	**2.9%**
Gross operating margin (EBITDA)	1,805	2,825	-36.1%
EBITDA Margin %	11.0%	17.7%	-6.7 p.p.
Operating profit (loss)	(6,785)	1,453	-566.9%

Market performance

The most recent listening figures for radio refer to the year 2021 and recorded a total of 33,850,000 listeners on the average day, down 2.9% from 2019 (*Source: RadioTER 2019-2021*); figures for 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 advertising market closed 2021 with revenues up 10.4% compared to the same period of the previous year *(Source: FCP January/December*); in terms of space, the radio market in the period January/December 2021 recorded a +5.0% compared to the previous year (*Source: Nielsen January/December; analysis by seconds*).

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 – positively influenced the advertising market. The radio sector has also moved to demonstrate how reduced mobility has had a limited impact on radio listening and how listening at home has increased the duration and fidelity of listening: between April and May 2021, three digital appointments of the fifth edition of the Radiocompass event, organized by FCP Assoradio, were held, focusing on the effectiveness of radio campaigns at the time of Covid-19.

In the radio market, generalist target sectors such as Distribution, which accounts for a quarter of advertising sales by no. of seconds (+28.7% compared to 2020), Home furnishings (+19.8%), Household (+13.4%) and Food (+5.2%) consolidated their positive trend. On the other hand, the negative trend is confirmed in the Automotive sector, which alone accounts for 15% of total revenues in terms of space (-23.8% compared to 2020); Finance/Insurance and Professional Services are also down, which together record -8.2% compared to 2020. On the other hand, double-digit growth was recorded by IT/Photography (up 40.8%), which, however, does not fully offset the slowdown in investments by companies in the three above-mentioned core sectors for Radio 24. Automotive, Finance/Insurance, Professional Services, and IT/Photography as a whole lost 16.2% compared to the same period in 2020 *(Source: Nielsen January/December 2021; analysis by seconds).*

Area performance

In 2021, Radio 24 reached 2,240,000 listeners on the average day (-4.5% compared to 2019). A consolidated audience of over 2.2 million listeners confirms the position of Radio 24 as an authoritative broadcaster with original, quality content *(Source: RadioTER 2019-2021*).

The Radio area closed 2021 with revenues of Euro 16.4 million and compares to revenues of Euro 15.9 million in 2020 (+2.9%).

Advertising revenues in the Radio area, including sales on radio stations and the website *www.radio24.it*, increased by 5.3% on the previous year.

In terms of advertising space, in 2021, Radio 24 recorded -4.3% compared to the same period in 2020 (*Source: Nielsen January/December 2021; analysis by seconds*).

In the broadcaster's advertising sales, the growth of the IT/Photography and Industry/Construction/Activities sectors (which recorded +28.1% and +18.8%, respectively, compared to 2020) are not sufficient to offset the decline in the Automotive, Finance/Insurance and Professional Services sectors: these five sectors, which together account for 52% of Radio 24 sales in seconds, together recorded -13.7% *(Source*: *Nielsen January/December 2021; analysis by seconds*).

The Radio 24 share in seconds of the total radio market is 8.4% (*Source: Nielsen - January/December 2021; no. seconds)*.

Due to the pandemic, in the last year Radio 24 had to give up its activities on the territory (presence of the radio at events and trade fairs, tour of the program "La zanzara" with live broadcasts from customer locations, etc.) and the revenues generated by them; to cope with this lack and to adapt to new market needs, Digital Round Tables were set up, successful appointments moderated by Radio 24 presenters whose value is recognized and appreciated by the Sponsor companies and by the participating audience. This format now constitutes an essential element in the communication solutions offered by Radio 24, and is destined to consolidate its strength also with the restart of trade fairs and physical events (which have gradually resumed from September 2021).

In the period January-December 2021, the Radio 24 website recorded an average of 1.7 million page views per month. The number of single users of the website reaches a monthly average of 396 thousand (*Source: Webtrekk - January/December* 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 2021 as part of the Group's Audio Content Strategy.

As of December 2021, the audio streams (downloads and on-demand streaming) of podcasts, accessible from the Radio 24 website and app, but also from the main third-party platforms such as Spotify, Google Podcasts and Apple Podcasts, totalled 5.9 million. From January to December 2021, 65.8 million podcasts were downloaded, for a monthly average of about 5.4 million *(Sources January/December 2021*: *Audiometrix for the site and App, Spotify Metrix for Spotify, Google Podcast Analytics for Google, Apple Analytics for Apple, Apple data available from October 2021*).

EBITDA was Euro 1.8 million and includes non-recurring expenses of Euro 0.3 million, down Euro 1 million compared to 2020, when it was Euro 2.8 million. The 2021 EBITDA net of non-recurring income and expenses was Euro 2.1 million and compares with a 2020 figure of Euro 2.8 million.

EBIT was negative by Euro 6.8 million in 2021 compared to a positive EBIT of Euro 1.5 million in 2020. The decline in advertising investment compared to the pre-Covid period recorded in the Group's target radio sectors in 2020 and consolidated in 2021, particularly Automotive, Finance/Insurance and Professional Services, which was interpreted not as a temporary decline, related to the pandemic context, but rather as a decline in advertising investment in the years to come as well. This conclusion was also supported by the results of the appraisal carried out on the economic value of concessions and radio frequencies by an independent expert, which determined the need to change the useful life of the financial statements item "Concessions and radio frequencies" from "indefinite useful life" to "finite useful life", by introducing the mechanism of amortization over a period of 15 years as of 2021. The value of concessions and radio frequencies recorded in the 2021 financial statements was Euro 20.1 million and compares with a value at 31 December 2020 that was Euro 27.9 million. The change is due to amortization of Euro 1.9 million for the year and recognition of an impairment loss on radio frequencies based on the results of the impairment test carried out to determine the recoverable amount of the Radio CGU, details of which are provided in the notes to the financial statements. The impairment recognized in 2021 was Euro 5.4 million.

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 24ORE SYSTEM AREA

Euro thousands	FY 2021	FY 2020	change %
Group revenues	80,280	72,810	10.3%
Revenues from third parties	2,870	2,774	3.5%
Revenues	**83,149**	**75,584**	**10.0%**
Gross operating margin (EBITDA)	(250)	554	-145.2%
EBITDA Margin %	-0.3%	0.7%	-1.0 p.p.
Operating profit (loss)	(278)	526	-152.9%

Products, customers and operations

In Italy, the concessionaire has a matrix organization: territorial and by product/type/means. The territorial offices are present in the territory with seven sales branches.

The overall sales structure in Italy at 31 December 2021 consists of 15 employees and 73 agents. Outside Italy, sales are entrusted to the Foreign Advertising Department, present with a network of local representatives in all major countries. The subsidiary Il Sole 24 ORE UK Ltd. is responsible for the sale of advertising space in the United Kingdom and internationally. The range of specific communication projects carried out in collaboration with the marketing department was also consolidated.

Market performance

The System reference market closed 2021 with growth of 10.3% (net of local newspaper advertising), thus consolidating the signs of recovery recorded starting from the second quarter of 2021, after a year adversely affected by the Covid-19 health emergency: newspapers closed at +4.5% (net local), magazines at +3.6%, radio at +10.4% and Internet at +17.6% (*Source: Nielsen January/December 2021*).

Area performance

24 ORE System closed 2021 with revenues of Euro 83.1 million, up 10.0% on 2020.

The advertising market of the last two years has been significantly conditioned by the spread of Covid-19: the phase of bewilderment that characterized in particular the first months of 2020 has imposed extreme flexibility on companies, which have had to adapt their communication 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.

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

During 2021, the vaccination campaign, subsequent relaxation of restrictions and increasing confidence in the recovery have positively affected the overall market. 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 +4.5% (total newspapers, net local. *Source: Nielsen January/December 2021*), Il Sole 24 ORE (daily newspaper + supplements) closed 2021 with +12.0% growth. The following made a decisive contribution to this particularly positive result:

- the launch of the newspaper's new format on 16 March 2021, which also received wide coverage thanks to the online celebration event held on 24 March 2021. The favourable reception of this novelty by advertisers has translated into an increase in the newspaper's advertising sales, certainly in the month of launch (March 2021 recorded a growth of 43.8% compared to March 2020) but also with positive effects in the long term;
- the ability of System to satisfy the communication needs of its customers while at the same time enhancing the authoritativeness and the high quality of newspaper content, by proposing effective commercial policies and special initiatives suited to the current market context.

In the newspaper market, in terms of space, there was growth in the Professional Services sector (up 18.3%), offset by a contraction in investments by companies in the Finance/Insurance and Industry/Construction/Activities sectors (down 14.0%). These three sectors account for half of total advertising sales in the newspaper Il Sole 24 ORE *(Source: Nielsen January-December 2021; no. pages).*

Area magazines ended 2021 down 20.4%, but net of the IL title, closed in December 2020, they recorded double-digit growth (+19.3%, compared to +3.6% for the market*; source Nielsen - January/December 2021)*. In the magazine market, the decline in the Clothing sector (down 5.7%, no. of pages) was offset by growth in the Home furnishings and Personal items sectors, which together recorded an increase of +7.0% (no. of pages). These three sectors are of considerable importance in the monthly HTSI magazine, with a 63% share of advertising sales in terms of space *(Source: Nielsen January/December 2021; no. pages*).

Radio 24 also performed well, closing the January-December period with growth of 4.1%, compared with a market that closed the period at +10.4% (*Source: Nielsen January/December 2021*).

In the radio market, the Distribution sector, which accounts for a quarter of advertising sales by no. of seconds (+28.7% compared to 2020), Home furnishings (+19.8%) and Household (+13.4%) consolidated their positive trend. On the other hand, the persistent decline in the Automotive sector was confirmed , which alone accounts for 15% of total revenues in terms of space (-23.8% compared to 2020); Finance/Insurance and Professional Services also declined , together recording -8.2%. On the other hand, double-digit growth was recorded by IT/Photography (up 40.8%), which, however, does not fully offset the slowdown in investments by companies in the three above-mentioned core sectors for Radio 24. Automotive, Finance/Insurance, Professional Services, and IT/Photography as a whole recorded a -16.2% compared to 2020 *(Source: Nielsen January/December 2021; analysis by seconds*); these four sectors account for 45% of sales for Radio 24 in seconds.

For 24 ORE System, online sales in the period January - December 2021 (net of funds and sales on foreign titles) recorded +15.3% growth compared to a digital market that recorded +17.6% (*Source: Nielsen January/December 2021*). A particularly positive performance was recorded by Group sites (+20.1%, net of funds) which, despite the decline in Finance/Insurance (-6.3%), benefited from significant growth in the other core sectors of IT/Photography (+36.0%), Industry/Construction/Activities (+13.2%), Media/Publishing (+10.1%) and Automotive (+8.8%). *Source: FCP January/December 2021; turnover*). Together, the five sectors account for 64% of the Group's total advertising sales (net of funds).

EBITDA was negative by Euro 0.3 million, compared to a positive EBITDA of Euro 0.6 million in 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	FY 2021	FY 2020	change %
Circulation revenues/other	5,486	2,482	121.1%
Revenues	**5,486**	**2,482**	**121.1%**
Gross operating margin (EBITDA)	(2,584)	631	-509.6%
EBITDA Margin %	-47.1%	25.4%	-72.5 p.p.
Operating profit (loss)	(3,013)	(517)	-482.9%

Market performance

According to Federculture recordsfor 2020, the effects of the pandemic have led to a 72% decrease in live performances and a 75% decrease in admissions to state museums and archaeological sites; to a 26% reduction in average household spending on culture and entertainment; to a 74% reduction in international tourism; and to a 44% reduction in domestic tourism. In 2020, 52% of businesses with museum operations were closed 4 to 8 months and 28% over 8 months. This has resulted for 62% of companies in budget impacts of up to 60% (for 12% over 60%) and a reduction in audiences between 50% and 75%. 80% of companies have used some form of government support. (https://www.federculture.it/attivita/progetti/rapporto-annuale-federculture/).

In addition, the Observatory of the Italian Publishers Association (AIE), the main trade association of book publishing, recorded that in the second year of the pandemic, miscellaneous publishing reached Euro 1.7 billion in sales at cover price, for 115.6 million copies (18 million more than 2020), up 16% over the previous year; however, there was "a crisis for tourism and art publishers in Italy: after a drop in sales in 2020 of 85%, in the first eight months of 2021, the percentage loss compared to 2019 has grown, reaching an average of 80%" (*source from AIE website*: *The state of the book publishing industry in Italy and Europe in the second year of the pandemic, 28 January 2022*).

Area performance

The Culture area recorded revenues of Euro 5.5 million in 2021, up 121.1% compared to the previous year, which recorded revenues of Euro 2.5 million.

In 2021, the EBITDA of the Culture area, was negative by Euro 2.6 million and compares with a positive EBITDA of Euro 0.6 million in 2020.

The health emergency resulting from the epidemic of the Covid-19 virus continued to have an impact on the area performance. The activities of Mudec - Museo delle Culture di Milano (Mudec) were completely closed from 1 January 2021 to 25 April 2021. It should be remembered that the concession with the City of Milan provides for a commitment by the subsidiary 24 ORE Cultura S.r.l. to organize at least two exhibitions per year.

Subsequently, following Decree Law 22 April 2021, no. 52, 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. The *Disney* exhibition opened on 2 September 2021. *The Art of Telling Timeless Stories*. An exhibition dedicated to *Piet Mondrian* opened on 24 November 2021. *From Figuration to Abstraction* scheduled to close on 27 March 2022.

The Mudec Permanent Collection reopened to the public on 16 September 2021. With the opening of the museum, the activities of the Educational24 section have also restarted, summer camps and tailor-made commercial activities.

In 2021, the exhibitions realized by 24 ORE Cultura at Mudec recorded a total of 109,490 visitors, 106,978 of whom were paying visitors, compared to 22,820 in 2020.

The *Mudec Permanent Collection* opened its new path on 17 September 2021 and totalled 19,894 non-paying visitors. As regards the development project related to artist residencies in collaboration with galleries, Foundations, banking groups and private collections, it should be noted that at the spaces of Mudec Photo, the exhibition *TVBoy* was inaugurated on 2 December 2021, and will remain on display until 9 January 2022.

In 2021, exhibitions were held in museum venues other than Mudec. On 14 October 2021, the exhibition dedicated to *Giovanni Fattori* opened at GAM in Turin, and is scheduled to close on 20 March 2022. On 19 October 2021, at the Palazzo Reale in Milan, the exhibition *Magic Realism* opened and closed on 27 February 2022. On 17 November 2021, at Palazzo Morando, Museum of Fashion, Costume and Image in Milan, the *Wonder Woman* exhibition opened with a scheduled closing date of 20 March 2022.

During the 2020 financial year, for the effects resulting from the Covid-19 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 art exhibition sector 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 a contribution to the company 24 ORE Cultura S.r.l. equal to 62% of the relief requested (Euro 2 million) for a value of Euro 1.2 million. The grant was included in this Annual Report at 31 December 2021 upon completion of the authorization and verification process envisaged in this regard, together with a second tranche disbursed by the competent Ministry for a further Euro 0.1 million in favour of the company 24 ORE Cultura S.r.l.

The promotion of exhibitions aimed at the international market continued with the sale of the exhibition "Banksy and the street artists" (scheduled to open in March 2022) to Japan in June 2021. An exhibition dedicated to Pharaoh Amenhotep II at the National Museum of Fine Arts in Budapest opened on 15 September 2021.

In addition, following the reopening of Mudec, the promotion of the sale of physical events behind closed doors in coexistence with digital formats was resumed in order to meet the new needs of the market. In the publishing area, the production of books in paper format for book stores and sales of books in e-book format continued. In June the first eight new titles under the "Libri Scheiwiller" brand, owned by 24 ORE Cultura, were launched on the market.

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	FY 2021	FY 2020	change %
Circulation revenues/other	195	343	-43.2%
Advertising revenues	6,200	4,000	55.0%

Revenues	**6,394**	**4,343**	**47.2%**
Gross operating margin (EBITDA)	1,878	1,027	82.9%
EBITDA Margin %	29.4%	23.7%	n.s.
Operating profit (loss)	577	1,022	-43.6%

Market performance

During 2021, the Events market was still significantly impacted by the Covid-19-related healthcare contingency. In this sense, the year 2020 constituted a watershed in the trend of the 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*).

In the two-year period 2020-2021, the sector 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 uncertainties that still characterize the epidemiological picture, the vaccination campaign and the consequent easing of restrictions are leading, albeit gradually, to a recovery of physical events. However, it should certainly be highlighted how the digital experience of recent years has brought 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 estimated size of the events market for 2021 is Euro 486 million, up 10.7% from the previous year *(source: "XVII Monitor on the Events and Live Communication Market in Italy", AstraRicerche*). For the future, a physical event organized in the manner typical of the "pre-Covid" period remains the highest aspiration. However, precisely because of the aforementioned opportunities brought by digital, in general we can speak of an increasing awareness that the future of events is hybrid (physical/digital. *Source: "The Events and Live Communication Industry in the Covid-19 crisis", AstraRicerche*).

Area performance

The Events area closed 2021 with revenues of Euro 6.4 million, compared to revenues of Euro 4.3 million of the previous year: a result that demonstrates the ability to adapt its offer to the constantly evolving needs of a market strongly competitive and 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, successful 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"*, a path articulated in two events, the first of which, held in June (*"Pre-Summit Think Tank"*, dedicated to the theme of export), saw the participation of 12 partner companies;
- *"Automotive Business Summit"*;
- *"Global Inclusion"* in collaboration with the Committee in charge of the implementation of Art. 3 of the Constitution.

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.

Among the May 2021 events, "*Real Estate & Finance Summit"*, "*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*".

Among the novelties realized between July and September 2021, it is worth mentioning *"Space Economy Summit"*, "*General State of Culture*" (July) and "*Sustainability Forum - the great challenge for the future*" (22 September 2021, in collaboration with the Holy See).

Between September and October 2021, the great appreciation by participants and Sponsor companies for two important initiatives was again confirmed:

- "*Energy Summit"*, now in its 21st edition and held in September at the headquarters of the Italian Stock Exchange in Milan in *Live & Digital* mode;
- in October, the second edition of *"Made in Italy: the Restart"*, realized with FT.

Also in October 2021, 5 tailor-made events and the new *"Fintech Day"* event in collaboration with H-Farm, which was a great success with the public and had a great response from the market in terms of sponsorships, are worth mentioning.

November and December 2021 were two important months from the point of view of revenues and the most successful initiatives included: in November, *"Cybersecurity Summit"*, *"Insurance Summit"*, "*Invest in Milan*" and the new *"Global Inclusion"* event ,on highly topical issues such as inclusion and diversity; in December, *"Healthcare Summit"*, *"Silver Economy Summit"* and *"Retail & Transformation Summit"*.

The **EBITDA** in the Events area was a positive Euro 1.9 million and compares with a positive EBITDA of Euro 1.0 million in 2020. **EBIT** includes, following the results of the impairment test, the write-down of Euro 1.3 million of the net book value of goodwill at 31 December 2021, allocated to the Events CGU. The facts and circumstances giving rise to this impairment loss are attributable to the resumption from 2022 of the events in attendance resulting in an increase in costs, which reduces the margin at EBITDA level and therefore the cash flows expected in the 2022-2025 Plan compared to the previous 2021-2024 Plan.

COMMENTS ON THE ECONOMIC AND FINANCIAL RESULTS

24 ORE Group

Economic performance

The following table shows the Group's key figures.

SUMMARY CONSOLIDATED INCOME STATEMENT		
Euro thousands	FY 2021	FY 2020
Revenues	203,545	190,976
Other operating income	5,215	9,375
Personnel costs	(90,414)	(78,692)
Change in inventories	(234)	(1,004)
Purchases of raw and consumable materials	(3,665)	(4,444)
Costs for services	(89,564)	(81,785)
Other operating costs	(8,869)	(8,592)
Provisions and bad debts	(4,758)	(5,716)
Gross operating margin	**11,255**	**20,119**
Amortization, depreciation and write-downs	(26,630)	(17,864)
Gains/losses on intangible and tangible assets	95	14
Operating profit (loss)	**(15,279)**	**2,268**
Financial income (expenses)	(3,733)	(2,047)
Gains (losses) on investments	28	103
Profit (loss) before taxes	**(18,985)**	**324**
Income taxes	(2,044)	(1,312)
Net profit (loss) from continuing operations	**(21,029)**	**(989)**
Profit (loss) from assets held for sale	-	-
Net profit (loss)	**(21,029)**	**(989)**
Profit (loss) attributable to minority shareholders	-	-
Net profit (loss) attributable to shareholders of the parent company	**(21,029)**	**(989)**

In 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 signs of growth thanks both to the improvement of the pandemic context and growing 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 Professional Services area, the acceleration of the Events area and effective commercial policies in all areas. The 24 ORE Group achieved **consolidated revenues** of Euro 203.5 million compared to Euro 191.0 million in 2020, up by Euro 12.6 million (+6.6%).

In particular, in 2021 advertising revenues were up by Euro 9.3 million or 11.8% compared to the previous year, to Euro 88.2 million, publishing revenues were down by Euro 1.1 million (-1.0% from 102.0 to Euro 100.9 million) mainly due to the drop in revenues generated by the sale of the print newspaper and magazines, partly offset by the development of revenues from digital subscriptions to the newspaper, the website *www.ilsole24ore.com* and products in the Professional Services area, and other revenues grew by Euro 4.3 million (+42.3% from Euro 10.1 to 14.4 million), primarily due to the development of new initiatives in the Professional Services area and higher revenues in the Culture area.

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 an 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 45.1 million, down by Euro 4.2 million (-8.5%) compared to 2020. Circulation revenues of the print newspaper amounted to Euro 24.2 million, down Euro 5.4 million (-18.3%) compared to 2020. Circulation revenues of the digital newspaper amounted to Euro 20.9 million, up by Euro 1.2 million (+6.3%) compared to the previous year;
- the Group's advertising revenues of Euro 88.2 million were up on 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 10.3% (*Source: Nielsen - January/December 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. already starting in 2020, 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 6.4 million in 2021 (Euro 4.3 million in 2020);
- revenues from electronic publishing in the Professional Services area amounted to Euro 43.3 million, up by Euro 1.5 million (+3.6%) vs. 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;
- Culture Area revenues of Euro 5.5 million were up Euro 3.0 million (+121.1%) on 2020. Area results were adversely affected by the Covid-19 emergency, as a result of the mandatory 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 December 2021 was 142,090 average copies per day (-2.3% compared to the year 2020). Specifically, the average daily print circulation reported to ADS for the period January - December 2021 was 53,538 copies (-10.9% vs. 2020). Digital circulation reported to ADS was 88,551 average copies per day (+3.7% compared to the period January-December 2020). News-stand sales in January to December 2021 were down 15.1% compared to the same period of the previous year with the market contracting in the same channel by 11.9% (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 had 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 examining the 2017 annual figures declared by the Publisher had sent ADS the outcome of the examination, issuing a qualified report 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 had 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, had 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 had informed the appointed auditor that it had updated its report and annual schedules for the year 2017 based on the guidance received from ADS.

As a result of these corrections, the ADS Board had 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 examining also the 2018 annual figures declared by the Publisher sent ADS the outcome of the audits, issuing a qualified report similar to that 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.

With regard to the examination 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 qualified report 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.

Finally, the examination of the annual figures declared by the publisher to ADS for 2020 was also recently completed, leading the appointed auditor to issue a qualified report on 7 February 2022, substantially similar to that of the previous year and on which the resolution of the ADS Board is expected in the coming weeks.

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 31 December 2021; on conclusion of its checks, the independent third-party Company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 23 February 2022.

Based on these procedures, the average Total Paid For Circulation for the period January-December 2021 was determined to be 182,721 copies (-0.6% compared to 2020), including all multiple digital copies sold, but not reportable as circulated for ADS purposes and therefore not included in the relevant statement.

The 2021 **EBITDA** was a positive Euro 11.3 million and compares to a positive EBITDA of Euro 20.1 million in the previous year. The change in EBITDA is mainly attributable to the growth in revenues of Euro 12.6 million (+6.6%), lower operating income of Euro 4.2 million and an increase in costs totalling

Euro 17.3 million. EBITDA for 2021 includes negative non-recurring expenses and income of Euro 11.3 million (positive Euro 2.4 million in 2020) deriving from the release of the provision for social security risks for Euro 1.1 million, restructuring expenses of Euro 13.9 million, included under personnel costs, and income of Euro 1.4 million collected from 24 ORE Cultura S.r.l. for the period from 1 August to 30 November relating to the "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 art exhibition sector of 18 November 2020. The 2021 EBITDA net of non-recurring expenses and income was Euro 22.6 million, an improvement of Euro 4.9 million compared to the 2020 figure of Euro 17.7 million.

Personnel costs of Euro 90.4 million were up by Euro 11.7 million (+14.9%) compared to 2020, when they amounted to Euro 78.7 million. Net of non-recurring restructuring charges of Euro 13.9 million (Euro 2.7 million in 2020), personnel costs were up Euro 0.6 million (+0.8%). The change from the previous year is attributable to the decreased recourse to the work support measures made available by law in 2021, partially offset by the lower cost resulting from the decrease in average headcount. The average number of employees, 821, decreased by 43 (mainly graphic designers and printers) compared with the previous year when it amounted to 863.

Costs for services amounted to Euro 89.6 million, up by Euro 7.8 million (+9.5%) compared to the previous year. The main changes are attributable to:

- commissions and other sales expenses up Euro 1.2 million (7.4% from Euro 16.8 million to Euro 18.1 million);
- printing costs up Euro 3.3 million (+162.4% from Euro 2.0 to 5.3 million) correlated to the new production structure;
- promotional and commercial expenses up Euro 3.4 million (+54.9% from Euro 6.2 to Euro 9.6 million), also in relation to the launch of the new newspaper;
- costs for conferences and exhibitions up Euro 1.3 million (+44.4% from Euro 2.9 million to Euro 4.1 million);
- distribution costs down Euro 1.3 million (-7.2% from Euro 18.2 million to Euro 16.9 million);
- costs for administrative services down Euro 0.4 million (-45.5% from Euro 1.0 to 0.5 million);
- costs for utilities down Euro 0.7 million (-23.7% from Euro 3.0 to 2.3 million).

EBIT was negative by Euro 15.3 million in 2021 and compares with a positive EBIT of Euro 2.3 million in 2020. Depreciation and amortization for the period amounted to Euro 17.7 million compared to Euro 17.2 million in 2020. Starting from 2021, the accounting treatment of concessions and radio frequencies has been changed from "indefinite useful life" to "finite useful life", by introducing the mechanism of amortization over a period of 15 years. Amortization of concessions and radio frequencies amounted to Euro 1.9 million in 2021. In 2021, write-downs of Euro 6.7 million were recorded as a result of impairment testing, including Euro 5.4 million relating to radio frequencies and Euro 1.3 million relating to Events CGU goodwill. Furthermore, intangible assets were written down by Euro 2.1 million in connection with software developments that are no longer used. Net of non-recurring income and expenses, EBIT was a positive Euro 5.0 million, an improvement of Euro 4.4 million compared to a positive Euro 0.6 million in the previous year.

The **loss before taxes** was Euro 19.0 million and compares with a profit of Euro 0.3 million at 31 December 2020. Negative net financial expenses and income of Euro 3.7 million (negative Euro 2.0 million in 2020) had an impact. In 2021, **income taxes** reflect the reversal of deferred tax assets on taxed temporary differences of Euro 2.1 million and the reversal of deferred tax liabilities of Euro 0.4 million, as well as the effect of IRAP.

The **net loss attributable to shareholders of the parent company** was Euro 21.0 million, a deterioration of Euro 20.0 on the loss of Euro 1.0 million in 2020. The net loss attributable to shareholders of the parent company net of non-recurring income and expenses was Euro 0.7 million, an improvement of Euro 2.1 million over the loss of Euro 2.9 million reported in 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	31.12.2021	31.12.2020
Non-current assets	131,084	146,719
Current assets	117,027	127,665
Total assets	**248,112**	**274,384**
Group equity	13,851	35,320
Total equity	**13,851**	**35,320**
Non-current liabilities	121,325	112,941
Current liabilities	112,936	126,123
Total liabilities	**234,261**	**239,064**
Total equity and liabilities	**248,112**	**274,384**

Non-current assets amounted to Euro 131.1 million compared to Euro 146.7 million at 31 December 2020, a decrease of Euro 15.6 million. In particular:

- deferred tax assets amounted to Euro 20.5 million, a decrease of Euro 2.1 million compared to 31 December 2020, of which Euro 18.7 million related to tax assets recognized on tax loss that can be carried forward and Euro 1.8 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 74.2 million;
- intangible assets amounted to Euro 31.9 million, of which Euro 20.7 million related to radio frequencies and Euro 11.2 million to licences and software, including projects in progress. Investments amounted to Euro 6.9 million and depreciation and amortization to Euro 8.4 million. Write-downs recognized in 2021 totalled Euro 7.5 million, including Euro 2.1 million related to capitalized software and Euro 5.4 million to radio frequencies. Starting from 2021, the accounting treatment of concessions and radio frequencies has been changed from "indefinite useful life" to "finite useful life", by introducing the mechanism of amortization over a period of 15 years. Amortization of concessions and radio frequencies amounted to Euro 1.9 million in 2021;
- goodwill amounted to Euro 20.7 million, down Euro 1.3 million on the previous year, following the write-down of goodwill for the Events CGU;
- property, plant and equipment amounted to Euro 55.9 million, including Euro 36.4 million for rights of use under IFRS 16. The depreciation of rights of use amounted to Euro 5.5 million. Other property, plant and equipment amounted to Euro 19.5 million, and was depreciated by Euro 3.8 million. Investments for the year totalled Euro 4.0 million;
- other non-current assets amounted to Euro 1.3 million (Euro 0.8 million at 31 December 2020) and refer to a trade receivable reclassified under non-current assets, the recoverability of which is expected to exceed twelve months.

Current assets amounted to Euro 117.0 million compared to Euro 127.7 million at 31 December 2020, a decrease of Euro 10.6 million. The change is primarily due to the cash absorbed by operating cash flow, investments and the early termination of the lease agreement for the rotary press in Medicina (BO).

Equity amounted to Euro 13.9 million, a decrease of Euro 21.5 million compared to 31 December 2020, when it amounted to Euro 35.3 million, due to the result for 2021, which was negative by Euro 21.0 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a negative effect of Euro 0.5 million.

Non-current liabilities amounted to Euro 121.3 million and compare with a value of Euro 112.9 million at 31 December 2020, an increase of Euro 8.4 million.

Non-current financial liabilities amounted to Euro 82.5 million (Euro 81.8 million at 31 December 2020) and include the senior unsecured and non-convertible bond with a principal amount of Euro 45 million and a duration of 7 years, repayable in one instalment (bullet repayment) only to qualified investors. 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% and annual payment. This bond, which allowed for the voluntary early repayment on 29 July 2021 of the loan of Euro 37.5 million backed by a SACE guarantee pursuant to the Liquidity Decree.

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, liabilities related to 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 3.0 million attributable to the present value at 31 December 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 tax liabilities amounted to Euro 5.2 million and derive from the recognition of the value of concessions and radio frequencies, with definite 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 8.8 million, down Euro 0.8 million from the previous year, when they amounted to Euro 9.6 million. At the date of these consolidated financial statements, the provision for social security risks has been restated for the application and management of social shock absorbers on the basis of residual potential liabilities and the surplus has been recorded under non-recurring income in the amount of Euro 1.1 million. Provisions of Euro 2.4 million and utilizations of Euro 1.3 million were also recognized.

Other non-current liabilities amounted to Euro 9.5 million (Euro 0.1 million at 31 December 2021). The increase is due to the medium-term portion, amounting to Euro 9.4 million, of the liability recorded for restructuring expenses allocated this year.

Current liabilities amounted to Euro 112.9 million, down Euro 13.2 million from Euro 126.1 million at 31 December 2020. Trade payables amounted to Euro 68.7 million, down Euro 10.4 million compared to 31 December 2020. Current liabilities include liabilities for restructuring expenses, which at 31 December 2021 were down by Euro 0.3 million due to the combined effect of the short-term portion recognized equal to Euro 4.5 million (Euro 2.7 million at 31 December 2020), based on the reorganization actions of the Group structure communicated on 8 November 2021 to the trade unions, and in line with the Business Plan approved on 25 February 2021, and the disbursements made during the year for Euro 4.8 million (Euro 1.7 million in 2020). Current financial liabilities relating to contracts under IFRS 16 amounted to Euro 3.0 million, up Euro 0.5 million.

Statement of cash flows

Total cash flow for the year was negative at Euro 4.5 million and compares with positive cash flow of Euro 25.1 million in 2020.

Below is a summary of the financial figures:

SUMMARY CONSOLIDATED FINANCIAL FIGURES	FY 2021	FY 2020
Profit (loss) before taxes from continuing operations attributable to the Group	(18,985)	324
Adjustments	44,740	23,444
Changes in net working capital	(22,770)	(10,072)
Total cash flow from operating activities	**2,985**	**13,695**
Investments	(10,883)	(14,868)
Proceeds from disposal of investments	-	115
Other changes	11,091	713
Cash flow from investing activities	**207**	**(14,040)**
Free cash flow	**3,193**	**(344)**
Cash flow from financing activities	**(7,696)**	**25,468**
Change in cash and cash equivalents	**(4,502)**	**25,125**
Cash and cash equivalents:		
At the beginning of the year	40,246	15,121
At the end of the year	35,744	40,246
Change in cash and cash equivalents	**(4,502)**	**25,125**

Cash flow from operating activities was a positive Euro 3.0 million, compared to a positive Euro 13.7 million in 2020, and is attributable to operating performance, which includes the payment of non-recurring expenses.

Cash flow from investing activities was positive by Euro 0.2 million and refers to operating investments for the year and the collection of Euro 16.5 million from the deferred component of the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million is tied up as security for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the new Milan - Via Monte Rosa office in Viale Sarca.

Cash flow from financing activities was a negative Euro 7.7 million, compared with a positive Euro 25.5 million the previous year. The change from the previous year is mainly attributable to: (*i*) the early settlement of the medium/long-term loan contract for a nominal amount of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, "Liquidity Decree", as amended from time to time and converted into law by Conversion Law no. 40 of 5 June 2020; *(ii)* the signing of a non-convertible senior unsecured bond for a principal amount of Euro 45 million and with a duration of 7 years, intended exclusively for qualified investors; *(iii)* the repayment of debt to MPS Leasing & Factoring following the early termination of the lease agreement for the rotary press in Medicina (BO) for Euro 3.8 million.

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	31.12.2021	31.12.2020
A. Cash	102	47
B. Cash equivalents	35,642	40,842
C. Other current financial assets	5,641	16,004
D. Liquidity (A + B + C)	**41,385**	**56,893**
E. Current financial payable	(15,779)	(16,545)
F. Current portion of the non-current financial payable	(6,991)	(9,445)
G. Current financial debt (E + F)	**(22,771)**	**(25,991)**
H. Current net financial position (G + D)	**18,614**	**30,902**
I. Non-current financial payable	(39,828)	(81,799)
J. Debt instruments	(42,635)	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(82,464)**	**(81,799)**
M. Net financial position (H + L)	**(63,849)**	**(50,897)**

The **net financial position** at 31 December 2021 was a negative Euro 63.8 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 13.0 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Group’s current net financial position was a positive Euro 18.6 million, compared with a positive Euro 30.9 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 25 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.0 million.

Il Sole 24 ORE S.p.A.

Economic performance

SUMMARY INCOME STATEMENT OF THE PARENT COMPANY		
Euro thousands	FY 2021	FY 2020
Revenues	193,298	185,255
Other operating income	5,029	6,441
Personnel costs	(87,966)	(76,809)
Change in inventories	(702)	(883)
Purchases of raw and consumable materials	(3,292)	(4,387)
Costs for services	(82,618)	(77,782)
Other operating costs	(7,635)	(8,161)
Provisions and bad debts	(4,648)	(5,476)
Gross operating margin	**11,466**	**18,199**
Amortization, depreciation and write-downs	(24,857)	(16,669)
Gains/losses on intangible and tangible assets	95	14
Operating profit (loss)	**(13,296)**	**1,544**
Financial income (expenses)	(3,721)	(2,007)
Gains (losses) on investments	(2,583)	643
Profit (loss) before taxes	**(19,600)**	**180**
Income taxes	(1,421)	(1,191)
Net profit (loss) from continuing operations	**(21,021)**	**(1,011)**
Profit (loss) from assets held for sale	-	-
Net profit (loss)	**(21,021)**	**(1,011)**

The Parent Company closed 2021 with revenues of Euro 193.3 million, which compares with a value of Euro 185.3 million (Euro +8.0 million; equal to +4.3%). This change is due in particular to growth in advertising revenues of Euro 7.2 million (+9.6%), an increase in other revenues of Euro 2.8 million (+32.0%), partly offset by a decrease in publishing revenues of Euro 1.9 million (-1.9%)

Costs for services amounted to Euro 82.6 million, up Euro 4.8 million (+6.2%) compared to 2020. The main changes are:

- commissions and other sales expenses up by Euro 1.4 million (8.0% from Euro 17.2 million to Euro 18.5 million);
- printing costs up Euro 3.3 million (+162.4% from Euro 2.0 to 5.3 million) correlated to the new production structure;
- promotional and commercial expenses up Euro 2.9 million (+47.2% from Euro 6.2 to Euro 9.1 million), also in relation to the launch of the new newspaper;
- distribution costs down Euro 1.7 million (-9.5% from Euro 18.1 million to Euro 16.4 million);
- costs for administrative services down Euro 0.4 million (-45.6% from Euro 0.9 to 0.5 million);
- costs for utilities down Euro 0.9 million (-35.4% from Euro 2.6 to 1.7 million).

Personnel costs of Euro 88.0 million were up by Euro 11.2 million (+14.5%) compared to 2020, when they amounted to Euro 76.8 million. Net of non-recurring restructuring expenses of Euro 13.9 million (Euro 2.7 million in 2020), personnel costs were in line with the previous year. The average number of employees, 778, decreased by 45 (mainly graphic designers and printers) compared with the previous year when it amounted to 823. The lower cost resulting from the decrease in the average headcount was substantially offset by less use of the work support measures made available by law.

EBITDA was positive at Euro 11.5 million and compares with a profit of Euro 18.2 million in 2020.

EBIT was negative by Euro 13.3 million and compares with a positive EBIT of Euro 1.5 million in 2020.

Amortization, depreciation and write-downs amounted to Euro 24.9 million compared to Euro 16.7 million in 2020. Starting from 2021, the accounting treatment of concessions and radio frequencies has been changed from “indefinite useful life” to “finite useful life”, by introducing the mechanism of amortization over a period of 15 years. Amortization of concessions and radio frequencies amounted to Euro 1.9 million in 2021. In 2021, write-downs of Euro 5.4 million were recorded in relation to radio frequencies following the results of the impairment test. Furthermore, intangible assets were written down by Euro 2.1 million in connection with software developments that are no longer used.

The **loss before taxes** was Euro 19.6 million and compares with a profit of Euro 0.2 million in 2020. This item was impacted by negative net financial expenses and income of Euro 3.7 million (negative Euro 2.0 million in 2020) and the valuation of investments at equity, which resulted in a total expense of Euro 2.6 million, including Euro 1.3 million relating to the write-down of the investment in the subsidiary Il Sole 24 ORE Eventi S.r.l., following the results of the impairment test. In 2021, **income taxes** reflect the reversal of deferred tax assets on taxed temporary differences of Euro 2.0 million and the reversal of deferred tax liabilities of Euro 0.4 million, as well as the effect of IRAP.

A **net loss** of Euro 21.0 million was recorded, compared to a loss of Euro 1 million in 2020.

BREAKDOWN OF NON-RECURRING INCOME AND EXPENSES IL SOLE 24 ORE S.p.A.		
Euro thousands	FY 2021	FY 2020
Gross operating margin (EBITDA)	**11,466**	**18,199**
Other contributions Covid-19	-	98
Release of provision for tax risks on disposal of BS24 investment	-	1,500
Release of provision for social security risks	1,131	(199)
Recalculation of payable for personnel restructuring expenses	(13,864)	(2,736)
Total non-recurring income and expenses with impact on EBITDA	**(12,734)**	**(1,338)**
EBITDA net of non-recurring income and expenses	**24,199**	**19,537**
Operating profit (loss) (EBIT)	**(13,296)**	**1,544**
Total non-recurring income and expenses with impact on EBITDA	**(12,734)**	**(1,338)**
Early termination of the lease agreement for the rotary press in Medicina (BO)	(188)	
Write-down of rotary press Bologna		(33)
Write-down of radio frequencies (impairment test)	(5,383)	-
Write-down of intangible assets	(2,100)	
Total non-recurring income and expenses with impact on EBIT	**(20,404)**	**(1,371)**
EBIT net of non-recurring income and expenses	**7,108**	**2,915**
Profit (loss) before taxes	**(19,600)**	**180**
Total non-recurring income and expenses with impact on EBIT	**(20,404)**	**(1,371)**
Write-down of equity investment Eventi (Impairment test)	(1,295)	-
Total non-recurring income and expenses on profit (loss) before taxes	**(21,699)**	**(1,371)**
Profit (loss) before taxes net of non-recurring income and expenses	**2,099**	**1,551**
Net profit (loss)	**(21,021)**	**(1,011)**
Total non-recurring income and expenses	**(21,699)**	**(1,371)**
Net profit (loss) net of non-recurring income and expenses	**678**	**360**

Statement of financial position

Il Sole 24 ORE S.p.A. closed 2021 with a loss of Euro 21.0 million and had **Equity of Euro 13.9 million**, down Euro 21.5 million from equity of Euro 35.3 million at 31 December 2020 due to the following effects:

- decrease of Euro 0.5 million due to the effect of the actuarial valuation of the employee severance indemnity (TFR);
- loss for the year of Euro 21.0 million.

SUMMARY STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY		
Euro thousands	31.12.2021	31.12.2020
Non-current assets	132,057	148,605
Current assets	109,620	121,088
Assets available for sale	-	-
Total assets	**241,676**	**269,693**
Total equity	**13,851**	**35,327**
Non-current liabilities	119,305	110,776
Current liabilities	108,521	123,590
Liabilities available for sale	-	-
Total liabilities	**227,826**	**234,366**
Total equity and liabilities	**241,676**	**269,693**

Statement of cash flows

SUMMARY FINANCIAL FIGURES OF THE PARENT COMPANY	FY 2021	FY 2020
Profit (loss) before taxes from continuing operations attributable to the Group	(19,600)	180
Adjustments	45,500	21,601
Changes in net working capital	(27,478)	(6,743)
Total cash flow from operating activities	**(1,578)**	**15,038**
Investments	(10,720)	(14,776)
Proceeds from disposal of investments	-	115
Other changes	11,071	587
Cash flow from investing activities	**351**	**(14,072)**
Free cash flow	**(1,227)**	**965**
Cash flow from financing activities	**(4,137)**	**22,656**
Change in cash and cash equivalents	**(5,364)**	**23,621**
Cash and cash equivalents:		
At the beginning of the year	35,981	12,360
At the end of the year	30,616	35,981
Change in cash and cash equivalents	**(5,364)**	**23,621**

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 IL SOLE 24 ORE S.p.A. Euro thousands	31.12.2021	31.12.2020
A. Cash	26	29
B. Cash equivalents	30,590	36,595
C. Other current financial assets	5,501	16,328
D. Liquidity (A + B + C)	**36,117**	**52,951**
E. Current financial payable	(15,779)	(16,545)
F. Current portion of the non-current financial payable	(10,196)	(9,780)
G. Current financial debt (E + F)	**(25,976)**	**(26,325)**
H. Current net financial position (G + D)	**10,141**	**26,626**
I. Non-current financial payable	(38,952)	(80,713)
J. Debt instruments	(42,635)	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(81,587)**	**(80,713)**
M. Net financial position (H + L)	**(71,446)**	**(54,087)**

The **Parent Company’s net financial position** at 31 December 2021 was negative by Euro 71.4 million and compares with a negative Euro 54.1 million at 31 December 2020, a deterioration of Euro 17.4 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.0 million (Euro 36.8 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Parent Company's current net financial position was a positive Euro 10.1 million, compared with a positive Euro 26.6 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.8 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 to the Corporate Governance Code, in continuity with its previous adherence to the Corporate Governance Code.

The primary objective of the corporate governance system adopted by the Company is sustainable success, which means the creation of long-term value to the benefit of the Shareholders, taking into account the interests of the other stakeholders of relevance to the Company, 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 and risk management system.

In order to illustrate the Company's corporate governance system, pursuant to article 123-bis of the Consolidated Law on Finance, a Report on Corporate Governance and Ownership Structure was recently prepared for 2021 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 related recommendations.

In compliance with applicable regulations, the Report on Corporate Governance and Ownership Structure approved each year by the Company's Board of Directors illustrated the Corporate Governance system of Il Sole 24 ORE S.p.A. and indicated the concrete ways in which the Company has implemented the recommendations 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 2022-2025 Plan

On 25 February 2022, the Company's Board of Directors approved the 2022-2025 Plan, which confirms the strategic direction of the previous 2021-2024 Plan, updated in its development also in light of the changed market environment.

The period just ended was characterized by a particularly uncertain market scenario, still impacted by the Covid-19 health emergency, which showed a slower recovery from the effects of the pandemic than initially expected, especially in terms of radio advertising sales, services to professionals and cultural activities.

The evolution of the reference context has led to a revision of some initiatives included in the 2021-2024 Plan and to a rescheduling of the timing of their launch, as well as the introduction of several new initiatives.

The overall downward revision of the Group's revenues, combined with an increase in raw material procurement and operating costs to support revenue development, results in a reduction in expected margins compared to the 2021-2024 Plan.

Nonetheless, the 2022-2025 Plan confirms a progressive year-on-year improvement in economic and financial indicators, driven by the growth in consolidated revenues and the reduction in personnel costs through structural cost-cutting measures for all professional categories already launched during 2021.

The 2022-2025 Plan as a whole confirms the growth of profitability over time in all business areas, thanks to:

- ✓ product innovation;
- ✓ the strengthening of the current offer in the financial area;
- ✓ the development of partnerships aimed at promoting the Il Sole 24 ORE brand;
- ✓ the strengthening and specialization by skills of the sales networks.

Pursuing the "digital first" strategy, as an enabling element for the continuous enrichment of the multi-format and multi-platform product system of Il Sole 24 ORE and process efficiency, the 2022-2025 Plan provides for a greater drive on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The net financial position is expected to worsen in 2022 due to the acceleration of investments and disbursements related to the early exit of personnel, and then gradually improve in the following years during the Plan period.

It should be noted that the forward-looking figures represented in the 2022-2025 Plan are strategic objectives established as part of corporate planning. The development of the 2022-2025 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.

In particular, the 2022-2025 Plan does not reflect any impacts deriving from the recent conflict under way in Ukraine and the possible repercussions that conflict could have on the Italian and European economies, whose impact on the Group's business is difficult to predict at this time.

The realization of the objectives and the achievement of the results envisaged by the 2022-2025 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 2022-2025 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, 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.

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 uncertain economic and financial context of Western markets as a result of the recent ongoing conflict in Ukraine could be reflected more significantly in the publishing market because of its negative impact on consumption and investments in communication by companies, and 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 GDP growth in both 2021 (+6.6% - *source: Istat - GDP and PA debt - 1 March 2022*) and in 2022 (+4.7% - *source: ISTAT - Italian economy outlook in 2021-2022- 3 December 2021).*

The current uncertainty related to the possible evolution of the spread of the Covid-19 virus and its variants and any impacts resulting from the recent ongoing conflict in Ukraine requires continuing 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.

Although the Group does not currently have significant direct exposure to counterparties from countries currently involved in the conflict (Russia, Belarus and Ukraine), it constantly monitors the trend of the main macroeconomic indicators, as well as any repercussions that may arise from this conflict, 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 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. In 2020, and particularly in the first months of the pandemic spread, companies were forced to significantly slow down (if not stop) their communication activities, with a view to adapting 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.

In 2021, the vaccination campaign, subsequent easing of restrictions, and growing confidence in the recovery provided a reversal of the trend from the previous year. The System reference market closed 2021 with a growth of 10.3% (net of local newspaper advertising): newspapers closed at +4.5% (net local), magazines at +3.6%, radio at +10.4% and Internet at +17.6% (*Source: Nielsen January/December 2021*).

Although the growth recorded by the advertising sector in 2021 compared to 2020 suggests that the most acute critical phase linked to the pandemic has been overcome, the repercussions that will drag on in the long term and the consequences of the recent conflict underway in Ukraine should not be underestimated, acting on the macroeconomic scenario and the advertising market and leading to a contraction in advertising revenues in the medium to long term, with consequent negative effects on the Group's economic, equity and/or financial situation. In particular, to be noted with reference to Radio, the decline in advertising investments in the sector recorded in 2020 and consolidated in 2021, in particular Automotive, Finance/Insurance and Professional Services, was interpreted not as a temporary decline linked to the pandemic context, but rather as a decline in advertising investments in the years to come.

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 and the website.

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-December 2021 a decline in total circulation of print copies added to digital copies of -5.1% compared to the previous year attributable to the decline in circulation of the print version of -10.0%, offset in part by the increase in digital circulation of +8.8% *(Source: ADS data processing January - December 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 was a difficult one for operators in the sector, due to the long wave triggered by the ongoing Covid-19 health emergency, which however showed positive trends compared to 2020 figures, particularly for the legal (+3.9% compared to 2020) and tax (+6.0% compared to 2020) sectors.

In terms of media, in 2021 the current trends did not seem to change: overall, electronic publishing continued to grow (+4.1% compared to 2020), driven by online and digital content, while traditional media (books and magazines) continued their contraction trend. Growth continued for management software (+5.3% compared to 2020), with an increasing integration of digital editorial content within it. (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2021*).

After a 2020 in which business-to-business activities with the sales network had struggled to pick up due to the health emergency and related restrictions, the gradual reopening of the market in 2021 allowed business-to-business activity to improve, with sales volume growth over 2020.

In 2022, the overall turnover of the sector is expected to recover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments foreseen in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants.

In terms of media in 2022, current trends do not seem to be changing: overall, electronic publishing and management software will continue to grow at the expense of more traditional lines, particularly magazines.

The Group has identified a series of commercial actions and the development of new products and services, aimed at different targets, to respond effectively to the evolution of professional needs.

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 licence agreement; several contracts were signed starting in 2020, some currently being renewed.

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*).

The results of the investigation of the Public Prosecutor's Office of Bari led to the indictment of nine administrators of as many Telegram channels and dozens of chats that illicitly spread entire newspapers and magazines, now investigated for violation of copyright law (*Source: FIEG Press Release of 8 September 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.

Respectively on 26 and 27 June 2020, L'Eco della Stampa:

- notified additional grounds in the appeal on the merits before the Lazio Regional Administrative Court signed by new defence counsel;
- 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.

With decree no. 3797/2020 published 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 further 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 no. 4416/2020 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 and also set the hearing in the chambers of 27 August 2020 for the discussion of the case.

By order no. 4933/2020 of the Council of State published on 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 no. 169/20/CONS of 5 May 2020.

Finally, with sentence no. 4260/2021 published on 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 no. 3574/2021 published on 1 July 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. With precautionary order no. 4350/2021 published on 3 August 2021, L'Eco della Stampa request for a suspension was granted, but "subject to security by means of a bank or insurance guarantee in favour of the appellants, AGCOM and Il Sole 24 ORE, and for an amount equal to three months of the price of the fixed-term subscription referred to in the so-called "bridge contract" (already entered into on 20 November between EDS and Promopress S.p.A., and amounting to Euro 165 thousand) and without any further charges (including those for negotiations) to be borne by EDS. This guarantee was provided by L'Eco della Stampa on 12 August 2021. On 3 December 2021 and 10 December 2021, the Company filed final and reply briefs, respectively, in the appeal proceedings before the State Council. At the public hearing on 21 December 2021, the case was retained for decision: in the coming weeks the deposit of the sentence is expected, with which the Council of State will decide whether to confirm the Lazio Regional Administrative Court Judgement no. 4260/2021 (and therefore also the AGCOM Resolution no. 169/20/CONS of 5 May 2020), or rectify it.

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 judgement 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.

At this hearing the Judge granted the time limits for the pleadings pursuant to art. 183, paragraph 6 Code of Civil Procedure. The hearing pursuant to art. 184 of the Code of Civil Procedure for the assumption of any evidence that may be admitted has been set for 29 March 2022.

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 print 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. The fine was paid on 4 November 2021.

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, 13 July 2021, 28 September 2021, 7 and 19 October 2021, 4 November 2021, 10 December 2021 and 15 and 22 February 2022. The next hearing is scheduled for 1 April 2022 for discussion by the Public Prosecutor and the civil parties. According to the indications currently provided by the President of the Court, the trial will then continue at the hearing of 7 April 2022 with the discussion of the defendants' counsel and the defendant.

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. On the basis of the information provided by the parties' legal counsel, the Judge - having ascertained the possibility of an out-of-court settlement of the dispute - postponed the hearing until 16 February 2022 and, then, until 10 May 2022. In the meantime, the defendants in the action and the third-party companies called in have formalized and addressed to the Company a proposal for settlement of the corporate liability action in question, which, with the favourable opinion of the Board of Directors, is being submitted to the Company's General Meeting called for 27 April 2022 for the necessary approval pursuant to art. 2393, paragraph 6, of the Italian Civil Code. In this regard, reference should be made to the separate report prepared to illustrate the related item on the agenda of this meeting.

Risks associated with Consob inspections

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

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 thousand 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 this regard, it should be noted that on 17 January 2022 the Company was notified of a tax demand for the amount of Euro 154,786.09, in its capacity as jointly liable for payment of the fines imposed on Alberto Biella. Without prejudice to any action that may be taken to protect the Company's interests, the deadline for payment of the sums requested is 180 days.

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, were supplemented with the additional information required by Consob.

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 31 December 2021 with a residual value of Euro 121 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 31 December 2021 amounted to Euro 6,327 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 31 December 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 31 December 2021, the number of lawsuits related to claims against the 24 ORE Group was 72.

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 print 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 of 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 although not always applicable to the Group, 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 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 25 May 2021, amending the provisions of the 2021 Budget Law, also extended the possibility that a tax credit may be granted 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 magazines, 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.

On 24 July 2021, Law no. 106 of 23 July 2021, “Conversion into law of Decree Law no. 73 of 25 May 2021, containing urgent measures related to the Covid-19 emergency, for businesses, labour, youth, health and territorial services” was published. The conversion process did not entail any changes to the measures for the press sector and advertising investments.
At the time of conversion, the tax credit in favour of companies publishing newspapers and magazines for the purchase of paper used for printing was also allowed for 2021. In particular, it is established that the tax credit in question is recognized to the extent of 10% of the expenses incurred in 2020, within the limit of Euro 30 million that constitutes a maximum expenditure limit, with the provision of a corresponding increase in the Fund for information pluralism, within the quota due to the Presidency of the Council of Ministers.

Moreover, the deadlines were postponed for an additional 12 months regarding the abolition and progressive reduction to abolition of direct subsidies in favour of certain categories of radio companies and publishers of newspapers and magazines.

The Department for Information and Publishing of the Presidency of the Council of Ministers issued on 14 December 2021, the circular containing the implementing provisions regarding the procedures for accessing the tax credit for the expenses for the purchase of paper used for the printing of published titles incurred during 2019 and 2020 by companies publishing newspapers and magazines registered with the Roc.

On 31 December 2021, Law no. 234 of 30 December 2021 was published, entitled “State budget for the financial year 2022 and multi-year budget for the three-year period 2022-2024”.
The law includes a number of specific measures in support of journalistic publishing. Specifically, it provides:

1. the setting up of an Extraordinary fund for interventions in support of publishing with an endowment of 90 million for 2022 and 140 million in 2023 intended to encourage investments by publishing companies oriented:
   a) to technological innovation and digital transition;
   b) to the entry of qualified young professionals in the field of new media;
   c) to support corporate restructuring and social shock absorbers;
   d) to support the demand for information;

2. the extension for two years (2022 and 2023) and enhancement of the tax credit for the purchase of newsprint. Specifically, the credit, currently being implemented for expenses incurred in 2019 and

2020, is extended to expenses incurred in 2021 and 2022 and is increased for the next two years from 10% to 30% with an increase in the related funding from 30 to 60 million annually;

3. reconfirmation and stabilization of App 18, which may be used by 18-year-olds to purchase, among other things, subscriptions to newspapers and magazines, including in digital format.

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 programme 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 programme 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 31 December 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 15.8 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 programme 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 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" as amended over time and converted into law by Conversion Law no. 40 of 5 June 2020.

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements with Goldman Sachs International, MPS Capital Services and Banca Popolare di Sondrio functional to the issuance of a non-convertible senior unsecured bond for a principal amount of Euro 45 million and a duration of 7 years, with bullet repayment at maturity, intended exclusively for qualified investors, exempt from the rules on public offerings set forth in Regulation (EU) 2017/1129 and according to Regulation S of the U.S. Securities Act of 1933.

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% and annual payment. 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. On 1 November 2021, the bonds were also listed on the “ExtraMOT PRO” multilateral trading facility of Borsa Italiana S.p.A., under the same terms and conditions.

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, applicable only in the case of any new debt.

The terms and conditions of the bond also include clauses that are standard practice for this type of transaction, such as: negative pledge, *pari passu*, change of control, and some specific provisions that provide for optional and/or mandatory early repayment upon the occurrence of certain events. Further details regarding the terms and conditions of this bond issue are available in the “Listing Particulars” document dated 29 July 2021 and available on the Company’s website.

This bond, which allowed for the voluntary early repayment on 29 July 2021 of the above-mentioned loan of Euro 37.5 million taken out on 20 July 2020 and backed by a SACE guarantee pursuant to the “Liquidity Decree”, enables the Company to further strengthen its financial structure, ensuring it the flexibility and resources to carry out the investments and actions planned over the period of the plan, necessary for the development of revenues and the achievement of greater operating efficiency.

The Company ensures continuous monitoring of the performance indicators which could, if not met, trigger the causes of impediment envisaged in the securitization contract, also for the purpose of taking all appropriate action in a timely manner to avoid such eventuality.

Tax risks

Tax risks related to the ability to recover deferred tax assets

At 31 December 2021, the Group recorded deferred tax assets of Euro 20.5 million, including Euro 18.7 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 2022-2025 Business Plan, and extending these forecasts to the subsequent period, appropriately reducing them by 30% for the period 2026-2028, 55% for the period 2029-2031 and 100% beyond 2031.

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.

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 31 December 2021, goodwill recognized in the consolidated financial statements amounted to Euro 20,724 thousand, intangible assets amounted to Euro 31,868 thousand and tangible assets, including rights of use recognized in accordance with IFRS 16, amounted to Euro 55,930 thousand, representing 8.4%, 12.8% and 22.5% of total consolidated assets, respectively. In total, at 31 December 2021, goodwill, intangible assets and tangible assets totalled Euro 108,521 thousand, or 43.7% of total consolidated assets, compared to consolidated equity of Euro 13,851 thousand.

On 25 February 2022, the Company's Board of Directors approved the 2022-2025 Plan, which confirms the strategic direction of the previous 2021-2024 Plan approved on 25 February 2021, updated in its development also in light of the changed market context, and the same was placed at the basis of 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 2022.

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 additional 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 2022, 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 daily newspaper “Il Sole 24 ORE” and other editorial products was carried out until the 15 March 2021 edition 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, starting 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 currently located in Erbusco (Brescia), Rome, Cagliari and Messina.

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, the difficulty of finding recycled paper has generated a strong increase in the prices of the raw material needed for manufacturing. This, together with the increase in the prices of energy, oil and related derivatives, has led to plant stoppages for some producers, while others have converted their plants to the manufacture of cardboard, paperboard and packaging material (the only material that has seen an increase in demand).

The decrease in production volumes was such that the paper mills had to reschedule their deliveries. The scenario just described resulted in a major increase in the cost of coloured paper.

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 2022, with the main players in the supply of coloured paper in Europe, reducing the risk of non-supply and ensuring a favourable purchase price. Unfortunately, despite contractual agreements, the Group is faced with constant requests from suppliers to adjust the price of coloured paper. The Group constantly monitors the development of the situation.

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"). During the first half of 2021 M-DIS changed its corporate structure, becoming a 100% subsidiary of RCS (previously a joint venture between RCS at 45%, Istituto Geografico DeAgostini S.p.A. at 45%) and Hearst Magazines Italia S.p.A. (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 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, until 30 June 2021, to the work support measures made available by the law. In particular, for the graphics and printing areas, ordinary wage subsidies for the maximum period permitted by law; for the journalism areas, the use of the Cassa Integrazione in Deroga (Wage Guarantee Fund in derogation). In March 2021, following the change in format of the newspaper, printing activities at the Group's production sites located in Milan and Carsoli (AQ) were discontinued and outsourced. For the management of surplus staff, a specific agreement was signed with the labour unions that provided for recourse to the Cassa Integrazione Straordinaria (Extraordinary Wage Guarantee Fund), to a redundancy incentive plan and partial relocation to third-party companies.

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, during the month of October 2021, a discussion with the trade unions was started in order to communicate an overall reorganization of the structure and the presence on the territory with a view to simplifying and rationalizing the corporate organizational structure, aimed at making the business sustainable through a stringent reduction in fixed costs, which will involve the closure of the Carsoli (AQ) site and the reorganization of the Rome office with centralization of the activities and the related personnel at the Milan office. In addition, the Company announced the need to continue its efforts to reduce overall labour costs, via a structural reduction in the workforce of all categories of journalists, managers, graphic designers and radio operators, in order to make the business sustainable.

During negotiations with the labour unions, agreements were signed regarding the pursuit of a policy to encourage voluntary redundancy, the use of the Extraordinary Wage Guarantee Fund, also aimed at early retirement in the sector, and the use of past leave not taken in order to avoid the use of traumatic instruments.

In this context, even though union discussions have come to an end with the signing of agreements, the possibility of an escalation of conflict with workers cannot be excluded.

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.

OWNERSHIP STRUCTURE AND TREASURY SHARES

At 31 December 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.

At 31 December 2021, Confindustria holds all of the ordinary shares of Il Sole 24 ORE S.p.A. and 34,557,584 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 66.657% 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 Annual Financial Report, 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)	53.043%	53.313%

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 Annual Financial Report, 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 at the end of 2019, 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.

In February 2021, the 231 Model was further updated in view of the enactment of Legislative Decree no. 75 of 14 July 2020, implementing the PIF Directive "on the fight against fraud to the Union's financial interests by means of criminal law" (Directive (EU) 2017/1371).

Most recently, Model 231 was further updated in February 2022 following the issuance of Legislative Decree no. 184 of 8 November 2021, implementing Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment, which introduced a new article, article 25-octies, entitled "Offences relating to non-cash payment instruments".

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;
Q. Offences relating to non-cash payment instruments.

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. A new training session was launched in July 2021, again aimed at all personnel and with a precise focus on the principles of control and conduct provided for in the Special Parts of Model 231.

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

During 2019, 2020 and 2021, 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;

- Legislative Decree no. 75 of 14 July 2020 implementing the PIF Directive “on the fight against fraud to the Union’s financial interests by means of criminal law” (Directive (EU) 2017/1371), which provides for changes 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 74/2000); Failure to make a declaration (in case of serious cross-border VAT fraud, article 5 Legislative Decree 74/2000); Undue compensation (in case of serious cross-border VAT fraud, article 10 quater Legislative Decree. 74/2000).
  The Decree introduced the new art. 25-sexiesdecies concerning the prosecution of the entity in relation to the commission of the crimes set forth in the Decree of the President of the Republic no. 43 of 23 January 1973, Consolidated text of the legislative provisions on customs matters. The smuggling offences outlined in Title VII, Chapter I, of Presidential Decree no. 43/1973 - from art. 282 to art. 301 - generally punish those who introduce into the territory of the State, in violation of customs regulations, goods that are subject to border duties; to date, the smuggling offences that are relevant for the purposes of the administrative liability of entities are the crimes regulated by Presidential Decree 43/1973 punished with imprisonment, if the border duties evaded exceed Euro 10,000.00.
- Legislative Decree no. 184 of 8 November 2021, implementing Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment, which introduced a new article, article 25-octies, entitled “Offences relating to non-cash payment instruments”. The Decree introduces important innovations to the Criminal Code, and in particular: art. 493 *ter* (Undue use

and falsification of non-cash payment instruments) is amended; art. 493 *quater* (Possession and distribution of equipment, devices or computer programs aimed at committing crimes regarding non-cash payment instruments) is introduced, containing a new type of crime that punishes with imprisonment of up to two years and a fine of up to Euro 1,000 (unless the act constitutes a more serious offence), whoever produces, imports, exports, sells, transports, distributes, makes available or in any way procures for themselves or for others equipment, devices or computer programs that, due to technical-constructive or design characteristics, are primarily constructed for committing offences concerning non-cash payment instruments, or are specifically adapted to the same purpose; art. 640 *ter* (Computer fraud) is amended to provide, among other things, as an aggravating circumstance, the transfer of money, monetary value or virtual currency.

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 above Regulation was updated by resolution of the Board of Directors on 19 December 2018. It was 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.ilsole24ore.com*, Governance section.

RECONCILIATION OF CONSOLIDATED AND PARENT COMPANY PROFIT (LOSS) AND EQUITY

The reconciliation schedules between consolidated and Parent Company profit (loss) and equity are shown in the consolidated financial statements in paragraph 11 - note 21 relating to the Notes to the financial statements.

OUTLOOK

The first signs of market recovery began to be seen in April 2021, positively influencing the trend of advertising sales. This trend is also confirmed with reference to 2022. In particular, the improving pandemic context and growing 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 GDP growth in 2022 (+4.7% - *source: ISTAT - Italian economy outlook in 2021-2022- 3 December 2021).*

The current uncertainty related to the possible evolution of the spread of the Covid-19 virus and its variants and any impacts deriving from the recent conflict under way in Ukraine, calls for continuing to maintain a certain degree of caution with respect to the positive macroeconomic scenario forecasts. Therefore, the publishing sector - in particular the advertising market and the exhibition and event organization activities - remain characterized by uncertainty as to the possible effects of the continuing Covid-19 epidemic and the possible repercussions that the recent conflict under way in Ukraine could have on the Italian and European economies.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, 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.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE YEAR

On 2 February 2022, certain changes in the parties to the shareholders' agreements entered into on 22 February 2019 (the "**Agreement**") between Confindustria and 53 other associations and entities belonging to the Confindustria system ("**Adhering Associations**") were disclosed, as amended as a result of the events disclosed in communications dated 8 June 2021, 6 August 2021, 10 November 2021, 17 November 2021, 24 November 2021, 1 December 2021, 15 December 2021 and 17 December 2021, which resulted in the reduction of the Adhering Associations from 53 to 20.

In particular, the number of Adhering Associations was further reduced from 20 to 19 as a result of the sale, completed on 28 January 2022, of the investment of Confindustria Friuli Venezia Giulia in favour of Confindustria, with the consequent exit of said Adhering Association from the Agreement. The total percentage of shares contributed to the Agreement (68.645% of share capital) did not change. As terminations were received from parties holding more than 3% of the Company's share capital in syndicated shares, the Agreement ceased to be effective on 22 February 2022.

On 25 February 2022, the Company's Board of Directors approved the 2022-2025 Plan, which confirms the strategic direction of the previous 2021-2024 Plan approved on 25 February 2021, updated in its development also in light of the changed market environment.

The evolution of the reference context has led to a revision of some initiatives included in the 2021-2024 Plan and to a rescheduling of the timing of their launch, as well as the introduction of several new initiatives.

The overall downward revision of the Group's revenues, combined with an increase in raw material procurement and operating costs to support revenue development, results in a reduction in expected margins compared to the 2021-2024 Plan.

Nonetheless, the 2022-2025 Plan confirms a progressive year-on-year improvement in economic and financial indicators, driven by the growth in consolidated revenues and the reduction in personnel costs through structural cost-cutting measures for all professional categories already launched during 2021.

The 2022-2025 Plan as a whole confirms the growth of profitability over time in all business areas, thanks to:

- ✓ product innovation;
- ✓ the strengthening of the current offer in the financial area;
- ✓ the development of partnerships aimed at promoting the Il Sole 24 ORE brand;
- ✓ the strengthening and specialization by skills of the sales networks.

Pursuing the "digital first" strategy, as an enabling element for the continuous enrichment of the multi-format and multi-platform product system of Il Sole 24 ORE and process efficiency, the 2022-2025 Plan provides for a greater drive on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The net financial position is expected to worsen in 2022 due to the acceleration of investments and disbursements related to the early exit of personnel, and then gradually improve in the following years during the Plan period.

On 10 March 2022, the Parent Company waived receivables totalling Euro 1.1 million and made a payment of Euro 1 million to the subsidiary 24 ORE Cultura S.r.l. to cover future losses.

PROPOSED ALLOCATION OF THE PROFIT (LOSS) OF FY 2021

Shareholders,

We submit for your approval the financial statements of Il Sole 24 ORE S.p.A. for the year ended 31 December 2021, which show a loss of Euro 21,021,083 that we propose to carry forward.

Milan, 15 March 2022

The Chairperson of the Board of Directors
Edoardo GARRONE

2021 Consolidated Non-Financial Statement

[Omitted]

Consolidated Financial Statements As at 31 December 2021

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Euro thousands	Notes (*)	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	55,930	59,633
Goodwill	(2)	20,724	22,019
Intangible assets	(3)	31,868	40,914
Non-current financial assets	(4)	731	704
Other non-current assets	(5)	1,302	846
Deferred tax assets	(6)	20,529	22,604
Total		**131,084**	**146,719**
Current assets			
Inventories	(7)	1,659	1,893
Trade receivables	(8)	65,835	58,887
Other receivables	(9)	2,588	5,180
Other current financial assets	(10)	5,641	16,004
Other current assets	(11)	5,561	4,813
Cash and cash equivalents	(12)	35,744	40,889
Total		**117,027**	**127,665**
Assets available for sale		-	-
TOTAL ASSETS		**248,112**	**274,384**

(*) Section 11 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 (*)	31.12.2021	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)	(5,294)	(4,822)
Profits (losses) carried forward	(17)	20,151	21,108
Profit (loss) attributable to shareholders of the parent company	(18)	(21,029)	(989)
Total		**13,851**	**35,320**
Equity attributable to minority shareholders			
Capital and reserves attributable to minority shareholders		-	-
Profit (loss) attributable to minority shareholders		-	-
Total		**-**	**-**
Total equity		**13,851**	**35,320**
Non-current liabilities			
Non-current financial liabilities	(19)	82,464	81,799
Employee benefits	(20)	15,329	15,774
Deferred tax liabilities	(6)	5,216	5,617
Provisions for risks and charges	(21)	8,819	9,648
Other non-current liabilities	(22)	9,498	103
Total		**121,325**	**112,941**
Current liabilities			
Current bank overdrafts and loans	(23)	15,779	17,188
Other current financial liabilities	(24)	6,991	8,803
Trade payables	(25)	68,658	79,104
Other current liabilities	(26)	217	424
Other payables	(27)	21,290	20,605
Total		**112,936**	**126,123**
Liabilities available for sale		-	-
Total liabilities		**234,261**	**239,064**
TOTAL EQUITY AND LIABILITIES		**248,112**	**274,384**

(*) Section 11 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 year

CONSOLIDATED STATEMENT OF PROFIT (LOSS)			
Euro thousands	Notes (*)	FY 2021	FY 2020
1) Continuing operations			
Revenues	**(28)**	**203,545**	**190,976**
Other operating income	(29)	5,215	9,375
Personnel costs	(30)	(90,414)	(78,692)
Change in inventories	(7)	(234)	(1,004)
Purchases of raw and consumable materials	(31)	(3,665)	(4,444)
Costs for services	(32)	(89,564)	(81,785)
Costs for rents and leases	(33)	(5,779)	(6,084)
Other operating expenses	(34)	(3,090)	(2,508)
Provisions	(21)	(2,368)	(2,697)
Bad debt	(8.5)	(2,390)	(3,019)
Gross operating margin		**11,255**	**20,119**
Amortization of intangible assets	(3)	(8,432)	(6,285)
Depreciation of tangible assets	(1)	(9,232)	(10,884)
Impairment of tangible and intangible assets	(35)	(8,966)	(696)
Gains/losses on disposal of non-current assets	(36)	95	14
Operating profit (loss)		**(15,279)**	**2,268**
Financial income	(37)	697	781
Financial expenses	(37)	(4,431)	(2,828)
Total financial income (expenses)		**(3,733)**	**(2,047)**
Other income from investment assets and liabilities	(38)	28	103
Profit (loss) before taxes		**(18,985)**	**324**
Income taxes	(39)	(2,044)	(1,312)
Profit (loss) from continuing operations		**(21,029)**	**(989)**
2) Assets held for sale			
Profit (loss) from assets held for sale		**-**	**-**
Net profit (loss)	**(18)**	**(21,029)**	**(989)**
Profit (loss) attributable to minority shareholders	**-**	**-**	**-**
Profit (loss) attributable to shareholders of the parent company	**(18)**	**(21,029)**	**(989)**
Basic earnings (loss) per share in Euro	**(18)**	**(0.32)**	**(0.02)**
Diluted earnings (loss) per share in Euro	**(18)**	**(0.32)**	**(0.02)**

(*) Section 11 of the Notes to the Financial Statements.

Statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Euro thousands	FY 2021	FY 2020
Net profit (loss)	**(21,029)**	**(989)**
Other components of comprehensive income		
Other components of comprehensive income that can be reclassified to the income statement	**-**	**-**
Other components of comprehensive income that cannot be reclassified to the income statement	**(472)**	**(269)**
Actuarial gains (losses) on defined-benefit plans	(472)	(269)
Total comprehensive income (expense)	**(21,501)**	**(1,257)**
Attributable to:		
Minority shareholders	**-**	**-**
Shareholders of the parent company	**(21,501)**	**(1,257)**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**(21,501)**	**(1,257)**

(*) Section 11 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 (*)	FY 2021	FY 2020
Statement items			
Profit (loss) before taxes from continuing operations attributable to the Group [a]		(18,985)	324
Adjustments [b]		**44,740**	**23,444**
Amortization/Depreciation	(1.3)	17,664	17,169
(Gains) losses	(36)	(95)	(14)
Effect of valuation of investments	(38)	(28)	(40)
Gain on disposal of minority investments		-	(62)
Allocation and (release) of provisions for risks and charges	(21)	500	714
Restructuring expenses	(30)	13,864	2,736
Provision for employee benefits	(20)	135	198
Impairment of tangible and intangible assets	(35)	8,967	696
Financial income and expenses	(37)	3,733	2,047
Changes in operating net working capital [c]		**(22,770)**	**(10,072)**
Change in inventories	(7)	234	1,004
Change in trade receivables	(8)	(6,948)	(3,739)
Change in trade payables	(25)	(10,445)	701
Other changes in net working capital		(5,611)	(8,038)
Total cash flow from operating activities [d=a+b+c]		**2,985**	**13,696**
Cash flow from investing activities [e]		**207**	**(14,040)**
Investments in intangible and tangible assets	(1.3)	(10,883)	(14,868)
Proceeds from disposal of minority investments		-	115
Security deposits paid	(5)	-	(591)
Change in receivables guaranteeing financial payables	(10)	(5,429)	
Collection of deferred receivable from sale of BS24 investment	(10)	16,500	
Other changes in investing activities		19	1,304
Cash flow from financing activities [f]		**(7,696)**	**25,468**
Net financial interest paid	(37)	(2,333)	(2,156)
SACE guaranteed financing		(37,532)	36,805
Non-convertible senior unsecured bond		42,513	
Change in medium/long-term bank loans	(19)	(3,731)	(643)
Change in short-term bank loans	(23)	(766)	839
Changes in other financial payables and receivables		(3,478)	(83)
Other changes in financial assets and liabilities		(44)	34
Change in payables IFRS 16		(2,325)	(9,328)
Change in financial resources [g=d+e+f]		**(4,502)**	**25,125**
Cash and cash equivalents at the beginning of the year		**40,246**	**15,121**
Cash and cash equivalents at the end of the year		**35,744**	**40,246**
Increase (decrease) for the year		**(4,502)**	**25,125**

(*) Section 11 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 year	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			(269)			(269)		(269)
Net result for the year	-	-			(989)	(989)		(989)
Total income/expenses	**-**	**-**	**(269)**	**-**	**(989)**	**(1,257)**	**-**	**(1,257)**
Other changes				6		6		6
Change in profit (loss) 2019		(30)		(1,172)	1,202	-		-
Balance at 31 December 2020	**570**	**19,452**	**(4,822)**	**21,108**	**(989)**	**35,320**	**-**	**35,320**
Balance at 31 December 2020	**570**	**19,452**	**(4,822)**	**21,108**	**(989)**	**35,320**	**-**	**35,320**
Actuarial adjustment TFR			(472)			(472)		(472)
Net result for the year	-	-			(21,029)	(21,029)		(21,029)
Total income/expenses	**-**	**-**	**(472)**	**-**	**(21,029)**	**(21,501)**	**-**	**(21,501)**
Other changes				32		32		32
Change in profit (loss) 2020		-		(989)	989	-		-
Balance at 31 December 2021	**570**	**19,452**	**(5,294)**	**20,151**	**(21,029)**	**13,851**	**-**	**13,851**

(*) Section 11 of the Notes to the Financial Statements.

Milan, 15 March 2022

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 31 December 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 31 December 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 and internationally;
- **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 is in Milan, 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. At 31 December 2021, 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 34,557,584 held by Confindustria, 21,458,011 held by other shareholders and 330,202 treasury shares.

After 31 December 2021, on 28 January 2022, Confindustria finalized the acquisition of the entire investment held by Confindustria Friuli Venezia Giulia in the Company's share capital, resulting in an increase in the Confindustria investment from 66.657% to 66.816% of the share capital, for a total number of shares of 34,661,640.

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

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 and according to Regulation S of the U.S. Securities Act of 1933. The bond is currently listed on the following multilateral trading facilities:

- Euro MTF of the Luxembourg Stock Exchange;
- ExtraMOT PRO of Borsa Italiana S.p.A..

BOND LOAN IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN Code	XS2355600110
Refinitiv LU Code	XS2355600110=LU
Refinitiv MI Code	XS235560011=MI

The annual financial report, including the Group's consolidated financial statements for the year ended 31 December 2021, the draft financial statements, 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 15 March 2022.

2. Form, content and international accounting standards

These consolidated financial statements 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 - IASB, 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, implemented by Legislative Decree no. 38 of 28 February 2005 "Exercise of the options provided for by article 5 of Regulation (EC) no. 1606/2002 on international accounting standards" (Legislative Decree 38/2005).

The international accounting standards applied to the financial statements for the year ended 31 December 2021 and comparative figures for the year ended 31 December 2020 are those endorsed by the European Commission at the reporting date.

The presentation currency of the consolidated financial statements 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.

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 year, which immediately precedes the Statement of Comprehensive Income.

The Statement of Comprehensive Income begins with profit or loss for the period, presents the Other Comprehensive Income section, the total other comprehensive income, and the total comprehensive income (expense), which is the total of profit or loss for the period and other comprehensive income.

The Statement of Profit (Loss) for the year presents the allocation of profit (loss) for the year attributable to shareholders of the parent entity and profit (loss) for the year attributable to minority interests.

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

Items that are recognized outside profit (loss) for the current year 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 of the Statement of Comprehensive Income presents the items relating to the amounts of Other Comprehensive Income for the year, 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 financial assets available for sale.

Other comprehensive income components that cannot be reclassified to profit or loss are actuarial gains and losses from defined benefit plans.

Items in the Other Comprehensive Income section of the Statement of 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 or loss and those that will not be subsequently reclassified to profit or loss.

The classification used for the Statement of Profit (Loss) for the year is by nature.

It should be noted that in these consolidated financial statements, unless otherwise specified, the term Income Statement refers to the Statement of Profit (Loss) for the year.

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

The method used to present cash flows is the indirect method, whereby the result for the year 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.

A reconciliation between the amounts relating to the components of cash and cash equivalents in the Statement of Cash Flows and the equivalent items shown in the Statement of Financial Position is provided in the notes.

The statement showing the net financial position has been prepared on the basis of the "*ESMA update of the CESR recommendations*. *The consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive*" of 20 March 2013 (formerly CESR Recommendation 05-054b of 10 February 2005). The table shows a breakdown of its main components and an indication of payables to and receivables from related parties.

The statement of changes in equity shows:

- income and expenses recognized directly in equity and included in the Statement of Comprehensive Income for the year, with separate indication of the total amounts attributable to shareholders of the parent company and those attributable to minority investments;
- 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 year, 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 Group has also prepared a reconciliation between the consolidated equity and the profit (loss) for the year in the consolidated financial statements and the corresponding figures in the financial statements of the Parent Company.

At the end of the Statement of Financial Position, the Statement of Profit (Loss) for the year, the Statement of Comprehensive Income and the Statement of Cash Flows, reference is made to a specific paragraph where, in a table, the sub-items relating to the amounts of positions or transactions with related parties are presented, indicating the effects on the Group's financial position, profit or loss for the year and cash flows.

The sub-items relating to any income components deriving from events or transactions the occurrence of which is not recurring are indicated separately in the cost or revenue items to which they refer, with an indication of the effects on the Group's financial position, income statement and cash flows, and are reported in the format drafted pursuant to Consob Resolution 15519 of 27 July 2006.

A specific table, which is an integral part of these 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 in a systematic manner. In the Statement of Financial Position, the Statement of Profit (Loss) for the year, 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 the Notes to the Consolidated Financial Statements.

Comparative information from the prior year is provided for all amounts shown in these consolidated financial statements for the current year. Comparative information is also provided in the notes, if this is relevant to an understanding of the consolidated financial statements for the current year.

The presentation and classification of items in the consolidated financial statements are maintained from one year to the next except as noted in paragraph 6, Changes in accounting standards, errors and changes in estimates.

Where the presentation or classification of items in the consolidated financial statements has changed, the comparative amounts have been restated accordingly, indicating the nature, amount and reasons for the reclassification.

4. Principles of consolidation

The consolidated financial statements include the financial statements of Il Sole 24 ORE S.p.A. and its subsidiaries at 31 December 2021.

Control is obtained when the Group is exposed or entitled to variable returns, deriving from its relationship with the investee and, at the same time, has the ability to impact these returns by exercising its power over such entity.

Specifically, in accordance with IFRS 10, the Group controls an investee if, and only if, the Group has:

- power over the investee (or holds valid rights that give it the current ability to manage the relevant activities of the investee);
- exposure or rights to variable returns arising from the relation with the entity of the investment;
- ability to exercise its power on the entity of the investment to affect the amount of its returns.

Generally, there is a presumption that the majority of voting rights entails control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all the relevant facts and circumstances to determine whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights of the Group.

In preparing these consolidated financial statements, the Parent Company has fully consolidated its own financial statements and the financial statements of its subsidiaries as if they were the financial statements of a single economic entity.

The Parent Company's financial statements and those of its subsidiaries, used in the preparation of the consolidated financial statements, have all been prepared at 31 December 2021.

The financial statements of foreign subsidiaries expressed in currencies other than the presentation currency are translated into Euro using the following procedures:

- the assets and liabilities in each reported Statement of Financial Position (including comparative figures) shall be translated at the closing rate at the date of the statement of financial position;
- the income and expenses of each Statement of Comprehensive Income and each Statement of Profit (Loss) for the year presented (including comparative figures) shall be translated at the exchange rates at the dates of the transactions;
- all resulting exchange rate differences shall be recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

Exchange rate differences at the reporting date of the consolidated financial statements are recorded in a separate component of equity called the Hedging and Translation Reserve.

The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the Consolidated Financial Statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The book value of the investments held by the Parent Company and other Group companies in each subsidiary included in the scope of consolidation is derecognized against the related equity.

For a detailed discussion of the measurement criteria applied to goodwill, refer to Goodwill and Business Combinations in paragraph 5, Measurement Criteria.

The profit (loss) for the year and each of the other components of the Statement of Comprehensive Income are attributed to shareholders of the parent company and minority investments, even if this implies that the minority investments have a negative balance. When necessary, appropriate adjustments are made to the Financial Statements of the subsidiaries, in order to ensure compliance with the Group's accounting standards.

All assets and liabilities, equity, revenues, costs and intra-group financial flows relating to transactions between Group entities are derecognized completely during the consolidation phase. Unrealized gains and losses arising from transactions between consolidated Group companies, if any, are also derecognized. Dividends distributed by consolidated companies are also derecognized from the income statement and added to the profits of previous years, if and to the extent that they have been withdrawn from them.

Changes in the investment in a subsidiary that do not involve the loss of control are recognized in equity.

If the Group loses control of a subsidiary, it must derecognize the related assets (including goodwill), liabilities, minority interests and other components of equity, while any profit or loss is recognized in the Income Statement. Any retained portion of investment must be recognized at fair value.

5. Measurement criteria

The consolidated financial statements of the 24 ORE Group were prepared in accordance with international accounting standards and in application of the provisions of Legislative Decree 38/2005.

This section provides a summary of significant international accounting standards applied, indicating the basic recognition and measurement criteria adopted in the preparation of the consolidated financial statements and other international accounting standards used that are significant for understanding the consolidated financial statements.

Non-current assets

Property, plant and equipment

Tangible assets relate to property, plant and equipment held for use in production, for the supply of goods and services and for administrative purposes, which are expected to be used for more than one financial year. Only items that are likely to generate future economic benefits and the cost of which can be reliably determined are recognized as such. Spare parts that meet the definition of property, plant and equipment are also recognized as such.

Tangible assets are initially recognized at cost, which is the amount of cash or cash equivalents paid or the fair value of other consideration given at the time of purchase.

The cost includes the purchase or manufacturing price, ancillary expenses and any directly attributable costs to bring the asset to the location and condition necessary for operation.

After initial recognition, the cost method was adopted, under which tangible assets are recognized in the financial statements at cost less accumulated depreciation and impairment losses.

The cost of each item of property, plant and equipment, having a residual value of zero, is depreciated on a systematic basis over its useful life. Depreciation begins when the asset is available for use.

Land has an unlimited useful life and therefore is not depreciated.

Tangible assets not yet available for use are not depreciated.

Depreciation ends on the later of the date on which the tangible asset is classified as held for sale (see Non-current assets classified as held for sale) and the date on which the asset is derecognized.

Depreciation does not cease when the tangible asset remains unused.

A tangible asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal.

The period and method of depreciation of each item of property, plant and equipment are reviewed at the end of each reporting year.

At each reporting date, it is verified whether there is an indicator that tangible assets may have been impaired. If there is any such indication, the recoverable amount of the tangible asset is estimated.

The impairment test is carried out by comparing the book value of the tangible asset with its recoverable amount.

The recoverable amount is the higher of the fair value of the tangible asset, less costs to sell, and its value in use.

Fair value is the price that would be received to sell the asset in a regular transaction between market participants at the measurement date.

The value in use is calculated by discounting to present value the expected cash flows to be derived from the tangible asset subject to impairment test.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the asset is estimated.

The reversal of an impairment loss on a tangible asset that was impaired in previous years is made only if there is a change in the valuations used to determine the recoverable amount of the asset. In this case, the book value is increased to the recoverable amount. This recoverable amount may not exceed the net book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses of tangible assets are recognized in the income statement.

Rights of use are not shown separately in the statement of financial position, but in the same line item in which the corresponding underlying assets would be shown if they were owned; therefore, they are included in the item Property, plant and equipment. In particular, rights of use were recognized relating to the rental of hardware and cars, the lease of space and areas for the positioning of radio broadcasting equipment owned by the Group.

The Group assesses when entering into a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract, it is necessary to verify the existence or otherwise of a lease through the following steps:

- identification of the asset;
- verification of the economic benefits from the use of the asset;
- control - use of the asset.

The Group will also make use of the exceptions proposed by the standard on lease contracts for which the terms of the lease contract expire within 12 months from the date of initial application and on lease contracts for which the underlying asset has a value less than as required by the new standard (USD 5 thousand).

The Group recognizes right-of-use assets on the start date of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the start of the lease, net of any incentives received. Following initial recognition, the right of use is depreciated over the duration of the contract or, if shorter, over the useful life of the asset.

The cost of the right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset under the terms and conditions of the lease, unless such costs are incurred in producing inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a given period. The Group's leases do not contain an obligation to dismantle, remove the underlying asset or an obligation to restore the site where the asset is located or restore it to a specified condition.

Right-of-use assets are subject to impairment testing.

Government contributions

Government contributions, including non-monetary contributions at fair value, are not recognized until there is reasonable assurance that the conditions for obtaining them will be met and that they will actually be received.

Government contributions obtained in relation to tangible assets are recognized as deferred revenues (deferred income) and recorded in the income statement under other operating income on a systematic and rational basis that allocates them appropriately over the useful life of the asset.

Government contributions to compensate for costs or losses already incurred or collectible to provide immediate financial support, without related future costs, are recognized in the income statement as income in the period in which they become receivable.

The benefits from a government loan with a below-market interest rate have been recognized as government contributions, in accordance with the principles specified above. These benefits were determined by measuring the difference between the initial book value of the loan, calculated using the amortized cost method, and the consideration received.

Business Combinations and Goodwill

Business combinations

All business combinations, included in the scope of application of IFRS 3 Business Combinations, are accounted for by applying the acquisition method.

The excess of the fair value of the consideration transferred, including the fair value of any contingent consideration and the proportionate share of any minority interest in the acquiree to which the existing equity instruments entitle, over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed, is recognized as goodwill.

Costs incurred to effect the business combination are recognized as expenses in the periods in which they are incurred, except for costs related to the issuance of debt securities, which are recognized as an increase in the fair value of those debt securities, and costs related to the issuance of equity securities, which are recognized as a decrease in equity.

The contingent consideration, if any, is an obligation for the acquirer to transfer additional assets or interests to the former owners of the acquiree as part of the business combination agreement if specified future events occur or specified conditions are met. If the contingent consideration is classified as equity, it shall not be recalculated and its subsequent settlement shall be accounted for in equity. If, on the other hand, it is classified as a liability, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss for the year.

For business combinations with an acquisition date up to 31 December 2009, the excess of the cost of the business combination over the interest acquired in the net fair value of identifiable and recognizable assets, liabilities and contingent liabilities is recognized as goodwill.

Costs incurred for the business combination are included in the cost of the business combination itself, except for costs related to the issuance of debt securities, which are recognized as an increase in the fair value of those debt securities, and costs related to the issuance of equity securities, which are recognized as a decrease in equity.

Contingent consideration arising from business combinations with an acquisition date up to 31 December 2009 has not been subsequently adjusted. For such combinations, any expected adjustments to the cost of the combination contingent on future events were included in the cost of the combination at the acquisition date only if the adjustments were probable and could be measured reliably.

Goodwill

Goodwill recognized in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the individual cash-generating units or groups of units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill is allocated represent the lowest level within the company at which goodwill is monitored on a management basis, and is never greater than an operating segment, as identified in paragraph 12 Segment Reporting, prior to aggregation.

The cash-generating units to which goodwill has been allocated are tested annually for impairment and, if there is an indication of impairment, their book value is compared with their recoverable amount.

If specific events or changed circumstances indicate that goodwill may be impaired, tests are performed more frequently. If goodwill is initially recognized in the current year, the impairment test is performed before the end of the current year.

The recoverable amount is the greater of fair value less costs to sell and value in use, calculated by discounting to present value the expected cash flows to be generated by the cash-generating unit subject to impairment testing.

If the recoverable amount of the cash-generating unit is less than its book value, an impairment loss is recognized.

An impairment loss recognized for goodwill cannot be reversed in subsequent years.

If the amount relating to the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date exceeds the amount of the consideration transferred, as defined under *Business Combinations*, the gain resulting from the purchase at advantageous prices is recognized in the Statement of Profit (Loss) for the year at the acquisition date. This profit is attributed to the parent company.

Temporary differences arising from the difference between the net fair value of the identifiable assets acquired and the identifiable liabilities assumed at the date of acquisition and their value recognized for tax purposes give rise to the recognition of the relevant deferred tax assets and/or liabilities, if the conditions are met.

Intangible assets

Recognized intangible assets are non-monetary assets without physical substance:

- identifiable, i.e. separable or arising from contractual or other legal rights;
- controlled as a result of past events;
- from which future economic benefits are expected for the company;
- the cost of which can be reliably measured.

The initial measurement criterion is cost.

The cost includes the purchase price and any direct costs to prepare the activity for use.

For internally generated intangible assets, the formation process distinguishes between the research and development phases. No intangible assets arising from the research phase are recognized. Intangible assets arising from the development phase are recognized if they meet the criteria for recognition as specified above.

Internally generated trademarks, newspapers and publishing rights are not recognized under intangible assets.

The cost of internally generated intangible assets is represented by the sum of expenses incurred since the date on which the intangible asset first meets the criteria for recognition.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in accordance with management's intentions. The directly attributable costs attributed to internally generated intangible assets are essentially the costs of materials and services used or consumed in generating the intangible asset and the personnel costs arising from the generation of the intangible asset.

After initial recognition, the cost method is adopted.

Intangible assets with finite useful life are recognized at cost less accumulated amortization and impairment losses.

The cost of intangible assets with finite useful life, assuming their residual value to be zero, is amortized on a systematic basis over their useful life. Amortization begins when the asset is available for use.

Intangible assets with finite useful life that are not yet available for use are not amortized.

The period and method of amortization of intangible assets with finite useful life are reviewed at the end of each reporting year.

Amortization ends on the later of the date on which the intangible asset is classified as held for sale (see Non-current assets classified as held for sale) and the date on which the asset is derecognized.

An intangible asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal.

Intangible assets with indefinite useful life are not amortized.

An intangible asset has an indefinite useful life when, based on certain determinants, there is no foreseeable limit to the year until which the asset is expected to generate net cash inflows.

Relevant factors that played a significant role in determining the indefinite useful life included:

- the expected use of the asset;
- the typical product life cycles of the asset, also referring to public domain information on estimated useful lives of similarly used asset types;
- technical, technological or any other kind of obsolescence;
- the stability of the economic sector in which the asset operates and changes in demand for the products or services generated by the asset;
- the actions allegedly carried out by competitors;
- the level of maintenance costs necessary to obtain the expected future economic benefits of the asset;
- the period of control over the activity and the legal limits on its use;
- the dependence of the useful life of the asset on the useful life of other assets.

The useful lives of unamortized intangible assets are reviewed at each financial year-end to ascertain whether the above determinants continue to support an indefinite useful life determination.

At each reporting date, it is verified whether there is an indicator that intangible assets may have been impaired.

For intangible assets with indefinite useful life and for those not yet available for use, regardless of whether there are any indications of impairment, there is an annual impairment test.

The impairment test is carried out by comparing the book value of the intangible asset with its recoverable amount.

The recoverable amount is determined with reference to the higher of fair value less costs to sell and value in use, calculated by discounting to present value the expected cash flows to be generated by the intangible asset subject to impairment testing.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. This recoverable amount is then compared with the book value of the same.

If the recoverable amount of an individual intangible asset or cash-generating unit is lower than its book value, an impairment loss is recognized.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the asset is estimated.

The reversal of an impairment loss on an intangible asset that was impaired in previous years is made only if there is a change in the valuations used to determine the recoverable amount of the asset. In this case, the book value is increased to the recoverable amount. This recoverable amount may not exceed the book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses of intangible assets are recognized in the income statement.

Investments in associates and joint ventures

Associated companies are those over which a significant influence is exercised, although without having control.

A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control is the sharing, on a contractual basis, of control of an arrangement, whereby decisions about significant activities require the unanimous consent of all parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method, with the exception of those classified as held for sale, for which reference is made to Non-current assets classified as held for sale.

With the equity method, the investment is initially recognized at cost. Subsequently, the book value is increased or decreased to recognize the investor's share of the investee's profits or losses realized after the acquisition date. The share of the profit (loss) for the year of the investee of the investor is recognized in the Income Statement of the latter.

Dividends received from the investee reduce the book value of the investment.

The investor's share of the profits and losses of the associate arising from transactions between the two companies is derecognized.

If the share of losses exceeds the book value of the investment, the investor recognizes the additional losses in a provision as a liability only to the extent that it has incurred legal or constructive obligations on behalf of the associate or joint venture.

Subsequent to the application of the equity method, it is determined at each reporting date whether there is any objective evidence that each related investment is impaired.

If there is an indication of possible impairment, the entire value of the investment is subjected to an impairment test, by comparing its recoverable amount with its book value. The recoverable amount, i.e. the higher of value in use and fair value less costs to sell, is determined for each investment in an associate.

Fair value is the price that would be received to sell the investment in a regular transaction between market participants at the measurement date.

Value in use is calculated by estimating the investor's share of the discounted cash flows expected to be generated by the associate or joint venture, including cash flows from its operating activities and the consideration from the ultimate disposal of the investment.

If the recoverable amount of the associate or joint venture is less than its book value, an impairment loss is recognized.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the investment is estimated.

A reversal of an impairment loss on an investment in an associate or joint venture that was impaired in prior years is made only if there is a change in the valuations used to determine the recoverable amount of the investment. In this case, the book value is increased to the recoverable amount. This recoverable amount may not exceed the book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses on investments in associates are recognized in the income statement.

Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e. amortized cost, fair value through OCI and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied a practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied a practical expedient are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (solely payments of principal and interest - SPPI). This measurement is referred to as the SPPI test and is performed at the instrument level.

The Group's business model for the management of financial assets refers to the way in which it manages its financial assets in order to generate financial flows. The business model determines whether the cash flows will arise from the collection of contractual cash flows, the sale of financial assets or both.

The purchase or sale of a financial asset that requires delivery within a period of time generally established by regulations or market conventions (standardized sale or regular way trade) is recognized on the trade date, i.e. the date on which the Group undertakes to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

1. Financial assets at amortized cost (debt instruments)

This category is the most significant for the Group. The Group measures financial assets at amortized cost if both of the following requirements are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

Financial assets at amortized cost are subsequently measured using the effective interest criterion and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or revalued.

The Group's financial assets at amortized cost include trade receivables, other non-current assets and security deposits.

2. Financial assets at fair value through OCI (Debt instruments)

The Group measures assets from debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest determined on the amount of principal to be repaid.

For assets from debt instruments at fair value through OCI, interest income, changes in exchange rates and impairment losses, together with reversals, are recognized in the income statement and are calculated in the same way as for financial assets at amortized cost. The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in fair value recognized in OCI is reclassified to the income statement.

At 31 December 2021, the Group did not hold any instruments classified in this category.

3. Investments in equity instruments

On initial recognition, the Group may irrevocably choose to classify its equity investments as equity instruments recognized at fair value through profit or loss when they meet the definition of equity instruments pursuant to IAS 32 "Financial instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument.

Gains and losses on these financial assets are never reclassified to the income statement. Dividends are recognized as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such profits are recognized in OCI. Equity instruments recognized at fair value through OCI are not subject to impairment testing.

At 31 December 2021, the Group did not hold any instruments classified in this category.

4. Financial assets at fair value through profit or loss

This category includes assets held for trading, assets designated at the time of initial recognition as financial assets at fair value with changes recognized in the Income Statement, or financial assets that must be measured at fair value. Assets held for trading are all those assets acquired for sale or repurchase in the short term. Derivatives, including those separated, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not represented solely by principal and interest payments are classified and measured at fair value in the Income Statement, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be recognized at fair value in the Income Statement upon initial recognition if this results in the derecognition or significant reduction of an accounting mismatch.

Financial instruments at fair value with changes recognized in the income statement are recognized in the statement of financial position at fair value and net changes in fair value are recognized in profit or loss.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably chosen to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit/(loss) for the year when the right to payment is established.

Non-current financial assets

This category includes investments in other companies over which neither control nor significant influence is exercised.

These investments are initially measured at fair value at the trade date (identifiable with the acquisition cost) net of transaction costs that are directly attributable to the acquisition.

After initial recognition, minority investments are recognized at fair value through profit/(loss) for the year (FVTPL). Therefore, they are measured at fair value, approximated by the value of the Group's share of the investee's equity. The effects of subsequent measurements at fair value are recognized in the income statement.

Dividends from investments in other companies are recognized in *Other income (expenses) from investment assets and liabilities* when the shareholders' right to receive payment is established.

Other non-current assets

The following are classified in this category:

- security deposits;
- tax credits awaiting refund;
- receivables with a maturity of more than 12 months.

The initial measurement of tax credits awaiting refund and security deposits is carried out at fair value on the date of trading, net of directly attributable transaction costs.

After initial recognition, both tax credits awaiting refund and security deposits are measured at amortized cost, using the effective interest method, calculated as indicated in the item *Other non-current financial assets*.

It is determined at each reporting date whether there is any objective evidence that each of the other non-current assets is impaired.

If there is objective evidence of an impairment loss, the amount of the loss is determined.

The amount of the impairment loss is measured as the difference between the book value and the present value of estimated future cash flows discounted at the original effective interest rate of the non-current asset in question.

The amount of the loss is recognized in the income statement.

If, in a subsequent year, the amount of the impairment loss decreases and this decrease is related to an event occurring after the impairment was recognized, the impairment loss is reversed and the related reversal is recognized in the income statement.

Deferred tax assets

Deferred tax assets, or deferred tax liabilities, are portions of income taxes recoverable in future periods relating to:

- deductible temporary differences;
- carry-forward of unused tax losses;
- carry-forward of unused tax credits.

Deductible temporary differences are differences between the book value of an asset or liability recognized in the statement of financial position and its tax base which, in determining taxable profit for future years, will result in deductible amounts when the book value of the asset or liability is realized or settled.

Deferred tax assets are recognized for all deductible temporary differences, tax losses and unused tax credits carried forward, if it is probable that in future years, taxable income will be generated against which such deductible temporary differences can be used.

Deferred tax assets are measured at the tax rates that are expected to apply in the year in which the tax asset is expected to be realized, with reference to the measures in force at the reporting date.

Deferred tax assets are not discounted.

Taxes for deferred tax assets are recognized in the Income Statement, unless the tax arises from a transaction or event recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income or directly in equity, or from a business combination.

Deferred tax assets relating to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Taxes for deferred tax assets relating to items credited or debited directly to equity are also credited or debited directly to equity.

In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used elsewhere in the financial statements and other reports on operations, which, among other things, reflect the potential impact of climate-related developments on the business, such as increased production costs as a result of measures to reduce carbon emissions.

Current assets

Inventories

They include goods for sale, such as goods purchased for resale and company products, and goods produced in the ordinary course of business, such as semi-finished or finished products, raw and consumable materials.

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories includes all acquisition costs, the transformation costs and other costs incurred to take inventories to their current location and state.

The purchase cost is determined on the basis of the price actually incurred, including directly attributable ancillary expenses such as transport and customs duties, net of any trade discounts.

For products already obtained or in the process of being obtained from the manufacturing process, the cost adopted is the manufacturing cost. In determining the manufacturing cost, account is taken of the purchase cost, as stated above, plus production or processing costs, i.e. direct and indirect costs, for the portion reasonably attributable to the product relating to the manufacturing period.

Raw materials and ancillary or consumable materials are measured using the weighted average cost method for the period, which takes into account the value of opening inventories.

If it is no longer possible to measure at cost, determined using the above criteria, due to lower sale prices, deteriorated, obsolete or slow-moving assets, the net realizable value inferred from market trends is used for goods, finished products, semi-finished products and work in progress, and replacement cost for raw, consumable and ancillary materials and semi-finished products.

Net realizable value represents the sale price in the normal course of business, less the costs of completion and direct selling expenses that can reasonably be expected.

Replacement cost represents the cost at which, under normal operating conditions, a particular inventory item can be repurchased or reproduced.

Raw materials are adjusted directly to replacement cost, while finished goods are adjusted to net realizable value through a specific provision for inventory write-downs, which is deducted directly from the nominal value recognized under assets.

Trade receivables

Trade receivables include receivables from customers and advances to suppliers.

Trade receivables are initially measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

After initial recognition, trade receivables are shown at their estimated realizable value. The adjustment of the initial value to the presumed realizable value is obtained by means of a specific bad debt provision, directly deducted from trade receivables.

The adjustment to the estimated realizable value is obtained by adjusting the nominal value of the receivables, taking into account losses due to uncollectability, returns and invoicing adjustments, discounts and allowances not accrued and other causes of reduced realization. Invoicing adjustments also include estimated provisions for books and newspaper copies that will be returned in future years.

If receivables are disposed of definitively (without recourse), they are removed from the financial statements and the gain (or loss) is recognized for the difference between the value received and the value at which they were recognized in the financial statements.

Advances to suppliers refer to advance payments for tangible assets that have not yet been accessed and for services not yet received. The right of access to tangible assets arises when becoming the owner or when the supplier makes them available according to the agreed terms. Services shall be deemed to have been received when they have been performed by the supplier in accordance with a service contract.

Other receivables

Other receivables include the following types:

- Italian and EU VAT credits for which reimbursement has been requested, as well as tax credits for publishing and advance tax payments on employee severance indemnity (TFR);
- prepayments and advances to personnel;
- receivables from others, arising from other transactions that do not generate revenues. This group also includes advances to suppliers for the purchase of tangible and intangible assets.

Other receivables are measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

Current tax assets are also shown in this category if the amount already paid for the current and prior years exceeds the amount due.

Other current assets

Other current assets include accrued income and prepaid expenses.

Accrued income and prepaid expenses relate to portions of income or costs common to two or more years. These measure income and expenses that are recognized in advance or in arrears with respect to the monetary event that gave rise to their recognition. A prerequisite for their recognition is that the amount of such portions of costs or income common to several periods varies over time.

Cash and cash equivalents

They include bank and postal deposits, and cash and cash equivalents.

Bank and postal deposits, cash and cash equivalents in national currency are measured at their nominal value.

The accounts opened for cash and cash equivalents include all changes in figures before the reporting date. Interest and ancillary expenses accrued and due at the reporting date are included even if received after that date.

Remittances of cash received after the end of the year are not taken into account, even if their value date is before that date.

Remittances of cash paid out or arranged after the reporting date are not taken into account.

Non-current assets classified as held for sale and discontinued operations

All non-current assets and disposal groups classified as held for sale are classified separately from other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

The book value of non-current assets and disposal groups classified as held for sale will be recovered primarily through a sale transaction rather than through continuing use.

The book value is considered to be recovered primarily through a sale transaction when management has committed to a programme to dispose of the asset.

Non-current assets classified as held for sale are measured at the lower of book value and fair value less costs to sell. These assets are not depreciated.

Non-current assets classified as held for sale that represent an autonomous branch or geographical area of activity or that are investments in subsidiaries acquired exclusively for the purpose of being sold are defined as discontinued operations.

A section identified as relating to discontinued operations is presented in the Statement of Profit (Loss) for the year. Gains or losses from discontinued operations and gains and losses, recognized as a result of measuring discontinued operations at fair value, net of costs to sell, are presented as a single, separate amount in that section of the Statement of Profit (Loss) for the year.

All gains and losses arising from non-current assets classified as held for sale, other than discontinued operations, are included in profit or loss from continuing operations.

Equity

This represents the difference between all asset and liability items, determined in accordance with the recognition and measurement criteria applied.

Equity is divided between the portion attributable to shareholders of the parent company and the portion attributable to minority shareholders.

Equity includes the items listed below.

Capital, i.e., the nominal value of the contributions provided by shareholders upon the Company's incorporation or during subsequent capital increases and the value of reserves allocated to share capital over time, net of the nominal value of receivables from shareholders for subscribed and uncalled capital and for called-up and unpaid capital.

Capital Reserves, which include:

- *capital contributions*, i.e., capital reserves that receive the value of new contributions by shareholders;
- the *share premium reserve*, i.e. the excess of the issue price of the shares over their nominal value;
- *costs relating to capital transactions*, i.e. all costs relating to the acquisition or issue of new shares, including costs arising from listing procedures on regulated markets, incurred by the Parent Company during the current year.

Hedging and Translation Reserves, which include:

- the Translation reserve, which holds the exchange rate differences that arise from the translation into the presentation currency of the financial statements of foreign subsidiaries included in the consolidated financial statements that prepare their financial statements in a currency other than the Euro;
- the Cash flow hedge reserve, relating to the portion of the gain or loss on cash flow hedging instruments that is determined to be an effective hedge.

The Hedging reserve, set up following changes in the fair value of cash flow hedging instruments, is unavailable pursuant to article 6, paragraphs 1 and 4 of Legislative Decree 38/2005.

Other Reserves, which include:

- the Legal reserve, i.e., the reserve required by article 2430 of the Civil Code, which states that at least one-twentieth of annual net profits must be set aside until reaching one-fifth of the share capital. Up to this limit, the Reserve is unavailable;
- the Merger surplus reserve. This is an adjustment to equity due to the incorporation of companies in previous years;
- Employee severance indemnity (TFR) reserve - IAS adjustment refers to the recognition of actuarial gains and losses relating to employee severance indemnities in the Other Comprehensive Income section of the Statement of Comprehensive Income. This item represents the changes that the present value of the obligation undergoes as a result of an actual evolution of the programme, different from as foreseen in the actuarial valuations carried out;
- the IAS opening reserve, consisting of adjustments deriving from the transition to IAS/IFRS, relating to the value of treasury shares. This Reserve is offset by an equal amount in the *Unavailable reserve for the purchase of treasury shares*. Other adjustments relating to the transition to IAS/IFRS have been reclassified under *Profits carried forward;*
- the Statutory reserve and Other optional reserves include any reserves provided for in the Articles of Association or approved by the Ordinary Shareholders' Meeting;

- the Unavailable reserve consisting of the profits for the year recognized in the income statement to the extent of the gains, net of the related tax expense, resulting from the application of the equity method, pursuant to article 6, paragraphs 1 and 2, of Legislative Decree 38/2005.

Profits (Losses) carried forward, i.e., income from prior years that has not been distributed or allocated to other reserves and losses from prior years that have not been otherwise offset. All amounts relating to the transition to IAS/IFRS have also been reclassified under this item, with the exception of amounts relating to treasury shares.

The Profit (Loss) for the year as shown in the corresponding item in the Statement of Profit (Loss) for the year.

Equity is presented showing separately the portion attributable to shareholders of the parent company, divided into the items indicated above, and the portion attributable to minority investments, divided between:

- the portion attributable to minority investments of the value of the profit or loss for the year of consolidated subsidiaries, separately identified;
- the portion of capital and reserves attributable to minority investments in consolidated subsidiaries, consisting of the value of minority interests at the date of acquisition of the investment and the portion attributable to minority interests of changes in equity since the date of acquisition.

Non-current liabilities

Financial liabilities

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as mortgages and loans, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognized at fair value plus, in the case of mortgages, loans, bonds and payables, the directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bonds and loans, including current account overdrafts.

Non-current financial liabilities

This category essentially includes payables to banks for medium/long-term loans, bonds and liabilities deriving from lease contracts at the present value of future fees, in application of IFRS 16. In particular, lease contracts relating to Group 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 liability is gradually repaid with the payment of the lease fees and interest will be recognized on the same. In determining the liability, only the fixed component of the lease payments under the contract and any inflation-linked component are taken into account, but not any variable components. Future payments, thus determined, will be discounted using the contractual rate or the interest rate of the lessee's marginal loan, over the period that the contract is deemed non-cancellable.

Non-current financial liabilities are initially measured at fair value at the trade date, net of transaction costs that are directly attributable to the acquisition.

After initial recognition, non-current financial liabilities are measured at amortized cost, using the effective interest method.

Employee benefits

This item of the financial statements includes the liability for employee severance indemnities of all contractual categories of employees accrued at the reporting date, taking into account what is specified below.

Following the changes made to the rules for employee severance indemnities by the Supplementary Pension Reform introduced by Legislative Decree no. 252 of 5 December 2005 - Regulations for supplementary pension schemes, and subsequent amendments and additions, the Group has adopted the following accounting treatment:

- the employee severance indemnity (TFR) accrued at 31 December 2006 is considered a defined benefit plan, consistently with the recognition and classification made in previous years. Guaranteed employee benefits, in the form of employee severance indemnity, paid out on termination of employment, are recognized in the period in which the right accrues;
- the relative net defined benefit liability is determined by reliably estimating, through the use of the actuarial technique of the projected unit credit method, the final cost for the amount of benefits accrued by employees in exchange for their service in the current and previous years;
- the application of the actuarial technique of the projected unit credit method, entrusted to professional actuaries, allows the determination of the present value of the defined benefit obligation and of the cost relating to employment services, considering demographic variables, such as employee turnover and mortality, and financial variables, such as medical care costs and the discount rate. In particular, the discount rate used to discount the defined benefit obligations, calculated with reference to market yields at the end of the reporting period, determines the net interest on the net defined benefit liability. In view of the provisions introduced by the Supplementary pensions reform, the variable linked to expected future salary increases has been excluded from the discounting calculation as from 1 January 2007;
- current service cost, past service cost, gains and losses determined on settlement and net interest on the net defined benefit liability are recognized in profit or loss for the year;
- actuarial gains and losses are recognized in the Employee severance indemnity reserve - IAS adjustment classified in *Other reserves*, as indicated in the equity items, and recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

For the Employee severance indemnity accruing from 1 January 2007, reference is made to the item Other Payables.

Deferred tax liabilities

Deferred tax liabilities are portions of income taxes due in future years relating to taxable temporary differences.

Taxable temporary differences are differences between the book value of an asset or liability recognized in the statement of financial position and its tax base which, in determining taxable profit for future periods, will result in taxable amounts when the book value of the asset or liability is realized or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except where this liability arises:

- from the initial recognition of goodwill; or
- from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor tax profit, at the date of the transaction.

Deferred tax liabilities are also recognized for taxable temporary differences arising from investments in associates, except where the Parent Company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the tax liability is expected to be settled, based on tax rates established by regulations in force at the reporting date.

Deferred tax liabilities are not discounted.

Taxes for deferred tax liabilities are recognized in the Income Statement, unless the tax arises from a transaction or event recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income or directly in equity, or from a business combination.

Deferred tax liabilities relating to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Taxes for deferred tax liabilities relating to items credited or debited directly to equity are also credited or debited directly to equity.

Deferred tax liabilities are offset against deferred tax assets only if the two items refer to the same tax.

Provisions for risks and charges

This category includes provisions for risks and charges.

These provisions are made to cover liabilities with uncertain maturity or amount, originating from legal or implicit obligations, existing at the reporting date as a result of a past event.

Such obligations, whether arising from contractual, regulatory or legal provisions, established patterns of business practice or public assumptions of responsibility, mean that the company has no realistic alternative to settlement.

Obligations arising from a past event the settlement of which is likely to require the use of economic and financial resources and the amount of which can be reliably estimated are recognized.

Provisions are measured at the value representing the best estimate of the amount required to settle the obligation or to transfer it to third parties at the reporting date.

Where the effect of discounting money is a material issue as a result of the timing of settlement of the obligation, the amount of the provision is equal to the present value of the expenditure expected to be required to settle the obligation.

The financial component of discounted provisions is recognized in the income statement under financial expenses.

The current portions of provisions for risks and charges are reclassified under the item *Short-term portion of provisions for risks and charges*.

Contingent liabilities

Contingent liabilities are obligations that arise from past events and the existence of which will be confirmed by future events that are not wholly within the Group's control, or obligations for the settlement of which it is not probable that economic or financial resources will be required, or the amount of which cannot be estimated with sufficient reliability.

Contingent liabilities are not recognized, but are described in detail in the notes to the financial statements.

Other non-current liabilities

This category includes security deposits payable and payables due beyond twelve months after the reporting date.

The initial measurement of security deposits and payables due beyond twelve months is carried out at fair value on the trade date, net of directly attributable transaction costs.

After initial recognition, other non-current liabilities are measured at amortized cost, using the effective interest method.

Current liabilities

Bank overdrafts and loans

Bank current accounts with a debit balance are classified here, as are the current portions of payables to banks for medium/long-term loans, the expected settlement date of which is within twelve months of the reporting date.

Other current financial liabilities

This category includes:

- short-term financial payables;
- short-term payables in application of IFRS 16;
- accrued liabilities for financial expenses.

Short-term payables are measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

Accrued liabilities for financial expenses are recognized by applying the method illustrated for other accruals under the item *Other current liabilities*.

This item also includes hedging instruments for which designated hedging has been established with the hedged item.

Hedging instruments are designated derivatives the cash flows of which are expected to offset changes in the cash flows of a designated hedged item. The designated hedges established are cash flow hedges, i.e. hedges against exposure to cash flow variability that is attributable to a particular risk associated with a recognized asset or liability and that could impact the income statement. A designated hedge qualifies as such when there is formal documentation to support the risk management and strategy in undertaking the hedge and when the effectiveness of the hedge, which is reliably assessed, is highly effective.

Derivatives designated as hedging instruments are initially measured at fair value on the date of initial recognition, i.e. at the transaction price of the consideration given or received.

After initial recognition, hedge accounting entails the symmetrical and opposite recognition of the effects on the income statement deriving from changes in the fair value of the hedging instrument and the hedged item.

In designated cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity and disclosed in the Other Comprehensive Income section of the Statement of Comprehensive Income. The ineffective portion of the gain or loss on the hedging instrument is recognized in the Statement of Profit (Loss) for the year.

Trade payables

The category of trade payables includes payables to suppliers, liabilities to be paid for goods and services received and invoiced, advances received from customers for goods or services not yet delivered and deferred income relating to revenues from products sold under subscription.

Trade payables and customer advances are recognized at fair value at the trade date, i.e. at the value of the consideration formally agreed with the counterparty, net of trade discounts and adjusted for returns or other changes in invoicing.

Deferred income relating to revenues from products sold under subscription are recognized by applying the method illustrated for other deferred income in the item *Other current liabilities*.

When payment of trade payables is deferred and the transaction in fact is a financial transaction, after initial recognition, measurement is carried out at amortized cost, using the effective interest method.

Other current liabilities

Other current liabilities include accrued liabilities, other than those relating to financial expenses, classified under *Other current financial liabilities*, and deferred income, other than those relating to revenues from products sold under subscription, classified under *Trade payables*.

As already explained for accrued income and prepaid expenses, accrued liabilities and deferred income relate to portions of expenses or income common to two or more years.

This category also includes current and prior year direct taxes, to the extent that they have not already been paid.

The amount shown in the financial statements is net of advances for taxes already paid, withholding taxes and tax credits, unless a refund has been requested.

Current direct taxes are measured at the amount expected to be paid to the tax authorities, applying tax rates and tax regulations that have been enacted or substantively enacted at the reporting date.

Current taxes are recognized as an expense in the Income Statement, except for taxes that arise from transactions or events recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income, or that are credited or charged directly to equity.

Current tax liabilities that relate to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Current tax liabilities that refer to items credited or debited directly to equity are also credited or debited directly to equity.

Other payables

The category of other payables includes:

- payables to social security institutions, relating to social security and pension contributions;
- tax payables other than direct taxes classified under *Other current liabilities*, such as payables for taxes due on the basis of assessments or disputes that have been settled, for withholdings made as withholding agent and for taxes of any kind that have become payable. The amount shown in the financial statements is net of tax advances already paid, withholding taxes and tax credits, unless a refund has been requested;
- payables to employees for wages and salaries, expenses to be paid, accrued holidays and additional monthly payments;
- dividends payable to shareholders;

- other payables not classifiable under other items of Current liabilities.

Other payables are initially measured at fair value on the trade date, i.e. at the value of the consideration agreed with the counterparty, net of directly attributable transaction costs.

Other payables, precisely because of their nature and duration, do not have a pre-established discount rate. After initial recognition, these payables are measured at their original value, given the immateriality of the effect of discounting.

This item also includes benefits due to employees on termination of employment.

Termination benefits arise from the Group's decision to terminate the employment relationship or from an employee's decision to accept an offer of benefits from the Group in exchange for termination of employment. Termination benefits do not include employee benefits resulting from termination of employment at the employee's request, without an offer of benefits by the Group, or as a result of mandatory retirement requirements.

The liability and cost relating to termination benefits are recognized on the most immediate of the following dates:

- the moment in which the Group can no longer withdraw the offer of such benefits; and
- the moment in which the Group recognizes the costs of a restructuring that falls within the scope of *IAS 37 Provisions, contingent liabilities and contingent assets* and involves the payment of termination benefits.

When termination benefits are an enhancement to post-employment benefits, the provisions for post-employment benefits are applied for measurement, using the actuarial valuation method outlined in the item Employee benefits. Otherwise:

- if it is expected that the benefits due on termination of employment will be paid in full within twelve months of the end of the period in which these benefits are recognized, the non-discounted cost is recognized;
- if it is not expected that the benefits due on termination of employment will be fully settled within twelve months of the end of the year, the discounted cost is recognized with actuarial gains (losses) recognized in the Statement of Profit (Loss) for the year.

Starting with the financial statements for the year beginning 1 January 2007, this category also includes:

- payables to supplementary pension funds, relating to employee severance indemnities accrued but not yet paid;
- payables to the Treasury Fund set up at the INPS (National Social Security Institute), relating to employee severance indemnities accrued but not yet paid.

Pursuant to the social security reform mentioned above under *Employee benefits*, the portions of employee severance indemnities accrued from 1 January 2007 onwards have been, at the employee's discretion:

- allocated to supplementary pension schemes;
- retained in the company, which transferred the portions of the employee severance indemnity to the Treasury Fund set up at the INPS.

Both the portions of employee severance indemnities allocated from 1 January 2007 to supplementary pension schemes and those allocated from the same date to the Treasury Fund set up by the INPS are recognized as post-employment benefits and accounted for in the same way as defined contribution plans.

Contributions to be paid to a defined-contribution plan are recorded on an accruals basis as payables to supplementary pension funds and/or the Treasury Fund set up at the INPS, in relation to work performed by employees. In particular, the liability for the amounts to be paid to the Treasury Fund set up at the INPS does not include the revaluation expense, incurred by INPS.

Effects of changes in foreign currency exchange rates

At each reporting date, all monetary foreign currency items, i.e. all assets and liabilities that will be received or paid in a fixed or determinable number of currency units, are translated at the spot rate at the reporting date.

Exchange rate differences arising from the translation of monetary items at a rate different from that used at the time of initial recognition during the year or in previous financial statements are recognized in the income statement for the year in which they arise, except for exchange rate differences arising on a monetary item that forms part of an investment in a foreign associate.

Exchange rate differences arising on a monetary item that forms part of an investment in a foreign associate are, in fact, recognized in an Equity Reserve, until the investment is disposed of, and shown in the Other Comprehensive Income section of the Statement of Comprehensive Income. The total amount of exchange rate differences suspended in the appropriate Equity Reserve is recognized in the Statement of Profit (Loss) for the year when the gain or loss relating to the disposal is recognized.

At each reporting date, all non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All non-monetary items expressed in a foreign currency and measured at fair value are translated at the exchange rate at the date the fair value was determined.

When the book value of a non-monetary item denominated in a foreign currency is determined, in accordance with GAAP, by comparing two or more amounts, the exchange rate applied to the amounts used for comparison with the original book value is that at the time the comparison is made, which is the closing rate at the reporting date.

This implies that if the book value to be recognized is that of one of the compared amounts, any emerging exchange rate differences are recognized in the Income Statement, when the item to which they relate is recognized in the Income Statement, or in the Other Comprehensive Income section of the Statement of Comprehensive Income, when the item to which they relate is recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

If a designated fair value hedge has been established between a hedging instrument and a hedged item in foreign currency, the treatment for hedging instruments indicated in the item *Other current financial assets* applies.

Revenues

The recognition of revenues in the income statement follows the following five steps:

- identification of the contract with the customer;
- identification of contractual obligations;
- determination of the transaction price;
- allocation of the transaction price to the individual contractual obligations;
- recognition of revenue upon fulfilment of contractual obligations.

Revenues from contracts with customers are recognised when control of the goods and services is transferred to the customer for an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

The Group has generally concluded that it acts as Principal for most of the agreements from which revenues arise, with the exception of the following services in which it acts as Agent, as it usually controls the goods and services before transferring them to the customer.

In particular:

- revenues from the sale of goods are considered to have been earned when the company transfers control of the goods to the purchaser, which conventionally coincides with the dispatch of both daily newspapers and magazines sold individually, as well as book publications sold on an outright basis. Revenue is measured according to the amount of consideration received or receivable, net of reasonably estimated returns, allowances, trade discounts and volume reductions;
- revenues from the sale of subscription newspapers and magazines are recognized over the term of the subscription. It is industry practice to continue to provide the service for a certain period of time following the expiry of the subscription until the customer renews the subscription (gracing period). Revenues relating to gracing subscriptions at the end of the year are recorded on the basis of a historical estimate of the renewal rate for such subscriptions;
- publishing revenues from the sale of newspapers, magazines and books at news-stands and book stores are recognized on the basis of the price paid by the final purchaser gross of all premiums paid, including the share paid to newsagents. Distribution activities are in fact carried out by companies outside the Group's perimeter, acting as agents, whose premiums are recognized in the costs for services;
- revenues from the sale of advertising space are recorded on the basis of the date of publication of the insert or advertising message. The recognition of such revenues on an accrual basis presents elements of complexity due to the need to monitor punctually the publication of press releases in the various media of the Group (newspapers, magazines, Internet, radio, events, etc.) or of third parties for which the Group operates as concessionaire. To this end, the Group uses IT systems that link advertising contracts entered into with customers with the actual publication of the relevant press releases;
- advertising revenues deriving from the sale of advertising space on the media of third-party publishers are reported differently depending on whether the Group operates as principal or agent. The principal versus agent valuation is carried out on a contract-by-contract basis, taking into account certain indicators such as: the party with primary responsibility for meeting performance obligations, business risk and discretion in setting the sale price. Where the Group operates as an agent, revenues are recognized in the financial statements net of advertising revenues due to third-party publishers. If the Group operates as a principal, revenues are recorded gross of advertising fees due to third-party publishers, which are in this case recorded under costs for services. Based on the valuations performed for the contracts currently in place, the Group always operates as an agent;
- revenues from the provision of services with a contractual duration, such as IT services and subscriptions to databases, are recognized over the duration of the contract as the customer simultaneously receives and consumes the benefits provided by the Group. In particular, database subscriptions often include free periods at the end of the contract period. In these cases, revenue is recognized over the actual duration of the service period, including the complimentary period;
- revenues from software sales are recognized over the life of the contract as the customer simultaneously receives and consumes the benefits provided by the Group. Despite the fact that the contracts in question are legally configured as sub-licences of third-party software and do not expose the Group to inventory risk, the Group has analysed the contracts included in the above stream from the customer's point of view and has decided to act as principal, having considered, in this specific case, that the customizations made, the exclusive right on the marketing of these products and the direct management by the Group of relations with customers (including the independent setting of the sale price), represent indicators of the Group's control over these goods and services before they are transferred to the customer.

Costs

Costs are recognized in the income statement when there is a decrease in future economic benefits resulting in a decrease in assets or an increase in liabilities that can be reliably measured.

Specifically, an expense is recognized immediately in the income statement when and to the extent that:

- an expense produces no future economic benefit;
- the future economic benefits do not qualify, or cease to qualify, for recognition as an asset in the Statement of Financial Position;
- a liability is incurred without the recognition of an asset.

When cost components are material, their nature and amount are disclosed separately.

Earnings per share

Basic earnings per share, shown in the Statement of Profit (Loss) for the year for each period presented, have been calculated by dividing the profit or loss attributable to holders of ordinary and special shares of the Parent Company by the weighted average number of shares outstanding during the year. Basic earnings per share from discontinued operations are also presented in the Statement of Profit (Loss) for the year.

Diluted earnings per share, also shown in the Statement of Profit (Loss) for the year for each period presented, have been calculated by adjusting, so as to take into account the effects of all potential dilutive actions, both the profit or loss attributable to holders of ordinary and special shares of the Parent Company and the weighted average number of ordinary and special shares outstanding during the year. Diluted earnings per share from discontinued operations are also presented in the Statement of Profit (Loss) for the year.

The dilutive effects of potential ordinary and special shares are those that produce a reduction in earnings or an increase in loss per share as a result:

- of the conversion into ordinary and special shares of convertible instruments;
- of the exercise of options or warrants on ordinary shares;
- of the issuance of new ordinary shares upon the satisfaction of certain conditions.

Guarantees

The book value of financial assets pledged as collateral for liabilities or contingent liabilities and the related terms and conditions of use are disclosed separately in the Notes to the Financial Statements. If financial assets pledged as collateral can, by contract or custom, be sold or repledged, their book value has been reclassified in the Statement of Financial Position, separately from other assets.

For guarantees received for which it is permitted to sell or repledge the collateral, as well as for collateral received and repledged, the fair value and the clauses and conditions associated with their use have been indicated separately.

Hedging transactions

For each type of hedge, the Notes to the Financial Statements have indicated separately:

- description of the transaction;
- description of the financial instruments designated as hedging instruments and their fair values at the reporting date;
- nature of the risks covered.

For cash flow hedges and fair value hedges, detailed information is also provided in the Notes to the Financial Statements.

Fair value

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants at the measurement date.

The price considered is the price quoted in the main market, or the most advantageous price, unadjusted for transaction costs, at current market conditions (exit price), regardless of whether that price is directly observable or estimated using another valuation technique.

In particular, when fair value is applied to a non-financial asset, it considers the ability of a market participant to generate economic benefits by employing the asset to its highest and best use, or by selling it to another market participant that would employ it to its highest and best use.

According to the fair value measurement approach, the following were determined:

- the particular asset or liability being measured, in a manner consistent with its basis of measurement (unit of account);
- in the case of a non-financial asset, the appropriate valuation assumption for the measurement, consistent with its highest and best use;
- the principal (or most advantageous, if there is no principal) market for the asset or liability;
- the appropriate valuation techniques for measuring fair value, considering the availability of data with which to process the inputs representing the assumptions that market participants would use to determine the price of the asset or liability.

Valuation techniques were used that were appropriate in the circumstances and for which sufficient data was available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In particular, the three main valuation techniques were used, namely:

- the market approach;
- the cost approach;
- the income approach.

IFRS 13 Fair Value Measurement establishes a fair value hierarchy that ranks the inputs to the valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted (unadjusted) prices in active markets for identical assets and liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are directly or indirectly observable inputs for the asset or liability.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy prioritizes the inputs to valuation techniques and not the valuation techniques used to measure fair value. In some cases, the data used to measure the fair value of an asset or liability could be classified in different levels of the fair value hierarchy. In such cases, the fair value measurement was classified entirely in the same level of the fair value hierarchy in which the lowest level of the hierarchy input used for the measurement is classified.

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

The accounting standards adopted are amended from one year to the next only if the change is required by a new standard or if it contributes to providing more reliable and relevant information on the effects of transactions on the entity's financial position, economic result 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 for the earliest of the years presented. 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 an accounting standard is applied retrospectively, is retrospectively restated, or is reclassified and the retrospective application, retrospective restatement, or reclassification has a material impact on the information reported in the statement of financial position at the beginning of the prior year, three statements of financial position are presented:

- at the end of the current year;
- at the end of the previous year;
- at the beginning of the previous year.

Changes in estimates are accounted for prospectively in the statement of profit (loss) for the year in which the change takes place if it impacts only the latter, or in the year in which the change takes place and in subsequent years, if the change also impacts the latter.

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 consolidated financial statements of the Group as the Group does not have any interest rate hedging transactions in place.

Amendment to IFRS 16: Covid-19-Related Rent Concessions after 30 June 2021

The amendment to IFRS 16 extends the optional and temporary Covid-19 related operational relief, introduced by amendment to IFRS16 published on 28 May 2020, for lessees in connection with leases with suspended payments and with payments originally due on or before 30 June 2021 inclusive, to leases with suspended payments and with payments originally due before 30 June 2022 inclusive. The amendment is applicable to financial statements for which the accounting period begins on or after 1 April 2021. This amendment had no impact on the Group's consolidated financial statements herewith.

Amendment to IFRS 4: Extension of the expiry date of the temporary exemption from applying IFRS 9

On 25 June 2020, the International Accounting Standards Board published the extension of the temporary exemption from applying IFRS 9 (Amendments to International Financial Reporting Standard (IFRS) 4 Insurance Contracts) for the financial statements of insurance companies. The amendments to IFRS 4 aim to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming IFRS 17 Insurance Contracts. Specifically, the amendments to IFRS 4 extend the expiration of the temporary exemption from applying IFRS 9 until 1 January 2023 in order to align the effective date of IFRS 9 with the new IFRS 17.

Accounting standards, amendments and interpretations approved or not yet 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 consolidated financial statements, but will be applied from the effective date established as mandatory.

The IASB has issued the following new accounting standards and amendments, endorsed or not yet endorsed by the European Union: IFRS 17 Insurance Contracts (issued on 18 May 2017; in force as of 1 January 2023), 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; in force as of 1 January 2023), 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; in force as of 1 January 2022), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021; in force as of 1 January 2023), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021; in force as of 1 January 2023), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021; in force as of 1 January 2023) and Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021; in force as of 1 January 2023).

7. 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 31 December 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 programme described below.

At 31 December 2021, lines of credit for advances on trade receivables with recourse were used for a total amount of Euro 15.8 million; the remaining portion of the credit lines and available liquidity total Euro 39.1 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, an addendum was signed with Monterosa SPV to extend to December 2026 the trade receivables securitization line described below.

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" as amended from time to time and converted into law by Conversion Law no. 40 of 5 June 2020, 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 7 years, with bullet repayment at maturity; this bond loan allowed the voluntary early repayment of the medium/long-term loan, backed by a SACE guarantee of Euro 37.5 million indicated above.

Securitization of trade receivables

In 2013, the Company took part in a securitization programme, 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 programme 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 31 December 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 15.8 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 31 December 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.

Bond

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements with Goldman Sachs International, MPS Capital Services and Banca Popolare di Sondrio functional to the issuance of a non-convertible senior unsecured bond for a principal amount of Euro 45 million and a duration of 7 years, with bullet repayment at maturity, intended exclusively for qualified investors, exempt from the rules on public offerings set forth in Regulation (EU) 2017/1129 and according to Regulation S of the U.S. Securities Act of 1933.

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% and annual payment. 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 and from 1 November 2021 also on the multilateral trading system "ExtraMOT PRO" of Borsa Italiana S.p.A. 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, applicable only in the case of any new debt.

The terms and conditions of the bond also include clauses that are standard practice for this type of transaction, such as: negative pledge, *pari passu*, change of control, and some specific provisions that provide for optional and/or mandatory early repayment upon the occurrence of certain events. Further details regarding the terms and conditions of this bond issue are available in the "Listing Particulars" document dated 29 July 2021 and available on the Company's website.

This bond, which allowed for the voluntary early repayment on 29 July 2021 of the loan of Euro 37.5 million taken out on 20 July 2020 and backed by a SACE guarantee pursuant to the "Liquidity Decree", enables the Company to further strengthen its financial structure, ensuring it the flexibility and resources to carry out the investments and actions planned over the period of the plan, necessary for the development of revenues and the achievement of greater operating efficiency.

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 31 December 2021 are as follows:

- lending rate on stocks of subsidiaries: 1-month Euribor +4.95% (determined considering the nominal rate of the bond);
- borrowing rate on the debt of subsidiaries: 1-month Euribor +4.95% (determined considering the nominal rate of the bond);
- 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 results are partially exposed to fluctuations in market interest rates. Following the issue of the unsecured and non-convertible bond loan for a principal amount of Euro 45 million, the interest risk is reduced as 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.

Financial income and expenses

FINANCIAL INCOME AND EXPENSES		
Euro thousands	31.12.2021	31.12.2020
Recognized in the income statement		
Interest income from financial assets held to maturity not written down	691	761
Interest income from bank deposits	1	1
Net exchange rate gains	6	20
Financial income	**697**	**781**
Interest expense from financial liabilities and other financial expenses	(4,407)	(2,814)
Net exchange rate losses	(23)	(14)
Financial expenses	**(4,431)**	**(2,828)**
The financial income and expenses shown above include the following amounts relating to assets (liabilities) not designated at fair value through profit or loss:		
Total interest income on financial assets	**697**	**781**
Total interest expense on financial liabilities	**(4,431)**	**(2,828)**
Recognized directly in equity		
Effective portion of changes in fair value of cash flow hedges	-	-

Financial assets

OTHER FINANCIAL ASSETS		
Euro thousands	31.12.2021	31.12.2020
Non-current financial assets		
Minority investments	731	704
M/L financial receivables and security deposits	1,132	721
M/L financial receivables IFRS16	95	114
Current financial assets		
Cash and cash equivalents	35,744	40,889
Current financial receivables	5,616	15,887
S/T financial receivables IFRS16	25	117
Total financial assets	**43,344**	**58,432**

Financial liabilities

FINANCIAL LIABILITIES		
Euro thousands	31.12.2021	31.12.2020
Non-current liabilities		
Bond	42,635	-
SACE M/L guaranteed financing	-	35,264
Other financial payables to third parties	2,961	4,870
M/L financial payables IFRS16	36,867	37,934
Unsecured loans from banks	-	3,731
Total non-current liabilities	**82,464**	**81,799**
Current liabilities		
S/T bond	933	-
SACE S/T guaranteed financing	-	1,788
Current portion of unsecured loans from banks	-	643
Other financial payables to third parties	3,012	4,505
S/T financial payables IFRS16	3,047	2,510
Unsecured current account advances	15,779	16,545
Total current liabilities	**22,771**	**25,991**
Total financial liabilities	**105,234**	**107,789**

Exposure to credit risk

The book value of financial assets, referring mainly to cash and cash equivalents at banks and receivables from customers, represents the Group's maximum exposure to credit risk. At the end of 2021, this exposure was as follows:

EXPOSURE TO CREDIT RISK

Euro thousands	31.12.2021	31.12.2020
Minority investments	731	704
M/L financial receivables and security deposits	1,132	721
M/L financial receivables IFRS16	95	114
Current financial receivables	5,616	15,887
Receivables from customers (*)	70,677	62,845
Cash and cash equivalents	35,744	40,889
S/T financial receivables IFRS16	25	117
Total	**114,020**	**121,276**

(*) Not included: Bad debt provision, Supplier advances, Agents and Copyrights

The Group's exposure at the end of 2021 to credit risk associated with receivables from customers, broken down by geographical region, is as follows:

BREAKDOWN BY GEOGRAPHICAL REGION

Euro thousands	31.12.2021	31.12.2020
Italy	68,865	61,312
Eurozone countries	771	975
United Kingdom	813	392
Other European countries	87	49
United States	54	52
Other	87	64
Total	**70,677**	**62,845**

The Group's exposure at the end of 2021 to credit risk associated with receivables from customers, broken down by type of customer, is as follows:

BREAKDOWN BY CUSTOMER TYPE

Euro thousands	31.12.2021	31.12.2020
Advertising agencies	14,515	10,665
Companies and Financial Institutions	27,036	24,711
Public entities	1,188	1,991
Professionals and individuals	20,750	18,898
Other customers	7,187	6,579
Total	**70,677**	**62,845**

Impairment losses on trade receivables

The following table represents the seniority of receivables from customers at the end of 2021:

SENIORITY OF RECEIVABLES FROM CUSTOMERS

Euro thousands	31.12.2021		31.12.2020	
	Gross	Bad debt provision	Gross	Bad debt provision
Due	63,179	1,633	54,946	738
Past due 1 - 30 days	1,590	115	1,664	108
Past due 31 - 120 days	2,513	302	2,112	366
Past due 121 days - 1 year	840	235	1,179	311
Over 1 year	2,554	2,034	2,944	2,035
Total	**70,677**	**4,319**	**62,845**	**3,558**

Changes in the bad debt provision for trade receivables in 2021 were as follows:

CHANGES IN BAD DEBT PROVISION

Euro thousands	31.12.2021	31.12.2020
Balance 1 January	3,558	5,294
Losses for the year	(939)	(3,026)
Allocations	1,800	1,291
Reclassification of other non-current assets	(100)	-
Total	**4,319**	**3,558**

Liquidity risk

The contractual maturities of financial liabilities and trade payables are shown in the table below:

LIQUIDITY RISK

Euro thousands	31.12.2021						
	Book value	Expected cash flows	up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
Non-derivative financial liabilities							
Other M/L payables to third parties	5,132	(5,429)	(1,086)	(1,086)	(2,171)	(1,086)	-
Bond	43,568	(60,626)	-	(2,231)	(2,231)	(6,699)	(49,465)
Unsecured current account advances	15,779	(15,779)	(15,779)	-	-	-	-
Other financial payables to third parties	840	(840)	(840)	-	-	-	-
Trade and other payables	37,798	(37,798)	(37,798)	-	-	-	-
Financial payables IFRS16	39,914	(45,017)	(2,067)	(2,062)	(5,798)	(17,229)	(17,860)
Total	**143,032**	**(165,489)**	**(57,571)**	**(5,379)**	**(10,201)**	**(25,014)**	**(67,324)**

Euro thousands	31.12.2020						
	Book value	Expected cash flows	up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
Non-derivative financial liabilities							
Unsecured loan from banks	4,373	(5,146)	(434)	(436)	(870)	(2,603)	(802)
Other M/L payables to third parties	7,042	(7,600)	(1,086)	(1,086)	(2,171)	(3,257)	-
SACE guaranteed financing	37,052	(41,227)	(311)	(2,669)	(5,343)	(28,439)	(4,465)
Unsecured current account advances	16,545	(16,545)	(16,545)	-	-	-	-
Other financial payables to third parties	2,333	(2,333)	(2,333)	-	-	-	-
Trade and other payables	47,782	(47,782)	(47,782)	-	-	-	-
Financial payables IFRS16	40,444	(46,643)	(1,632)	(1,956)	(3,846)	(17,353)	(21,856)
Total	**155,571**	**(167,276)**	**(70,124)**	**(6,147)**	**(12,230)**	**(51,652)**	**(27,123)**

Interest rate risk - Profile

The interest rate profile applied to the Group's interest-bearing financial instruments at the 2021 reporting date was as follows:

INTEREST RATE RISK

	Book value	
Euro thousands	31.12.2021	31.12.2020
Fixed-rate financial instruments		
Financial assets	1,132	721
Total	**1,132**	**721**
Floating-rate financial instruments		
Financial assets	41,480	57,007
Financial liabilities	(105,234)	(107,789)
Total	**(63,754)**	**(50,783)**

TAB25

Sensitivity analysis - fair market value of fixed-rate instruments

The Group does not account for any financial instruments at fair value through profit or loss at 31 December 2021.

Sensitivity analysis - fair market value of floating-rate instruments

If interest rates had increased or decreased by 100 bps, at the 2021 reporting date, net profit (loss) would have improved or deteriorated by Euro 544 thousand, respectively, as shown in the following table:

SENSITIVITY ANALYSIS

	Profit / Loss		Equity	
Euro thousands	Increase 100 bps	Decrease 100 bps	Increase 100 bps	Decrease 100 bps
FY 2021				
Floating-rate financial instruments	(544)	544	(544)	544
Cash flow sensitivity (net)	**(544)**	**544**	**(544)**	**544**
FY 2020				
Floating-rate financial instruments	(380)	380	(380)	380
Cash flow sensitivity (net)	**(380)**	**380**	**(380)**	**380**

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	31.12.2021		31.12.2020	
	Book value	Fair Value	Book value	Fair Value
Minority investments	731	731	704	704
M/L financial receivables and security deposits	1,132	1,132	721	721
M/L financial receivables IFRS16	95	95	114	114
Receivables from customers	70,677	70,677	62,845	62,845
Cash and cash equivalents	35,744	35,744	40,889	40,889
S/T financial receivables IFRS16	25	25	117	117
S/T financial receivables	5,616	5,616	15,887	15,887
Unsecured loans from banks	-	-	(4,373)	(5,222)
M/L financial payables IFRS16	(36,867)	(36,867)	(37,934)	(37,934)
Bond	(43,568)	(43,612)	-	-
SACE guaranteed financing	-	-	(37,052)	(37,052)
Other M/L financial payables to third parties	(2,961)	(2,961)	(7,042)	(7,042)
Unsecured current account advances	(15,779)	(15,779)	(16,545)	(16,545)
Other financial payables to third parties	(3,012)	(3,012)	(2,333)	(2,333)
S/T financial payables IFRS16	(3,047)	(3,047)	(2,510)	(2,510)
Trade and other payables	(37,798)	(37,798)	(47,782)	(47,782)
Total	**(29,012)**	**(29,056)**	**(34,295)**	**(35,144)**
(Loss) / Profit not recognized		(44)		(849)

All the Group's financial assets and liabilities are classified in level 3 of fair value, with the exception of bonds, which are valued in level 1 on the basis of their most recent listing on the Euro MTF market of the Luxembourg Stock Exchange.

In measuring fair value, consideration was given to the impact of potential climate-related issues and risks, including applicable regulations, that may affect the measurement of the fair value of assets and liabilities in the financial statements. Such risks in relation to climate-related issues are included as a key assumption where they significantly affect the measure of recoverable amount. These assumptions were also included in the cash flow forecasts for the valuation of values in use. At this time, the impact of climate-related issues is not material to the Group's financial statements.

Guarantees and commitments

At 31 December 2021, the Group has bank and insurance sureties outstanding for a total of Euro 12,433 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 guarantee of the correct fulfilment of all the obligations of the lease agreement for the property located in 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 agreement for the property located at Via Monte Rosa 91 for Euro 5,429 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 2,002 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 648 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 5,429 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 was collected on the dedicated current account on 23 December 2021. The pledge is effective for a maximum guaranteed residual amount of Euro 5,429 thousand until the obligations connected with the guarantee are fulfilled and in particular, the payment of the instalments of the indemnity indicated above. The amount is recorded under current financial assets.

8. Key sources of estimation uncertainties

Estimates are made primarily in the context of the going concern assumption, 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 determination of write-downs of receivables and inventories, the quantification of amounts to be set aside against probable risks and the assessment of the recoverability of deferred tax assets.

Estimates are also used in actuarial calculations to determine employee severance indemnities and agents' termination indemnities; to measure taxes: to determine the fair value and useful life of assets; to determine the lease term of contracts that contain an extension option and the incremental borrowing rate.

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

In particular, estimates relating to the measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful life are made on the basis of fair value less costs to sell or value in use using the discounted cash flow technique. The valuation techniques and assumptions used are explained in section 11 Notes to the financial statements of the relevant items. The Group also assesses whether climate risks could have a significant impact; these risks in relation to climate-related issues are included as assumptions if they have a significant impact on the estimate of recoverable amount.

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 takes into account the nature of the dispute and the probability of losing the case.

9. 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.

SUBSIDIARIES: BREAKDOWN OF SHARES					
Company Name	Consolidation: group share	Consolidation: minority share	Voting right: Group share	Voting right: Minority share	Held by
24 ORE Cultura S.r.l.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE UK Ltd	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE Eventi S.r.l.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE U.S.A. INC.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.

Investments in subsidiaries

At the date of these consolidated 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.

10. Key reclassified figures of the financial statements of subsidiaries, associates and joint ventures

BALANCE SHEET

Company	Notes	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Total equity	Total liabilities and equity
24 ORE Cultura S.r.l.	(1)	2,718	7,206	9,924	2,010	8,062	10,073	(149)	9,924
24 ORE Eventi S.r.l.	(1)	43	5,097	5,140	87	2,797	2,884	2,255	5,140
Il Sole 24 ORE UK Ltd	(1)	-	1,302	1,302	-	143	143	1,159	1,302
Il Sole 24 ORE USA Inc.	(1)	110	457	566	71	66	138	429	566
Total subsidiaries		**2,871**	**14,061**	**16,932**	**2,169**	**11,069**	**13,238**	**3,694**	**16,932**

(1) Statutory data with IAS/IFRS adjustments

INCOME STATEMENT

Company	Notes	Revenues	Gross operating margin	Operating profit (loss)	Profit (loss) before taxes	Net profit (loss)	Share allocated to minority shareholders
24 ORE Cultura S.r.l.	(1)	5,486	(2,588)	(3,017)	(3,031)	(3,076)	-
24 ORE Eventi S.r.l.	(1)	6,394	1,878	1,872	1,885	1,354	-
Il Sole 24 ORE UK Ltd	(1)	465	286	286	281	227	-
Il Sole 24 ORE USA Inc.	(1)	487	64	22	16	16	-
Total subsidiaries		**12,832**	**(360)**	**(837)**	**(850)**	**(1,479)**	**-**

(1) Statutory data with IAS/IFRS adjustments

FINANCIAL FIGURES

Euro thousands	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Increase (decrease) for the year	Group dividends	Third-party dividends
Il Sole 24 ORE Eventi S.r.l.	2,817	(39)	(2,004)	774	-	-
Il Sole 24 ORE UK Ltd	197	-	(5)	192	-	-
24 ORE Cultura S.r.l.	1,566	56	(1,618)	4	-	-
Il Sole 24ORE USA Inc.	(92)	-	(16)	(108)	-	-

11. Notes to the financial statements

Impairment test

Introduction

The results of the impairment test were determined on the basis of the impairment procedure adopted by the Group. The procedure for 2021 was approved by the Board of Directors on 25 February 2022, which confirmed the approach of the impairment test procedure of the previous year.

The impairment test is performed at each reporting date and consists of verifying whether there are any indications that an asset may be impaired. The impairment test is passed if the recoverable amount is equal to or greater than the book value of the asset being measured. In this case, the book values are confirmed.

The recoverable amount of an asset is defined by IAS 36 as the greater of the value that can be obtained through its use (i.e. value in use) and the value that can be obtained from its sale (i.e. fair value net of costs to sell).

In the case of goodwill and intangible assets with indefinite useful life, it shall be verified annually that their recoverable amount is at least equal to their book value.

With reference to assets with finite life, the test is carried out only when necessary, i.e. in the presence of a trigger event (IAS 36 paragraph 9). To this end, the Company, having examined the external and internal sources of information indicated in paragraphs 12-14 of IAS 36, considered that taking into account the income results (net of non-recurring income and expenses) recorded in 2021 and in particular the impact of the spread of the Covid-19 virus, there could be indications of potential impairment losses and therefore carried out an impairment test also with reference to assets with finite useful life.

The impact on the impairment test of the entry into force of IFRS 16 - Leases from 2019 is also taken into account.

During the preparation of this Annual Report 2021, in relation to the methods for determining the recoverable amount of goodwill and intangible and tangible assets, which may be impacted by a deterioration in the economic outlook, the possible impacts of the Covid-19 pandemic were also considered, also through the performance of specific simulation analyses. Recent guidelines, useful for the definition of the impairment procedure, published as a result of the emergency situation, were also considered.

The Group considers whether climate risks could have a significant impact, such as the introduction of emission reduction regulations that may increase operating costs. These risks in relation to climate-related issues are included as assumptions if they have a significant impact on the estimate of recoverable amount. It should also be noted that, based on preliminary assessments, the Group does not currently appear to be particularly exposed, in the short term, to the physical and transitional risks associated with climate change, given the nature of its business and direct activities that are no longer productive, and the geographical location of its sites. The Group will adjust key assumptions used in value in use calculations and sensitivity to changes in assumptions if a change is required.

It is specified that the 2022-2025 Plan used for the impairment test does not reflect any impacts deriving from the recent conflict under way in Ukraine and the possible repercussions that conflict could have on the Italian and European economies, whose impact on the Group's business is difficult to predict at this time.

Assets subject to impairment test

Below are the assets subject to impairment testing for the purpose of preparing these financial statements.

Assets with finite and indefinite useful life

The Group carried out the valuation of the following assets, with independent and qualified experts, in line with previous years. This determination of fair value is configured as level 3 and was carried out on the following assets:

- Properties owned;
- Rotary printing presses;
- Concessions and radio frequencies.

Recoverable amount of CGUs

The CGUs subject to valuation were defined with reference to the segments 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.

Below is a list of the CGUs subject to impairment testing:

- Publishing & Digital;
- Professional Services;
- System;
- Radio;
- Events;
- Culture.

If the difference between the recoverable amount and the respective book value is negative, this would result in an impairment loss attributable proportionally to the assets of the CGU.

The recoverability of goodwill is tested by estimating the recoverable amount of the Professional Services and Events CGUs.

Results of the impairment tests carried out

Assets with finite and indefinite useful life

Properties owned

The Group owns two property complexes, used as offices and production facilities, albeit currently no longer operational. These properties are located in Milan and Carsoli (AQ).

For the purposes of determining the fair value, the Group engaged an external, qualified and independent expert. The valuation covered land, buildings, internal fixed installations and external building works.

The value of the properties was determined on the assumption that the properties were vacant (not leased), for sale as a whole (not in portions) and in their current use, and on the assumption of the highest and best use of the property, i.e. considering, among all the technically possible, legally permissible and financially possible uses, only those that could potentially give the property the highest value.

The fair value was determined using the market method, based on a comparison between the assets being analysed and other comparable assets that were recently bought and sold or are currently offered on the same market or in competitive markets.

Below is a summary of the valuations carried out:

LAND AND BUILDINGS MILAN AND CARSOLI (AQ)			
Euro thousands	Milan	Carsoli	Total
Land	2,053	817	2,053
Buildings	1,471	1,930	1,471
Fixed installations of buildings	758	176	758
Total	**4,281**	**2,923**	**4,281**
Fair value	5,620	4,060	9,680

Rotary printing presses

In 2021, with the 16 March edition, the Group implemented the restyling of the Newspaper and its attachments, resulting in the cessation of production at its own plants and the outsourcing of all printing activities to third-party suppliers. It should be noted that the plants in Milan and Carsoli (AQ) and the rotary presses in Milan, Carsoli (AQ) and Medicina (BO) are owned by the Group and were not in use at the date of these financial statements.

Until 15 March 2021, the Group used two *Regioman* model rotary presses from MANROLAND WEB SYSTEMS at its Milan and Carsoli (AQ) plants, purchased at the end of 2004, installed in 2005 and expanded in 2008. The machines can print a 56-page full-colour newspaper. These facilities are attributed to the Publishing & Digital CGU. The Group has a third production plant at its plant in Medicina (BO), also no longer operational, equipped with a rotary press with the same production features as the Milan and Carsoli plants. With a view to the reorganization and optimization of production assets in 2019, production at the production site in Medicina (BO) had been reallocated to the printing centres in Milan and Carsoli.

For the purposes of determining the fair value, the Group engaged an external, qualified and independent expert. The valuation covered the printing equipment, the packaging and shipping machines and the CTP (Computer To Plate), which form an integral part of the production cycle. The fair value was determined using the market method, based on a comparison between the assets being analysed and other comparable assets.

The analyses and valuations carried out take into account the situation of the publishing market in Italy, and in particular the daily newspapers market, which has seen a steady decline in circulation and in the number of print newspapers for several years and a production capacity of the production plants in Italy that is far greater than that required to meet market demand. The impossibility of reversing this trend has given rise for some years to reorganization processes and production rationalizations that have led publishing companies to outsource printing and to shut down their plants and close printing centres. To date, however, despite the closures, installed production capacity remains far greater than that required to meet market demand.

The main elements for determining fair value are:

1. market survey carried out among resellers of offset rotary presses - used and new - comparable with the assets under appraisal;
2. estimation of removal, dismantling, transport and reassembly costs.

The fair value of individual rotary presses is shown below.

ROTARY PRESSES			
Euro thousands	*Fair value*	Book value at 31.12.2021	Difference
Production site Milan	269	92	177
Production site Carsoli (AQ)	239	1	238
Production site Medicina (BO)	126	0	126
Total	**634**	**93**	**541**

The book values of the plants have been confirmed.

Concessions and radio frequencies

An impairment test was carried out to determine whether the intangible asset Concessions and radio frequencies was impaired. The impairment test consists of comparing the book value of an intangible asset with its recoverable amount determined with reference to the fair value of the asset, less costs to sell, which in this case were considered to be zero.

In order to estimate the fair value, the Company has, since previous years, made use of an external expert who drew up an appraisal of the economic value of the Ministerial Concession and rights to use radio frequencies and pointed out that the market in which Radio 24 operates "is actually in a situation of inexorable contraction" and is characterized by the following elements:

- the process of flanking and gradually replacing the analogue network with the digital signal (DAB);
- listening to the radio on the move: new cars have a DAB receiver installed as standard;
- the continuation of the extraordinary circumstances generated by the Covid-19 pandemic;
- the immobility of the frequency market, which sees the purchase and sale of equipment at an all-time low.

The main assumptions used to estimate fair value, in the absence of an active market for trading frequencies, are as follows:

- the population covered, i.e. the number of people reached by the radio signal radiated by the individual broadcasting facilities. This index was determined taking into account ISTAT demographic data and the quality of the signal perceived by the listener, objectively determined through a system of technical measurements of the audio signal received by a common radio receiver;
- the per capita value of the single frequency. This value was determined for each individual frequency and depends on the population density of the area, the average household expenditure of the population covered, the Effective Radiated Power of the plant, the motorway networks and the provincial capitals covered.

Assumption analyses revealed the following:

- the need to change the useful life of the financial statements item "Concessions and radio frequencies" from indefinite to finite useful life, by introducing a 15-year amortization mechanism; this approach is in line with that adopted by the main operators in the sector;
- an economic value of the ministerial concession and the rights to use radio frequencies that decreases from an estimated Euro 33.0 million at 31 December 2020 to Euro 25.9 million at 31 December 2021.

In addition, the appraisal report itself shows, however, that the market for frequencies is in a situation of "constant immobility" and that "purchases and sales of equipment are at an all-time low". In addition, the values of the limited exchanges of broadcasting equipment between national broadcasters have been steadily declining.

In light of the above, the Group has considered proceeding to:

- change the useful life of the asset "concessions and radio frequencies" from "indefinite useful life" to "finite useful life", introducing amortization over a period of 15 years (as of 2021). Amortization recorded in 2021 amounted to Euro 1,862 thousand;
- to record an impairment loss on radio frequencies on the basis of the results of the impairment test carried out in order to determine the recoverable value of the Radio CGU, details of which are provided in the following paragraph, having deemed the results of this valuation exercise to be more representative and prevalent with respect to the valuation of the intangible asset in its own right. The reduction in value recorded in 2021 amounts to Euro 5,383 thousand.

As a result, the book value of radio frequencies at 31 December 2021 was reduced to Euro 20,684 thousand.

Recoverable amount of CGUs

The estimate of the recoverable amount of all CGUs was made based on their value in use and is thus determined by discounting the operating cash flows generated by the CGU itself, net of the tax effect, at a discount rate (post-tax) representing the weighted average cost of capital (WACC). With reference to the Radio CGU only, the recoverable amount was also assessed on the basis of its fair value net of disposal costs. The impairment tests were carried out with the support of an external expert.

The discount rate (WACC, weighted average cost of capital) used to calculate the recoverable amount of the CGUs is determined as follows:

- Risk Free Rate equal to 0.54% (yield on ten-year Italian government bonds at 31 December 2021);
- Market Risk Premium of 6.0%;
- Beta Unlevered adj between 0.789 and 0.993;
- Firm Specific Risk Premium additional premium, aimed at reflecting in the assessment the risk of execution of the objectives inherent in the forecasts, with reference also to the way in which the forecasts are formulated within the explicit forecasting period for all CGUs and for the Group equal to 4.0%;
- Target financial structure (debt/equity) fully equity funded.

On the basis of these parameters, the following discount rates (WACC) were arrived at:

CGU SUBJECT TO IMPAIRMENT TEST AND DISCOUNT RATE					
CGU	Impairment test approach	Plan time horizon	Discount rate (pre-tax)	Discount rate (post-tax)	Growth rate in the terminal value
Publishing & Digital	Value in use	2022-2025	13.21%	10.35%	0.00%
Professional Services	Value in use	2022-2025	10.11%	9.91%	0.00%
Radio	Value in use and fair value net of disposal costs	2022-2025	13.44%	10.24%	0.00%
System	Value in use	2022-2025	3.74%	10.77%	0.00%
Culture	Value in use	2022-2025	11.16%	10.35%	0.00%
Events	Value in use	2022-2025	13.68%	10.77%	0.00%

The value in use of each CGU is estimated from the projections in the 2022-2025 business plan approved by the Board of Directors on 25 February 2022, appropriately adjusted to refer to the current conditions of the assets being estimated, without considering, for example, future restructuring to which the Group has not yet committed or improvement or optimization of business performance.

The fair value net of the costs of disposal of the Radio CGU, which qualifies as a level 3, is estimated starting from the projections of the 2022-2025 business plan approved by the Board of Directors on 25 February 2022, as it was deemed that these can provide an adequate basis for estimating fair value in accordance with the provisions of international accounting standard IFRS 13 and are in line with those expected by market participants on the best way to use the assets subject to impairment testing, as required by IFRS13.

The results of the impairment test and sensitivity analysis are summarized below:

Publishing & Digital

The book value of net assets allocated to the CGU is Euro 10,705 thousand. The analyses carried out confirm the book values. It should also be noted that assets of the Radiocor Plus operating segment have been included in the Professional Services area while in the 2020 financial statements they were in the Publishing & Digital area. The effects of the new organization did not modify the results of the impairment test carried out.

Professional Services

The book value of net assets allocated to the CGU is Euro 14,734 thousand. Goodwill of Euro 15,469 thousand is allocated to the Professional Services CGU. The analyses carried out confirm the book values. It should also be noted that assets of the Radiocor Plus operating segment have been included in the Professional Services area while in the 2020 financial statements they were in the Publishing & Digital area. The effects of the new organization did not modify the results of the impairment test carried out.

System

The book value of net assets allocated to the CGU is a negative Euro 1,407 thousand. The analyses carried out confirm the book values.

Radio

The net book value of the assets allocated to the CGU is Euro 21,458 thousand, compared with an estimated value in use of Euro 13,487 thousand and a fair value of Euro 16,075 thousand (the costs of disposal were deemed to be immaterial). The fair value (Euro 16,075 thousand) differs from the corresponding value in use (Euro 13,487 thousand) as it includes the effects of a number of efficiency boosting initiatives that the

Group is undertaking in 2022, but which from a market participant's point of view should reasonably already be reflected in the estimate.

The negative difference of Euro 5,383 thousand between the fair value of the overall Radio CGU and the net book value of the CGU was allocated to impairment of the net book value of the radio frequencies at 31 December 2021. In fact, the Group believes that this value represents the prevailing reference value for the assessment of the recoverability of the assets of the Radio CGU, as it enables its value to be appreciated with a broader perspective and in line with the current market context, compared with measurement of the fair value of the intangible asset "Concessions and radio frequencies" in its own right.

The facts and circumstances giving rise to this impairment loss are attributable to the decline in advertising investment compared to the pre-Covid period recorded in the Group's target radio sectors in 2020 and consolidated in 2021, which was interpreted not as a temporary decline, related to the pandemic context, but rather as a decline in advertising investment in the years to come as well.

Culture

The net book value of the assets allocated to the CGU is Euro 706 thousand. The analyses carried out confirm the book values.

Events

The book value of net assets allocated to the CGU is Euro 6,593 thousand compared to an estimated value in use of Euro 5,298 thousand and refers mainly to the goodwill allocated to the CGU. The negative difference of Euro 1,295 thousand between the fair value of the overall Events CGU and the net book value of the CGU was allocated to impairment of the net book value of goodwill at 31 December 2021. The facts and circumstances giving rise to this impairment loss are attributable to the resumption from 2022 of the events in attendance resulting in an increase in costs, which reduces the margin at EBITDA level and therefore the cash flows expected in the 2022-2025 Plan compared to the previous 2021-2024 Plan.

Sensitivity analysis

The sensitivity analysis did not provide any significant indicators that would lead to a value in use lower than the book values. The following parameters were used in making this assessment:

- discount rate (WACC, weighted average cost of capital): increase of up to one percentage point;
- growth rate beyond the explicit period (g): negative by up to one percentage point;
- plan free cash flow: deterioration of up to 10%.

The impairment process also included a second-level test carried out at the level of the Group as a whole. The book value of net assets allocated to the Group as a whole is Euro 64,805 thousand. The analyses carried out, based on value in use, confirm the book values.

For the sake of full disclosure, a sensitivity analysis was also performed to determine the conditions under which, in a disruptive scenario, corporate assets could be impaired. This analysis, based on value in use, shows that up to a reduction of more than 50% (straight line) in all flows over the Plan period and in the final value, there would be no impairment of the Group's assets as a whole.

The stress tests carried out, and in particular the worsening of up to 10% of the plan free cash flow, and the identification of the disruptive scenario are aimed at taking into account the potential uncertainties regarding the spread of the Covid-19 virus, according to the indications provided by ESMA.

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment at the end of the year amounted to Euro 55,930 thousand and the breakdown is as follows:

PROPERTY, PLANT AND EQUIPMENT		
Euro thousands	Net value at 31.12.2021	Of which investments
Land	2,870	-
Buildings	3,489	-
Plant and equipment	9,346	2,294
Industrial and commercial equipment	3,754	1,702
Rights of use	36,446	1,947
Other assets	24	24
Total	**55,930**	**5,967**

Investments in 2021 amounted to Euro 5,967 thousand and mainly relate to:

- plant and equipment amounting to Euro 2,294 thousand, including Euro 1,489 thousand for general plant, Euro 352 thousand for radio broadcasting equipment, Euro 375 thousand relating to the redemption value of the rotary press in Medicina (Bologna) recognized following early termination of the related lease contract, which entailed the purchase and subsequent write-down of the rotary press, and Euro 78 thousand relating to specific plant;
- industrial and commercial equipment, amounting to Euro 1,702 thousand, relating to purchases of hardware (Euro 625 thousand) and furniture and fittings (Euro 1,077 thousand);
- rights of use amounting to Euro 1,947 thousand and referring to the recognition of the present value of future lease payments as an asset (right of use) in relation to rental fees for cars, transmission towers and rental of guest houses. 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 24 thousand and referring mainly to investments in plant and equipment 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	2,294	(324)	-	(375)	5,942	90,712
Industrial and commercial equipment	39,996	1,702	(513)	-	(1,820)	800	40,165
Rights of use	54,782	1,947	-	-	-	(127)	56,602
Other assets	6,748	24	-	-	-	(6,748)	24
Total historical cost	**216,632**	**5,967**	**(837)**	**-**	**(2,195)**	**(133)**	**219,435**
Accumulated depreciation:							
Buildings	(24,974)	-	-	(598)	-	-	(25,572)
Plant and equipment	(79,422)	-	312	(2,256)	-	(0)	(81,365)
Industrial and commercial equipment	(37,838)	-	513	(904)	1,819	-	(36,411)
Rights of use	(14,765)	-	-	(5,473)	-	83	(20,156)
Other assets	(1)	-	-	-	-	-	(1)
Total accumulated depreciation	**(156,999)**	**-**	**825**	**(9,232)**	**1,819**	**83**	**(163,505)**
Tangible assets:							
Land	2,870	-	-	-	-	-	2,870
Buildings	4,087	-	-	(598)	-	-	3,489
Plant and equipment	3,753	2,294	(12)	(2,256)	(375)	5,942	9,346
Industrial and commercial equipment	2,158	1,702	0	(904)	(1)	800	3,754
Rights of use	40,016	1,947	-	(5,473)	-	(44)	36,446
Other assets	6,748	24	-	-	-	(6,748)	24
Total	**59,633**	**5,967**	**(12)**	**(9,232)**	**(376)**	**(50)**	**55,930**

Depreciation of tangible assets amounted to Euro 9,232 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 36,446 thousand.

Below is the breakdown of the rights of use:

RIGHTS OF USE						
Euro thousands	Opening Balance	Purchases	Disposals	Depreciation	Other changes	Closing Balance
Historical Cost:						
Right of use properties	47,673	84	-	-	(43)	47,714
Right of use broadcasting towers	4,839	776	-	-	(20)	5,596
Right of use cars	2,270	1,087	-	-	(65)	3,292
Total historical cost	**54,782**	**1,947**	**-**	**-**	**(127)**	**56,602**
Accumulated depreciation:						
Right of use properties	(12,092)	-	-	(4,063)	45	(16,111)
Right of use broadcasting towers	(1,479)	-	-	(847)	5	(2,321)
Right of use cars	(1,194)	-	-	(563)	33	(1,724)
Total accumulated depreciation	**(14,765)**	**-**	**-**	**(5,473)**	**83**	**(20,156)**
Rights of use						
Right of use properties	35,581	84	-	(4,063)	2	31,603
Right of use broadcasting towers	3,360	776	-	(847)	(15)	3,274
Right of use cars	1,076	1,087	-	(563)	(31)	1,568
Total	**40,016**	**1,947**	**-**	**(5,473)**	**(44)**	**36,446**

With reference to the lease agreement for the new offices in Milan Viale Sarca, 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

The goodwill recorded in the financial statements amounted to Euro 20,724 thousand, down compared to 31 December 2020 by Euro 1,295 thousand due to the write-down of the goodwill of the Events CGU based on the results of the impairment test. For further information, reference should be made to the section entitled "Impairment Test".

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

GOODWILL			
values in Euro thousands	Opening Balances	Decreases	31.12.2021
Tax & Legal	15,469	-	15,469
Events	6,549	(1,295)	5,254
Total	**22,019**	**(1,295)**	**20,724**

Goodwill and intangible assets with indefinite useful life are not subject to amortization but to an impairment test of their book value. This test concerns the value of the individual asset or of the related cash-generating unit.

(3) Intangible assets

Intangible assets amounted to Euro 31,868 thousand and the breakdown is as follows:

INTANGIBLE ASSETS		
Euro thousands	Net value at 31.12.2021	Of which investments
Radio frequencies	20,684	-
Licences and software	10,412	6,120
Assets in progress and advances	771	743
Total	**31,868**	**6,863**

Investments in intangible assets amounted to Euro 6,863 thousand and included Euro 877 thousand for the capitalization of internally developed software (in 2020, they amounted to Euro 1,051 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 6,120 thousand refer to activities related to the development of systems for processes for Euro 3,361 thousand and the development and implementation of products, in particular digital products, for Euro 2,759 thousand.

The following table shows the nature of investments for the year.

INVESTMENTS IN LICENCES AND SOFTWARE	
	Investments 2021
Intangible assets for processes	**3,361**
Business processes	1,337
Publishing and editorial processes	1,008
Publishing sales cycle	324
Advertising sales cycle	334
Purchasing cycle	134
Accounting and management control system	148
Technological infrastructure	39
HR System	37
Intangible assets for product development	**2,759**
Online product system development	2,759
Total	**6,120**

Changes in intangible assets in 2021 are as follows:

INTANGIBLE ASSETS						
Euro thousands	Opening Balance	Purchases	Amortization	Other changes	Write off	Closing Balance
Historical cost:						
Newspapers	9,245	-	-	-	-	9,245
Trademarks	724	-	-	-	-	724
Radio frequencies	105,254	-	-	-	(5,383)	99,871
Licences and software	120,733	6,120	-	866	(2,100)	125,619
Assets in progress and advances	889	743	-	(860)	-	771
Total historical cost	**236,844**	**6,863**	**-**	**6**	**(7,483)**	**236,230**
Accumulated amortization:						
Newspapers	(9,245)	-	-	-	-	(9,245)
Trademarks	(724)	-	-	-	-	(724)
Radio frequencies	(77,325)	-	(1,862)	-	-	(79,187)
Licences and software	(108,637)	-	(6,570)	-		(115,207)
Total accumulated amortization	**(195,930)**	**-**	**(8,432)**	**-**	**-**	**(204,362)**
Intangible assets:						
Newspapers	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-
Radio frequencies	27,929	-	(1,862)	-	(5,383)	20,684
Licences and software	12,096	6,120	(6,570)	866	(2,100)	10,412
Assets in progress and advances	889	743	-	(860)	-	771
Total	**40,914**	**6,863**	**(8,432)**	**6**	**(7,483)**	**31,868**

Amortization of intangible assets amounted to Euro 8,432 thousand. The criteria for determining amortization of licences and software did not change compared to the previous year.

In order to estimate the fair value of radio frequencies, in previous years, the Company relied on the services of an external expert who prepared an appraisal of the economic value of the ministerial concession and the rights to use radio frequencies, the results of which showed a value that was lower than the book value. Furthermore, the conclusions of the appraisal report the need to change the accounting treatment of concessions and radio frequencies from "indefinite useful life" to "finite useful life", by introducing the amortization mechanism over a period of 15 years already starting in 2021. Amortization recorded in 2021 amounted to Euro 1,862 thousand. The book value of radio frequencies at 31 December 2021 was Euro 20,684 thousand. Impairment losses of Euro 5,383 thousand were recorded on the basis of the results of the impairment test; further information is provided in the specific paragraph.

Software was also written down by Euro 2,100 thousand, due to software developments that have become obsolete on the basis of new projects underway.

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	15 years	6.67%
Licences and software	3 years	33.33%

(4) Non-current financial assets

This item relates to minority investments totalling Euro 731 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	31.12.2021	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	**731**	**28**	**704**

(5) Other non-current assets

Other non-current assets amounted to Euro 1,302 thousand and the breakdown is as follows:

OTHER NON-CURRENT ASSETS

Euro thousands	31.12.2021	31.12.2020	Changes
Medium/long-term financial receivables IFRS 16	95	114	(19)
Other medium/long-term receivables	1,034	-	1,034
Security deposits	99	721	(623)
Tax receivables	75	10	65
Total	**1,302**	**846**	**456**

In accordance with IFRS 16, "Medium/long-term financial receivables IFRS 16" were recorded for Euro 95 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 decrease is attributable to collections during the year.

The change in security deposits amounting to Euro 623 thousand mainly refers to the collection of a deposit refunded on completion of renovation work on the new Milan Viale Sarca office.

Other medium/long-term receivables, amounting to Euro 1,034 thousand, refer to the value of advances to suppliers recorded in the financial statements at their estimated realizable value and are therefore shown net of the related bad debt provision.

PROVISION FOR WRITE-DOWN OF OTHER NON-CURRENT ASSETS

Euro thousands	Opening Balance	Allocations	Reclassification from bad debt provision for trade receivables	Reclassification from bad debt provision Other current receivables	Closing Balance
Provision for write-down of other non-current assets	-	(589)	(100)	(1,729)	(2,418)
Total	**-**	**(589)**	**(100)**	**(1,729)**	**(2,418)**

(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 31 December 2021 and 31 December 2020 of deferred tax assets and deferred tax liabilities are shown below:

DEFERRED TAX ASSETS AND LIABILITIES			
	31.12.2021	31.12.2020	Changes
Deferred tax assets	20,529	22,604	(2,075)
Deferred tax liabilities	5,216	5,617	(401)

Deferred tax assets relate to tax assets recognized on tax losses that can be carried forward for Euro 18,711 thousand and to assets recognized on other temporary differences for Euro 1,819 thousand.

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 2026-2028, 55% for the period 2029-2031 and 100% beyond 2031.

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 waives the recognition of deferred tax assets on new temporary differences arising from the 2019 financial year.

The total theoretical tax asset on losses, which the Group waived (determined on the basis of the last tax return filed) amounted to Euro 74.2 million.

Deferred tax assets recorded on tax losses decreased by Euro 456 thousand. The change is attributable to the use with respect to the result for the year 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 2021, these temporary differences were reduced, resulting in the use of deferred tax assets of Euro 1,617 thousand.

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

During the year, deferred tax liabilities were reduced by:

- Euro 370 thousand relating to the transition from "indefinite useful life" to "finite useful life" of concessions and radio frequencies, which led to recognition of non-deductible amortization expense for statutory purposes. In this regard, it should be noted that the impairment test on frequencies did not have any effect on deferred tax liabilities, as it only affected frequencies for which no taxable temporary differences had been recorded;
- Euro 24 thousand due to the cancellation of differences recorded during the period as a result of sublease dynamics;
- Euro 7 thousand for the cancellation of deferred taxes posted on consolidation differences.

Details at 31 December 2021 and 2020 of deferred tax assets and deferred tax liabilities are shown in the following table:

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES						
Euro thousands	Assets		Liabilities		Net	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Property, plant and equipment	532	1,081	(15)	(50)	517	1,031
Intangible assets	(0)	30	(5,201)	(5,571)	(5,201)	(5,541)
Receivables and provisions	1,287	2,313	-	(7)	1,287	2,306
Other	-	12	-	12	-	24
Losses that can be carried forward	18,711	19,167	-	-	18,711	19,167
Deferred tax assets (liabilities)	**20,530**	**22,603**	**(5,216)**	**(5,616)**	**15,314**	**16,988**
Offsetting of taxes	-	-	-	-	-	-
Net deferred tax assets (liabilities)	**20,530**	**22,603**	**(5,216)**	**(5,616)**	**15,314**	**16,988**

CHANGES IN DEFERRED TAX ASSETS/LIABILITIES OF THE GROUP			
Euro thousands	31.12.2021	31.12.2020	Recognized in the separate income statement
Property, plant and equipment	517	1,031	(514)
Intangible assets	(5,201)	(5,541)	340
Receivables and provisions	1,287	2,306	(1,019)
Other	-	24	(24)
Losses that can be carried forward	18,711	19,167	(456)
Deferred tax assets (liabilities)	**15,315**	**16,987**	**(1,674)**

Current assets

(7) Inventories

INVENTORIES			
Euro thousands	31.12.2021	31.12.2020	Changes
Paper	844	1,528	(684)
Inks	27	33	(6)
Photographic material	9	24	(15)
Raw, ancillary and consumable materials	**880**	**1,585**	**(705)**
Work in progress and semi-finished products	**2**	**1**	**1**
Books	910	533	377
Other products	694	365	329
Provision for write-down of finished products	(827)	(592)	(235)
Finished products	**777**	**307**	**470**
Total	**1,659**	**1,893**	**(234)**

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

PROVISION FOR WRITE-DOWNS OF FINISHED PRODUCTS				
Euro thousands	Opening Balance	Allocations	Use of provisions	Closing Balance
Provision for write-down of finished products	(592)	(243)	7	(827)

(8) Trade receivables

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

TRADE RECEIVABLES			
Euro thousands	31.12.2021	31.12.2020	Changes
Receivables from customers	70,677	62,845	7,832
Provision for returns to be received	(524)	(400)	(124)
Bad debt provision	(4,319)	(3,558)	(761)
Total	**65,835**	**58,887**	**6,948**

The Group's trade receivables amounted to Euro 65,835 thousand at 31 December 2021 and are recorded net of securitized receivables sold without recourse for Euro 3,461 thousand.

The Group's trade receivables include securitized receivables assigned with recourse for Euro 15,779 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 4,542 thousand, belonging to customers in the securitization portfolio but not yet sold at 31 December 2021. These receivables, which will soon be sold, amounted to Euro 1,007 thousand, referring to the portfolio of customers transferred without recourse, and to Euro 3,535 thousand, referring to the portfolio of customers transferred with recourse.

SECURITIZED LOANS		
Euro thousands	Nominal value receivables assigned at 31 December 2021	Nominal value receivables to be assigned at 31 December 2021
Receivables securitized without recourse	3,461	1,007
Receivables securitized with recourse	15,779	3,535
Total	**19,240**	**4,542**

The value of trade receivables is shown net of the provision for returns to be received, amounting to Euro 524 thousand, which will occur in the following year and net of the bad debt provision of Euro 4,319 thousand.

Changes in these provisions were as follows:

PROVISION FOR RETURNS TO BE RECEIVED AND BAD DEBT PROVISION					
Euro thousands	Opening Balance	Allocations	Use of provisions and other changes	Reclassification of Other non-current assets	Closing Balance
Provision for returns to be received	(400)	(483)	360	-	(524)
Bad debt provision	(3,558)	(1,800)	939	100	(4,319)
Total	**(3,958)**	**(2,283)**	**1,299**	**100**	**(4,842)**

(9) Other receivables

The item amounted to Euro 2,588 thousand and the breakdown is as follows:

OTHER RECEIVABLES			
Euro thousands	31.12.2021	31.12.2020	Change
Ordinary supplier advances	1,912	5,610	(3,697)
Tax receivables	48	482	(434)
Current taxes	113	118	(5)
Receivables relating to personnel	63	67	(4)
Other receivables	453	632	(179)
Bad debt provision - other receivables	(1)	(1,729)	1,728
Total	**2,588**	**5,180**	**(2,592)**

Ordinary supplier advances include advances to agents of Euro 663 thousand. The change in supplier advances also includes a reclassification to other non-current assets.

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

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

The bad debt provision, aimed to adjust the value of advances to suppliers recorded in the financial statements to their estimated realizable value was reclassified under other non-current assets.

Tax receivables are broken down as follows:

TAX RECEIVABLES			
Euro thousands	31.12.2021	31.12.2020	Changes
VAT Receivable	(0)	469	(469)
Other tax receivables	2	-	2
Receivables from foreign tax authorities	46	13	33
Total	**48**	**482**	**(434)**

Receivables from personnel amounting to Euro 63 thousand refer to provisions for employee expenses.

Other receivables, which amounted to Euro 453 thousand, are broken down as follows:

OTHER RECEIVABLES		
Euro thousands	31.12.2021	31.12.2020
Receivables from Poste Italiane	13	129
Receivables from social security institutions	290	19
Receivables for reimbursement of legal fees	61	65
Receivables for municipal taxes	-	50
Other	90	369
Total	**453**	**632**

(10) Other current financial assets

Other current financial assets amounted to Euro 5,641 thousand.

OTHER CURRENT FINANCIAL ASSETS			
Euro thousands	31.12.2021	31.12.2020	Changes
Financial receivables	5,429	15,887	(10,458)
Short-term financial receivables IFRS 16	25	117	(92)
Other receivables	187	-	187
Total	**5,641**	**16,004**	**(10,363)**

The change in financial receivables refers to the collection of Euro 16,500 thousand, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5,429 thousand restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office.

Short-term financial receivables IFRS 16 amounted to Euro 25 thousand and refer to receivables relating to the sublease of properties to third parties. The decrease is attributable to collections during the year.

(11) Other current assets

Other current assets consist of prepaid expenses and refer to:

PREPAID EXPENSES			
Euro thousands	31.12.2021	31.12.2020	Changes
Agents' commissions	3,673	3,560	113
User licence fees	474	325	149
Expenses for the organization of conferences, exhibitions and fairs	423	125	298
Hardware and software maintenance fees	302	374	(72)
Royalties on software fees	254	186	68
Insurance premiums	137	18	119
Provision of IT services	53	43	10
Other	245	182	63
Total	**5,561**	**4,813**	**748**

(12) Cash and cash equivalents

Cash and cash equivalents amounted to Euro 35,774 thousand, down Euro 5,145 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 net of current account overdrafts and portions of bank loans falling due within one year, as shown below:

CASH AND CASH EQUIVALENTS			
Euro thousands	31.12.2021	31.12.2020	Change
Cash and cash equivalents	35,744	40,889	(5,145)
Short-term portion of the payable to MPS Leasing & Factoring	-	(643)	643
Cash and cash equivalents at the end of the year	**35,744**	**40,246**	**(4,502)**

Following early termination of the lease contract with MPS Leasing & Factoring S.p.A., the residual value of the debt, amounting to Euro 643 thousand at 31 December 2020, was settled.

Equity

(13) Equity

Consolidated equity at 31 December 2021 amounted to Euro 13,851 thousand and compared to a figure of Euro 35,320 thousand at 31 December 2020, decreased by Euro 21,479 thousand from the previous year due to the following effects:

- loss for the year of Euro 21,029 thousand;
- actuarial adjustments to employee severance indemnities and income recognized in equity for Euro 440 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 at 31 December 2020 to a negative value of Euro 5,294 thousand at 31 December 2021 for the actuarial adjustment of the TFR.

(17) Profits (losses) carried forward

Profits (losses) carried forward were positive at Euro 20,151 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 year

At 31 December 2021, a loss of Euro 21,029 thousand was recorded. The loss per share is equal to Euro -0.32 and is determined by the ratio between the result attributable to shareholders of the parent company, negative for Euro 21,029 thousand, and the weighted average number of shares outstanding during the year, equal to 65,015,595.

The following tables show the reconciliation with the financial statements of the Parent Company:

RECONCILIATION OF NET PROFIT (LOSS) OF THE PARENT COMPANY WITH NET PROFIT (LOSS) OF THE CONSOLIDATED FINANCIAL STATEMENTS

Euro thousands	FY 2021	FY 2020
Net profit (loss) from annual financial statements - Parent Company Il Sole 24 ORE S.p.A.	**(21,021)**	**(1,011)**
Profit (loss) for the year of subsidiaries	(1,479)	562
Valuation at equity of subsidiaries on the Parent Company financial statements	2,760	(540)
Write-down of goodwill Events	(1,295)	-
Other intra-group changes	7	
Net profit (loss) from consolidated financial statements - 24 ORE Group	**(21,029)**	**(989)**

RECONCILIATION OF PARENT COMPANY AND CONSOLIDATED EQUITY

Euro thousands	31.12.2021	31.12.2020
Equity from annual financial statements - Parent Company Il Sole 24 ORE S.p.A.	**13,851**	**35,327**
Investments in subsidiaries	(9,098)	(11,709)
Equity and profit (loss) of consolidated companies	3,694	5,159
Goodwill Events	5,255	6,550
Other intra-group changes	0	(7)
Equity from consolidated financial statements - 24 ORE Group	**13,851**	**35,320**

STATEMENT OF OTHER COMPREHENSIVE INCOME WITH RELATED TAX EFFECTS

Euro thousands	FY 2021		FY 2020	
	Gross value	Tax effect	Gross value	Tax effect
Other components of comprehensive income				
Actuarial gains (losses) on defined-benefit plans	(472)		(269)	
Effective portion of changes in fair value of cash flow hedges	-		-	
Total	**(472)**	**-**	**(269)**	**-**

Non-current liabilities

(19) Non-current financial liabilities

Non-current financial liabilities amounted to Euro 82,464 thousand and comprise:

NON-CURRENT FINANCIAL LIABILITIES			
Euro thousands	31.12.2021	31.12.2020	Changes
Financial payables IFRS 16	36,867	37,934	(1,067)
Non-convertible senior unsecured bond	42,635	-	42,635
Financial payables to MPS Leasing & Factoring	-	3,731	(3,731)
Other financial payables	2,961	4,870	(1,910)
SACE medium/long-term guaranteed financing	-	35,264	(35,264)
Total	**82,464**	**81,799**	**665**

Non-current financial liabilities include the senior unsecured and non-convertible bond with a principal amount of Euro 45 million and a duration of 7 years, repayable at maturity in one instalment (bullet repayment) only to qualified investors. 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% and annual payment. This bond, which allowed for the voluntary early repayment of the loan of Euro 37.5 million was entered into on 20 July 2020, backed by a SACE guarantee pursuant to the Liquidity Decree. The initial measurement of financial liabilities was carried out at fair value, net of transaction costs that are directly attributable to underwriting (Euro 2,487 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 36,867 thousand were recorded at 31 December 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 1,067 thousand is mainly attributable to payments during the year.

The item other financial payables amounting to Euro 2,961 thousand is attributable to the present value at 31 December 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%.

The payable to MPS Leasing & Factoring was settled on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

(20) Employee benefits

Employee benefits amounted to Euro 15,329 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	59	76	472	(1,052)	15,329
Total	**15,774**	**59**	**76**	**472**	**(1,052)**	**15,329**

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 0.8% based on Euro area High Quality Corporate Bonds;
- the inflation rate used was 1.8%;
- 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 31 December 2021 amounted to Euro 8,819 thousand and changed as follows:

PROVISION FOR RISKS AND CHARGES

Euro thousands	Opening Balance	Allocations	Use of provisions	Releases	Closing Balance
Provision for litigation	2,084	1,785	(999)	(669)	2,201
Provision for other risks	5,194	210	(119)	(1,158)	4,126
Provision for agents' indemnities	2,370	373	(211)	(40)	2,491
Total	**9,648**	**2,368**	**(1,329)**	**(1,868)**	**8,819**

The provision for litigation (Euro 2,201 thousand) covers risks known at the date of preparation of these consolidated financial statements. These risks relate primarily to litigation involving personnel and agents (Euro 1,583 thousand), litigation against the newspaper (Euro 384 thousand) and Radio (Euro 155 thousand), and other litigation (Euro 11 thousand).

Uses of the provision for litigation amounted to Euro 999 thousand and consisted primarily of litigation involving the newspaper (Euro 70 thousand), litigation involving personnel and agents (Euro 814 thousand), Radio (Euro 42 thousand) and other litigation (Euro 73 thousand). Releases totalled Euro 669 thousand, of which Euro 641 thousand related to personnel and agent disputes, Euro 12 thousand to disputes brought against the newspaper, Euro 6 thousand to Radio and Euro 10 thousand to other disputes.

Allocations to the provision for litigation of Euro 1,785 thousand relate to litigation involving personnel and agents for Euro 1,597 thousand, litigation against the newspaper for Euro 102 thousand, against the radio station for Euro 68 thousand and other litigation for Euro 18 thousand.

The provision for other risks amounted to Euro 4,126 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. Provisions of Euro 30 thousand were made during the year;
- risks relating to potential critical issues in the application and management of social shock absorbers amounting to Euro 464 thousand. At 31 December 2021, the provision was

recalculated on the basis of the residual potential criticalities, the effect of this assessment led to the recognition of a gain of Euro 1,131 thousand. A provision of Euro 16 thousand was also made;
- risks for disputes relating to the company 24 ORE Cultura S.r.l. for a total of Euro 538 thousand. Provisions of Euro 85 thousand were made during the year, compared with the previous year, in relation to risks associated with the higher expected cost of a current exhibition at 31 December 2021;
- risks for terminated agents amounting to Euro 816 thousand. In 2021, there were uses of Euro 113 thousand, releases of Euro 28 thousand and provisions for contingent liabilities of Euro 24 thousand;
- risks for a claim for contractual damages amounting to Euro 400 thousand, in respect of a dispute underway;
- risks for other disputes totalling Euro 54 thousand set aside during the year to cover Radio contingent liabilities;
- other risks for a total of Euro 14 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:
- discount rate 0.80%
- mortality tables IPS55
- disability tables INPS
- voluntary turnover rate 8.0%
- corporate turnover rate 8.0%
- retirement current compulsory general insurance requirements.

(22) Other non-current liabilities

Other non-current liabilities, totalling Euro 9,948 thousand, include Euro 9,385 thousand relating to the medium-term portion of the liability recognized in relation to restructuring expenses incurred during the year and Euro 112 thousand for security deposits received for the sublease of properties in Milan.

Current liabilities

(23) Bank overdrafts and loans due within one year

These amount to Euro 15,779 thousand (Euro 17,188 thousand in the previous year) and refer to the financial payable relating to the securitization of trade receivables with recourse.

CURRENT BANK OVERDRAFTS AND LOANS			
Euro thousands	31.12.2021	31.12.2020	Changes
Financial payable for securitization with recourse	15,779	16,545	(766)
Short-term portion of the payable to MPS Leasing & Factoring	-	643	(643)
Total	**15,779**	**17,188**	**(1,408)**

(24) Other current financial liabilities

Other current financial liabilities amounted to Euro 6,991 thousand (Euro 8,803 thousand at 31 December 2020) and mainly relate to 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 of

Euro 3,047 thousand. The item other financial payables for non-recourse management and other payables amounting to Euro 3,012 thousand includes: *i)* the financial payable of Euro 840 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 agreement for the Milan - Via Monte Rosa office.

OTHER CURRENT FINANCIAL LIABILITIES

Euro thousands	31.12.2021	31.12.2020	Changes
Financial payables IFRS 16	3,047	2,510	537
Financial payables for non-recourse management and other payables	3,012	4,505	(937)
Short-term portion of Non-convertible senior unsecured bond	933		377
Short-term portion of SACE guaranteed financing	-	1,788	(1,788)
Total	**6,991**	**8,803**	**(1,812)**

(25) Trade payables

TRADE PAYABLES

Euro thousands	31.12.2021	31.12.2020	Changes
Suppliers	32,037	41,808	(9,771)
Deferred income	30,860	31,322	(462)
Trade payables to associated companies and minorities	8	73	(65)
Other trade payables	5,753	5,900	(147)
Total	**68,658**	**79,104**	**(10,445)**

Trade payables, amounting to Euro 68,658 thousand, decreased by Euro 10,445 thousand compared to the previous year.

Deferred income is broken down as follows:

DEFERRED INCOME

Euro thousands	31.12.2021	31.12.2020	Changes
Electronic publishing by subscription	25,620	25,539	81
Subscriptions Il Sole 24 ORE Newspaper	2,373	2,619	(246)
Services	1,046	1,342	(296)
Subscription software	940	689	251
Sale of magazines	798	1,049	(251)
Other deferred income	83	84	(1)
Total	**30,860**	**31,322**	**(462)**

Other trade payables amounted to Euro 5,753 thousand, of which Euro 4,241 thousand relate to payables to agents.

(26) Other current liabilities

Other current liabilities amounted to Euro 217 thousand (Euro 424 thousand at 31 December 2020) and consisted of:

OTHER CURRENT LIABILITIES			
Euro thousands	31.12.2021	31.12.2020	Changes
Accrued liabilities	10	9	1
Current tax liabilities	207	415	(208)
Total	**217**	**424**	**(207)**

(27) Other payables

Other payables amounted to Euro 21,290 thousand (Euro 20,605 thousand at 31 December 2020) and consisted of the following:

OTHER PAYABLES			
Euro thousands	31.12.2021	31.12.2020	Changes
Payables to personnel for restructuring	7,157	7,440	(283)
13th and 14th monthly salaries accrued but not paid	1,426	1,549	(123)
Social security institutions	5,667	5,483	184
Payables for holidays accrued and not taken and other amounts	2,490	2,338	152
Tax payables	4,038	3,328	710
Other payables	513	466	47
Total	**21,290**	**20,605**	**685**

Payables to personnel for restructuring, amounting to Euro 7,157 thousand, relate to the liability recorded for short-term restructuring expenses. Disbursements for restructuring expenses made in 2021, in accordance with the plans, amounted to Euro 4,763 thousand (Euro 1,720 thousand in 2020). In 2021, on the basis of actions to reorganize the Group's structure, the liability recorded in the financial statements for restructuring expenses to personnel was restated, resulting in the recognition of a total expense of Euro 13,864 thousand (Euro 2,736 thousand in 2020), including Euro 7,157 thousand in the short term.

Tax payables amounted to Euro 4,038 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	31.12.2021	31.12.2020	Changes
Withholding taxes on employee income	2,910	2,745	166
Withholding taxes on self-employment income	332	204	128
VAT payable and pro rata	580	285	295
Payables to foreign tax authorities	127	73	54
Other tax payables	88	22	66
Total	**4,038**	**3,328**	**709**

Statement of profit (loss)

(28) Revenues

REVENUES				
Euro thousands	FY 2021	FY 2020	Change	% change
Publishing revenues	100,907	101,958	(1,051)	-1.0%
Advertising revenues	88,212	78,877	9,334	11.8%
Other revenues	14,427	10,142	4,285	42.3%
Total	**203,545**	**190,976**	**12,569**	**6.6%**

In 2021, the 24 ORE Group reported **consolidated revenues** of Euro 203,545 thousand, up Euro 12,569 thousand (+6.6%) compared to the previous year.

Publishing revenues amounted to Euro 100,907 thousand, a decrease of Euro 1,051 thousand (-1.0%) compared to 2020, when they amounted to Euro 101,958 thousand.

Advertising revenues of Euro 88,212 thousand were up Euro 9,334 thousand (+11.8%) compared to 2020.

Other revenues of Euro 14,427 thousand were up Euro 4,285 thousand (+42.3%) compared to 2020.

(29) Other operating income

OTHER OPERATING INCOME				
Euro thousands	FY 2021	FY 2020	Change	% change
Releases of provisions	1,868	1,983	(115)	-5.8%
Contributions	1,703	4,286	(2,582)	-60.3%
Recovery of sundry expenses	1,083	2,336	(1,253)	-53.6%
Contingent assets	210	369	(159)	-43.1%
Lease income	90	98	(8)	-8.1%
Other	259	302	(43)	-14.2%
Total	**5,215**	**9,375**	**(4,161)**	**-44.4%**

Releases of provisions amounted to Euro 1,868 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 1,703 thousand include income of Euro 1,403 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	FY 2021	FY 2020	Change	% change
Wages, salaries and remuneration	54,355	53,622	733	1.4%
Contributions and pension fund	18,251	18,222	29	0.2%
Employee severance indemnity (TFR)	3,926	4,128	(202)	-4.9%
Overtime, holidays and other costs and income	13,882	2,720	11,162	n.s.
Total personnel costs	**90,414**	**78,692**	**11,722**	**14.9%**
of which non-recurring (expenses) and income	(13,864)	(2,736)	(11,128)	n.s.
Total personnel costs net of non-recurring expenses and income	**76,550**	**75,956**	**593**	**0.8%**

Personnel costs of Euro 90,414 thousand increased by Euro 11,722 thousand compared to 2020, when they amounted to Euro 78,692 thousand. The average number of employees, 821, decreased by 43 compared to the previous year when it was 863.

Personnel costs net of non-recurring income and expenses amounted to Euro 76,550 thousand, up Euro 593 thousand (Euro 75,956 thousand in 2020; +0.8% vs. 2020). In 2021, the liability to personnel for restructuring expenses was restated and an expense of Euro 13,864 thousand was recognized (in 2020, an expense of Euro 2,736 thousand had been recorded). The allocation of these expenses was made on the basis of the actions for the reorganization of the Group structure communicated on 8 November 2021 to the trade unions, and saw an anticipation to the current year 2021 of the simplification and rationalization actions already present overall in the 2021-2024 Business Plan approved on 25 February 2021.

In 2021, personnel costs of Euro 877 thousand (Euro 1,050 thousand in 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	FY 2021	FY 2020	Change	% change
Purchase of paper	2,993	3,336	(343)	-10.3%
Purchase of goods for resale	415	58	357	>100%
Purchase of photographic material and ink	49	391	(342)	-87.5%
Purchase of material for plant maintenance	63	312	(249)	-79.9%
Purchase of fuel	175	220	(45)	-20.4%
Other sundry costs	48	126	(78)	-61.8%
Adjustments previous years	(78)	0	(78)	n.s.
Total	**3,665**	**4,444**	**(778)**	**-17.5%**

Purchases of raw and consumable materials amounted to Euro 3,665 thousand, down by Euro 778 thousand (-17.5%) compared to 2020 (amounting to Euro 4,444 thousand) and are mainly represented by the purchase of paper.

(32) Costs for services

COSTS FOR SERVICES				
Euro thousands	FY 2021	FY 2020	Change	% change
Commissions and other sales expenses	18,080	16,838	1,242	7.4%
Distribution costs	16,870	18,188	(1,318)	-7.2%
IT and Software services	7,258	7,487	(229)	-3.1%
Editorial costs	6,671	6,349	322	5.1%
Promotional and commercial expenses	9,571	6,177	3,394	54.9%
Costs for conferences and exhibitions	4,129	2,859	1,270	44.4%
Other consultancy costs	4,057	4,193	(136)	-3.2%
Printing costs	5,321	2,028	3,293	162.4%
Utilities (telephone, energy, water, etc.)	2,265	2,970	(705)	-23.7%
Administrative services	532	976	(444)	-45.5%
Fees for Corporate Bodies and Independent Auditors	1,480	1,540	(60)	-3.9%
Sundry production costs	2,655	1,839	816	44.4%
General services expenses	1,592	1,461	131	9.0%
Maintenance and repair expenses	1,701	1,943	(242)	-12.5%
News agency costs	1,308	1,390	(82)	-5.9%
Insurance expenses	983	740	243	32.9%
Employee services	1,323	1,084	239	22.1%
News purchase costs	1,359	1,326	33	2.5%
Preparation costs	1,115	1,518	(403)	-26.5%
Reimbursement of personnel expenses	270	288	(18)	-6.3%
Bank fees	929	969	(40)	-4.1%
Product storage costs	475	434	41	9.4%
Packaging costs	79	134	(55)	-40.9%
Adjustments previous years	(459)	(946)	487	51.5%
Total	**89,564**	**81,785**	**7,779**	**9.5%**

Costs for services amounted to Euro 89,564 thousand and were up overall by Euro 7,779 thousand (+9.5%) compared to 2020, when they amounted to Euro 81,785 thousand.

In particular, it should be noted that:

- commissions and other sales expenses increased by Euro 1,242 thousand (7.4% from Euro 16,838 to 18,080 thousand);
- printing costs were up Euro 3,293 (+162.4% from Euro 2,028 to 5,321 thousand) correlated to the new production structure;
- promotional and commercial expenses increased by Euro 3,394 thousand (+54.9% from Euro 6,177 to Euro 9,571 thousand), also in relation to the launch of the new newspaper;
- costs for conferences and exhibitions increased by Euro 1,270 thousand (+44.4% from Euro 2,859 to 4,129 thousand);
- distribution costs were down Euro 1,318 thousand (-7.2% from Euro 18,188 to 16,870 thousand);
- costs for administrative services decreased by Euro 444 thousand (-45.5% from Euro 976 to 532 thousand);
- costs for utilities decreased by Euro 705 thousand (-23.7% from Euro 2,970 to 2,265 thousand).

(33) Costs for rents and leases

COSTS FOR RENTS AND LEASES				
Euro thousands	FY 2021	FY 2020	Change	% change
Royalties	1,495	1,267	228	18.0%
Other fees	1,904	1,614	290	17.9%
Rental fees and ancillary costs for mixed use cars	1,025	958	66	6.9%
Lease expenses and other condominium expenses	722	1,771	(1,049)	-59.3%
Copyrights	682	366	316	86.3%
Rental fees and ancillary costs for radio broadcasting systems	248	286	(38)	-13.3%
Hardware rental-lease fees	66	94	(28)	-29.5%
Other sundry costs	61	214	(153)	-71.5%
Adjustments previous years	(423)	(486)	64	13.1%
Total	**5,779**	**6,084**	**(305)**	**-5.0%**

Costs for rents and leases amounted to Euro 5,779 thousand and decreased by Euro 305 thousand compared to 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	FY 2021	FY 2020	Change	% change
Other taxes and duties	1,499	945	555	58.7%
VAT to be paid by the Publisher	338	396	(58)	-14.6%
Entertainment expenses	91	66	26	39.2%
Purchase of newspapers and magazines	284	291	(6)	-2.1%
Expenses for membership fees	292	307	(15)	-4.9%
Other sundry expenses	650	568	82	14.4%
Adjustments previous years	(65)	(64)	(1)	-1.1%
Total	**3,090**	**2,508**	**582**	**23.2%**

Other operating expenses amounted to Euro 3,090 thousand in 2021, up by Euro 582 thousand (Euro 2,508 thousand in 2020) mainly due to the increase in the item other taxes and duties for Euro 555 thousand attributable to the higher 2021 pro-rata VAT effect of the subsidiary 24 ORE Cultura S.r.l..

(35) Impairment of tangible and intangible assets

The item "Impairment of tangible and intangible assets", amounting to Euro 8,966 thousand, primarily refers to write-downs of radio frequencies totalling Euro 5,383 thousand and write-downs of goodwill allocated to the Events area arising from impairment testing, for which reference should be made to the specific paragraph. Software was also written down by Euro 2,100 thousand, due to software developments that have become obsolete on the basis of new projects underway.

On 30 November 2021, the amount due to MPS Leasing & Factoring S.p.A. was repaid following early termination of the lease agreement for the rotary press in Medicina (Bologna), and an impairment loss of Euro 188 thousand was recorded as a result of the write-off of the residual value of the debt recorded and the write-down of the redemption value of the rotary press.

The breakdown of the item is as follows:

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS		
Euro thousands	FY 2021	FY 2020
Write-down of radio frequencies	(5,383)	
Write-down of goodwill Events	(1,295)	
Write-down of capitalized software	(2,100)	
Early termination of the lease agreement for the rotary press in Medicina (BO)	(188)	
Impact of IFRS 16 - contractual change of sub-lease Business School24 - Mudec		(662)
Write-down of rotary press of Medicina (BO)		(33)
Total impairment losses on assets	**(8,966)**	**(696)**

(36) Gains/losses on disposal non-current assets

Gains of Euro 95 thousand were recorded during 2021 (gains of Euro 14 thousand in 2020).

(37) Financial income (expenses)

FINANCIAL INCOME (EXPENSES)				
Euro thousands	FY 2021	FY 2020	Change	% change
Other financial income	691	761	(70)	-9.1%
Exchange rate gains	6	20	(14)	-70.3%
Total income	**697**	**781**	**(83)**	**-10.7%**
Exchange rate losses	(23)	(14)	(10)	-70.6%
Financial expenses on short-term payables	(1,295)	(709)	(586)	-82.7%
Financial expenses from amortized cost	(602)	(247)	(355)	-144.0%
Other financial expenses	(2,509)	(1,859)	(651)	-35.0%
Total expenses	**(4,431)**	**(2,828)**	**(1,602)**	**-56.7%**
Total	**(3,733)**	**(2,047)**	**(1,687)**	**-82.4%**

Net financial income and expenses were a negative Euro 3,733 thousand and increased by Euro 1,687 thousand compared to 2020.

Financial expenses on short-term payables include interest on the loan backed by a SACE guarantee and interest on the unsecured non-convertible bond.

The application of IFRS 16 resulted in the recognition of negative financial income and expenses of Euro 1,223 thousand (Euro 569 thousand in 2020).

(38) Other income from investment assets and liabilities

Other income from investment assets and liabilities amounted to Euro 28 thousand (Euro 103 thousand in 2020) and refer to the fair value measurement of minority investments.

(39) Income taxes

The main components of income taxes for the periods ended 31 December 2021 and 31 December 2020 are as follows:

TAXES			
Euro thousands	FY 2021	FY 2020	Change
IRAP	(525)	(491)	(34)
Taxes of previous years	210	6	204
Foreign taxes	(54)	(49)	(6)
Total current taxes	**(370)**	**(534)**	**164**
Use of provision for deferred taxes	401	379	22
Deferred tax assets/liabilities	(2,075)	(1,157)	(918)
Deferred tax assets/liabilities	**(1,674)**	**(778)**	**(896)**
Total	**(2,044)**	**(1,312)**	**(732)**

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 2021, the tax result of most of the Group's Italian companies was negative.

As a result of the IRES loss, no expense was recognized under this heading. However, the company recognized an expense for IRAP due to the different tax base composition rules. Taxes recorded in excess in previous years were also recognized.

Deferred tax assets of Euro 2,075 thousand were cancelled in 2021, including Euro 456 thousand on prior-year losses. Deferred tax liabilities of Euro 401 thousand were also cancelled, including Euro 370 thousand relating to the transition from "indefinite useful life" to "finite useful life" of concessions and radio frequencies, which led to non-deductible amortization for statutory purposes, as well as Euro 24 thousand due to the cancellation of differences recorded during the period as a result of sublease dynamics and Euro 7 thousand for the cancellation of deferred taxes recorded on consolidation differences.

Pending a return to positive tax results, neither deferred tax assets on operating losses nor deferred tax assets on newly taxed temporary differences were recognized.

The table below shows the reconciliation between the theoretical IRES rate and the effective IRES rate.

RECONCILIATION BETWEEN CURRENT TAX EXPENSE AND THEORETICAL TAX EXPENSE (IRES)				
Euro thousands	31/12/2021	%	31/12/2020	%
Profit (loss) before taxes from continuing operations	(18,985)		324	
Theoretical IRES	**4,556**	**24.0%**	**(78)**	**24%**
Tax effect increases/decreases	(1,650)		403	
Effect on foreign result	-		(49)	
Unrealized losses	(2,907)		(770)	
Use of previous losses	(0)		494	
IRES recorded in the financial statements	**-**	**0.0%**	**-**	**0.0%**

The table below shows the reconciliation between the theoretical IRAP rate and the effective IRAP rate.

RECONCILIATION BETWEEN CURRENT TAX EXPENSE AND THEORETICAL TAX EXPENSE (IRAP)				
Euro thousands	31/12/2021	%	31/12/2020	%
Difference between production value and costs (operating result) aggregate Italian companies	(15,279)		2,819	
Theoretical IRAP	**596**	**3.9%**	**-110**	**3.9%**
Non-deductible personnel cost	(643)	-4.2%	(189)	6.7%
Write-downs of fixed assets	(299)			
Bad debt	(93)	-0.6%	(117)	4.2%
Provisions	22	0.1%	(28)	1.0%
Other changes	(79)	-0.5%	(18)	0.6%
Adjustments for increased rates	(29)	-0.2%	(29)	1.0%
IRAP recorded in the financial statements	**(525)**	**-3.4%**	**(491)**	**17.4%**

12. 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.

It should be noted that the 2020 comparative figures have been appropriately reclassified to reflect the new organization. In particular, the results of Radiocor Plus operating sector are included in the Professional Services area (in the 2020 financial statements, they were shown in the Publishing & Digital area).

The Group's operating segments, which are indicated separately, are as follows:

- **Publishing & Digital** is the division that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, products attached to the newspaper, magazines, add-ons and the website;
- **Professional Services** 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. In addition, the Radiocor Plus news agency falls under the responsibility of this division;

- **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 measurement of the segment profit or loss;
- intersegment revenues for the measurement of segment profit or loss;
- write-downs and depreciation/amortization for the measurement of segment profit or loss;
- a measurement 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	Impairment of tangible and intangible assets	Gains/losses	EBIT
PUBLISHING & DIGITAL								
FY 2021	55,404	48,533	103,937	6,528	(4,850)	(720)	66	1,024
FY 2020	58,348	42,711	101,059	11,656	(4,717)	(33)	1	6,906
PROFESSIONAL SERVICES								
FY 2021	54,166	244	54,411	14,200	(1,166)	(307)	0	12,727
FY 2020	50,946	392	51,338	13,674	(1,181)	-	1	12,494
RADIO								
FY 2021	236	16,137	16,373	1,805	(3,225)	(5,386)	22	(6,785)
FY 2020	164	15,755	15,919	2,825	(1,375)	-	4	1,453
SYSTEM								
FY 2021	84,849	(1,700)	83,148	(250)	(28)	-	-	(278)
FY 2020	77,789	(2,205)	75,584	554	(28)	-	-	526
EVENTS								
FY 2021	4,007	2,388	6,394	1,878	(7)	(1,295)	-	577
FY 2020	1,681	2,662	4,343	1,027	(5)	-	-	1,022
CULTURE								
FY 2021	4,883	603	5,486	(2,584)	(429)	-	0	(3,013)
FY 2020	2,048	434	2,482	631	(485)	(662)	-	(517)
CORPORATE AND CENTRALIZED SERVICES								
FY 2021	1	-	1	(10,321)	(7,958)	(1,258)	7	(19,531)
FY 2020	1	-	1	(10,248)	(9,376)	-	9	(19,617)
CONSOLIDATED								
FY 2021	**203,545**	**-**	**203,545**	**11,255**	**(17,664)**	**(8,966)**	**95**	**(15,279)**
FY 2020	**190,976**	**-**	**190,976**	**20,119**	**(17,169)**	**(696)**	**14**	**2,268**

BUSINESS BY SECTOR

SECTOR	Property, plant and equipment	Goodwill	Intangible assets	Trade receivables
PUBLISHING & DIGITAL				
31.12.2021	8,942	-	4,919	4,057
31.12.2020	10,698		4,702	5,765
PROFESSIONAL SERVICES				
31.12.2021	317	15,469	1,891	25,938
31.12.2020	36	15,469	2,059	22,152
RADIO				
31.12.2021	4,429	-	20,797	14
31.12.2020	4,478		28,150	-
SYSTEM				
31.12.2021	54	-	-	33,228
31.12.2020	49		-	28,958
CULTURE				
31.12.2021	2,008	-	77	517
31.12.2020	2,303		94	649
EVENTS				
31.12.2021	5	5,255	38	1,979
31.12.2020	5	6,550		1,207
CORPORATE AND CENTRALIZED SERVICES				
31.12.2021	40,175	-	4,145	102
31.12.2020	42,064		5,908	155
CONSOLIDATED				
31.12.2021	**55,930**	**20,724**	**31,868**	**65,835**
31.12.2020	**59,633**	**22,019**	**40,914**	**58,887**

13. Further information

13.1. 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 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 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 31 DECEMBER 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)	-	-	-	-	51	-	-	-
Total Parent Company	**-**	**-**	**-**	**-**	**51**	**-**	**-**	**-**
Key Executives	-	-	(65)	-	-	(1,783)	-	-
Board of Directors	-	-	(68)	-	-	(1,492)	-	-
Board of Statutory Auditors	-	-	(213)	-	-	(219)	-	-
Other related parties	392	-	(281)	-	513	(442)	-	-
Total other related parties	**392**	**-**	**(628)**	**-**	**513**	**(3,936)**	**-**	**-**
Total related parties	**392**	**-**	**(628)**	**-**	**564**	**(3,936)**	**-**	**-**

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 31 December 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.

At 31 December 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 half-yearly financial report.

13.2. 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	474	82	11	24	3	103	4	646	1,346
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	474	**82**	**11**	**24**	**3**	**103**	**4**	**646**	**1,346**

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. The dispute was resolved with a settlement and on 10 February 2022 the Court declared the extinction of enforcement actions.

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. At the hearing on 23 February 2022, the Court of Milan adjourned the case and granted the parties the ordinary terms for the electronic filing of closing statements and reply briefs.

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 Annual Report at 31 December 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.

13.3. Government contributions

The Group collected contributions during 2021. In detail:

CONTRIBUTIONS	
Euro thousands	31.12.2021
Restatement of losses deriving from the cancellation, following the Covid-19 epidemic emergency, of shows, fairs, conferences and exhibitions (first half of the year) art. 183 paragraph 2 Relaunch Decree 34/2020	1,364
Non-repayable grant	150
Incentives for sanitization and purchase of PPE (art. 125 Relaunch Decree 34)	24
Investment tax credit	13
Research and development contribution	7
Tax credit for lease payments	39

Pursuant to article 1, paragraphs 125 to 129 of Law no. 124 of 4 August 2017, on the transparency of public disbursements, it is noted that Entities are required to publish the contributions disbursed on the National Register of Aid, accessible at the following address: https://www.rna.gov.it/sites/PortaleRNA/it_IT/trasparenza.

13.4. Events subsequent to the end of the year

On 2 February 2022, certain changes in the parties to the shareholders' agreements entered into on 22 February 2019 (the "**Agreement**") between Confindustria and 53 other associations and entities belonging to the Confindustria system ("**Adhering Associations**") were disclosed, as amended as a result of the events disclosed in communications dated 8 June 2021, 6 August 2021, 10 November 2021, 17 November 2021, 24 November 2021, 1 December 2021, 15 December 2021 and 17 December 2021, which resulted in the reduction of the Adhering Associations from 53 to 20.

In particular, the number of Adhering Associations was further reduced from 20 to 19 as a result of the sale, completed on 28 January 2022, of the investment of Confindustria Friuli Venezia Giulia in favour of Confindustria, with the consequent exit of said Adhering Association from the Agreement. The total percentage of shares contributed to the Agreement (68.645% of share capital) did not change. As terminations were received from parties holding more than 3% of the Company's share capital in syndicated shares, the Agreement ceased to be effective on 22 February 2022.

On 25 February 2022, the Company's Board of Directors approved the 2022-2025 Plan, which confirms the strategic direction of the previous 2021-2024 Plan approved on 25 February 2021, updated in its development also in light of the changed market environment.

The evolution of the reference context has led to a revision of some initiatives included in the 2021-2024 Plan and to a rescheduling of the timing of their launch, as well as the introduction of several new initiatives.

The overall downward revision of the Group's revenues, combined with an increase in raw material procurement and operating costs to support revenue development, results in a reduction in expected margins compared to the 2021-2024 Plan.

Nonetheless, the 2022-2025 Plan confirms a progressive year-on-year improvement in economic and financial indicators, driven by the growth in consolidated revenues and the reduction in personnel costs through structural cost-cutting measures for all professional categories already launched during 2021.

The 2022-2025 Plan as a whole confirms the growth of profitability over time in all business areas, thanks to:

- ✓ product innovation;
- ✓ the strengthening of the current offer in the financial area;
- ✓ the development of partnerships aimed at promoting the Il Sole 24 ORE brand;
- ✓ the strengthening and specialization by skills of the sales networks.

Pursuing the "digital first" strategy, as an enabling element for the continuous enrichment of the multi-format and multi-platform product system of Il Sole 24 ORE and process efficiency, the 2022-2025 Plan provides for a greater drive on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The net financial position is expected to worsen in 2022 due to the acceleration of investments and disbursements related to the early exit of personnel, and then gradually improve in the following years during the Plan period.

On 10 March 2022, the Parent Company waived receivables totalling Euro 1.1 million and made a payment of Euro 1 million to the subsidiary 24 ORE Cultura S.r.l. to cover future losses.

13.5. Disclosure pursuant to Consob Regulation no. 11971 and subsequent amendments

Fees for services rendered by the independent auditors and entities belonging to their network

The following table, prepared in accordance with article 149-duodecies of Consob Regulation no. 11971 and subsequent amendments and additions, shows the fees for the year 2021 for audit and non-audit services rendered by the same independent auditors and entities belonging to its network.

INDEPENDENT AUDITORS' FEES			
Service provided	Service provider	Recipient	2021 fees
Statutory audit	EY S.p.A.	Il Sole 24 ORE S.p.A.	327
Certifications	EY S.p.A.	Il Sole 24 ORE S.p.A.	145
Other services	EY S.p.A.	Il Sole 24 ORE S.p.A.	190
Statutory audit	EY S.p.A.	Subsidiaries	44
Certifications	EY S.p.A.	Subsidiaries	
Total			**706**

13.6. Disclosure pursuant to Consob Resolution no. 15519 of 27 July 2006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Euro thousands	31.12.2021	of which related parties	31.12.2020	of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment	55,930	-	59,633	-
Goodwill	20,724	-	22,019	-
Intangible assets	31,868	-	40,914	-
Non-current financial assets	731	-	704	-
Other non-current assets	1,302	-	846	-
Deferred tax assets	20,529	-	22,604	-
Total	**131,084**	**-**	**146,719**	**-**
Current assets				
Inventories	1,659	-	1,893	-
Trade receivables	65,835	392	58,887	59
Other receivables	2,588		5,180	
Other current financial assets	5,641	-	16,004	-
Other current assets	5,561	-	4,813	-
Cash and cash equivalents	35,744	-	40,889	-
Total	**117,027**	**392**	**127,665**	**59**
Assets available for sale	-	-	-	-
TOTAL ASSETS	**248,112**	**392**	**274,384**	**59**

(*) Section 11 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	31.12.2021	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	(5,294)	-	(4,822)	-
Profits (losses) carried forward	20,151	-	21,108	-
Profit (loss) attributable to shareholders of the parent company	(21,029)	-	(989)	-
Total	**13,851**	**-**	**35,320**	**-**
Equity attributable to minority shareholders				
Capital and reserves attributable to minority shareholders	-	-	-	-
Profit (loss) attributable to minority shareholders	-	-	-	-
Total	**-**	**-**	**-**	**-**
Total equity	**13,851**	**-**	**35,320**	**-**
Non-current liabilities				
Non-current financial liabilities	82,464	-	81,799	-
Employee benefits	15,329	-	15,774	-
Deferred tax liabilities	5,216	-	5,617	-
Provisions for risks and charges	8,819	-	9,648	-
Other non-current liabilities	9,498	-	103	-
Total	**121,325**	**-**	**112,941**	**-**
Current liabilities				
Current bank overdrafts and loans	15,779	-	17,188	-
Other current financial liabilities	6,991	-	8,803	-
Trade payables	68,658	494	79,104	228
Other current liabilities	217	-	424	-
Other payables	21,290	133	20,605	176
Total	**112,936**	**628**	**126,123**	**404**
Liabilities available for sale	-	-	-	-
Total liabilities	**234,261**	**628**	**239,064**	**404**
TOTAL EQUITY AND LIABILITIES	**248,112**	**628**	**274,384**	**404**

(*) Section 11 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT (LOSS)						
Euro thousands	FY 2021	of which related parties	of which non-recurring	FY 2020	of which related parties	of which non-recurring
1) Continuing operations						
Revenues	**203,545**	**564**		**190,976**	**145**	
Other operating income	5,215	-	2,534	9,375		5,440
Personnel costs	(90,414)	(1,783)	(13,864)	(78,692)	(1,630)	(2,736)
Change in inventories	(234)			(1,004)		
Purchases of raw and consumable materials	(3,665)			(4,444)		-
Costs for services	(89,564)	(2,153)		(81,785)	(1,351)	-
Costs for rents and leases	(5,779)			(6,084)		-
Other operating expenses	(3,090)			(2,508)	-	-
Provisions	(2,368)			(2,697)	-	(327)
Bad debt	(2,390)			(3,019)		
Gross operating margin	**11,255**	**(3,372)**	**(11,330)**	**20,119**	**(2,836)**	**2,377**
Amortization of intangible assets	(8,432)			(6,285)		
Depreciation of tangible assets	(9,232)			(10,884)		
Impairment of tangible and intangible assets	(8,966)		(8,966)	(696)		(696)
Gains/losses on disposal of non-current assets	95			14		
Operating profit (loss)	**(15,279)**	**(3,372)**	**(20,296)**	**2,268**	**(2,836)**	**1,682**
Financial income	697	-		781		
Financial expenses	(4,431)	-		(2,828)	-	-
Total financial income (expenses)	**(3,733)**	**-**	**-**	**(2,047)**	**-**	**-**
Other income from investment assets and liabilities	28	-		103	-	
Profit (loss) before taxes	**(18,985)**	**(3,372)**	**(20,296)**	**324**	**(2,836)**	**1,682**
Income taxes	(2,044)	-		(1,312)	-	203
Profit (loss) from continuing operations	**(21,029)**	**(3,372)**	**(20,296)**	**(989)**	**(2,836)**	**1,885**
2) Assets held for sale						
Profit (loss) from assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Net profit (loss)	**(21,029)**	**(3,372)**	**(20,296)**	**(989)**	**(2,836)**	**1,885**
Profit (loss) attributable to minority shareholders	**-**	**-**	**-**	**-**	**-**	**-**
Profit (loss) attributable to shareholders of the parent company	**(21,029)**	**(3,372)**	**(20,296)**	**(989)**	**(2,836)**	**1,885**

(*) Section 11 of the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands	FY 2021	of which related parties	FY 2020	of which related parties
Statement items				
Profit (loss) before taxes from continuing operations attributable to the Group [a]	(18,985)		324	
Adjustments [b]	**44,740**	**-**	**23,444**	**(93)**
Amortization/Depreciation	17,664		17,169	
(Gains) losses	(95)		(14)	
Effect of valuation of investments	(28)		(40)	
Gain on disposal of minority investments	-		(62)	
Allocation and (release) of provisions for risks and charges	500		714	
Restructuring expenses	13,864		2,736	
Provision for employee benefits	135		198	(93)
Impairment of tangible and intangible assets	8,967		696	
Financial income and expenses	3,733		2,047	
Changes in operating net working capital [c]	**(22,770)**	**(109)**	**(10,071)**	**(332)**
Change in inventories	234		1,004	
Change in trade receivables	(6,948)	(333)	(3,739)	(6)
Change in trade payables	(10,445)	266	701	96
Other changes in net working capital	(5,611)	(42)	(8,038)	(422)
Total cash flow from operating activities [d=a+b+c]	**2,985**	**(109)**	**13,696**	**(425)**
Cash flow from investing activities [e]	**207**	**-**	**(14,040)**	**-**
Investments in intangible and tangible assets	(10,883)		(14,868)	
Proceeds from disposal of minority investments	-		115	
Security deposits paid	-		(591)	
Change in receivables guaranteeing financial payables	(5,429)			
Collection of deferred receivable from sale of BS24 investment	16,500			
Other changes in investing activities	19		1,304	
Cash flow from financing activities [f]	**(7,696)**	**-**	**25,468**	**-**
Net financial interest paid	(2,333)		(2,156)	
SACE guaranteed financing	(37,532)		36,805	
Non-convertible senior unsecured bond	42,513		-	
Change in medium/long-term bank loans	(3,731)		(643)	
Change in short-term bank loans	(766)		839	
Changes in other financial payables and receivables	(3,478)		(83)	
Other changes in financial assets and liabilities	(44)		34	
Change in payables IFRS 16	(2,325)		(9,328)	
Change in financial resources [g=d+e+f]	**(4,502)**	**(109)**	**25,125**	**(425)**
Cash and cash equivalents at the beginning of the year	**40,246**		**15,121**	
Cash and cash equivalents at the end of the year	**35,744**		**40,246**	
Increase (decrease) for the year	**(4,502)**		**25,125**	

(*) Section 11 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.

13.7. 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	31.12.2021	31.12.2020
A. Cash	102	47
B. Cash equivalents	35,642	40,842
C. Other current financial assets	5,641	16,004
D. Liquidity (A + B + C)	**41,385**	**56,893**
E. Current financial payable	(15,779)	(16,545)
F. Current portion of the non-current financial payable	(6,991)	(9,445)
G. Current financial debt (E + F)	**(22,771)**	**(25,991)**
H. Current net financial position (G + D)	**18,614**	**30,902**
I. Non-current financial payable	(39,828)	(81,799)
J. Debt instruments	(42,635)	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(82,464)**	**(81,799)**
M. Net financial position (H + L)	**(63,849)**	**(50,897)**

The **net financial position** at 31 December 2021 was a negative Euro 63.8 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 13.0 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Group's current net financial position was a positive Euro 18.6 million, compared with a positive Euro 30.9 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 25 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.0 million.

13.8. Employees

The average number of employees by category is as follows:

EMPLOYEES						
AVERAGE WORKFORCE	FY 2021		FY 2020		Change	
	Number	%	Number	%	Number	%
Executives	26.2	3.2%	28.8	3.3%	(2.6)	-9.2%
Journalists	271.0	33.0%	279.9	32.4%	(8.9)	-3.2%
White-collar workers	512.1	62.4%	515.6	59.7%	(3.5)	-0.7%
Blue-collar workers	11.4	1.4%	39.0	4.5%	(27.7)	-70.9%
Total	**820.6**	**100.0%**	**863.3**	**100.0%**	**(42.7)**	**-4.9%**

DIRECTORS' ASSESSMENT OF THE GOING CONCERN ASSUMPTION

The 24 ORE Group closed 2021 with a net loss of Euro 21.0 million (net loss of Euro 1.0 million in the previous year) and at 31 December 2021 had equity of Euro 13.9 million (Euro 35.3 million at 31 December 2020) and a negative net financial position of Euro 63.8 million (Euro 50.9 million at 31 December 2020).

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 also on 29 July 2021 of the loan of Euro 37.5 million taken out on 20 July 2020 and backed by a SACE guarantee pursuant to the "Liquidity Decree", enables the Company to further strengthen its financial structure, ensuring it the flexibility and resources to carry out the investments and actions planned over the period of the plan, necessary for the development of revenues and the achievement of greater operating efficiency.

The current uncertainty related to the possible evolution of the spread of the Covid-19 virus and its variants and any impacts deriving from the recent conflict under way in Ukraine, calls for continuing to maintain a certain degree of caution with respect to the positive macroeconomic scenario forecasts.

Considering these elements, albeit in the presence of the uncertainties deriving from both the evolution of the health emergency linked to the Covid-19 virus and any repercussions that may arise from the conflict in Ukraine, 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 believe, also in light of the provisions of the 2022-2025 Plan approved by the Board of Directors on 25 February 2022, that the Group has the financial and equity resources to allow the Annual Financial Report at 31 December 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. This trend is also confirmed with reference to 2022. In particular, the improving pandemic context and growing 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 GDP growth in 2022 (+4.7% - *source: ISTAT - Italian economy outlook in 2021-2022 - 3 December 2021).*

The current uncertainty related to the possible evolution of the spread of the Covid-19 virus and its variants and any impacts deriving from the recent conflict under way in Ukraine, calls for continuing to maintain a certain degree of caution with respect to the positive macroeconomic scenario forecasts. Therefore, the publishing sector - in particular the advertising market and the exhibition and event organization activities - remain characterized by uncertainty as to the possible effects of the continuing Covid-19 epidemic and the possible repercussions that the recent conflict under way in Ukraine could have on the Italian and European economies.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, 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, 15 March 2022

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 application of the administrative and accounting procedures for the preparation of the consolidated financial statements at 31 December 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 financial statements at 31 December 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 as of 2016 allowed 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;
- following the significant renewal of top management and the partial organizational redesign that took place in 2018, 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 the following years and are continuing during 2022. 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 consolidated financial statements at 31 December 2021.

3. It is further certified that:

- the 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 2021, as well as the situation of the issuer, together with a description of the principal risks and uncertainties.

Milan, 15 March 2022

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	31.12.2021	31.12.2020
A. Cash	102	47
B. Cash equivalents	35,642	40,842
C. Other current financial assets	5,641	16,004
D. Liquidity (A + B + C)	**41,385**	**56,893**
E. Current financial payable	(15,779)	(16,545)
F. Current portion of the non-current financial payable	(6,991)	(9,445)
G. Current financial debt (E + F)	**(22,771)**	**(25,991)**
H. Current net financial position (G + D)	**18,614**	**30,902**
I. Non-current financial payable	(39,828)	(81,799)
J. Debt instruments	(42,635)	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(82,464)**	**(81,799)**
M. Net financial position (H + L)	**(63,849)**	**(50,897)**

The **net financial position** at 31 December 2021 was a negative Euro 63.8 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 13.0 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Group's current net financial position was a positive Euro 18.6 million, compared with a positive Euro 30.9 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 25 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.0 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	31.12.2021	31.12.2020
A. Cash	26	29
B. Cash equivalents	30,590	36,595
C. Other current financial assets	5,501	16,328
D. Liquidity (A + B + C)	**36,117**	**52,951**
E. Current financial payable	(15,779)	(16,545)
F. Current portion of the non-current financial payable	(10,196)	(9,780)
G. Current financial debt (E + F)	**(25,976)**	**(26,325)**
H. Current net financial position (G + D)	**10,141**	**26,626**
I. Non-current financial payable	(38,952)	(80,713)
J. Debt instruments	(42,635)	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(81,587)**	**(80,713)**
M. Net financial position (H + L)	**(71,446)**	**(54,087)**

The **Parent Company's net financial position** at 31 December 2021 was negative by Euro 71.4 million and compares with a negative Euro 54.1 million at 31 December 2020, a deterioration of Euro 17.4 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 year.

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.0 million (Euro 36.8 million at 31 December 2020) in application of IFRS 16. It should also be noted that the payable to MPS Leasing & Factoring was extinguished on 30 November 2021 following the early termination of the lease agreement for the Medicina (BO) rotary press.

The Parent Company's current net financial position was a positive Euro 10.1 million, compared with a positive Euro 26.6 million at 31 December 2020. Compared to 31 December 2020, the change in other current financial assets is mainly due to the collection of Euro 16.5 million, representing the deferred component from the sale of the equity investment in Business School24 S.p.A., of which Euro 5.4 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.8 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 31 December 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	474	82	11	24	3	103	4	646	1,346
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	474	82	11	24	3	103	4	646	1,346

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 31 December 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	422	27	11	4	2	103	4	592	1,164
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	422	27	11	4	2	103	4	592	1,164

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. The dispute was resolved with a settlement and on 10 February 2022 the Court declared the extinction of enforcement actions.

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. At the hearing on 23 February 2022, the Court of Milan adjourned the case and granted the parties the ordinary terms for the electronic filing of closing statements and reply briefs.

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 annual report at 31 December 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 31 DECEMBER 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)	-	-	-	-	51	-	-	-
Total Parent Company	**-**	**-**	**-**	**-**	**51**	**-**	**-**	**-**
Key Executives	-	-	(65)	-	-	(1,783)	-	-
Board of Directors	-	-	(68)	-	-	(1,492)	-	-
Board of Statutory Auditors	-	-	(213)	-	-	(219)	-	-
Other related parties	392	-	(281)	-	513	(442)	-	-
Total other related parties	**392**	**-**	**(628)**	**-**	**513**	**(3,936)**	**-**	**-**
Total related parties	**392**	**-**	**(628)**	**-**	**564**	**(3,936)**	**-**	**-**

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 31 December 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.

At 31 December 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 half-yearly financial report.

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 31 DECEMBER 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)	-	-	-	-	51	-	-	-
Total Parent Company	**-**	**-**	**-**	**-**	**51**	**-**	**-**	**-**
24 ORE Cultura S.r.l.	1,332	-	(24)	(1,845)	958	(585)	(29)	-
Il Sole 24 ORE Eventi S.r.l.	1,024	-	(303)	(1,570)	1,234	(2,445)	(13)	-
Il Sole 24 ORE UK Ltd	-	-	(266)	-	-	(474)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(281)	-	26	(512)	-	-
Total Subsidiaries	**2,356**	**-**	**(875)**	**(3,415)**	**2,217**	**(4,017)**	**(42)**	**-**
Key Executives	-	-	(65)	-	-	(1,783)	-	-
Board of Directors	-	-	(68)	-	-	(1,492)		
Board of Statutory Auditors	-	-	(198)	-	-	(198)	-	-
Other related parties	392	-	(281)	-	513	(442)	-	-
Total other related parties	**392**	**-**	**(612)**	**-**	**513**	**(3,914)**	**-**	**-**
Total related parties	**2,748**	**-**	**(1,487)**	**(3,415)**	**2,781**	**(7,931)**	**(42)**	**-**

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 31 December 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.

At 31 December 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 half-yearly 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 31 December 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 15.8 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 31 December 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 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" as amended over time and converted into law by Conversion Law no. 40 of 5 June 2020.

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

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements with Goldman Sachs International, MPS Capital Services and Banca Popolare di Sondrio functional to the issuance of a non-convertible senior unsecured bond for a principal amount of Euro 45 million and a duration of 7 years, with bullet repayment at maturity, intended exclusively for qualified investors, exempt from the rules on public offerings set forth in Regulation (EU) 2017/1129 and according to Regulation S of the U.S. Securities Act of 1933.

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% and annual payment. 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. On 1 November 2021, the bonds were also listed on the "ExtraMOT PRO" multilateral trading facility of Borsa Italiana S.p.A., under the same terms and conditions.

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, applicable only in the case of any new debt.

The terms and conditions of the bond also include clauses that are standard practice for this type of transaction, such as: negative pledge, *pari passu*, change of control, and some specific provisions that provide for optional and/or mandatory early repayment upon the occurrence of certain events. Further details regarding the terms and conditions of this bond issue are available in the "Listing Particulars" document dated 29 July 2021 and available on the Company's website.

This bond, which allowed for the voluntary early repayment on 29 July 2021 of the loan of Euro 37.5 million taken out on 20 July 2020 and backed by a SACE guarantee pursuant to the "Liquidity Decree", enables the Company to further strengthen its financial structure, ensuring it the flexibility and resources to carry out the investments and actions planned over the period of the plan, necessary for the development of revenues and the achievement of greater operating efficiency.

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.

Below is a comparison of the 2021 consolidated economic results with the 2021 forecast figures of the 2021-2024 Plan approved by the Board of Directors on 25 February 2021.

FINAL 2021 VS PLAN 2021

Euro millions	FY 2021	Plan 2021
Revenues	204	203
EBITDA	11	16
EBIT	(15)	(2)

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, particularly with reference to the Culture area, which was able to reopen MUDEC only in May 2021, and the slower recovery of revenue in the Radio area, saw signs of growth thanks both to the improvement of the pandemic context and growing 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 acceleration of the Events area and effective commercial policies in all areas.

Consolidated revenues for the year 2021, due primarily to higher advertising revenues, are overall in line with expectations. The positive contribution to EBITDA resulting from this different revenue mix is combined with the effects described below, resulting in an EBITDA that was lower than forecast.

On 8 November 2021, following meetings with the labour unions, the strategic objective was confirmed of reducing labour costs to be achieved through structural cost-cutting measures for all professional categories, as established in the 2021-2024 Business Plan. As a result, the effects of the simplification and rationalization measures already included in the 2021-2024 Business Plan were brought forward to 2021 with the establishment of a liability for restructuring expenses of Euro 13.9 million, resulting in a lower result than previously disclosed in terms of EBITDA and EBIT.

EBITDA for the year 2021 compared to the 2021-2024 plan incorporated non-recurring income of Euro 2.5 million, of which Euro 1.4 million referring to the Company 24 ORE Cultura S.r.l. relating to the "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 art exhibition sector of 18 November 2020 and Euro 1.1 million following the redetermination of the provision for social security risks on the basis of the potential residual critical issues relating to the application and management of social shock absorbers.

There were also higher provisions for risks and bad debts compared to the 2021-2024 Plan.

The difference between EBIT for the year 2021 and that set forth in the 2021-2024 plan includes, in addition to what is laid out above with respect to EBITDA, asset impairment of Euro 9.0 million, of which Euro 6.7 million due to the results of impairment testing.

On 25 February 2022, the Company's Board of Directors approved the 2022-2025 Plan, which confirms the strategic direction of the previous 2021-2024 Plan, updated in its development also in light of the changed market environment.

The period just ended was characterized by a particularly uncertain market scenario, still impacted by the Covid-19 health emergency, which showed a slower recovery from the effects of the pandemic than initially expected, especially in terms of radio advertising sales, services to professionals and cultural activities.

The evolution of the reference context has led to a revision of some initiatives included in the 2021-2024 Plan and to a rescheduling of the timing of their launch, as well as the introduction of several new initiatives.

The overall downward revision of the Group's revenues, combined with an increase in raw material procurement and operating costs to support revenue development, results in a reduction in expected margins compared to the 2021-2024 Plan.

Nonetheless, the 2022-2025 Plan confirms a progressive year-on-year improvement in economic and financial indicators, driven by the growth in consolidated revenues and the reduction in personnel costs through structural cost-cutting measures for all professional categories already launched during 2021.

The 2022-2025 Plan as a whole confirms the growth of profitability over time in all business areas, thanks to:

- ✓ product innovation;
- ✓ the strengthening of the current offer in the financial area;
- ✓ the development of partnerships aimed at promoting the Il Sole 24 ORE brand;
- ✓ the strengthening and specialization by skills of the sales networks.

Pursuing the "digital first" strategy, as an enabling element for the continuous enrichment of the multi-format and multi-platform product system of Il Sole 24 ORE and process efficiency, the 2022-2025 Plan provides for a greater drive on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The net financial position is expected to worsen in 2022 due to the acceleration of investments and disbursements related to the early exit of personnel, and then gradually improve in the following years during the Plan period.

The main forecast economic indicators expected in the 2022-2025 Plan are shown below:

2022-2025 PLAN		
Euro millions	Plan 2022	Plan 2025
Revenues	216	246
EBITDA	26	47
EBIT	6	26

Below are the main forecast economic indicators expected in the previous 2021-2024 Plan:

2021-2024 PLAN		
Euro millions	Plan 2021	Plan 2024
Revenues	203	245
EBITDA	16	54
EBIT	(2)	36

It should be noted that the forward-looking figures represented in the 2022-2025 Plan are strategic objectives established as part of corporate planning.

The development of the 2022-2025 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.

In particular, the 2022-2025 Plan does not reflect any impacts deriving from the recent conflict under way in Ukraine and the possible repercussions that conflict could have on the Italian and European economies, whose impact on the Group's business is difficult to predict at this time.

The realization of the objectives and the achievement of the results envisaged by the 2022-2025 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 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 2022-2025 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, 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, 15 March 2022

The Chairperson of the Board of Directors
Edoardo GARRONE

Il Sole 24 Ore S.p.A.

Consolidated financial statements at December 31, 2021

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Il Sole 24 Ore S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of 24 Ore Group (the Group), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statement of profit (loss) for the year, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Il Sole 24 Ore S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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 opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matters:

Key Audit Matters	Audit Response
Assessment of the going concern basis	
At December 31, 2021 consolidated equity, including Euro 21.0 million of the consolidated loss for the year then ended, equals to Euro 13.9 million, consolidated net financial position is negative of Euro 63.8 million and current assets exceed current liabilities of Euro 4.1 million. On February 25, 2022 the Board of Directors of Il Sole 24 Ore S.p.A. approved the Business Plan 2022-2025 (the "Plan") of the Group, that updated the previous Plan 2021-2024, approved on February 25, 2021. The assumptions underlying the Plan and the related assessment on the going concern basis, are complex by nature and require Directors’ judgement, in particular for the revenues’ projections and the outcome of the cost rationalization and efficiency programs. These projections are subject to the possible effect arising from the extension of the health emergency due to Covid-19, to possible impacts that could arise from the conflict in Ukraine, and to the uncertainties of this sector and of any projections, which could affect the results that will actually be achieved, as well as their methods and timing. Considering the judgment required from the Directors in developing the assumptions and projections to support the going concern basis as stated in the Plan, we deemed this area to represent a key audit matter. The financial statements disclosure is provided in the paragraph "Directors' assessment of the going concern assumption", while the comparison between the main prospective financial information of the Plan and those included in the previous Plan 2021-2024 is reported in the paragraph “The status of implementation of the business plan, highlighting any deviations from the actual figures compared to those forecast” of the notes to the consolidated financial statements.	Our audit responses to this key audit matter included, among others: • understanding the rationale underlying the directors' assessment of the going concern assumption and assessing the key assumptions of the Plan approved by the Board of Directors on February 25, 2022; • assessing the differences between the prospective financial information for the year 2021 included in the previous Plan 2021-2024 and those actually achieved for the same year; • assessing the differences between the prospective financial information of the Plan and those included in the previous Plan 2021-2024; • obtaining written representations from Management relating to its future actions. Finally, we verified the adequacy of the disclosure provided in the notes to the financial statements regarding this matter.

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Valuation of goodwill and other non-current assets with an indefinite and definite useful life

At December 31, 2021, goodwill and other non-current assets with an indefinite and definite useful life amount to Euro 108.5 million.

Having considered the conclusions highlighted in the appraisal prepared by an external expert, the Group has reassessed the useful life of the item "Concessions and radio frequencies" from indefinite useful life to finite useful life, by applying an amortization over a period of 15 years.

Moreover, the Group tested for impairment its Cash Generating Units (CGUs) to which goodwill and other non-current assets with an indefinite useful life are allocated, as well as the other CGUs where impairment indicators were noted based on 2021 results (net of non-recurring income and expenses).

The methodologies for evaluating and determining the recoverable amount of each CGU, in terms of value in use, are based on complex assumptions which, by nature, require Directors' judgement, regarding the forecasting of cash flows included in the Plan, the determination of the normalized cash flows for the estimation of the terminal value, and the determination of the long-term growth and of the discounting rates applied to the forecasted cash flows. In this regard, the possible effects arising from the extension of the health emergency due to Covid-19 and the assessments of the uncertainties of this sector and of any projections, in particular for revenues over the period of the Plan, are significant.

Considering the judgments required and the complexity of assumptions underlying the estimation of the recoverable amount of goodwill and other non-current assets with an indefinite and definite useful life, and the sensitivity of value in use to changes in key assumption, we deemed this area to represent a key audit matter.

Our audit responses to this key audit matter included, among others:

- understanding the impairment process and analyzing the key controls put in place by the Management, considering the impairment test procedure approved by the Board of Directors on February 25, 2022;
- testing the adequacy of the perimeter of the CGUs and the allocation of the book values of assets and liabilities to each CGU;
- assessing the report of the management's specialist, who assisted the Company in the impairment test, as well as the evaluation of its competence and objectivity;
- assessing key assumptions and methodologies used in the impairment process, including projections of revenues, operating results and cash flows, also in relation to the most recent post Covid-19 market estimates;
- assessing the determination of long-term growth rates and discount rates;
- assessing the sensitivity tests performed.

In our audit, we also involved our specialists in valuation techniques, who performed independent recalculation and sensitivity analyses on key assumptions in order to determine changes in assumptions that could significantly impact the valuation of recoverable value.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements, in particular those related to assumptions which determine the most relevant effects on the recoverable amounts of the goodwill and other non-current assets with an indefinite and definite useful life.

The financial statements disclosure on goodwill and other non-current assets with an indefinite and definite useful life, on assumption underlying the impairment analysis and on sensitivity analysis regarding recoverable amounts to changes in key assumptions, is provided in the explanatory note 11 "Notes - Impairment test" and in the explanatory note 5 "Measurement criteria – Non-current assets" to the consolidated financial statements.

Recoverability of deferred tax assets

At December 31, 2021, deferred tax assets amount to Euro 20.5 million.

The recoverability of these assets is subject to assessment by the Group Management on the basis of the projections of future taxable incomes, consistently with the results included in the Plan, as well as the projections of taxable incomes for periods beyond the Plan, with recoverability rates decreasing over time to account for the higher uncertainty of such forecasted results.

Considering the judgment required and the complexity of the assumptions applied in forecasting future taxable incomes, which are the basis to estimate the recoverable value of deferred tax assets, we deemed this area to represent a key audit matter.

The financial statements disclosure related to deferred tax assets is provided in the explanatory note 6 "Deferred tax assets and deferred tax liabilities" and in the explanatory note 5 "Measurement criteria - Deferred tax assets" to the consolidated financial statements.

Our audit responses to this key audit matter included, among others:

- understanding the process of determining income taxes and key controls put in place by the Management on the recoverability of deferred tax assets;
- assessing the assumptions underlying the Plan, as described in the previous key audit matter;
- assessing the projections of future taxable incomes and their reconciliation with the correspondent pre-tax results included in the Plan, as well as the analysis of the projections of taxable income for periods beyond the Plan.

Finally, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to the recoverability of deferred tax assets.

Revenue recognition from sales of advertising, databases, and multiple digital newspapers

For the year ended December 31, 2021, revenues amount to Euro 203.5 million. The Group considers revenues as a key indicator of its performance.

Certain streams of revenues present complexities with reference to specific assertions, such as the existence of publishing revenues from sales of

Our audit responses to this key audit matter included, among others:

- understanding the procedure and key controls put in place by the Management regarding the revenue recognition;
- performing test on the controls over the revenue recognition process;

multiple digital newspapers and the occurrence of advertising revenues, as well as revenues from sales of databases. Therefore, we assessed that this matter represents a key audit matter.
The financial statement disclosure related to the revenue recognition criteria adopted by the Group is provided in the explanatory note 5 "Measurement criteria - Revenues" to the consolidated financial statements.

- testing contracts with major clients and assessing the renewal rate of subscriptions in relation to revenues from sales of multiple digital newspapers;
- testing the advertising revenues accruals at year-end and performing analytical procedures on the correlation between advertising revenues and actual publication dates;
- performing analytical procedures on revenues related to sales of database, considering the subscription period, including any free periods.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to this matter.

Internal control system – purchasing process

Between the end of 2016 and the beginning of 2017, the Group, also with the support of an external consultant, started an assessment of its business processes and internal control system, which identified material weaknesses in the internal control system with particular emphasis on controls surrounding the purchasing area. As a result of this activity, the Group planned actions to remediate the weaknesses identified. During the following years, the upgrade of the administrative-accounting model according to Law no. 262/2005 continued and further actions, as reported from the Company, will continue in 2022. Pending the complete implementation of the aforementioned actions and for the purpose of preparing the consolidated financial statements at December 31, 2021, the Management put in place compensating controls.

The effectiveness of the internal control system is a significant matter for the audit, as it determines the possibility of planning the audit to rely on the key internal controls and, consequently, an efficient design of the nature, extension and timing of the audit procedures.

In consideration of the fact that remedial actions had a progressive implementation during 2021 and that further actions will be implemented in 2022, with a related impact on the audit

Our audit responses to this key audit matter included, among others:

- additional tests of details related to the completeness assertion of trade payables, including the analysis of unrecorded invoices received after year-end, having decided to not rely on the internal control system in planning and perform the audit procedures related to that assertion;
- testing the main consulting contracts to ensure the correct cut-off of the related costs;
- external confirmation procedures over the most significant vendors;
- extending the size of sample selected to test authorizations on purchases.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to the updating process of the internal control system.

procedures performed on the financial statements as of December 31, 2021, we assessed that this matter represents a key audit matter.

The disclosure related to the process of upgrading internal control system is provided in the paragraph "Main risks and uncertainties - Risks related to the internal control and risk management system" of the Directors' report.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Il Sole 24 Ore S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Il Sole 24 Ore S.p.A., in the general meeting held on April 29, 2016, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2016 to December 31, 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Il Sole 24 Ore S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Il Sole 24 Ore S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of 24 Ore Group at December 31, 2021, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements of 24 Ore Group as at December 31, 2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Group 24 Ore at December 31, 2021 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Il Sole 24 ore S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, April 4, 2022

EY S.p.A.
Signed by: Massimo Meloni, Auditor

As disclosed by the Directors on page 4, the accompanying consolidated financial statements of 24 Ore Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.