

240RE

Half-yearly
Financial report
as at 30 June 2022

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■ Composition of Corporate Bodies

The Board of Directors and the Board of Statutory Auditors of Il Sole 24 ORE S.p.A. (the “Company”) were elected by the Ordinary Shareholders' Meeting on 27 April 2022.

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 2024.

■ Board of Directors

Chairperson	Edoardo GARRONE
Deputy Chairperson	Claudia PARZANI
Chief Executive Officer	Mirja CARTIA d'ASERO
Directors	Diamante Ortensia D'ALESSIO Veronica DIQUATTRO Chiara LAUDANNA Marco LIERA Ferruccio RESTA Alexander John ROSS Fabio Domenico VACCARONO Alessandro TOMMASI

■ Control, Risk and Related Parties Committee

Chairperson	Ferruccio RESTA
Members	Veronica DIQUATTRO Chiara LAUDANNA

■ Appointments and Remuneration Committee

Chairperson	Ferruccio RESTA
Members	Diamante Ortensia D'ALESSIO Veronica DIQUATTRO

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

Chairperson	Fabio Domenico VACCARONO
Members	Veronica DIQUATTRO Alexander John ROSS

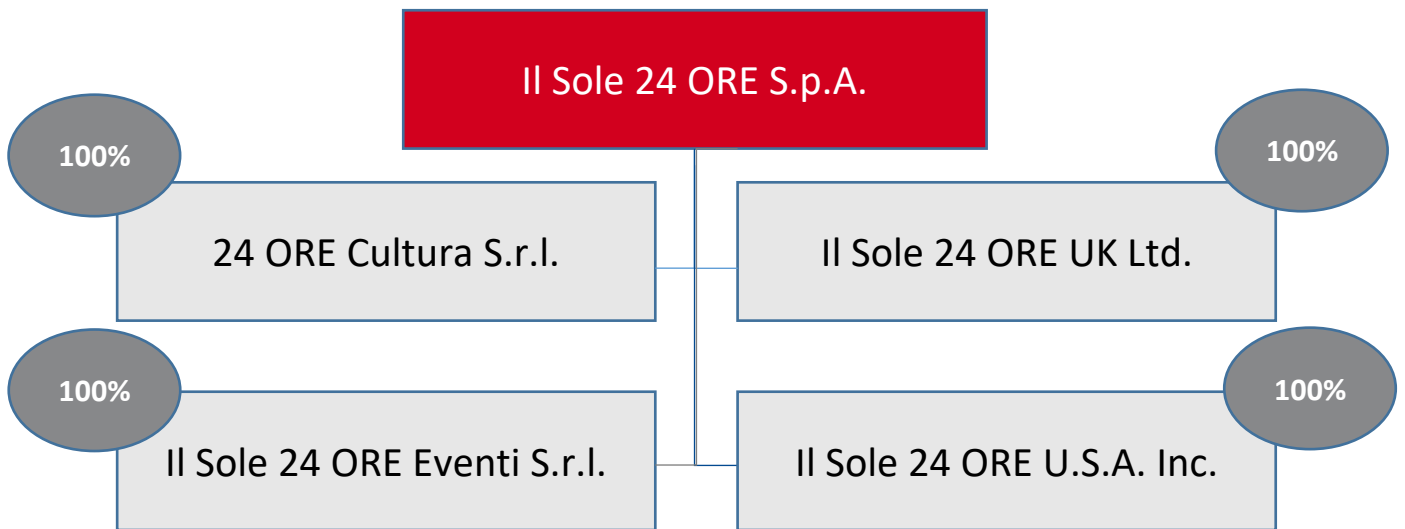
■ ESG and Technological Innovation Committee

Chairperson	Claudia PARZANI
Members	Marco LIERA Alexander John ROSS Alessandro TOMMASI

■ Board of Statutory Auditors

Chairperson	Tiziana VALLONE
Standing Auditors	Myriam AMATO Giuseppe CRIPPA
Alternate Auditors	Marianna GIROLOMINI Roberto MENEGAZZI
Common representative of special category shareholders	Marco PEDRETTI
Manager in charge of financial reporting	Paolo FIETTA
Internal Audit Manager	Viola SALIN
Independent Auditors	EY S.p.A.

STRUCTURE OF THE 24 ORE GROUP AT 30 JUNE 2022



24 ORE GROUP AT 30 JUNE 2022 - SUMMARY FIGURES AND INFORMATION

■ Group Profile

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

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

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

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

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

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

■ Key summary figures of the 24 ORE Group

The 24 ORE Group closed H1 2022 with a positive *EBITDA* of Euro 10.4 million, a positive *EBIT* of Euro 2.3 million and a net loss of Euro 0.4 million. Equity amounted to Euro 15.2 million, an increase of Euro 1.3 million compared to equity in the consolidated financial statements at 31 December 2021, which amounted to Euro 13.9 million.

The following are the Group's key financial figures at 30 June 2022 deriving from the condensed half-yearly consolidated financial statements:

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Euro thousands	H1 2022	H1 2021
Revenues	104,628	96,829
Gross operating margin (EBITDA)	10,409	7,276
Operating profit (loss) (EBIT)	2,254	(1,075)
Profit (loss) before taxes	394	(2,524)
Net profit (loss)	(405)	(3,331)
	30.06.2022	31.12.2021
Non-current assets	127,231	131,084
Current assets	131,847	117,027
Total assets	259,078	248,112
Group equity	15,189	13,851
Minority interests	-	-
Total equity	15,189	13,851
Non-current liabilities	113,573	121,325
Current liabilities	130,315	112,936
Total liabilities	243,888	234,261
Total equity and liabilities	259,078	248,112

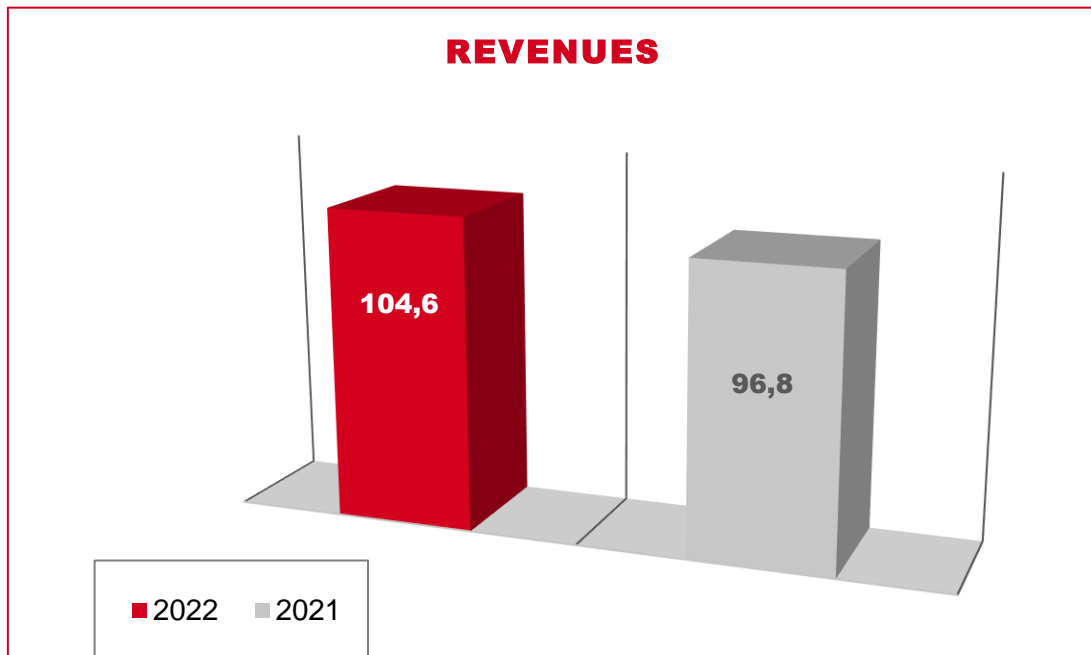
Key summary figures of the 24 ORE Group net of non-recurring income and expenses

Below are the Group's key financial figures for H1 2022, net of non-recurring income and expenses:

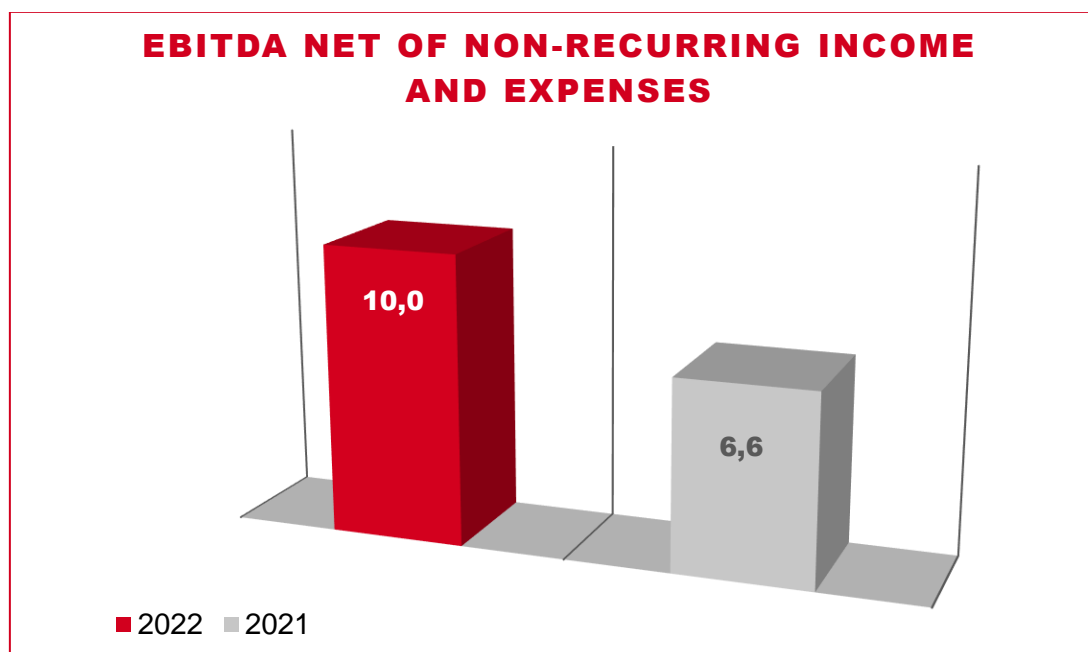
KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES		
Euro thousands	H1 2022	H1 2021
Revenues	104,628	96,829
EBITDA net of non-recurring income and expenses	9,988	6,572
EBIT net of non-recurring income and expenses	1,833	(1,099)
Profit (loss) before taxes net of non-recurring income and expenses	(27)	(2,547)
Net profit (loss) net of non-recurring income and expenses	(826)	(3,355)
	30.06.2022	31.12.2021
Equity	15,189	13,851
Net financial position	(49,537)	(63,849)

The current market context is characterized by the following factors: the health emergency linked to the spread of the Covid-19 virus, which has not yet been completely overcome, economic and geopolitical instability due to the ongoing conflict in Ukraine, rising commodity and energy costs and the resurgence of

inflation. Against this backdrop, the 24 ORE Group is recording signs of growth thanks to both the improvement in the pandemic context, which has also allowed for the resumption of exhibitions organized by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until the end of April 2021), and authoritativeness, high quality content, good advertising sales performance and continuous product development in the Professional Services area, as well as effective commercial policies across all areas. In H1 2022, the 24 ORE Group reported **consolidated revenues** of Euro 104.6 million (Euro 96.8 million in H1 2021), up 8.1% or Euro +7.8 million compared to the same period of 2021.



The **gross operating margin** (EBITDA), net of non-recurring income and expenses at 30 June 2022 was a positive Euro 10.0 million, compared to a positive Euro 6.6 million in H1 2021. EBITDA for the period benefited from non-recurring income of Euro 0.3 million deriving from contributions obtained in support of companies following the health emergency caused by the spread of the Covid-19 virus (in the first half of 2021, income of Euro 1.3 million was recognized) and the release of the provision for social security risks for Euro 0.1 million.



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

BREAKDOWN OF CONSOLIDATED NON-RECURRING INCOME AND EXPENSES		
Euro thousands	H1 2022	H1 2021
Gross operating margin (EBITDA)	10,409	7,276
Covid-19 contributions	300	1,280
Release (allocation) of provision for social security risks	121	
Provision for personnel restructuring expenses		(575)
Total non-recurring income and expenses with impact on EBITDA	421	705
EBITDA net of non-recurring income and expenses	9,988	6,572
Operating profit (loss) (EBIT)	2,254	(1,075)
Total non-recurring income and expenses with impact on EBIT	421	705
Impairment of intangible assets		(681)
Total non-recurring income and expenses with impact on EBIT	421	23
EBIT net of non-recurring income and expenses	1,833	(1,099)
Profit (loss) before taxes	394	(2,524)
Total non-recurring income and expenses with impact on EBIT	421	23
Total non-recurring income and expenses on profit (loss) before taxes	421	23
Profit (loss) before taxes net of non-recurring income and expenses	(27)	(2,547)
Net profit (loss)	(405)	(3,331)
Total non-recurring income and expenses on net profit (loss) before taxes	421	23
Total non-recurring income and expenses on net profit (loss)	421	23
Net profit (loss) net of non-recurring income and expenses	(826)	(3,355)

The **net financial position** at 30 June 2022 was a negative Euro 49.5 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 14.3 million. The change in the net financial position mainly relates to the change in net working capital included in cash flows from operating activities.

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 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 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 26 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 3.9 million.

■ Significant events in H1 2022

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.

On 27 April 2022, the Company, although the Shareholders' Meeting voted in favour by a majority of the share capital, equal to approximately 70.1%, recorded the vote against by a minority of the share capital equal to approximately 6.2%, and, therefore, given the provisions of article 2393, paragraph 6 of the Civil Code, it was not able to settle the corporate liability action pursuant to articles 2392 and 2393 of the Civil Code referred to in the illustrative report published on 28 March 2022, which had been brought, after authorization by the Shareholders' Meeting on 30 April 2019, through the civil suit lodged before the Court of Milan under G.R. no. 30810/2019.

On 27 April 2022, the Shareholders' Meeting of Il Sole 24 ORE S.p.A. (“Shareholders' Meeting”), approved the Company's financial statements for the year ended 31 December 2021 with a net loss of Euro 21.0 million. The same Meeting also resolved to carry forward the loss for the year of the Parent Company Il Sole 24 ORE S.p.A. in the amount of Euro 21,021,083.

The Shareholders' Meeting acknowledged the 2021 Consolidated Non-Financial Statement, contained in the 2021 Annual Financial Report, published on 5 April 2022 and prepared in accordance with Legislative Decree 254 of 30 December 2016.

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, Other Executives and, without prejudice to the provisions of article 2402 of the Civil Code, of the members of the Statutory Auditors as well as the procedures used for the adoption and implementation of this policy.

The Shareholders' Meeting also voted in favour of the second section of the Report relating to the remuneration paid during the relevant year pursuant to article 123-ter, paragraph 6, of the Consolidated Law on Finance.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024.

The following were appointed: Edoardo Garrone, Mirja Cartia d'Asero, Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Claudia Parzani, Ferruccio Resta, Alexander John Ross, Fabio Domenico Vaccarone, Alessandro Tommasi (taken from List no. 1 submitted by the majority shareholder Confindustria - Confederazione Generale dell'Industria Italiana, holder at the record date of 43,661,640 shares of the Company, including 9,000,000 ordinary shares and 34,661,640 special category shares, which obtained a number of votes in favour equal to 87.55% of the voting capital) and Marco Liera (taken from List no. 3 submitted by the Shareholder Giornalisti Associati S.r.l, holder at the record date of 1,672,708 special category shares of the Company).

Edoardo Garrone was appointed and confirmed as Chairperson of the Board of Directors.

The Directors Mirja Cartia d'Asero, Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Claudia Parzani, Ferruccio Resta, Alexander John Ross, Fabio Vaccarone and Marco Liera declared that they meet the independence requirements set forth in article 147-ter, paragraph four, and article 148, paragraph three, of Legislative Decree 58/1998, as well as the independence requirements set forth in the Corporate Governance Code promoted by Borsa Italiana S.p.A. and the independence requirements set forth in the Company's Board of Directors Regulation.

The composition of the Board of Directors complies with the Articles of Association and current legislation on gender balance.

The Shareholders' Meeting then set the gross annual remuneration payable to Board Members at Euro 20,000.00 for each member of the Board of Directors.

The Board Member Marco Liera announced that, as of 27 April 2022, he held 121,269 special category shares of the Company.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024.

Tiziana Vallone, Giuseppe Crippa and Myriam Amato were appointed as Standing Auditors and Marianna Girolomini and Roberto Menegazzi as Alternate Auditors.

Tiziana Vallone (appointed Chairperson of the Board of Statutory Auditors) and Roberto Menegazzi were taken from List no. 3 submitted by Shareholder Giornalisti Associati S.r.l. holder at the record date of no. 1,672,708 special category shares of the Company, while Giuseppe Crippa, Myriam Amato and Marianna Girolomini were taken from List no. 1 submitted by the Shareholder Confindustria - Confederazione Generale dell'Industria Italiana, holder on the record date of 43,661,640 shares of the Company, including 9,000,000 ordinary shares and 34,661,640 special category shares, which obtained a number of votes in favour equal to 87.55% of the voting capital.

The composition of the Board of Statutory Auditors complies with the Articles of Association and current legislation on gender balance.

The Meeting thus set the annual remuneration payable to the Chairperson of the Board of Statutory Auditors and each of the other Standing Auditors at Euro 80,000.00 and Euro 55,000.00, respectively, gross per year.

The new Board of Directors of Il Sole 24 ORE S.p.A. appointed by the Shareholders' Meeting and which will remain in office until the Shareholders' Meeting called for the approval of the Financial Statements as at 31 December 2024, met on 27 April 2022.

Chairman Edoardo Garrone was delegated the authority for institutional representation of the Company.

The Board of Directors appointed Claudia Parzani as Deputy Chairperson of the Board of Directors.

The Board of Directors appointed Mirja Cartia d'Asero as Chief Executive Officer, vesting her with the relative powers for the office with the exception of those exclusively reserved to the Board, also appointing her as Chief Executive Officer in charge of setting up and maintaining the internal control and risk management system and entrusting her with the duties established by the Corporate Governance Code.

The Board of Directors certified the fulfilment of independence requirements by Directors Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Marco Liera, Claudia Parzani, Ferruccio Resta, Alexander John Ross and Fabio Vaccarone, as well as acknowledged the fulfilment of independence requirements by the standing members of the Board of Statutory Auditors Tiziana Vallone, Giuseppe Crippa and Myriam Amato, pursuant to the joint provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Legislative Decree 58/1998, the Corporate Governance Code promoted by Borsa Italiana S.p.A. and, as far as the Directors are concerned, also the Company's Board of Directors Regulation.

The Board of Directors has established Board committees and appointed their members and related Chairpersons. Ferruccio Resta was appointed Chairperson and Veronica Diquattro and Chiara Laudanna were appointed as the members of the Control, Risk and Related Parties Committee; all of the members of the Committee as well as its Chairperson meet the independence requirements as set forth in CONSOB Resolution no. 17221 of 12 March 2010 as amended.

For the Appointments and Remuneration Committee, Elena Nembrini was appointed Chairperson and Diamante Ortensia D'Alessio and Veronica Diquattro as members; the majority of the members of the Committee, including its Chairperson, meet the independence requirements established by current legislation.

Fabio Domenico Vaccarone was appointed as Chairperson and Veronica Diquattro and Alexander John Ross as members of the Committee on Compliance with the 24 ORE Group's Editorial Mission, pursuant to article 29 of the Articles of Association.

Lastly, the ESG and Technological Innovation Committee was formed, with Claudia Parzani appointed as Chairperson and Marco Liera, Alexander John Ross and Alessandro Tommasi as members; members Claudia Parzani, Marco Liera and Alexander John Ross meet the independence requirements established by current regulations.

Furthermore, at its meeting of 27 April 2022, the Board of Directors also appointed the Supervisory Body with Lelio Fornabaio as Chairperson and Loredana Conidi and Giuseppe Crippa as members. The Supervisory Body will remain in office until the approval of the Financial Statements at 31 December 2024.

■ Market context

The market is conditioned by a number of factors, such as: the health emergency linked to the spread of the Covid-19 virus, which has not yet been completely overcome, economic and geopolitical instability due to the ongoing conflict in Ukraine, rising commodity and energy costs and the resurgence of inflation. Furthermore, the expected GDP growth rate assumed in the last quarter of 2021 was reduced.

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of 7.1% for the period January-May 2022 compared to the same period of 2021, with a decline in circulation of the print version of 11.0% offset in part by an increase in digital circulation of 2.2% (*Source: ADS data processing January - May 2022*).

The most recent listening figures for radio refer H1 2022 and recorded a total of 33,646,000 listeners on the average day, up 1.3% from H1 2021 (*Source: RadioTER 2021-2022*).

In the January-May 2022 period, the System reference market recorded growth of 0.8% (net of local newspaper advertising): newspapers closed at +1.2% (net local), magazines at -4.3%, radio at +3.6% and Internet at +0.9% (*Source: Nielsen January/May 2022 vs 2021*).

For 2022, the forecasts from the end of the previous year (2021) for the professional publishing sector indicated a recovery in the sector's overall turnover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. These forecasts did not reflect the possible repercussions of the ongoing conflict in Ukraine.

In terms of media, current trends do not seem to change in 2022: overall, electronic publishing is expected to grow by 7.6% and management software by 6%, which will see an increase in the integration of digital publishing content (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2021*).

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 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
PUBLISHING & DIGITAL								
H1 2022	26,434	22,381	48,815	4,676	(2,109)	-	6	2,572
H1 2021	28,098	22,672	50,770	5,251	(2,361)	(354)	61	2,597
PROFESSIONAL SERVICES								
H1 2022	28,012	188	28,201	7,297	(626)	-	0	6,671
H1 2021	27,722	114	27,836	7,914	(599)	(263)	-	7,052
RADIO								
H1 2022	127	9,009	9,136	1,973	(1,410)	-	1	564
H1 2021	94	6,956	7,050	(96)	(680)	(4)	-	(781)
SYSTEM								
H1 2022	42,626	(1,551)	41,075	67	(14)	-	-	53
H1 2021	38,528	(780)	37,748	(554)	(13)	-	-	(567)
EVENTS								
H1 2022	1,886	1,581	3,467	742	(8)	-	-	734
H1 2021	1,408	1,078	2,485	636	(3)	-	-	633
CULTURE								
H1 2022	5,542	506	6,048	(451)	(224)	-	-	(676)
H1 2021	979	170	1,149	(389)	(210)	-	-	(599)
CORPORATE AND CENTRALIZED SERVICES								
H1 2022	0	-	0	(3,895)	(3,772)	-	2	(7,665)
H1 2021	0	-	0	(5,486)	(3,871)	(63)	10	(9,410)
CONSOLIDATED								
H1 2022	104,628	-	104,628	10,409	(8,164)	-	9	2,254
H1 2021	96,829	-	96,829	7,276	(7,737)	(685)	71	(1,075)

The H1 2021 comparative figures have been appropriately reclassified to reflect the new organization. In particular, consistent with the 2021 Annual Financial Report, the results of the Radiocor Plus operating sector are included in the Professional Services area, while in the Half-yearly financial report as at 30 June 2021, 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	H1 2022	H1 2021	change %
Circulation revenues/other	26,747	28,309	-5.5%
Advertising revenues	22,068	22,461	-1.8%
Revenues	48,815	50,770	-3.9%
Gross operating margin (EBITDA)	4,676	5,251	-11.0%
EBITDA Margin %	9.6%	10.3%	-0.8 p.p.
Operating profit (loss) (EBIT)	2,572	2,597	-1.0%

The H1 2021 comparative figures have been appropriately reclassified to reflect the new organization. In particular, consistent with the 2021 Annual Financial Report, the results of the Radiocor Plus operating sector are included in the Professional Services area, while in the Half-yearly financial report as at 30 June 2021, they were shown in the Publishing & Digital area.

Market performance

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of 7.1% for the period January-May 2022 compared to the same period of 2021, with a decline in circulation of the print version of 11.0% offset in part by an increase in digital circulation of 2.2% (*Source: ADS data processing January - May 2022*).

Area performance

The **Publishing & Digital** area closed H1 2022 with revenues of Euro 48.8 million, down 3.9% compared to the same period of the previous year.

Circulation and other revenues totalled 26.7 million, down Euro 1.6 million (-5.5% compared to 30 June 2021), mainly as a result of the drop in revenues generated by the sale of the print newspaper. Circulation figures and copies sold of Il Sole 24 ORE are reported in the section “Operating performance” below.

Advertising revenues amounted to Euro 22.1 million, down Euro 0.4 million (-1.8% compared to H1 2021).

The newspaper's circulation revenues (print + digital) were down by Euro 1.6 million (-7.1%) compared to 30 June 2021, when they were Euro 22.8 million. Circulation revenues of the print newspaper amounted to Euro 10.9 million (-12.6% compared to the same period of the previous year). Circulation revenues of the digital newspaper amounted to Euro 10.2 million, down (-0.5%) compared to H1 2021;

EBITDA in the Publishing & Digital area was positive at Euro 4.7 million and compares with positive EBITDA of Euro 5.3 million in H1 2021.

The main changes in H1 2022 compared to 2021, in addition to the decrease in revenues, relate to:

- personnel costs of Euro 20.3 million, down Euro 0.6 million (-2.8%);
- direct costs up by Euro 0.3 million (+1.6%), due in particular primarily to higher production costs of Euro 0.9 million relating to the new production structure, partly offset by lower raw

material costs of Euro 0.2 million (-7.4%) and lower distribution costs of Euro 0.6 million (-7.4%);

- advertising and promotional costs, down Euro 0.3 million;
- property management costs down Euro 0.3 million.

During H1 2022 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*, for a total of nineteen titles, with in-depth analysis of the most important regulatory news explained by the editorial staff of *Norme & Tributi*.
- *Instant* guides, for a total of fourteen titles, dedicated to regulatory and educational issues.

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

The range of information offered by Il Sole 24 ORE is completed by Local Reports (North-west, North-east, Lombardy, Central and South) which, every Friday, report on the economy of the area through investigations, business stories and interviews with the protagonists and the publication *Enigmistica24*.

In addition, to strengthen print/digital synergies, two guides were published in digital-only format. The first one, dedicated to scenarios for 2022 by 24+, the premium section of the website *ilsole24ore.com*; the second *#hodettono* on the occasion of 8 March by signature *AlleyOop*, the multi-author blog of *ilsole24ore.com* dedicated to themes of women empowerment.

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 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:

- seventeen issues for books published by Il Sole 24 ORE, including in particular: “Varsavia 1944” by Paolo Colombo on the occasion of Holocaust Remembrance Day; “Commercialista 4.0” by Massimiliano Allievi on the occasion of *Telefisco*; “Papà Stories” with journalists and Radio 24 presenters for Father's Day; and the instant book on the Ukrainian conflict “Ukraine 24.02.2022” edited by Marco Alfieri and Francesca Barbieri; “Young Finance” financial education explained to children and “CEO Factor” launched at the Turin Book Fair; “I 300 migliori fondi”;
- thirteen releases for books in collaboration with third-party publishers, including “La Stella che non brilla”, a proposal for children on the occasion of Holocaust Remembrance Day; “Storie di donne coraggiose” on the occasion of Women's Day; “Il teorema del pappagallo” and “La matematica si impara giocando” both on the theme of mathematics, much appreciated by the target audience, and “Pazzi per la geografia” proposed for children on the occasion of International Night of Geography; “Ti racconto i campioni” with a double Milan and Inter release dedicated to the championship derby.

The publication of five series for a total of twenty-one volumes also began in H1 2022: “Instant” as of 1 February 2022: 3 releases; “Wow!” dedicated to STEM subjects for young people, as of 11 February 2022: 5 releases, on the occasion of World STEM Day; “Montessori”, as of 29 March 2022: 7 releases dedicated to children and with a similar format and editorial treatment as the 2021 series “Pazzi per la matematica”; “Quid”, 5 releases dedicated to the development of childhood skills, from English to art to coding; “In 5 minuti” instant guide series with the first release in June dedicated to gardening.

Closing the list of publications in conjunction with Il Sole 24 ORE is *Aspenia*, the quarterly publication of Aspen Institute Italia.

The lively publishing pace on the book front is also expressed through new local events:

- From 18 to 25 May 2022, Il Sole 24 ORE was back in the limelight at the Turin Book Fair with an exhibition area featuring the areas of the 24 ORE Group: Radio 24, 24 ORE Professionale and 24 ORE Cultura; a rich schedule of presentations on the official calendar, meetings with authors at the stand and events during Salone Off; the presence of Domenica with dedicated meetings.
- On 3 June 2022, as part of the Trento Festival of Economics, Il Sole 24 ORE launched its first Economic and Social Non-Fiction Literary Prize. The award is dedicated to unpublished works on topics from macroeconomics to finance to sustainability, social cohesion, labour, leadership, open innovation and business. Also in Trento, there were a number of presentations of books published by the publishing house.
- On 15 June 2022, Il Sole 24 ORE brought the “Strega Tour”, the presentation of the finalists of the Strega Prize, back to Milan. It was held at Mudec during an evening hosted by Marco Carminati, editor-in-chief of Domenica.

The customary historic event with the readers of Il Sole 24 ORE took place on 27 January 2022. For the second year in a row, the Telefisco event, which has reached its 31st edition and is dedicated to all the regulatory news of the tax package, aimed at accountants and spread throughout the country, was 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 2022 and additional content. On 15 June 2022, the special summer edition of Telefisco took place, dedicated to the latest news of the tax package.

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 24th edition, again rewarded the winners in a Digital Edition with a round table and video contributions from the winners on the website ilsole24ore.com/altorendimento.

A series of specific initiatives continued in order to strengthen penetration and engagement with young people and women. In particular, on the occasion of 8 March, Il Sole 24 ORE proposed an integrated editorial programme for the community of female readers and users of Il Sole 24 ORE with a four-page folder entitled “Le sfide delle donne” and a reserved subscription offer, which was replicated for the male target group on Father's Day. Il Sole 24 ORE's commitment to gender and inclusion issues was honoured at the Diversity Media Awards, on 25 May 2022, with an article on combating violence against women published in the newspaper on 8 March 2022. On the social front, the collaboration continues with Factanza, one of the largest social communities on Instagram, for the joint production of posts to bring a younger target audience closer to the content offered by Il Sole 24 ORE, and a collaboration has begun with Cose non Cose, another social community, with “Jobbing”, a co-published column dedicated to youth employment issues.

Taking a multimedia programming approach, significant attention was focused on NRRP coverage, with the launch of the NRRP Observatory: a special page in the newspaper every Thursday and an online dossier enhanced with tables and infographics, which provides daily updates on all news and insights.

In addition, following the changes in the geopolitical scenario with the outbreak of the Ukrainian conflict, a series of editorial coverage initiatives was launched in the daily newspaper, on 24+, the premium section of the ilsole24ore.com website, which was supported on this occasion by a subscription offer campaign providing one free month, on the Lab with a dedicated project and through an instant book. Il Sole 24 ORE also supported the Italian Red Cross by promoting its fundraising with dedicated spaces providing it with visibility.

Revenues from Group magazines (*How to Spend It* and *24 Hours*) closed H1 2022 with growth of 28.8%.

How To Spend It, the monthly magazine dedicated to luxury in collaboration with Financial Times, had six issues in the half-year, with the March issue dedicated to fashion in the special edition “A Passion For Fashion” and the June issue focused on design with “Superior Interiors”, which was also involved in a street amplification activity with a branded van roaming the streets during the Milan Furniture Fair. The February issue represents the 100th issue of the Italian edition of the magazine and was celebrated with a series of highly visible and significant publishing initiatives: the issue included a series of ad hoc content, from the #100characters social creativity contest in collaboration with Fornasetti, to a capsule collection with the Sandretto Re Rebaudengo Foundation, to a new special edition NFT, to a round table with famous centennial voices. On 17 February 2022, 24 hours after the release of this issue-collection of How to Spend it, an exclusive “HTSI Metaverso Experience” evening was held to celebrate this special date with the partners through a digital journey into the worlds explored by the magazine. An immersive meta-event in the phygital How to Spend it universe.

In H1 2022, the portal www.ilsole24ore.com recorded a daily average of 1.2 million unique browsers, down 20.4% compared to the average of the same period of 2021 (Source: *Webtrekk*). A positive result for the video component, with the average views per month in H1 2022 up 4.9% compared to the 2021 figure. Indicators were up on social media, in particular LinkedIn +13.7%, confirming over 1 million followers, Instagram +13%, Twitter +10.2% and Facebook +2.4% compared to 30 June 2021.

In March 2022, a number of new features were introduced to the site to enhance navigation, stimulate user engagement and evolve the platform towards a cross-device approach: the new Topics section that organizes articles by tag, now optimized for mobile devices and enhanced for search engines; new blogs with platform updates; the new Newsletter section with a more intuitive subscription method and the enhancement of the 24+ Recap, Scuola+, Real Estate+ and FinTech+ premium newsletters.

In May 2022, the new Finanza home page was launched: a new destination hub from which, in a single main access point, users can access a single view of the world of finance from the editorial offices of the daily newspaper, market data, real-time information from the Radiocor agency, personal finance trends and tips from the editorial staff of Plus24, the weekly Saturday insert of Il Sole 24 ORE dedicated to personal finance. The launch of Finanza was accompanied by an expansion of the premium information offer: the subscription to Mercati+, the innovative multi-function service of Il Sole-24 ORE dedicated to Private Investors, which includes all of the financial information with real-time market data, all the tools for personal portfolio management, indexes and alerts, and exclusive and additional market insights, e.g. with the blogs “The insider” and “Bankers & Co”. Plus a subscription formula that includes the entire Mercati+ plus the Saturday edition of the daily newspaper Il Sole 24 ORE with the weekly Plus24.

The digital offer of Il Sole 24 ORE in the first six months of 2022 was enhanced by video productions, with new web series and live events on the website and social networks, including Lavoro24; Imparare a decidere; and the new season of “CEO Confidential”; and audio productions, with the continuation of the daily and weekly Start24 and Market Mover formats and new podcasts including “Disco & Pride” and “Note prima degli esami”, and “NarCovid”, offered exclusively on Apple Podcast.

Finally, the daily newspaper and the website also participated in the Trento Festival of Economics through special coverage in the form of a series of newspaper inserts, an extensive online dossier with exclusive content and videos, amplification on social channels and special local publicity initiatives.

■ 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	H1 2022	H1 2021	change %
Circulation revenues/other	28,012	27,722	1.0%
Advertising revenues	188	114	65.0%
Revenues	28,201	27,836	1.3%
Gross operating margin (EBITDA)	7,297	7,914	-7.8%
EBITDA Margin %	25.9%	28.4%	-2.6 p.p.
Operating profit (loss)	6,671	7,052	-5.4%

The 2021 comparative figures have been appropriately reclassified to reflect the new organization. In particular, consistent with the 2021 Annual Financial Report, the results of the Radiocor Plus operating sector are included in the Professional Services area, while in the Half-yearly financial report as at 30 June 2021, they were shown in the Publishing & Digital area.

Market performance

For 2022, the forecasts from the end of 2021 for the professional publishing sector indicated a recovery in the sector's overall turnover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. In particular, tax publishing was expected to grow by 5.3% and legal publishing by 3.8%.

These forecasts, in light of the pandemic which has not yet come to an end, economic and geopolitical instability due to the ongoing conflict in Ukraine, the rising cost of raw materials and energy, and the resurgence of inflation, should be viewed with caution. Furthermore, the expected GDP growth rate assumed in the last quarter of 2021 was reduced.

In terms of media, current trends do not seem to change in 2022: overall, electronic publishing is expected to grow by 7.6% and management software by 6%, which will see an increase in the integration of digital publishing content (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.

Instead with respect to the press agency sector in which Radiocor is categorized, the market remained stable or even contracted in some segments.

Area performance

Revenues of the Professional Services area in H1 2022 amounted to Euro 28.2 million, an increase of Euro 0.4 million (+1.3%) compared to the same period in 2021 thanks to the results of databases and innovative product lines: the Partner24ORE networking project and the Valore 24 software line, partially offset by the decline in traditional paper products.

The 2021 comparative figures have been appropriately reclassified to reflect the new organization. In particular, consistent with the 2021 Annual Financial Report, the results of the Radiocor Plus operating sector are included in the Professional Services area, while in the Half-yearly financial report as at 30 June 2021, they were shown in the Publishing & Digital area. The Radiocor Plus agency shows revenues of Euro 3.6 million in H1 2022, posting growth of Euro 0.1 million (+3.0%) compared to the same period of 2021.

Revenues from electronic publishing amounted to Euro 21.8 million, up by Euro 0.3 million (+1.6%) vs. H1 2021 in particular thanks to the development of revenue from databases.

The new Valore24 software and Partner24ORE networking product lines contributed a total of Euro 3.1 million to area revenues (Euro +0.8 million over H1 of the previous year).

Traditional paper products, such as books and magazines, amounted to a total of Euro 2.2 million, a fall of 27.8% compared with H1 2021, which amounted to Euro 3.1 million (revenues from the sale of books Euro -0.2 million, -28.0% and revenues from the sale of magazines, down by Euro 0.7 million, -27.8%).

Analysing revenues by main market segment, Tax and Labour products achieved revenues of Euro 14.0 million, down 5.1% compared to the same period of 2021; Law products recorded revenues of Euro 3.3 million, down (-5.6%) compared to H1 2021; Construction and PA products achieved revenues of Euro 2.3 million, up 15.3% on H1 of the previous year.

During 2022, work continued on the development and innovation of the offer. In H1 2022, 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;
- 24Suite Aziende the new platform, dedicated to companies, a unique solution that, thanks to the diverse skills of the 24 ORE Group, offers both the timely and authoritative information from the daily newspaper *Il Sole 24 ORE*, ilsole24ore.com, the Radiocor Plus press agency and 24 ORE Ricerche e Studi

for essential updates on economic indicators; and operational solutions, documentation, answers from the Experts and software for the needs of all corporate functions (Administration, Finance and Control, Human Resources, Legal and Health, Safety & Environment);

- 24Suite Aziende Energia, the first vertical dedicated to energy companies with all of the news, insights, reports and agency launches to find out about economic data, forecasts and trends;
- Telefisco 2022: two annual events with tax experts. The second edition in June 2022 was held in stream only mode. Compared to free participation in the 27 January 2022 event, for this one customers could choose to purchase the Plus or Advanced version, with the possibility of exploring additional content and in-depth webinars for continuous updating;
- The extension of the Partner 24ORE format to the Technical Professions, where through the accreditation of skills, a path of networking and continuous interaction with other professionals and with the experts of Il Sole 24 ORE, engineers, architects and surveyors can acquire new skills at a time of great change - from the effects of NRRP to the energy and ecological transition;
- The new Esperto Risponde: Il Sole 24 ORE's traditional question answering service has been revamped to offer its users new services and functions, with the aim of improving its usefulness and reliability. With the new Esperto Risponde, there is now a free section for sending queries and the possibility of purchasing query packages with a guaranteed answer within 72 hours or subscriptions to the entire archive or portions of the archive organised by topic, choosing from 9 subject areas;
- Norme & Tributi Plus Condominio, with all of the latest news on real estate and condominiums and in-depth information on topics of interest. It is not simply the new name of the daily newspaper Il Sole 24 ORE Condominio, but a new product that is more complete in terms of content, with an upgraded interface and enhanced with insights and official documentation from the Smart24 Condominio database;
- Licensing projects such as Procurement 24 ORE, a simple and intuitive platform with software solutions and procurement support and advisory services dedicated to SMEs and professionals;
- Rassegna tributaria: the quarterly in-depth academic journal on tax law. Edited by a high-profile scientific committee, each issue offers in-depth coverage of the most important issues in domestic and international taxation;
- Valore24 HSE: the ideal software for professionals managing occupational health and safety in both SMEs and large companies.

EBITDA was Euro 7.3 million, a deterioration of 7.8% compared to H1 2021, when it amounted to Euro 7.9 million.

■ Radio

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

RESULTS OF THE RADIO AREA

Euro thousands	H1 2022	H1 2021	change %
Circulation revenues/other	249	144	73.2%
Advertising revenues	8,887	6,906	28.7%
Revenues	9,136	7,050	29.6%
Gross operating margin (EBITDA)	1,973	(96)	>100.0%
EBITDA Margin %	21.6%	-1.4%	23.0 p.p.
Operating profit (loss)	564	(781)	>100.0%

Market performance

The most recent listening figures for radio refer H1 2022 and recorded a total of 33,646,000 listeners on the average day, up 1.3% from H1 2021 (*Source: RadioTER 2021-2022*).

In the first five months of 2022, the reference advertising market marked growth of 3.6% compared to the same period of the previous year (*Source: FCP January/May; turnover*); in terms of space, the radio market closed in line with H1 2021 (+0.8%. *Source: Nielsen January/June; analysis by seconds*).

After two years impacted by the spread of the pandemic, the advertising market is facing a new critical and uncertain environment in 2022, linked to the ongoing conflict in Ukraine, as well as rising inflation and increasing commodity costs. The medium- to long-term repercussions of the current crisis are still difficult to estimate.

In the radio market, the Distribution sector (+11.4% compared to 2021), which accounts for a quarter of advertising sales by no. of seconds, and Home (+22.6%) consolidated their positive trend. On the other hand, the negative trend of the Automobiles sector (-44.6%) is confirmed, which has lost a significant share of the radio market in the last two years (from 18% in H1 2021 to 10% in 2022). Of note is the significant growth of core sectors for Radio 24 such as Finance/insurance, Professional services, IT/photography and Industry/construction/activities, which together recorded +20.4% (*Source: Nielsen January/June 2022 vs. 2021; analysis by seconds*).

Area performance

In H1 2022, Radio 24 reached 2,294,000 listeners on the average day (+1.2% compared to the same period of 2021). 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 2021-2022*).

The Radio area closed H1 2022 with revenues of Euro 9.1 million and compares to revenues of Euro 7.0 million in the same period of 2021 (+29.6%).

Advertising revenues in the Radio area, including sales on radio stations and the website www.radio24.it, up by 28.7% compared to H1 of the previous year.

This result can certainly be attributed to the high editorial value of the radio station, as well as to communication solutions capable of meeting ever-changing market needs; one example is the Digital Round Tables

moderated by Radio 24 presenters, set up over the last two years to cope with the impossibility of holding face-to-face events and which have now become successful appointments highly appreciated by companies and the participating public. Also of note is the resumption of local activities after they were suspended for almost two years.

In terms of advertising space, in January/June 2022, Radio 24 recorded +14% compared to the same period in 2021 (*Source: Nielsen January/June 2022 vs. 2021; analysis by seconds*).

In the broadcaster's advertising sales, the core Finance/Insurance, Industry/Construction/Activities, IT/Photography and Professional Services sectors together accounted for +37.1% compared to H1 2021. The significant growth in these four segments compensates for the persistent decline in the Automobiles sector, which currently accounts for 8.2% of the broadcaster's advertising sales, compared to 12.1% in the same months of the previous year: these five sectors, which account for 57% of Radio 24's advertising sales in seconds, together recorded +23.2% (*Source: Nielsen January/June 2022 vs. 2021; analysis by seconds*).

The Radio 24 share in seconds of the total radio market is 9.2% (*Source: Nielsen - January/June 2022; no. seconds*).

In the period January/June 2022, the Radio 24 website recorded an average of 2 million page views per month. The number of single users of the website reaches a monthly average of 488 thousand (*Source: Webtrekk - January/June 2022*).

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 and was also confirmed in 2022 as part of the Group's Audio Content Strategy.

As of June 2022, 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 6.8 million. From January to June 2022, 40.5 million podcasts were downloaded, for a monthly average of about 6.7 million (*Sources January/June 2022: Audiometrix for the site and App, Spotify Metrix for Spotify, Google Podcast Analytics for Google, Apple Analytics for Apple*).

The **gross operating margin (EBITDA)** was a positive Euro 2.0 million, compared with a negative Euro 0.1 million in H1 2021.

■ 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 SYSTEM AREA

Euro thousands	H1 2022	H1 2021	change %
Group revenues	39,650	36,608	8.3%
Revenues from third parties	1,425	1,140	25.0%
Revenues	41,075	37,748	8.8%
Gross operating margin (EBITDA)	67	(554)	>100.0%
EBITDA Margin %	0.2%	-1.5%	1.6 p.p.
Operating profit (loss)	53	(567)	>100.0%

Market performance

In the January-May 2022 period, the System reference market recorded growth of 0.8% (net of local newspaper advertising): newspapers closed at +1.2% (net local), magazines at -4.3%, radio at +3.6% and Internet at +0.9% (*Source: Nielsen January/May 2022 vs 2021*).

Area performance

System closed H1 2022 with revenues of Euro 41.1 million, up 8.8% on the same period of 2021.

After two years, significantly affected by the spread of Covid-19, the uncertain environment relating to the ongoing conflict in Ukraine, rising cost of raw materials and the resurgence of inflation pose a new challenge for the advertising market. An estimate of the repercussions that the current crisis will have in the medium to long term is still difficult to define: much will depend on the continuation of this situation. Companies are being forced to review their business strategies on several fronts, and consequently to adapt their communications. In the advertising realm, the concessionaire is maintaining its position and consolidating its market share thanks to the development of special initiatives, increasingly recognized by companies as an effective vehicle of values and a means of building loyalty with their audience.

Compared to a reference market that in the January/May period recorded +1.2% (total newspapers, net local. *Source: Nielsen January/May 2022 vs 2021*), Il Sole 24 ORE (daily newspaper + supplements) closed the first six months of 2022 with +1.9%. This growth over the same period of the previous year is to be regarded as positive, in view of the performance recorded in the early months of 2021.

In the newspaper market, in terms of space, it is necessary to note the growth of the Clothing (+16.5%), Personal Items (+11.4%), Professional Services (+6%) and Industry/Construction /Activities (+4.8%) sectors, which offset the slight decline of the Finance/Insurance sector (-1.4%). These five sectors account for 65% of total advertising sales in the newspaper Il Sole 24 ORE (*Source: Nielsen – January/June 2022 vs 2021; no. pages*).

Magazines in the area closed the first half of 2022 with growth of +38.0%, compared to the -4.3% recorded by the market in January/May (*source: Nielsen - January/May 2022*). The release of the 100th issue of *How to Spend it* (HTSI) on 18 February 2022 had a positive influence on the Group's magazine sales, which also widely resonated thanks to all of the cross-media initiatives developed surrounding this occurrence.

In the magazine market, the Personal Items (+29.2%), Clothing (+9.2%) and Home (+8.3%, no. pages) sectors performed well. These three sectors are of considerable importance in the monthly HTSI magazine, with a 73% share of advertising sales in terms of space (*Source: Nielsen – January/June 2022 vs 2021; no. pages*).

Radio 24 performed well, closing H1 2022 with growth of 28.0%, compared with a market that closed the January/May period at +3.6% (*Source: Nielsen January/May 2022 vs. 2021*): double-digit growth on which the resumption of local activities certainly had an influence, after they were suspended for almost two years due to the Covid-19 pandemic.

In the radio market, the Distribution (+11.4% compared to 2021) and Home (+22.6%) sectors consolidated their positive trend. On the other hand, the persistent decline in the Automobiles sector (-44.6%) is confirmed, which in the first half of 2022 accounts for 10% of advertising sales in seconds (compared to 18% in the same period of 2021). Of note is the significant growth of Finance/ insurance, Professional services, IT/photography and Industry/construction/activities, which together registered +20.4%; these four sectors account for almost half of Radio 24's advertising sales in seconds (*Source: Nielsen January/June 2022 vs. 2021; analysis by seconds*).

Online sales in H1 2022 (net of funds and sales on foreign titles) recorded +5.2% growth compared to a digital market that recorded +0.9% in January/May 2022 (*Source: Nielsen January/May 2022 vs. 2021*),

although the Group's sites (net of funds) in the six-month period recorded -4.7% compared to the same period of 2021.

In the digital market, the Media/Publishing (+45.6%), IT/Photography (+38.2%) and Finance/Insurance (+11.2%) sectors recorded a positive trend, while one of the most important sectors in terms of investments, namely Automobiles, declined by 40.6% (*Source: FCP January/May 2022 vs. 2021; turnover*). These four sectors together account for 56% of the Group's total advertising sales (net of funds).

The **Gross operating margin (EBITDA)** was positive for Euro 0.1 million and compares with negative EBITDA of Euro 0.6 million in H1 2021.

■ Culture

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

RESULTS OF THE CULTURE AREA

Euro thousands	H1 2022	H1 2021	change %
Circulation revenues/other	6,048	1,149	>100.0%
Revenues	6,048	1,149	>100.0%
Gross operating margin (EBITDA)	(451)	(389)	-16.0%
EBITDA Margin %	-7.5%	-33.9%	26.4 p.p.
Operating profit (loss)	(676)	(599)	-12.7%

Market performance

In H1 2022, the effects of the Covid-19 pandemic continued, albeit to less of an extent, to affect the number of admissions to exhibitions.

The current global economic and political situation has impacted the costs of holding and producing events, creating further instability in the audience as well.

The Observatory of the Italian Publishers' Association (AIE), the main trade association of the book publishing industry, recorded that in the first five months of 2022, Italian miscellaneous publishing, i.e. novels and non-fiction sold in physical and online bookshops and in large-scale retail outlets, was down by 4.5% in terms of value and 3.6% by number of copies compared to the first five months of 2021. Sales at cover price in the first twenty weeks amounted to Euro 565.6 million, copies sold amounted to 38.3 million (about Euro 27 million in value and 1.4 million copies sold less than in 2021). May 2022 alone (24 April-21 May) recorded -8.6% in value and -8.2% in copies compared to the same period of last year. Sales amounted to 96.2 million and copies to 6.7 million (compared to May 2021, 9.1 million in value and 600,000 copies were lost respectively - *Source: press release of AIE Associazione Italiana Editori - 7 June 2022*).

Area performance

In the first half of 2022, the government eased safety measures for admission to museums, allowing spaces to be reopened to the public more easily, although the Covid-19 infection situation has not yet stabilized.

The Culture area recorded revenues of Euro 6.0 million in H1 2022, up from the same period of the previous year, which recorded revenues of Euro 1.1 million following the mandatory closure of all museums and exhibition venues during the lockdown period.

The H1 2022 gross operating margin (EBITDA) of the Culture area was a negative Euro 0.5 million and compares to a negative EBITDA of Euro 0.4 million in H1 2021.

The pandemic situation, further aggravated by the ongoing conflict in Ukraine, continues to have a major impact on the area's results. At MuDEC, the exhibitions open for the first three months of 2022 with a schedule that has seen the tail end of the 2021 exhibitions are: *Disney. The Art of Timeless Storytelling*, closed on 13 February 2022, *Piet Mondrian. From Figuration to Abstraction* closed on 27 March 2022 and *TvBoy* closed on 9 January 2022. In addition, the following exhibitions were opened: *Cartier Bresson. China 1948-49/1958* on 18 February 2022 at MuDEC Photo, *Marc Chagall. A Tale of Two Worlds* opened on 16 March 2022 in the MuDEC spaces and *David La Chapelle* opened on 22 April 2022. 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.

MuDEC's Permanent Collection has always been open and, in the first half of 2022, recorded 28,864 non-paying visitors.

In H1 2022, the exhibitions realized by 24 ORE Cultura at MuDEC recorded a total of 180,258 visitors, 173,216 of whom were paying visitors. In H1 2021, due to the pandemic situation, the exhibitions at MuDEC reopened only in May 2021.

In H1 2022, the three autumn exhibitions at the partner venues of 24 ORE Cultura in Milan and Turin closed. On 20 March 2022, at the GAM in Turin, the exhibition dedicated to *Giovanni Fattori* was closed; on 27 February 2022, at Palazzo Reale in Milan, the *Magic Realism* exhibition was closed; finally, on 20 March 2022 at Palazzo Morando, Museum of Fashion, Costume and Image in Milan, the *Wonder Woman* exhibition was closed. At Palazzo Ducale in Genoa, the exhibition *Tina Modotti. Women, Mexico and Freedom* was opened on 8 April 2022, and will close on 9 October 2022. For the first time in the spaces of the National Gallery in Palazzo Barberini in Rome, the second stage opened to the public on 15 April 2022 of the exhibition *Disney. The Art of Telling Timeless Stories*.

As part of the cultural consultancy services provided by 24 ORE Cultura, in H1 2022, a collaboration was launched with the MAI Museum for the Imperial Extravagance project, an immersive experience among multimedia installations within the archaeological site of the Grottoes of Catullus in Sirmione.

The promotion of exhibitions aimed at the international market continued with the sale completed between March and April 2022 of two additional stages of the exhibition "*Banksy and the street artists*" which opened on 12 March 2022 at its first Japanese venue in Moriyama at the Sagawa Art Museum. An exhibition dedicated to Pharaoh Amenhotep II at the National Museum of Fine Arts in Budapest opened on 9 January 2022.

Furthermore, following the relaxation of safety measures and space restrictions, the promotion of the sale of physical events in the MuDEC spaces resumed, by activating important collaborations with companies and brands in various industries.

In the publishing area, the production of books in paper format (under the 24 ORE Cultura brand and the Libri Scheiwiller brand) continued, to be sold at both bookshops and exhibition bookshops.

■ Events

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

RESULTS OF THE EVENTS AREA

Euro thousands	H1 2022	H1 2021	change %
Circulation revenues/other	35	125	-71.7%
Advertising revenues	3,431	2,361	45.4%
Revenues	3,467	2,485	39.5%
Gross operating margin (EBITDA)	742	636	16.7%
EBITDA Margin %	21.4%	25.6%	-4.2 p.p.
Operating profit (loss)	734	633	15.9%

Market performance

From the beginning of the Covid-19 pandemic to date, the event sector has experienced drastic changes that continue to be evident and significant. Certainly, digital events have constituted the largest transformation in the industry. Born as a necessary alternative to physical events, interaction and meeting solutions on digital platforms have 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).

In 2022, characterized by an increased loosening of anti-Covid restrictions, we are witnessing a new trend of favouring digital or in-person events depending on the season (live events in spring and summer, digital and hybrid events for the October to April period). The physical event organized in the manner typical of the “pre-Covid” period remains the highest aspiration, but in general we can speak of an increasing awareness that the future of events is hybrid (physical/digital. *Source: “Event Industry in the Covid-19 Phase” - sixth edition, AstraRicerche*). In addition to not wanting to give up the above-mentioned advantages, digital solutions allow for cost containment, the importance of which should not be underestimated.

The new study conducted by the *Research Institute for Exhibition and Live-Communication* and commissioned by *Fwd*, a member of the pan-European *LiveCom Alliance*, showed how the events industry was also affected by inflation: depending on the format and size of the event/exhibition, the budget that has to be made available in 2022 is higher on average by 46% than that of a comparable production in 2019. Many factors influence price increases: higher demand, but only concentrated in certain months of the year, anti-Covid hygiene procedures, general increase in labour costs (caused by a shortage of qualified personnel), raw materials and transport costs (*source: “Cost Inflation Trends Events / Exhibitions / Trade Fairs 2022”, by the Research Institute for Exhibition and Live-Communication*).

In conclusion, there is growing demand for in-person events and exhibitions, which is set to increase in 2023, although the digital or hybrid event remains and is destined to consolidate its presence within the industry.

Area performance

The Events area closed H1 2022 with revenues of Euro 3.5 million and compares to revenues of Euro 2.5 million in the same period of the previous year (+39.5%).

In line with an increasing return to physical events, 24 ORE Eventi offers different format types: from full digital initiatives (Interactive 24 and Live Streaming 24) to in-person events (Live Event), as well as hybrid solutions (Live & Digital) where the physicality of the traditional event is combined with the virtual nature of the online event.

Notable, successful initiatives in H1 2022 include:

- “Welfare & Hr Summit” in February, now in its third edition;
- “Italian Hydrogen Strategy” and “Sustainability Hub” in March;
- the fourth edition of the “Innovation Days” roadshow organized in cooperation with Confindustria, which resumed in April from the Milan leg;
- “Real Estate Summit” in May;
- the second edition of the “Merger & Acquisition Summit” on the topic of Extraordinary Finance, the first of the events planned and realized with the editorial staff of “Finanza & Mercati” and “Norme & Tributi” of Il Sole 24 ORE.

Another event worthy of mention was the 17th edition of the “Trento Festival of Economics”, held from 2 to 5 June 2022, for the first time co-managed by Il Sole 24 ORE and the Province of Trento (through Trentino Marketing S.r.l.), with the collaboration of the Municipality and University of Trento.

The Festival was a particular success thanks to 228 scheduled events, which were attended by more than 600 speakers, nationally and internationally renowned opinion leaders and prominent personalities (including 10 Ministers, 7 Nobel Prize winners, 36 international speakers, more than 75 speakers from the academic world and 30 managers and entrepreneurs). This dynamic and innovative programme schedule met with significant market recognition, with 27 partners involved, as well as widespread public success, with more than 100,000 registered users between live streaming and video on demand and 25,000 gross contacts in person.

The **EBITDA** in the Events area was a positive Euro 0.7 million and compares with a positive EBITDA of Euro 0.6 million in H1 2021.

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	H1 2022	H1 2021
Revenues	104,628	96,829
Other operating income	1,634	2,136
Personnel costs	(40,172)	(40,223)
Change in inventories	961	(336)
Purchases of raw and consumable materials	(2,964)	(1,833)
Costs for services	(47,455)	(42,699)
Other operating costs	(4,995)	(4,472)
Provisions and bad debts	(1,228)	(2,126)
Gross operating margin	10,409	7,276
Amortization, depreciation and write-downs	(8,164)	(8,423)
Gains/losses on intangible and tangible assets	9	71
Operating profit (loss)	2,254	(1,075)
Financial income (expenses)	(1,902)	(1,477)
Profit (loss) before taxes	394	(2,524)
Income taxes	(799)	(807)
Net profit (loss) from continuing operations	(405)	(3,331)
Profit (loss) from assets held for sale	-	-
Net profit (loss)	(405)	(3,331)
Profit (loss) attributable to minority shareholders	-	-
Net profit (loss) attributable to shareholders of the parent company	(405)	(3,331)

The current market context is characterized by the following factors: the health emergency linked to the spread of the Covid-19 virus, which has not yet been completely overcome, economic and geopolitical instability due to the ongoing conflict in Ukraine, rising commodity and energy costs and the resurgence of inflation. Against this backdrop, the 24 ORE Group is recording signs of growth thanks to both the improvement in the pandemic context, which has allowed for the resumption of exhibitions organized by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until the end of April 2021), and authoritativeness, high quality content, good advertising sales performance and product development in the Professional Services area, as well as effective commercial policies across all areas. In H1 2022, the 24 ORE Group reported **consolidated revenues** of Euro 104.6 million (Euro 96.8 million in H1 2021), up 8.1% or Euro +7.8 million compared to the same period of 2021.

Specifically, in H1 2022, advertising revenues increased by Euro 4.5 million (+11.3% compared to the same period of the previous year) and amounted to Euro 44.2 million, publishing revenues decreased by Euro 1.7 million (-3.3% from Euro 51.4 to Euro 49.7 million) mainly due to the decrease in revenues generated by the sale of the print newspaper, and other revenues increased by Euro 5.0 million (from Euro 5.7

million to Euro 10.7 million), mainly due to higher revenue in the Culture area and more innovative products in the Professional Services area.

The main dynamics that characterized consolidated revenues are:

- circulation revenues of the newspaper (print + digital) amounted to Euro 21.2 million, down by Euro 1.6 million (-7.1%) compared to H1 2021. Circulation revenues of the print newspaper amounted to Euro 10.9 million, down by Euro 1.6 million (-12.6%) compared to the same period of 2021. Circulation revenues of the digital newspaper amounted to Euro 10.2 million, down by Euro 0.1 million (-0.5%) compared to H1 2021;
- the Group's advertising revenues of Euro 44.2 million were up by 11.3% on H1 2021. The concessionaire is maintaining its position and consolidating its market share thanks to the development of special initiatives, increasingly recognized by companies as an effective vehicle of values and a means of building loyalty with their audience. The Group's advertising revenues outperformed the reference market, up by 0.8% (*Source: Nielsen - January/May 2022*) but will now have to face a new uncertain environment linked to the consequences of the ongoing conflict in Ukraine. The high quality of the digital formats set up in 2020 in response to the suspension of physical events due to the pandemic, was recognized and rewarded from the outset by users in terms of high attendance, interaction and high average connection times, as well as by the market in terms of partner membership and sponsorship. Revenues in H1 2022 amounted to Euro 3.5 million (Euro 2.5 million in the corresponding period of 2021), thanks also to the contribution of the 17th edition of the 'Trento Festival of Economics', held from 2 to 5 June 2022, for the first time co-managed by Il Sole 24 ORE and the Province of Trento, with the collaboration of the Municipality and University of Trento;
- revenues from electronic publishing in the Professional Services Area amounted to Euro 21.8 million, up by Euro 0.3 million (+1.6%) vs. H1 2021 by virtue of the renewal of the product portfolio and the sales network launched in previous years;
- revenues from the Culture Area, amounting to Euro 6.0 million, rose by Euro 4.9 million compared to H1 2021, which was heavily penalized by the Covid-19 emergency, which led to the compulsory closure of all museums and exhibition venues during the lockdown period.

Circulation (paper + digital) of the daily newspaper Il Sole 24 ORE from January to May 2022 was 139,310 average copies per day (-5.3% compared to January-May 2021). Specifically, the average daily print circulation reported to ADS for the period January-May 2022 is 53,210 copies (-10.1% compared to the same period of 2021). Digital circulation reported to ADS was 86,099 average copies per day (-2.1% compared to the period January-May 2021). News-stand sales for the period January - May 2022 (*Source: ADS, Individual print sales*) were down 26.2% compared to the same period of the previous year with the market contracting in the same channel by 12.4%.

The data refer to what the Publisher declared to ADS, considering that the ADS Regulation 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.

In 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 and concerning in particular the adoption process of multiple and promotional digital

copies; based on these critical issues, the auditing company in charge of certifying the annual data had adjusted the copies declared by the Publisher in these categories for the year 2017.

For the same reasons, 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, also in this case accepting the corrections indicated by the auditor.

Thanks to these corrective measures, which resolved most of the critical issues raised in 2019 and 2020, 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, which were therefore not adjusted. Similarly, the examination of the annual figures declared by the Publisher to ADS for 2020 was also completed at the end of 2021, 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 ADS Board issued the certificate for the year 2020 on 6 April 2022, without once again making any changes to the data declared by the Publisher.

Furthermore, the Group asked an independent third-party Company to express an opinion on the effective application of the appropriate procedures adopted for the calculation of the Total Paid For Circulation ("TPFC", i.e. the total number of daily paid sales of Il Sole 24 ORE in all markets through print and digital channels) at 30 June 2022; on conclusion of its checks, the independent third-party Company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 25 July 2022.

Based on these procedures, the average Total Paid For Circulation for the period January-June 2022 was determined to be 175,514 copies (-1.6% compared to the same period of 2021), including all multiple digital copies sold, but not reportable as circulated for ADS purposes and therefore not included in the relevant statement.

The H1 2022 **gross operating margin (EBITDA)** was a positive Euro 10.4 million and compares to a positive EBITDA of Euro 7.3 million in H1 2021. The change in EBITDA is mainly attributable to the growth in revenues of Euro 7.8 million (+8.1%), offset in part by lower operating income of Euro 0.5 million and an increase in costs totalling Euro 4.2 million. Net of non-recurring income and expenses, EBITDA was a positive Euro 10.0 million, an improvement of Euro 3.4 million compared to a positive Euro 6.6 million in H1 2021.

At Euro 40.2 million, **personnel costs** were in line (-0.1%) with the same period of 2021. In the first half of the year, there was a lower cost resulting from the reduction in the workforce offset by the lower use of temporary personnel cost reduction measures, in particular the Covid-19 emergency social relief plans used in H1 2021. The average number of employees, 788, decreased by 44 (mainly graphic designers and printers) compared with the first half of the previous year when it amounted to 832.

Costs for services amounted to Euro 47.5 million, up by Euro 4.8 million (+11.1%) compared to H1 2021. The main changes are attributable to:

- commissions and other sales expenses up by Euro 1.3 million (15.4% from Euro 8.7 million to Euro 10.1 million);
- printing costs up Euro 0.8 million (+34.5% from Euro 2.4 to 3.2 million) correlated to the new production structure;
- costs for conferences and exhibitions up Euro 2.7 million (from Euro 1.1 million to Euro 3.8 million), partly due to the resumption of exhibitions by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021);
- promotional and commercial expenses up Euro 0.5 million (+12.6% from Euro 4.1 to 4.7 million), mainly due to the resumption of exhibitions by 24 ORE Cultura S.r.l.;
- distribution costs down Euro 1.0 million (-11.5% from Euro 8.9 million to Euro 7.9 million);
- expenses for utilities down Euro 0.3 million (-20.3% from Euro 1.3 to 1.1 million).

The H1 2022 **operating profit (EBIT)** was a positive Euro 2.3 million and compares to a negative EBIT of Euro 1.1 million in the same period of 2021. Depreciation and amortization for the period amounted to Euro 8.2 million compared to Euro 7.7 million in H1 2021. Starting from the 2021 Annual Report, radio concessions and frequencies have been reclassified as assets with a “finite useful life” instead of an “indefinite useful life”, with the introduction of the 15-year amortization mechanism. Amortization of radio concessions and frequencies amounted to Euro 0.7 million in H1 2022. H1 2021 included write-downs of intangible assets of Euro 0.7 million in connection with software developments that are no longer used. Net of non-recurring income and expenses, *EBIT* was a positive Euro 1.8 million, an improvement of Euro 2.9 million compared to a negative Euro 1.1 million in H1 2021.

The **profit before taxes** was Euro 0.4 million and compares with a loss of Euro 2.5 million at 30 June 2021. Negative net financial expenses and income of Euro 1.9 million (negative Euro 1.5 million in H1 2021) had an impact. During the period, **income taxes** amounted to Euro 0.8 million, of which Euro 0.2 million for IRAP, and Euro 0.5 million for the cancellation of deferred taxes.

The **net loss attributable to shareholders of the parent company** was Euro 0.4 million, an improvement of Euro 2.9 on the loss of Euro 3.3 million in H1 2021. The net loss attributable to the shareholders of the parent company net of non-recurring income and expenses was Euro 0.8 million, an improvement of Euro 2.5 million over the loss of Euro 3.4 million reported in H1 2021.

Alternative Performance Measures

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

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

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

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

- the net financial position, together with other indicators such as net financial position/equity, allows for a better assessment of the overall level of debt, equity solidity and debt repayment capacity;
- the Gross Operating Margin (EBITDA), the EBITDA margin, and the Operating profit (loss) (EBIT) (also in the version net of non-recurring income and expenses), together with other indicators of relative profitability, illustrate changes in operating performance and provide

useful information on the Group's ability to sustain its debt; these indicators are also commonly used by analysts and investors in the sector to which the Group belongs, in order to evaluate company performance.

Statement of financial position

SUMMARY STATEMENT OF FINANCIAL POSITION		
Euro thousands	30.06.2022	31.12.2021
Non-current assets	127,231	131,084
Current assets	131,847	117,027
Total assets	259,078	248,112
Group equity	15,189	13,851
Total equity	15,189	13,851
Non-current liabilities	113,573	121,325
Current liabilities	130,315	112,936
Total liabilities	243,888	234,261
Total equity and liabilities	259,078	248,112

Non-current assets amounted to Euro 127.2 million compared to Euro 131.1 million at 31 December 2021, a decrease of Euro 3.9 million. In particular:

- deferred tax assets amounted to Euro 19.9 million, a decrease of Euro 0.7 million compared to 31 December 2021, of which Euro 18.5 million related to tax assets recognized on tax loss that can be carried forward and Euro 1.4 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 30.4 million, of which Euro 19.9 million related to radio frequencies and Euro 10.5 million related to licences and software, including projects in progress. Investments amounted to Euro 2.4 million and depreciation and amortization to Euro 3.9 million. Starting from the 2021 Annual Report, radio concessions and frequencies have been reclassified as assets with a “finite useful life” instead of an “indefinite useful life”, with the introduction of the 15-year amortization mechanism. Amortization of radio concessions and frequencies amounted to Euro 0.7 million in H1 2022;
- goodwill amounted to Euro 20.7 million, unchanged from the previous year;
- property, plant and equipment amounted to Euro 54.2 million, including Euro 35.9 million for rights of use under IFRS 16. The depreciation of rights of use amounted to Euro 2.9 million. Other property, plant and equipment amounted to Euro 18.3 million, and was depreciated by Euro 1.4 million. Investments for the period totalled Euro 0.5 million;
- other non-current assets amounted to Euro 1.3 million (Euro 1.3 million at 31 December 2021) 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 131.8 million compared to Euro 117.0 million at 31 December 2021, an increase of Euro 14.8 million. The change is mainly attributable to the increase in cash and cash equivalents by Euro 15.5 million (Euro 35.7 million as at 31 December 2021) and other current assets by Euro 2.6 million, and the decrease in trade receivables by Euro 3.7 million.

Equity amounted to Euro 15.2 million, an increase of Euro 1.3 million compared to 31 December 2021, when it amounted to Euro 13.9 million, due to the result for the period, which was negative by Euro 0.4 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a negative effect of Euro 1.7 million.

Non-current liabilities amounted to Euro 113.6 million and compare with a value of Euro 121.3 million at 31 December 2021, a decrease of Euro 7.8 million.

Non-current financial liabilities amounted to Euro 81.7 million (Euro 82.5 million at 31 December 2021) 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.

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 2.0 million attributable to the present value at 30 June 2022 (Euro 3.0 million 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.

Deferred tax liabilities amounted to Euro 5.0 million (Euro 5.2 million as at 31 December 2021) 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 7.5 million, down Euro 1.3 million from the previous year, when they amounted to Euro 8.8 million. Provisions of Euro 0.2 million, utilizations of Euro 1.2 million and releases of Euro 0.3 million were recognized.

Other non-current liabilities amounted to Euro 7.0 million, a decrease of Euro 2.5 million compared to the previous year, and included Euro 6.9 million for the medium-term portion of the liability recognized for restructuring expenses allocated in 2021.

Current liabilities amounted to Euro 130.3 million, up Euro 17.4 million from Euro 112.9 million at 31 December 2021. Trade payables amounted to Euro 84.0 million, an increase of Euro 15.4 million compared to 31 December 2021. Current liabilities include liabilities for restructuring expenses of Euro 6.5 million (Euro 7.2 million as at 31 December 2021), down Euro 0.7 million, of which disbursements in the period of Euro 3.1 million and the reclassification of short-term payables of Euro 2.4 million. Current financial liabilities relating to contracts under IFRS 16 amounted to Euro 3.9 million, up Euro 0.8 million.

Statement of cash flows

Total cash flow for the period was positive at Euro 15.5 million and compares with negative cash flow of Euro 12.1 million in H1 2021.

Below is a summary of the financial figures:

SUMMARY CONSOLIDATED FINANCIAL FIGURES		
	H1 2022	H1 2021
Profit (loss) before taxes from continuing operations attributable to the Group	394	(2,524)
Adjustments	10,257	11,626
Changes in net working capital	10,836	(8,638)
Total cash flow from operating activities	21,487	464
Investments	(2,814)	(5,285)
Other changes	1,096	89
Cash flow from investing activities	(1,718)	(5,196)
Free cash flow	19,770	(4,731)
Cash flow from financing activities	(4,298)	(7,395)
Change in cash and cash equivalents	15,472	(12,126)
Cash and cash equivalents:		
At the beginning of the year	35,744	40,246
At the end of the period	51,216	28,120
Change in cash and cash equivalents	15,472	(12,126)

Cash flow from operating activities was a positive Euro 21.5 million, compared to a positive Euro 0.5 million in H1 2021, and is attributable to operating performance, which includes the payment of leaving incentives during the period of Euro 3.1 million.

Cash flow from investing activities was a negative Euro 1.7 million, relating to operating investments during the period.

Cash flow from financing activities was a negative Euro 4.3 million, compared with a negative Euro 7.4 million in H1 2021.

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.

NET FINANCIAL POSITION OF THE 24 ORE GROUP		
Euro thousands	30.06.2022	31.12.2021
A. Cash	93	102
B. Cash equivalents	51,122	35,642
C. Other current financial assets	4,409	5,641
D. Liquidity (A + B + C)	55,625	41,385
E. Current financial payable	(14,710)	(15,779)
F. Current portion of the non-current financial payable	(8,797)	(6,991)
G. Current financial debt (E + F)	(23,507)	(22,771)
H. Current net financial position (G + D)	32,118	18,614
I. Non-current financial payable	(38,867)	(39,828)
J. Debt instruments	(42,787)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(81,654)	(82,464)
M. Net financial position (H + L)	(49,537)	(63,849)

The **net financial position** at 30 June 2022 was a negative Euro 49.5 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 14.3 million. The change in the net financial position mainly relates to the change in net working capital included in cash flows from operating activities.

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 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 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 26 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 3.9 million.

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

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

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

Subsequently, by resolution of the Board of Directors of 25 February 2021, Il Sole 24 ORE S.p.A. adhered 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.

The 2022-2025 Plan in any event 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 addition, while it should be noted that the 2022-2025 Plan does not reflect any impact from the ongoing conflict in Ukraine, at present there are no significant direct effects on the Group's performance resulting from this event. The influence of indirect effects, mainly attributable to the possible repercussions that this conflict could have on the Italian and European economies, the publishing sector and procurement costs, and whose impact on the Group's business is in any case difficult to predict at this time, is not deemed to be such so as to not allow for the confirmation of the medium/long-term objectives reflected in this plan.

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 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.

Italian GDP is expected to continue growing in both 2022 (+2.8%) and 2023 (+1.9%), albeit at a slower pace than in 2021 (source: *ISTAT - Italy's economic outlook in 2022-2023 - 7 June 2022*) and previous forecasts.

The current uncertainty related to the possible evolution of the spread of the Covid-19 virus and its variants, any impacts resulting from the ongoing conflict in Ukraine, rising commodity and energy costs and the resurgence of inflation requires continuing to maintain a certain degree of caution with respect to the 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. In H1 2022, the evolution of the pandemic environment, uncertainties relating to the ongoing conflict in Ukraine, rising commodity and energy costs, and the resurgence of inflation, dictate that caution should be exercised with respect to forecasts of a recovery of the market as a whole.

The Group will 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, after two years significantly affected by the spread of the Covid-19 virus, the repercussions of the ongoing conflict in Ukraine, rising raw material and energy costs, and the resurgence of inflation will have consequences that will need to be evaluated in the medium to long term.

The System reference market closed the January/May 2022 period with growth of 0.8% (net of local newspaper advertising): newspapers closed at +1.2% (net local), magazines at -4.3%, radio at +3.6% and Internet at +0.9% (*Source: Nielsen January/May 2022 vs 2021*).

With reference to the trend for the coming months, there is great uncertainty as to what the effects of the current historical context will be on the performance of the advertising market: while at the start of the year, sector operator forecasts suggested that the most critical phase of the pandemic would be overcome (with growth estimates of around 4-5% for 2022), with the start of the ongoing conflict in Ukraine, the more optimistic considerations have given way to much more cautious assessments, with estimates of substantial

stability compared to the previous year, but to be defined on the basis of the effects and duration of the ongoing crisis.

The possible continuation of this conflict, as well as the repercussions of the pandemic still weighing on the macroeconomic scenario and, consequently, on the advertising market, could lead to a contraction of the expected advertising sales, with ensuing negative effects on the Group's economic, equity and/or financial position.

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

Risks related to the contraction of circulation revenues

The Group generates a significant part of its revenues from the sale of publishing products. Publishing & Digital is the business area that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, vertical newspapers, products attached to the newspaper, magazines, add-ons 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-May 2022 a decline in total circulation of print copies added to digital copies of -7.1% compared to the same period of the previous year attributable to the decline in circulation of the print version of -11.0%, offset in part by the increase in digital circulation of +2.2% (*Source: ADS data processing January - May 2022*).

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 economic and social crisis resulting from the spread of the Covid-19 virus, international tensions linked to the ongoing war in Ukraine, rising commodity and energy costs and the resurgence of inflation 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.

For 2022, the forecasts from the end of 2021 for the professional publishing sector indicated a recovery in the sector's overall turnover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. In particular, tax publishing was expected to grow by 5.3% and legal publishing by 3.8%.

These forecasts, in light of the pandemic which has not yet come to an end, economic and geopolitical instability due to the ongoing conflict in Ukraine, the rising cost of raw materials and energy, and the resurgence of inflation, should be viewed with caution. Furthermore, the expected GDP growth rate assumed in the last quarter of 2021 was reduced.

In terms of media, current trends do not seem to change in 2022: overall, electronic publishing is expected to grow by 7.6% and management software by 6%, which will see an increase in the integration of digital publishing content (Source: “*Rapporto Databank Editoria Professionale*” – Cerved S.p.A, December 2021).

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 Public Prosecutor's Office of Bari and the Finance Police (Guardia di Finanza) 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*).

On 24 March 2022, the Rome Public Prosecutor's Office - on the basis of the investigations carried out by the Special Goods and Services Unit of the Guardia di Finanza, under the command of General Renzo Nisi - ordered the seizure of 32 Telegram, Facebook, Instagram and Twitter channels and websites that illegally published Italian and foreign newspapers and magazines. The seizure order was adopted as a result of an in-depth investigation initiated in December 2021, with the active participation of FIEG and its member publishing companies (*Source: FIEG Press Release of 24 March 2022*).

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: the deposit of the sentence whereby 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 is pending.

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. At the hearing of 9 June 2022 held in written form, the Judge - noting that the parties had proceeded within the allotted time limit to file their respective briefs - referred the case to the panel for decision, assigning the parties the maximum time limits allowed by law to file their closing briefs, by 8 September 2022, and their replies, by 28 September 2022.

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. At the hearing on 21 July 2022, the Judge - after the parties had specified their respective conclusions by referring to the documents already filed - referred the case to the panel for decision, assigning the parties the maximum time limits allowed by law to file their closing briefs, by 20 October 2022, and their replies, by 9 November 2022.

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 of the 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. At that hearing, the Judge, who did not call for a discussion, considered it appropriate for the case to be remitted to the panel, and therefore adjourned the case to 11 July 2023 for the hearing for the entry of conclusions.

■ 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 15 February 2019, the Milan Public Prosecutor's Office requested the committal for trial of the Company 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 and of Benito Benedini, Roberto Napoletano and Donatella Treu – the former Chairman of the Board of Directors, former Editorial Director and former Chief Executive Officer of the Company, respectively, in relation to the offences pursuant to articles 2621 of the Civil Code and 185 of the Consolidated Law on Finance.

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-Year Financial Report at 30 June 2015, the Interim Report 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.

In the context of the preliminary hearing before the preliminary hearing judge (GUP) at the Court of Milan, Ms Mannoci, on 12 September 2019 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 joined the proceedings as civil plaintiffs against the defendants Benito Benedini, Roberto Napoletano and Donatella Treu. At the same hearing, the defendants Benito Benedini and Donatella Treu entered a plea bargain, having previously obtained the consent of the Public Prosecutor.

On 24 September 2019, 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.

On 29 October 2019, the Court of Milan, with ruling no. 19/2880, accepted the plea bargain request submitted by the Company on 24 September 2019, ordering the infliction of a pecuniary sanction for a reduced amount of Euro 50,310.00 and at the same time acknowledging 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 sentence - 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. The judge also ordered the committal for trial of Roberto Napoletano before the Court of Milan.

On 16 January 2020, the trial of Roberto Napoletano, former editor-in-chief of Il Sole 24 ORE and other newspapers of the 24 ORE Group, opened before the judges of the second criminal section of the Court of Milan.

At the hearing on 21 May 2020, Consob, a plaintiff in a civil action, filed a motion requesting that the Company be held civilly liable.

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

Following the conclusion of the preliminary hearing phase, a hearing was held on 7 April 2022 for the discussion by the Public Prosecutor and the civil parties. On 14 April 2022, a hearing was held for the discussion by the defence counsel of the civilly liable party and the defendant. After the Public Prosecutor's replies, illustrated at the hearing on 17 May 2022, at the hearing of 31 May 2022, the Court handed down its ruling by reading aloud the operative part and, recognizing the criminal liability of Mr Napoletano both for false accounting (with the exclusion of the conduct relating to the rotary press) and for market manipulation, sentenced him to 2 years and 6 months' imprisonment, in addition to the payment of a fine of Euro 50,000.00.

As a result, the Court ordered the Company, jointly and severally with Mr Napoletano, to provide compensation for damages only to the civil plaintiffs Consob, Ms Zodda and Mr Bava, to be settled in separate civil proceedings, as well as to pay the costs of the proceedings. The Court filed its justifications on 28 June 2022.

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, was submitted to the Company's General Meeting called for 27 April 2022 for the necessary approval pursuant to art. 2393, paragraph 6, of the 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. The Company, although the Shareholders' Meeting voted in favour by a majority of the share capital, equal to approximately 70.1%, recorded the vote against by a minority of the share capital equal to approximately 6.2%, and, therefore, given the provisions of article 2393, paragraph 6 of the Civil Code, it was not able to settle the corporate liability action pursuant to articles 2392 and 2393 of the Civil Code referred to in the illustrative report published on 28 March 2022. At the hearing on 10 May 2022 for the admission of evidence, the Judge reserved his decision. By order dated 8 June 2022, the Judge lifted the reservation and granted the Parties time to file briefs for the production of the minutes of the testimonies given in criminal proceedings not already produced (in addition to the criminal sentence handed down by the Court of Milan and referred to above) and the appropriate comments. Finally, the Judge scheduled the hearing for 25 October 2022 for the final discussion of the preliminary motions.

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. In addition, it should be noted that on 13 April 2022 the Company received confirmation from the Revenue Agency - Collections that the payment notice relating to the penalty of Euro 150 thousand payable by Alberto Biella - also notified to the Company on 17 January 2022 as a jointly liable party - had been extinguished following payment by the obligated party.

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 and Massimo Arioli, which amount to Euro 440 thousand, without prejudice to the right of recourse.

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

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

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

As of the date of this Half-Yearly Financial Report, the Company has released the provision for contingent liabilities recognized at 31 December 2021 for a residual value of Euro 121 thousand, as the residual criticalities described above have been eliminated.

Risks related to pending litigation

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

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

In particular, to cover the risk deriving from proceedings underway, a provision for risks is recognized, which at 30 June 2022 amounted to Euro 5,070 thousand (provision for litigation and provision for sundry risks). The provision includes accruals for risks relating primarily to libel suits against the newspaper and radio station, labour litigation, expected legal fees and contingent liabilities, including tax liabilities.

The Company believes that the amounts allocated to the risk provision are adequate in light of the circumstances existing at 30 June 2022, in accordance with IFRS accounting standards.

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

At 30 June, the number of lawsuits related to claims against the 24 ORE Group was 57.

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 regulations, which, in turn, in some cases, also introduced new provisions aimed at encouraging the recovery and revitalization of the sector.

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).

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 Registry of Communication Operators (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.

Law no. 15/2022 extended from 31 December 2021 until 31 December 2022 the duration of contracts for the purchase of journalistic and information services entered into with press agencies which were in force on 1 March 2020.

On 27 April 2022, the orders approving the lists of beneficiaries of the tax credit for the purchase of paper for the years 2020 and 2021, relating to expenses incurred in 2019 and 2020, respectively, were published.

On 8 July 2022, the Chamber of Deputies Budget Committee approved an amendment to the “Sostegni bis” decree law that grants a tax credit of 10% of the expenses incurred in 2020 for the purchase of paper for the publication of newspapers and magazines to newspaper and magazine publishers for 2021 as well. The measure is financed with Euro 30 million for 2021.

The decree law will have to be examined by the Chamber of Deputies and then by the Senate of the Republic for final conversion into law.

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 30 June 2022, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

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

Any termination of the securitization 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 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 issue enabled 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.

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 30 June 2022, the Group recorded deferred tax assets of Euro 19.9 million, including Euro 18.5 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 30 June 2022, goodwill recognized in the condensed half-yearly consolidated financial statements amounted to Euro 20,724 thousand, intangible assets amounted to Euro 30,422 thousand and tangible assets, including rights of use recognized in accordance with IFRS 16, amounted to Euro 54,198 thousand, representing 8.0%, 11.7% and 20.9% of total consolidated assets, respectively. In total, at 30 June 2022, goodwill, intangible assets and tangible assets totalled Euro 105,344 thousand, or 40.7% of total consolidated assets, compared to consolidated equity of Euro 15,189 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.

Consolidated revenues for H1 2022 were slightly lower than expected due to the offsetting of higher advertising revenues with lower circulation and other revenues, also correlated with different planning of activities and initiatives.

In terms of *EBITDA* and *EBIT* net of non-recurring expenses and income, H1 2022 is still basically in line with the plan due to both the different business development and actions to contain direct and operating costs.

In addition, while it should be noted that the 2022-2025 Plan does not reflect any impact from the ongoing conflict in Ukraine, at present there are no significant direct effects on the Group's performance resulting from this event. The influence of indirect effects, mainly attributable to the possible repercussions that this conflict could have on the Italian and European economies, the publishing sector, including advertising sales, and procurement costs, and whose impact on the Group's business is in any case difficult to predict at this time, is not deemed to be such so as to not allow for the confirmation of the medium/long-term objectives reflected in this plan.

In consideration of the results of H1 2022 and a sensitivity analysis carried out based on interest rate trends, it is deemed that there is no trigger event in the reference period and therefore, no new impairment test was carried out on the Group's CGUs.

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

Any 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 publishing products is completely contracted out to third-party suppliers and is carried out in plants currently located in Erbusco (Brescia), Rome, Cagliari and Messina.

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 and the indirect effects of the ongoing conflict in Ukraine (increase in commodity and energy costs) could have an adverse effect on the Group's economic, equity and financial position.

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 any 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, in addition to what is described above in this period, due to the ongoing conflict in Ukraine, at the date of these condensed half-yearly consolidated financial statements there is also the risk that the European Union may suspend or interrupt gas and oil supply relationships with Russia or have them interrupted, resulting in a further sharp increase in the price of energy and/or possibly even its unavailability; the Group therefore also has to deal with the variability of oil and electricity prices, which heavily affect the production of coloured paper and, despite the contractual agreements in place at the time, in order to guarantee the volumes necessary to print the newspaper, the Group has to negotiate continuous requests for adjustments to the price of coloured paper from contracted suppliers.

The Group cannot rule out the possibility that any difficulties in the procurement, or the unavailability, even temporary, of these raw materials and/or energy, as well as further price increases, could have a negative impact on its profit and loss, financial and asset situation. The Group is constantly monitoring the

development of the situation in anticipation of a hoped-for slowdown in the growth of coloured paper prices, applying careful management of paper consumption in production.

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.

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.

On 17 May 2022, the Contract was terminated effective as of 31 December 2022. The Company is carrying out the tender procedure for the award of the new contract.

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).

Risks related to possible escalation of conflict with workers

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.

On 4 March 2022, an agreement was signed at the Ministry of Labour and Social Policies for the procedure for recourse to the extraordinary temporary lay-off scheme (CIGS), also aimed at early retirement, for the three publications “*Il Sole 24 ORE*”, “*Radiocor Plus*” and “*Radio24*”, for the 7 March 2022 - 31 July 2023 period with the reason “*Company reorganization in the presence of crisis*”.

On 1 June 2022, an agreement was signed at the Ministry of Labour and Social Policies for the procedure for recourse to CIGS, also aimed at early retirement, for the graphic designers and printers, for the 8 June 2022 - 7 March 2023 period with the reason “*Company reorganization in the presence of crisis*”.

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.

FURTHER INFORMATION

Ownership structure and treasury shares

At 30 June 2022, 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 30 June 2022, Confindustria holds all of the ordinary shares of Il Sole 24 ORE S.p.A. and 34,970,040 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 67.288% 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 General Meeting of Shareholders on 28 June 2017, the limits on share ownership of special category shares already in the Articles of Association were abolished.

Pursuant to article 7 of the Articles of Association, the distribution of interim dividends may be resolved in favour of special category shares within the limits and in the manner provided for by law. Pursuant to article 37 of the Articles of Association, they are attributed a preferential dividend of 5%, equal to Euro 2.60 or, if higher, to the share implicit par value, which may not be accumulated from one financial year to the next. In the event of dissolution of the Company, they shall have a right of preference in the distribution of the Company's assets up to the share implicit par value.

At the date of the Board of Directors' meeting to approve this Half-yearly financial report as at 30 June 2022, 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)	53.515%	53.787%

It should be noted that pursuant to paragraph 7 of article 119-*bis* of the Issuers' Regulation, added by Consob resolution no. 16850 of 1 April 2009 and subsequent amendments and additions, management companies and qualified entities that have acquired, as part of the management activities referred to in article 116-*terdecies*, paragraph 1, letters e) and f) respectively, of the Issuers' Regulation, managed investments of

more than 3% and less than 5%, are not required to comply with the disclosure obligations provided for in article 117 of the aforementioned Regulation.

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

At the date of this Half-yearly financial report at 30 June 2022, 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 27 April 2022 and is composed of Lelio Fornabaio (Chairperson), Loredana Conidi and Giuseppe Crippa.

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 issue 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.1, entitled “Offences relating to non-cash payment instruments”, and Legislative Decree no. 195 of 8 November 2021, implementing Directive (EU) 2018/1673, which modified the offences regarding receiving stolen goods and money laundering by extending the offences from which they arise also to fines and unintentional offences.

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

The 231 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 2022, the subject matter was affected by a number of legislative amendments including:

- On 26 February 2022, Decree Law 13/2022 entered into force, on “Urgent measures to combat fraud and for safety in the workplace in the field of construction, as well as on electricity produced by plants using renewable sources” (Funds Decree), which broadens the scope of the offences set out in articles 316-*bis* (now named “Embezzlement of public funds”), 316-*ter* (now named “Undue receipt of public funds”) and 640-*bis* of the Criminal Code (“Aggravated fraud to obtain public funds”), referred to in art. 24 of Legislative Decree 231/2001. Law no. 25 of 28 March 2022, converting, with amendments, Decree Law 4/2022, “containing urgent measures in support of businesses and economic operators, employment, health and local services, connected to the Covid-19 emergency, as well as to limit the effects of price increases in the electricity sector” repealed in its entirety Decree Law 13/2022. However, the above-mentioned new legislation: (i) provided that “acts and measures adopted shall remain valid and the effects produced and the legal relationships established on the basis of” the repealed provisions of Decree Law 13/2022 shall remain unaffected

(ii) in converting Decree Law 4/2022, inserted article 28-*bis*, which reaffirms the above-mentioned amendments.

- on 22 March 2022, Law no. 22 of 9 March 2022 was published in the Official Gazette, containing “Provisions on crimes against cultural heritage” (which came into force on 23 March 2022), which included, in the new Title VIII-bis of the Criminal Code, under the heading “Of crimes against the cultural heritage”, a set of crimes ranging from theft, to money laundering, to destruction and counterfeiting of cultural assets and works of art. The new provision also extended the list of predicate offences pursuant to Legislative Decree 231/2001, by introducing two new administrative offences, set out in articles 25-*septiesdecies* (“Crimes against cultural heritage”), and 25-*duodevicies* (“Laundering of cultural assets and devastation and looting of cultural and landscape assets”).

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.

SIGNIFICANT EVENTS OCCURRING AFTER 30 JUNE 2022

[On 28 July 2022, the Company's Board of Directors approved a medium/long-term “LTI” variable remuneration plan for the 2022-2024 period, in favour of the Chief Executive Officer and certain key executives. The Plan provides for each beneficiary to receive a percentage of his or her gross annual remuneration at the end of the 2024 period, provided that he or she has achieved the objectives set and has not resigned before the end of the Plan.]

OUTLOOK

After a 2021 in which the Italian economy experienced sustained growth, GDP estimates point to more limited growth: +2.8 in 2022 and +1.9% in 2023 (Source: *ISTAT - Italy's economic outlook in 2022-2023 - 7 June 2022*).

The current uncertainty linked to the evolution of the spread of the Covid-19 virus and its variants and the impacts deriving from the ongoing conflict in Ukraine, as well as rising commodity and energy costs and the resurgence of inflation, calls for continuing to maintain a certain degree of caution with respect to the 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 ongoing conflict 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, 28 July 2022

The Chairperson of the Board of Directors
Edoardo GARRONE

CONSOLIDATED FINANCIAL STATEMENTS**■ Statement of Financial Position**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Euro thousands	Notes (*)	30.06.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	54,198	55,930
Goodwill	(2)	20,724	20,724
Intangible assets	(3)	30,422	31,868
Non-current financial assets	(4)	773	731
Other non-current assets	(5)	1,260	1,302
Deferred tax assets	(6)	19,854	20,529
Total		127,231	131,084
Current assets			
Inventories	(7)	2,620	1,659
Trade receivables	(8)	62,154	65,835
Other receivables	(9)	3,288	2,588
Other current financial assets	(10)	4,409	5,641
Other current assets	(11)	8,159	5,561
Cash and cash equivalents	(12)	51,216	35,744
Total		131,847	117,027
Assets available for sale		-	-
TOTAL ASSETS		259,078	248,112

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

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 10.1.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	Notes (*)	30.06.2022	31.12.2021
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)	(3,550)	(5,294)
Profits (losses) carried forward	(17)	(878)	20,151
Profit (loss) attributable to shareholders of the parent company	(18)	(405)	(21,029)
Total		15,189	13,851
Equity attributable to minority shareholders			
Capital and reserves attributable to minority shareholders		-	-
Profit (loss) attributable to minority shareholders		-	-
Total		-	-
Total equity		15,189	13,851
Non-current liabilities			
Non-current financial liabilities	(19)	81,654	82,464
Employee benefits	(20)	12,379	15,329
Deferred tax liabilities	(6)	5,029	5,216
Provisions for risks and charges	(21)	7,484	8,819
Other non-current liabilities	(22)	7,028	9,498
Total		113,573	121,325
Current liabilities			
Current bank overdrafts and loans	(23)	14,710	15,779
Other current financial liabilities	(24)	8,797	6,991
Trade payables	(25)	84,016	68,658
Other current liabilities	(26)	187	217
Other payables	(27)	22,605	21,290
Total		130,315	112,936
Liabilities available for sale		-	-
Total liabilities		243,888	234,261
TOTAL EQUITY AND LIABILITIES		259,078	248,112

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

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 10.1.

Statement of profit (loss)

CONSOLIDATED STATEMENT OF PROFIT (LOSS)			
Euro thousands	Notes (*)	H1 2022	H1 2021
1) Continuing operations			
Revenues	(28)	104,628	96,829
Other operating income	(29)	1,634	2,136
Personnel costs	(30)	(40,172)	(40,223)
Change in inventories	(7)	961	(336)
Purchases of raw and consumable materials	(31)	(2,964)	(1,833)
Costs for services	(32)	(47,455)	(42,699)
Costs for rents and leases	(33)	(3,311)	(3,187)
Other operating expenses	(34)	(1,685)	(1,285)
Allocations	(21)	(479)	(1,322)
Bad debt	(8.5)	(749)	(804)
Gross operating margin		10,409	7,276
Amortization of intangible assets	(3)	(3,884)	(3,292)
Depreciation of tangible assets	(1)	(4,279)	(4,446)
Impairment of tangible and intangible assets		-	(685)
Gains/losses on disposal of non-current assets	(35)	9	71
Operating profit (loss)		2,254	(1,075)
Financial income	(36)	338	342
Financial expenses	(36)	(2,240)	(1,819)
Total financial income (expenses)		(1,902)	(1,477)
Other income from investment assets and liabilities	(4)	42	28
Profit (loss) before taxes		394	(2,524)
Income taxes	(37)	(799)	(807)
Profit (loss) from continuing operations		(405)	(3,331)
2) Assets held for sale			
Profit (loss) from assets held for sale		-	-
Net profit (loss)	(18)	(405)	(3,331)
Profit (loss) attributable to minority shareholders	-	-	-
Profit (loss) attributable to the shareholders of the parent company	(18)	(405)	(3,331)
Basic earnings (loss) per share in Euro	(18)	(0.01)	(0.05)
Diluted earnings (loss) per share in Euro	(18)	(0.01)	(0.05)

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

■ Statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Euro thousands	H1 2022	H1 2021
Net profit (loss)	(405)	(3,331)
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	1,744	23
Actuarial gains (losses) on defined-benefit plans	1,744	23
Total comprehensive income (expense)	1,339	(3,308)
Attributable to:		
Minority shareholders	-	-
Shareholders of the parent company	1,339	(3,308)
TOTAL COMPREHENSIVE INCOME (EXPENSE)	1,339	(3,308)

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

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 10.1.

Income components arising from non-recurring events or transactions, i.e. transactions or events that do not recur frequently, are also reported in point 10.1.

Statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS			
Euro thousands	Notes (*)	H1 2022	H1 2021
Statement items			
Profit (loss) before taxes from continuing operations attributable to the Group [a]		394	(2,524)
Adjustments [b]		10,257	11,626
Amortization/Depreciation	(1.3)	8,164	7,737
(Gains) losses	(35)	(9)	(71)
Effect of valuation of investments	(38)	(42)	(28)
Allocation and (release) of provisions for risks and charges	(21)	148	1,187
Restructuring expenses		-	575
Provision for employee benefits	(20)	93	67
Impairment of tangible and intangible assets		1	682
Financial income and expenses	(36)	1,902	1,477
Changes in operating net working capital [c]		10,836	(8,638)
Change in inventories	(7)	(961)	336
Change in trade receivables	(8)	3,680	(3,399)
Change in trade payables	(25)	15,358	781
Income tax payments		(493)	
Other changes in net working capital		(6,747)	(6,356)
Total cash flow from operating activities [d=a+b+c]		21,487	465
Cash flow from investing activities [e]		(1,718)	(5,196)
Investments in intangible and tangible assets	(1.3)	(2,814)	(5,285)
Change in receivables guaranteeing financial payables	(10)	1,086	
Other changes in investing activities		10	89
Cash flow from financing activities [f]		(4,298)	(7,395)
Net financial interest paid	(36)	(841)	(1,383)
Change in medium/long-term bank loans		-	(335)
Change in short-term bank loans	(23)	(1,070)	(1,882)
Changes in other financial payables and receivables		(1,242)	(2,963)
Other changes in financial assets and liabilities		146	-
Change in payables IFRS 16		(1,291)	(833)
Change in financial resources [g=d+e+f]		15,472	(12,126)
Cash and cash equivalents at the beginning of the year		35,744	40,246
Cash and cash equivalents at the end of the period		51,216	28,120
Increase (decrease) for the period		15,472	(12,126)

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

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 10.1.

Statement of changes in Equity

24 ORE GROUP - STATEMENT OF CHANGES IN EQUITY								
Euro thousands	Share capital	Capital reserves	Employee severance indemnity (TFR) reserve - IAS adjustment	Profits (losses) carried forward	Profit (loss) for the period	Equity of parent company shareholders	Equity of minority shareholders	Total equity
	(14)	(15)	(16)	(17)	(18)	(14)		(14)
Balance at 31 December 2020	570	19,452	(4,822)	21,108	(989)	35,320	-	35,320
Actuarial adjustment TFR			23			23		23
Net profit (loss) for the period	-	-			(3,331)	(3,331)		(3,331)
Total income/expenses	-	-	23	-	(3,331)	(3,309)	-	(3,309)
Change in profit (loss) 2020				(989)	989	-		-
Balance at 30 June 2021	570	19,452	(4,799)	20,119	(3,331)	32,011	-	32,011
Balance at 31 December 2021	570	19,452	(5,294)	20,151	(21,029)	13,851	-	13,851
Actuarial adjustment TFR			1,744			1,744		1,744
Net profit (loss) for the period	-	-			(405)	(405)		(405)
Total income/expenses	-	-	1,744	-	(405)	1,339	-	1,339
Change in profit (loss) 2021				(21,029)	21,029	-		-
Balance at 30 June 2022	570	19,452	(3,550)	(878)	(405)	15,189	-	15,189

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

Milan, 28 July 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 30 June 2022, with changes compared to 31 December 2021, is provided in paragraph 7, Scope of consolidation.

The companies included in the Group's scope of consolidation at 30 June 2022 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 30 June 2022, 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 34,970,040 held by Confindustria, equal to 67.288% of the share capital, 21,045,555 held by other shareholders and 330,202 treasury shares.

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

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

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 Half-yearly financial report at 30 June 2022, comprising the Group's condensed half-yearly consolidated financial statements for the period ended 30 June 2022, 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 28 July 2022.

2. Form, content and international accounting standards

These condensed half-yearly consolidated financial statements at 30 June 2022 have been prepared on a going concern basis and in accordance with the recognition and measurement criteria established by the International Accounting Standards (IAS and International Financial Reporting Standards - IFRS), as integrated by the relevant interpretations (Standing Interpretations Committee - SIC and IFRS Interpretations Committee - IFRIC), approved and published by the International Accounting Standards Board - and endorsed by Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions.

Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions adopts International Accounting Standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, expressly referred to in article 154-*ter*, paragraph 3 of Legislative Decree 58/1998 (TUF) for the preparation of the condensed half-yearly consolidated financial statements at 30 June 2022.

The form and content of these condensed half-yearly consolidated financial statements at 30 June 2022 comply with the disclosures required by IAS 34 - Interim Financial Reporting for condensed half-yearly financial statements. Therefore, the condensed half-yearly consolidated financial statements at 30 June 2022 do not include all the information required by the annual financial statements and shall be read together with the consolidated financial statements for the year ended 31 December 2021. In fact, their purpose is to provide an update since the last annual consolidated financial statements, focusing on new activities, events and circumstances that occurred during the period between 31 December 2021 and 30 June 2022 and providing an explanation of transactions and events that are significant for an understanding of the changes in financial position and result for the period.

The accounting standards and measurement bases used in the preparation of the condensed half-yearly consolidated financial statements at 30 June 2022 are the same as those used in the preparation of the most recent annual consolidated financial statements, to which reference should be made, except as noted in paragraph 4 Changes in accounting standards, errors and changes in estimates.

The currency used for presentation of these condensed half-yearly consolidated financial statements at 30 June 2022 is the Euro and the amounts are expressed in thousands of Euro, except where expressly indicated.

3. Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The classification used for the statement of profit (loss) for the period is by nature. The statement of profit (loss) for the period and the Statement of comprehensive income have been prepared for the reference

period of the current year and compared with the statements for the corresponding period in the previous year.

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

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

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

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

The statement of changes in equity shows:

- the total comprehensive income statement for the period, showing separately the total amounts attributable to the shareholders of the parent company and those attributable to minority interests;
- for each Equity item, any effects of retrospective application or retrospective restatement recognized in accordance with *IAS 8 Accounting standards, changes in accounting estimates and errors*;

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

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

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

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

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

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

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

The accounting standards adopted 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 2022, no new standards apply with respect to financial statements at 31 December 2021. Other amendments to accounting standards on or after 1 January 2022, but which did not impact the Group's financial statements, are detailed below.

Amendments to IFRS 3 Business combinations

On 24 May 2020, the IASB published amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements, published in 1989, with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the requirements of the standard. The Board also added an exception to the valuation principles of IFRS 3 to avoid the risk of recognizing potential “day one” losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if agreed upon separately. At the same time, the Board decided to clarify that the existing guidance in IFRS 3 for contingent assets will not be impacted by the updated references to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for financial years beginning on 1 January 2022 and apply prospectively. These amendments had no impact on these Group condensed half-yearly consolidated financial statements.

Amendments to IAS 16 Property, Plant and Equipment

On 24 May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which that asset is brought to the location or condition necessary for it to be capable of operating in the manner for which it was designed by the management. Instead, an entity accounts for the revenues from the sale of such products, and the costs to produce them, in the income statement. The amendment is effective for annual periods beginning on or after 1 January 2022 and should be applied retrospectively to those items of Property, Plant and Equipment that are available for use at the beginning of or during the period prior to the period in which the entity first applies the amendment. These amendments had no impact on these Group condensed half-yearly consolidated financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

On 14 May 2020, the IASB published amendments to IAS 37 to specify which costs should be considered by an entity when assessing whether a contract is onerous or loss-making. The amendment provides for the application of a “directly related cost approach”. Costs that are directly related to a contract for the provision of goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party on the basis of the contract. The amendments are effective for financial years beginning on 1 January 2022. These amendments had no impact on these Group condensed half-yearly consolidated financial statements.

Annual Improvements 2018-2020

On 14 May 2020 as part of the IFRS Annual Improvements 2018-2020 process, the IASB published:

- An amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards: this amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts recognized by the parent, taking into account the date of transition to IFRSs by the parent. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.
- An amendment to IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities: this amendment clarifies the fees an entity includes in determining whether the terms of a new or modified financial liability are materially different from the terms of the original

financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. An entity applies this amendment to financial liabilities that are modified or exchanged after the date of the first annual period in which the entity first applies the amendment.

- An amendment to IAS 41 Agriculture: the amendment removes the requirements in paragraph 22 of IAS 41 concerning the exclusion of cash flows for taxes when measuring the fair value of an asset within the scope of IAS 41.

These amendments had no impact on these Group condensed half-yearly consolidated financial statements.

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. Preliminary analyses have shown that the impacts on the Group's consolidated financial statements resulting from the new Standards, Amendments and Interpretations mentioned below are not significant.

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 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).

5. Financial instruments and risk management

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

The risks related to the financial instruments used are:

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

- liquidity risk, i.e. the risk of encountering difficulties in meeting obligations relating to financial liabilities settled with cash or another financial asset.

Group financial situation

Available credit lines

In order to cover its short-term financial requirements, at 30 June 2022 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 30 June 2022, lines of credit for advances on trade receivables with recourse were used for a total amount of Euro 14.7 million; the remaining portion of the credit lines and available liquidity total Euro 55.8 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 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 7 years; bullet lump-sum repayment on maturity.

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 30 June 2022, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

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

At 30 June 2022, 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 issue enabled 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.

Financial risk

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

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

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

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

The terms and conditions applied to intercompany current account agreements as of 30 June 2022 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.

Criteria for determining fair value

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

Non-derivative financial liabilities

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

Interest rates used to calculate fair value

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

Fair value and book value

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

FAIR VALUE				
Euro thousands	30.06.2022		31.12.2021	
	Book value	Fair Value	Book value	Fair Value
Minority investments	773	773	731	731
M/L financial receivables and security deposits	1,130	1,130	1,132	1,132
M/L financial receivables IFRS 16	85	85	95	95
Receivables from customers	67,579	67,579	70,677	70,677
Cash and cash equivalents	51,216	51,216	35,744	35,744
S/T financial receivables IFRS 16	26	26	25	25
S/T financial receivables	4,383	4,383	5,616	5,616
Unsecured loans from banks	-	-	-	-
M/L financial payables IFRS 16	(36,891)	(36,891)	(36,867)	(36,867)
Bond	(44,834)	(43,443)	(43,568)	(43,612)
Other M/L financial payables to third parties	(1,976)	(1,976)	(2,961)	(2,961)
Unsecured current account advances	(14,710)	(14,710)	(15,779)	(15,779)
Other financial payables to third parties	(2,855)	(2,855)	(3,012)	(3,012)
S/T financial payables IFRS 16	(3,896)	(3,896)	(3,047)	(3,047)
Trade and other payables	(44,883)	(44,883)	(37,798)	(37,798)
Total	(24,853)	(23,463)	(29,012)	(29,056)

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 30 June 2022, the Group has bank and insurance sureties outstanding for a total of Euro 11,892 thousand.

These sureties are summarized below:

- sureties issued by the Parent Company to guarantee lease contracts for Euro 4,349 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 4,343 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 2,512 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 688 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 4,343 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 4,343 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.

6. 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 determination of values.

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 8 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.

7. Scope of consolidation

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

Investments in subsidiaries

At the date of these condensed half-yearly consolidated financial statements, there were no changes from the Consolidated financial statements for the year ended 31 December 2021.

Investments in associates and joint ventures

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

Minority investments

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

8. Notes to the financial statements

Impairment test

Introduction

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

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

In this regard, please note that in H1 2022, consolidated revenues were slightly lower than expected due to the offsetting of higher advertising revenues with lower circulation and other revenues, also correlated with different planning of activities and initiatives. In terms of *EBITDA* and *EBIT* net of non-recurring expenses and income, H1 2022 is still basically in line with the 2022-2025 plan used to determine the value in use for the impairment test at 31 December 2021, due to both the different business development and actions to contain direct and operating costs.

In addition, while it should be noted that the 2022-2025 Plan does not reflect any impact from the ongoing conflict in Ukraine, at present there are no significant direct effects on the Group's performance resulting from this event. The influence of indirect effects, mainly attributable to the possible repercussions that this conflict could have on the Italian and European economies, the publishing sector, including advertising sales, and procurement costs, and whose impact on the Group's business is in any case difficult to predict at this time, is not deemed to be such so as to not allow for the confirmation of the medium/long-term objectives reflected in this plan.

A sensitivity analysis was then performed based on the update of the market rate trend, in particular the risk free rate; the discount rates thus determined were compared with the break-even rates calculated for the impairment test as at 31 December 2021.

Based on that analysis, and also considering the performance and prospects of each CGU and the volatility of interest rates, the directors concluded that there was no trigger event in the reporting period and therefore did not perform a new impairment test on the Group's CGUs.

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment at the end of the year amounted to Euro 54,198 thousand and the breakdown is as follows:

PROPERTY, PLANT AND EQUIPMENT		
Euro thousands	Net value at 30.06.2022	Of which invest- ments
Land	2,870	-
Buildings	3,250	-
Plant and equipment	8,832	150
Industrial and commercial equipment	3,347	75
Rights of use	35,869	288
Other assets	30	30
Total	54,198	543

Investments in H1 2022 amounted to Euro 543 thousand and mainly relate to:

- plant and equipment amounting to Euro 150 thousand and relating primarily to general plant for Euro 94 thousand and broadcasting equipment for Euro 56 thousand;
- industrial and commercial equipment amounting to Euro 75 thousand and referring for Euro 43 thousand to hardware purchases and Euro 32 thousand to furniture and fittings;
- rights of use amounting to Euro 288 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 30 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	90,712	150	(204)	-	-	24	90,681
Industrial and commercial equipment	40,165	75	(131)	-	(393)	-	39,716
Rights of use	56,602	288	-	-	-	1,952	58,841
Other assets	24	30	-	-	-	(24)	31
Total historical cost	219,435	543	(335)	-	(393)	1,952	221,201
Accumulated depreciation:							
Buildings	(25,572)	-	-	(240)	-	-	(25,812)
Plant and equipment	(81,365)	-	204	(688)	-	(0)	(81,849)
Industrial and commercial equipment	(36,411)	-	130	(480)	392	-	(36,369)
Rights of use	(20,156)	-	-	(2,871)	-	54	(22,972)
Other assets	(1)	-	-	-	-	-	(1)
Total accumulated depreciation	(163,505)	-	334	(4,279)	392	54	(167,003)
Tangible assets:							
Land	2,870	-	-	-	-	-	2,870
Buildings	3,489	-	-	(240)	-	-	3,250
Plant and equipment	9,346	150	-	(688)	-	24	8,832
Industrial and commercial equipment	3,754	75	(1)	(480)	(1)	-	3,347
Rights of use	36,446	288	-	(2,871)	-	2,006	35,869
Other assets	24	30	-	-	-	(24)	30
Total	55,930	543	(1)	(4,279)	(1)	2,006	54,198

Depreciation of tangible assets amounted to Euro 4,279 thousand and was determined in relation to the expected useful life. Assets purchased during the period 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 35,869 thousand.

Below is the breakdown of the rights of use:

RIGHTS OF USE						
Euro thousands	Opening Bal- ance	Purchases	Disposals	Depreciation	Other changes	Closing Bal- ance
Historical Cost:						
Right of use properties	47,714	132	-	-	2,021	49,867
Right of use broadcasting towers	5,596	-	-	-	4	5,600
Right of use cars	3,292	156	-	-	(73)	3,375
Total historical cost	56,602	288	-	-	1,952	58,841
Accumulated depreciation:						
Right of use properties	(16,111)	-	-	(2,080)	-	(18,191)
Right of use broadcasting towers	(2,321)	-	-	(432)	-	(2,753)
Right of use cars	(1,724)	-	-	(359)	54	(2,028)
Total accumulated depreciation	(20,156)	-	-	(2,871)	54	(22,972)
Rights of use						
Right of use properties	31,603	132	-	(2,080)	2,021	31,676
Right of use broadcasting towers	3,274	-	-	(432)	4	2,847
Right of use cars	1,568	156	-	(359)	(19)	1,347
Total	36,446	288	-	(2,871)	2,006	35,869

With reference to the lease agreement for the offices in Milan via 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.

Other changes amounting to Euro 2,006 thousand mainly refer to the Istat revaluation of office rental contracts.

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

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

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

(2) *Goodwill*

Goodwill recorded in the financial statements amounted to Euro 20,724 thousand, unchanged from 31 December 2021.

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

GOODWILL	
values in Euro thousands	30.06.2022
Professional Services	15,469
Events	5,254
Total	20,724

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

(3) Intangible assets

Intangible assets amounted to Euro 30,422 thousand and the breakdown is as follows:

INTANGIBLE ASSETS		
Euro thousands	Net value at 30.06.2022	Of which invest- ments
Radio frequencies	19,945	-
Licences and software	9,536	1,910
Assets in progress and advances	941	530
Total	30,422	2,440

Investments in intangible assets amounted to Euro 2,440 thousand and included Euro 240 thousand for the capitalization of internally developed software (in H1 2021, they amounted to Euro 537 thousand).

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

Investments in licences and software amounting to Euro 1,910 thousand refer to activities related to the development of systems for processes and the development and implementation of products, in particular digital products.

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

Changes in intangible assets in H1 2022 are as follows:

INTANGIBLE ASSETS						
Euro thousands	Opening Bal- ance	Purchases	Amortiza- tion/Deprecia- tion	Other changes	Write off	Closing Bal- ance
Historical cost:						
Newspapers	9,245	-	-	-	-	9,245
Trademarks	724	-	-	-	-	724
Radio frequencies	99,871	-	-	-	-	99,871
Licences and software	125,619	1,910	-	359	-	127,888
Assets in progress and advances	771	530	-	(360)	-	941
Total historical cost	236,230	2,440	-	(1)	-	238,669
Accumulated depreciation:						
Newspapers	(9,245)	-	-	-	-	(9,245)
Trademarks	(724)	-	-	-	-	(724)
Radio frequencies	(79,187)	-	(739)	-	-	(79,925)
Licences and software	(115,207)	-	(3,146)	-	-	(118,353)
Total accumulated amortization	(204,362)	-	(3,884)	-	-	(208,247)
Intangible assets:						
Newspapers	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-
Radio frequencies	20,684	-	(739)	-	-	19,945
Licences and software	10,412	1,910	(3,146)	359	-	9,536
Assets in progress and advances	771	530	-	(360)	-	941
Total	31,868	2,440	(3,884)	(1)	-	30,422

Amortization of intangible assets amounted to Euro 3,884 thousand. The criteria for determining amortization of licences and software did not change compared to the previous year.

Starting from the 2021 Annual Report, radio concessions and frequencies have been reclassified as assets with a “finite useful life” instead of an “indefinite useful life”, with the introduction of the 15-year amortization mechanism. Amortization of radio concessions and frequencies amounted to Euro 739 thousand in H1 2022.

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 773 thousand (Euro 731 thousand at 31 December 2021).

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

MINORITY INVESTMENTS			
Euro thousands	30.06.2022	change in fair value	31.12.2021
Ansa Soc. Coop a r.l.	560	18	542
Dab Italia Società consortile per azioni	81	13	68
C.S.I.E.D.	71	(0)	72
Immobiliare Editoriale Giornali S.r.l.	19	(1)	20
S.F.C. Società Consortile per azioni	1	0	1
Player editore radio S.r.l.	6	1	5
Tavolo Editori Radio S.r.l.	34	10	24
Total minority investments	773	42	731

(5) *Other non-current assets*

Other non-current assets amounted to Euro 1,260 thousand and the breakdown is as follows:

OTHER NON-CURRENT ASSETS			
Euro thousands	30.06.2022	31.12.2021	Changes
Medium/long-term financial receivables IFRS 16	85	95	(10)
Other medium/long-term receivables	1,033	1,034	(0)
Security deposits	96	99	(2)
Tax receivables	45	75	(30)
Total	1,260	1,302	(42)

In accordance with IFRS 16, “Medium/long-term financial receivables IFRS 16” were recorded for Euro 85 thousand equal to the present value of collections due under sublease agreements, the value of which was Euro 95 thousand at 31 December 2021. The decrease is attributable to collections during the period.

Other medium/long-term receivables, amounting to Euro 1,033 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	Uses	Closing Balance
Provision for write-down of other non-current assets	(2,418)	-	-	(2,418)
Total	(2,418)	-	-	(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 30 June 2022 and 31 December 2021 of deferred tax assets and deferred tax liabilities are shown below:

DEFERRED TAX ASSETS AND LIABILITIES

	30.06.2022	31.12.2021	Changes
Deferred tax assets	19,854	20,529	(675)
Deferred tax liabilities	5,029	5,216	(188)

Deferred tax assets relate to tax assets recognized on tax losses that can be carried forward for Euro 18,529 thousand and to assets recognized on other temporary differences for Euro 1,325 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 does not recognize deferred tax assets on new temporary differences arising from the 2019 financial year.

The total theoretical tax asset on losses, which the Group did not recognize (determined on the basis of the last tax return filed) amounted to Euro 74.2 million.

Deferred tax assets on losses decreased by Euro 182 thousand due to the decision to utilize them against the positive results of subsidiaries participating in the tax consolidation scheme.

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 the period, these temporary differences were reduced, resulting in the use of deferred tax assets of Euro 493 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 period, deferred tax liabilities were reduced by:

- Euro 187 thousand in relation to the recognition of statutory amortization on frequencies already deducted in previous years;

- Euro 1 thousand due to the cancellation of differences recorded during the period as a result of sublease dynamics.

Current assets

(7) Inventories

INVENTORIES			
Euro thousands	30.06.2022	31.12.2021	Changes
Paper	1,500	844	656
Inks	27	27	-
Photographic material	9	9	-
Raw, ancillary and consumable materials	1,536	880	656
Work in progress and semi-finished products	0	2	(2)
Books	929	910	19
Other products	708	694	14
Provision for write-down of finished products	(553)	(827)	274
Finished products	1,084	777	307
Total	2,620	1,659	961

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	(827)	(55)	329	(553)

(8) Trade receivables

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

TRADE RECEIVABLES			
Euro thousands	30.06.2022	31.12.2021	Changes
Receivables from customers	67,579	70,677	(3,098)
Provision for returns to be received	(662)	(524)	(139)
Bad debt provision	(4,762)	(4,319)	(443)
Total	62,154	65,835	(3,680)

The Group's trade receivables amounted to Euro 62,154 thousand at 30 June 2022 and are recorded net of securitized receivables sold without recourse for Euro 8,149 thousand.

The Group's trade receivables include securitized receivables assigned with recourse for Euro 14,710 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 5,329 thousand, belonging to customers in the securitization portfolio but not yet sold at 30 June 2022. These receivables, which will soon be sold, amounted to Euro 927 thousand, referring to the portfolio of customers transferred without recourse, and to Euro 4,402 thousand, referring to the portfolio of customers transferred with recourse.

SECURITIZED LOANS		
Euro thousands	Nominal value receivables assigned at 30 June 2022	Nominal value receivables to be assigned at 30 June 2022
Receivables securitized without recourse	8,149	927
Receivables securitized with recourse	14,710	4,402
Total	22,859	5,329

The value of trade receivables is shown net of the provision for returns to be received, amounting to Euro 662 thousand, which will occur in the following year and net of the bad debt provision of Euro 4,762 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	Closing Balance
Provision for returns to be received	(524)	(173)	35	(662)
Bad debt provision	(4,319)	(749)	306	(4,762)
Total	(4,842)	(923)	340	(5,424)

(9) Other receivables

The item amounted to Euro 3,288 thousand and the breakdown is as follows:

OTHER RECEIVABLES			
Euro thousands	30.06.2022	31.12.2021	Change
Ordinary supplier advances	1,446	1,912	(467)
Tax receivables	50	48	2
Current taxes	365	113	252
Receivables relating to personnel	331	63	268
Other receivables	1,098	453	645
Bad debt provision - other receivables	(1)	(1)	(0)
Total	3,288	2,588	700

Ordinary supplier advances include advances to agents of Euro 745 thousand.

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	Closing Balance
Bad debt provision - other receivables	(1)	-	-	(1)
Total	(1)	-	-	(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	30.06.2022	31.12.2021	Changes
VAT Receivable	2	(0)	2
Other tax receivables	0	2	(2)
Receivables from foreign tax authorities	48	46	2
Total	50	48	2

Receivables from personnel amounting to Euro 331 thousand refer to advances and provisions for employee expenses.

Other receivables, which amounted to Euro 1,098 thousand, are broken down as follows:

OTHER RECEIVABLES			
Euro thousands	30.06.2022	31.12.2021	Changes
Receivables from Poste Italiane	15	13	2
Receivables from social security institutions	974	290	684
Receivables for reimbursement of legal fees	61	61	-
Other	47	90	(43)
Total	1,098	453	645

(10) Other current financial assets

Other current financial assets amounted to Euro 4,409 thousand.

OTHER CURRENT FINANCIAL ASSETS			
Euro thousands	30.06.2022	31.12.2021	Changes
Financial receivables	4,343	5,429	(1,086)
Short-term financial receivables IFRS 16	26	25	1
Other receivables	40	187	(147)
Total	4,409	5,641	(1,232)

The item, amounting to Euro 4,343 thousand, refers to financial receivables 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 26 thousand and refer to receivables relating to the sublease of properties to third parties.

(11) Other current assets

Other current assets consist of prepaid expenses and refer to:

PREPAID EXPENSES			
Euro thousands	30.06.2022	31.12.2021	Changes
Agents' commissions	3,859	3,673	186
User licence fees	1,050	474	576
Hardware and software maintenance fees	967	302	665
Provision of IT services	681	53	628
Insurance premiums	510	137	373
Expenses for the organization of conferences, exhibitions and fairs	112	423	(311)
Royalties on software fees	254	254	-
Other	726	245	481
Total	8,159	5,561	2,598

(12) Cash and cash equivalents

Cash and cash equivalents amounted to Euro 51,216 thousand, up Euro 15,472 thousand (Euro 35,744 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.

CASH AND CASH EQUIVALENTS			
Euro thousands	30.06.2022	31.12.2021	Change
Cash and cash equivalents	51,216	35,744	15,472

Equity

(13) *Equity*

Consolidated equity at 30 June 2022 amounted to Euro 15,189 thousand and compared to a figure of Euro 13,851 thousand at 31 December 2021, increased Euro 1,339 thousand from the previous year due to the following effects:

- loss for the period of Euro 405 thousand;
- actuarial adjustments to employee severance indemnities and income recognized in equity for Euro 1,744 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 2021.

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

The item Employee severance indemnity (TFR) reserve - IAS adjustment went from a negative value of Euro 5,294 thousand at 31 December 2021 to a negative value of Euro 3,550 thousand at 30 June 2022 for the actuarial adjustment of the TFR.

(17) *Profits (losses) carried forward*

Profits (losses) carried forward were negative at Euro 878 thousand (positive at Euro 20,151 thousand at the end of 2021). The change is attributable to the change in the 2021 profit (loss).

(18) *Profit (loss) for the period*

At 30 June 2022, a loss of Euro 405 thousand was recorded. The loss per share is equal to Euro -0.01 and is determined by the ratio between the result attributable to shareholders of the parent company, negative for Euro 405 thousand, and the weighted average number of shares outstanding during the period, equal to 65,015,595.

Non-current liabilities

(19) Non-current financial liabilities

Non-current financial liabilities amounted to Euro 81,654 thousand and comprise:

NON-CURRENT FINANCIAL LIABILITIES			
Euro thousands	30.06.2022	31.12.2021	Changes
Financial payables IFRS 16	36,891	36,867	24
Non-convertible senior unsecured bond	42,787	42,635	152
Other financial payables	1,976	2,961	(985)
Total	81,654	82,464	(809)

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. 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 36,891 thousand were recorded at 30 June 2022, 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 24,000 is mainly attributable to the effect of the Istat increase on the lease contracts on the Group's offices, new lease contracts for capital goods, partly offset by payments for the period.

The item other financial payables amounting to Euro 1,976 thousand is attributable to the present value at 30 June 2022 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%.

(20) Employee benefits

Employee benefits amounted to Euro 12,379 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)	15,329	35	59	(1,744)	(1,300)	12,379

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 2.90% based on Euro area High Quality Corporate Bonds;
- the inflation rate used was 2.3%;
- the average percentage of accrued severance indemnity requested in advance was set at 7.5%, based on historical data;
- salary/salary growth rate 2%.

(21) Provisions for risks and charges

Provisions for risks and charges at 30 June 2022 amounted to Euro 7,484 thousand and changed as follows:

PROVISION FOR RISKS AND CHARGES						
Euro thousands	Opening Balance	Allocations	Use of provisions	Releases	Actuarial change	Closing Balance
Provision for litigation	2,201	203	(526)	(157)	-	1,721
Provision for other risks	4,126	1	(609)	(168)		3,349
Provision for agents' indemnities	2,491	275	(42)	(5)	(305)	2,414
Total	8,819	479	(1,177)	(331)	(305)	7,484

The provision for litigation (Euro 1,721 thousand) covers risks known at the date of preparation of these condensed half-yearly consolidated financial statements. These risks relate primarily to litigation involving personnel and agents (Euro 1,348 thousand), litigation against the newspaper (Euro 236 thousand) and Radio (Euro 130 thousand), and other litigation (Euro 8 thousand).

Uses of the provision for litigation amounted to Euro 526 thousand and consisted primarily of litigation involving the newspaper (Euro 131 thousand), litigation involving personnel and agents (Euro 365 thousand), Radio (Euro 25 thousand) and other litigation (Euro 5 thousand). Releases totalled Euro 157 thousand, of which Euro 119 thousand related to personnel and agent disputes and Euro 39 thousand to disputes brought against the newspaper.

Allocations to the provision for litigation of Euro 203 thousand relate to litigation involving personnel and agents for Euro 181 thousand, litigation against the newspaper for Euro 21 thousand and other litigation for Euro 1 thousand.

The provision for other risks amounted to Euro 3,349 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;
- risks relating to potential critical issues in the application and management of social shock absorbers amounting to Euro 343 thousand. As the residual criticalities have been eliminated as at 30 June 2022, the Group has released part of the provision for contingent liabilities recognized at 31 December 2021 for a value of Euro 121 thousand;
- risks for terminated agents amounting to Euro 695 thousand. In H1 2022, utilizations of Euro 74 thousand and releases of Euro 47 thousand were recognized;
- risks for a claim for contractual damages amounting to Euro 400 thousand, in respect of a dispute underway;
- risks for other disputes totalling Euro 55 thousand set aside during the year to cover Radio contingent liabilities;
- other risks for a total of Euro 14 thousand.

In H1 2022, the liability recognized as at 31 December 2021 relating to risks for disputes of the company 24 ORE Cultura S.r.l. was used for a total of Euro 538 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 2.90%
- mortality tables IPS55
- disability tables INPS
- voluntary turnover rate 6.0%
- corporate turnover rate 5.0%
- retirement current compulsory general insurance requirements.

(22) *Other non-current liabilities*

Other non-current liabilities, totalling Euro 7,028 thousand, include Euro 6,915 thousand relating to the medium-term portion of the liability recognized in relation to restructuring expenses incurred during the year 2021 and Euro 113 thousand for security deposits received for the sublease of properties in Milan, which are unchanged compared to the previous year.

Current liabilities

(23) *Bank overdrafts and loans due within one year*

These amount to Euro 14,710 thousand (Euro 15,779 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	30.06.2022	31.12.2021	Changes
Financial payable for securitization with recourse	14,710	15,779	(1,070)

(24) *Other current financial liabilities*

Other current financial liabilities amounted to Euro 8,797 thousand (Euro 6,991 thousand at 31 December 2021) and mainly relate to short-term financial payables arising from the application of IFRS 16, and in particular short and medium-term financial liabilities arising from the present value of future lease payments of Euro 3,896 thousand. The item other financial payables for non-recourse management and other payables amounting to Euro 3,419 thousand includes: *i*) the financial payable of Euro 684 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	30.06.2022	31.12.2021	Changes
Financial payables IFRS 16	3,896	3,047	849
Financial payables for non-recourse management and other payables	3,419	3,012	407
Short-term portion of Non-convertible senior unsecured bond	1,483	933	550
Total	8,797	6,991	1,806

(25) Trade payables

TRADE PAYABLES			
Euro thousands	30.06.2022	31.12.2021	Changes
Suppliers	40,184	32,037	8,147
Deferred income	39,132	30,860	8,272
Trade payables to associated companies and minorities	25	8	17
Other trade payables	4,674	5,753	(1,079)
Total	84,016	68,658	15,357

Trade payables, amounting to Euro 84,016 thousand, increased by Euro 15,357 thousand compared to the previous year.

Deferred income is broken down as follows:

DEFERRED INCOME			
Euro thousands	30.06.2022	31.12.2021	Changes
Electronic publishing by subscription	31,081	25,620	5,461
Subscriptions II Sole 24 ORE Newspaper	3,066	2,373	693
Services	2,817	1,046	1,771
Subscription software	1,166	940	226
Sale of magazines	673	798	(125)
Other deferred income	330	83	247
Total	39,132	30,860	8,272

Other trade payables amounted to Euro 4,674 thousand, of which Euro 2,371 thousand relate to payables to agents.

(26) Other current liabilities

Other current liabilities amounted to Euro 187 thousand, down by Euro 30 thousand compared to 31 December 2021 and consisted of:

OTHER CURRENT LIABILITIES			
Euro thousands	30.06.2022	31.12.2021	Changes
Accrued liabilities	11	10	1
Current tax liabilities	176	207	(31)
Total	187	217	(30)

(27) Other payables

Other payables amounted to Euro 22,605 thousand (Euro 21,291 thousand at 31 December 2021) and consisted of the following:

OTHER PAYABLES			
Euro thousands	30.06.2022	31.12.2021	Changes
Payables to personnel for restructuring	6,537	7,157	(619)
13th and 14th monthly salaries accrued but not paid	2,781	1,426	1,355
Payables for holidays accrued and not taken	4,289	2,468	1,821
Social security institutions	3,996	5,667	(1,671)
Tax payables	4,070	4,038	32
Other personnel expenses	421	17	404
Other payables	510	513	(4)
Total	22,605	21,291	1,316

Payables to personnel for restructuring, amounting to Euro 6,537 thousand, relate to the liability recorded for short-term restructuring expenses. Disbursements for restructuring expenses made in H1 2022, in accordance with established plans, amounted to Euro 3,089 thousand (Euro 2,987 thousand in H1 2021).

Tax payables amounted to Euro 4,070 thousand and the breakdown is as follows:

TAX PAYABLES			
Euro thousands	30.06.2022	31.12.2021	Changes
Withholding taxes on employee income	2,076	2,910	(834)
Withholding taxes on self-employment income	328	332	(5)
VAT payable and pro rata	1,555	580	975
Payables to foreign tax authorities	77	127	(50)
Other tax payables	35	88	(54)
Total	4,070	4,038	31

Statement of profit (loss)**(28) Revenues**

REVENUES				
Euro thousands	H1 2022	H1 2021	Change	% change
Publishing revenues	49,746	51,420	(1,674)	-3.3%
Advertising revenues	44,193	39,721	4,472	11.3%
Other revenues	10,689	5,688	5,001	87.9%
Total	104,628	96,829	7,799	8.1%

In H1 2022, the 24 ORE Group reported **consolidated revenues** of Euro 104,628 thousand, up Euro 7,799 thousand (+8.1%) compared to the same period of the previous year.

Publishing revenues amounted to Euro 49,746 thousand, a decrease of Euro 1,674 thousand (-3.3%) compared to H1 2021, when they amounted to Euro 51,420 thousand.

Advertising revenues of Euro 44,193 thousand were up Euro 4,472 thousand (+11.3%) compared to the same period in 2021.

Other revenues of Euro 10,689 thousand were up by Euro 5,001 thousand compared to H1 2021, which had been adversely affected by the Covid-19 emergency, following the mandatory closure of all museums and exhibition venues during the lockdown period.

(29) *Other operating income*

OTHER OPERATING INCOME				
Euro thousands	H1 2022	H1 2021	Change	% change
Releases of provisions	331	135	196	>100.0%
Contributions	519	1,350	(831)	-61.5%
Recovery of sundry expenses	568	560	9	1.5%
Lease income	60	51	9	18.3%
Other	155	41	114	>100.0%
Total	1,634	2,136	(502)	-23.5%

Releases of provisions amounted to Euro 331 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 519 thousand include income of Euro 300 thousand obtained in support of companies following the health emergency caused by the spread of the Covid-19 virus (in H1 2021, they amounted to Euro 1,280 thousand).

(30) *Personnel costs*

PERSONNEL COSTS				
Euro thousands	H1 2022	H1 2021	Change	% change
Wages, salaries and remuneration	26,703	26,982	(279)	-1.0%
Contributions and pension fund	8,923	9,119	(196)	-2.1%
Employee severance indemnity (TFR)	1,911	1,931	(20)	-1.0%
Overtime, holidays and other costs and income	2,635	2,190	445	20.3%
Total personnel costs	40,172	40,223	(51)	-0.1%

Personnel costs of Euro 40,172 thousand decreased by Euro 51 thousand compared to H1 2021, when they amounted to Euro 40,223 thousand. Non-recurring restructuring expenses of Euro 575 thousand were recognized in H1 2021. The average number of employees, 788, decreased by 44 (mainly graphic designers and printers) compared with the first half of the previous year when it amounted to 832.

During the period, personnel costs of Euro 240 thousand (Euro 537 thousand in H1 2021) were capitalized for internally developed software. It should also be noted that personnel carried out additional projects aimed at innovation that did not qualify for capitalization.

(31) *Purchases of raw and consumable materials*

PURCHASES OF RAW AND CONSUMABLE MATERIALS				
Euro thousands	H1 2022	H1 2021	Change	% change
Purchase of paper	2,632	1,605	1,027	64.0%
Purchase of goods for resale	259	76	183	>100.0%

Purchase of photographic material and ink	-	49	(49)	-100.2%
Purchase of material for plant maintenance	7	45	(38)	-85.4%
Purchase of fuel	71	69	2	2.9%
Other sundry costs	8	26	(18)	-69.8%
Adjustments previous years	(14)	(36)	22	60.7%
Total	2,964	1,833	1,129	61.6%

Purchases of raw and consumable materials amounted to Euro 2,964 thousand, up by Euro 1,129 thousand (+61.6%) compared to H1 2021 (amounting to Euro 1,833 thousand) and are mainly represented by the purchase of paper.

(32) *Costs for services*

COSTS FOR SERVICES				
Euro thousands	H1 2022	H1 2021	Change	% change
Commissions and other sales expenses	10,074	8,726	1,348	15.4%
Distribution costs	7,881	8,903	(1,022)	-11.5%
IT and Software services	3,765	3,541	224	6.3%
Editorial costs	3,486	3,293	193	5.9%
Promotional and commercial expenses	4,667	4,145	522	12.6%
Costs for conferences and exhibitions	3,847	1,146	2,701	>100.0%
Other consultancy costs	1,431	1,483	(52)	-3.5%
Printing costs	3,184	2,367	817	34.5%
Utilities (telephone, energy, water, etc.)	1,071	1,344	(273)	-20.3%
Administrative services	237	294	(57)	-19.4%
Fees for Corporate Bodies and Independent Auditors	800	726	74	10.2%
Sundry production costs	1,345	1,160	185	15.9%
General services expenses	802	864	(62)	-7.2%
Maintenance and repair expenses	725	988	(263)	-26.6%
News agency costs	672	672	-	0.0%
Insurance expenses	461	452	9	2.0%
Employee services	824	730	94	12.9%
News purchase costs	704	682	22	3.2%
Preparation costs	548	602	(54)	-9.0%
Reimbursement of personnel expenses	228	86	142	>100.0%
Bank fees	439	517	(78)	-15.1%
Product storage costs	219	268	(49)	-18.3%
Packaging costs	44	54	(10)	-18.7%
Adjustments previous years	(1)	(342)	341	99.6%
Total	47,455	42,699	4,756	11.1%

Costs for services amounted to Euro 47,455 thousand and were up overall by Euro 4,756 thousand (+11.1%) compared to H1 2021, when they amounted to Euro 42,699 thousand.

In particular, it should be noted that:

- commissions and other sales expenses increased by Euro 1,348 thousand (15.4% from Euro 8,726 to 10,074 thousand);

- printing costs were up Euro 817 thousand (+34.5% from Euro 2,367 to 3,184 thousand) correlated to the new production structure;
- costs for conferences and exhibitions were up Euro 2,701 thousand (from Euro 1,146 to Euro 3,847 thousand), partly due to the resumption of exhibitions by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021);
- promotional and commercial expenses increased by Euro 522 thousand (+12.6% from Euro 4,145 to Euro 4,667 thousand), mainly due to the resumption of exhibitions by 24 ORE Cultura S.r.l.;
- distribution costs were down Euro 1,022 thousand (-11.5% from Euro 8,903 to 7,881 thousand);
- expenses for utilities decreased by Euro 273 thousand (-20.3% from Euro 1,344 to 1,071 thousand).

(33) *Costs for rents and leases*

COSTS FOR RENTS AND LEASES				
Euro thousands	H1 2022	H1 2021	Change	% change
Royalties	944	711	233	32.8%
Other fees	1,036	894	142	15.9%
Rental fees and ancillary costs for mixed use cars	408	530	(122)	-23.0%
Lease expenses and other condominium expenses	343	582	(239)	-41.0%
Copyrights	322	258	64	24.9%
Rental fees and ancillary costs for radio broadcasting systems	199	135	64	47.5%
Hardware rental-lease fees	26	40	(13)	-33.7%
Other sundry costs	32	38	(7)	-17.4%
Adjustments previous years	1	(1)	1	>100.0%
Total	3,311	3,187	124	3.9%

Costs for rents and leases amounted to Euro 3,311 thousand and increased by Euro 124 thousand compared to H1 2021. 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.

(34) *Other operating expenses*

OTHER OPERATING EXPENSES				
Euro thousands	H1 2022	H1 2021	Change	% change
Other taxes and duties	1,060	507	553	>100.0%
VAT to be paid by the Publisher	317	245	72	29.3%
Entertainment expenses	32	20	12	63.5%
Purchase of newspapers and magazines	141	140	0	0.2%
Expenses for membership fees	153	150	4	2.6%
Other sundry expenses	186	280	(94)	-33.7%
Adjustments previous years	(204)	(56)	(148)	>100.0%
Total	1,685	1,285	400	31.1%

Other operating expenses amounted to Euro 1,685 thousand in H1 2022, up by Euro 400 thousand (Euro 1,285 thousand in the same period of 2021) mainly due to the increase in the item other taxes and duties for Euro 553 thousand attributable to the higher 2022 pro-rata VAT effect of the subsidiary 24 ORE Cultura S.r.l.

(35) Gains/losses on disposal non-current assets

Gains of Euro 9 thousand were recorded during H1 2022 (gains of Euro 71 thousand in H1 2021).

(36) Financial income (expenses)

FINANCIAL INCOME (EXPENSES)				
Euro thousands	H1 2022	H1 2021	Change	% change
Other financial income	329	338	(9)	-2.7%
Exchange rate gains	9	4	5	>100.0%
Total income	338	342	(5)	-1.3%
Exchange rate losses	-	(55)	55	>100.0%
Financial expenses on short-term payables	(1,114)	(311)	(803)	>100.0%
Financial expenses from amortized cost	(152)	(279)	127	45.6%
Other financial expenses	(974)	(1,174)	200	17.0%
Total expenses	(2,240)	(1,819)	(421)	-23.1%
Total	(1,902)	(1,477)	(425)	-28.8%

Net financial income and expenses were a negative Euro 1,902 thousand and increased by Euro 425 thousand compared to the same period of 2021.

Other financial income includes income from the actuarial valuation of the provision for agents' termination indemnity in accordance with IAS 37 and amounted to Euro 305 thousand.

Financial expenses on short-term debt relate to interest expenses on the unsecured non-convertible bond.

The application of IFRS 16 resulted in the recognition of negative financial income and expenses of Euro 614 thousand (Euro 618 thousand in H1 2021).

(37) Income taxes

The main components of income taxes for the periods ended 30 June 2022 and 30 June 2021 are as follows:

TAXES			
Euro thousands	H1 2022	H1 2021	Change
IRAP	(213)	(93)	(121)
Taxes of previous years	(65)	210	(274)
Foreign taxes	(33)	(34)	1
Total current taxes	(311)	83	(394)
Use of provision for deferred taxes	188	1	187
Deferred tax assets/liabilities	(675)	(891)	216
Deferred tax assets/liabilities	(488)	(890)	403
Total	(799)	(807)	9

It should be noted that Il Sole 24 ORE S.p.A. and its Italian subsidiaries have adopted the group taxation regime pursuant to article 117 et seq. of Presidential Decree no. 917 of 22 December 1986 (tax consolidation), as a result of which they determine a single overall IRES taxable base.

In H1 2022, the tax result of the tax consolidation is negative, so no current IRES taxes are recognized. On the other hand, a current expense was recognized for IRAP.

In H1 2022, deferred tax assets in the amount of Euro 675 thousand were cancelled due to the cancellation of deferred tax assets recognized on temporary differences and the reduction of taxes recognized on losses that can be carried forward due to the positive contribution of Events. In addition, deferred tax liabilities of Euro 188 thousand were written off, of which Euro 187 thousand relating to radio concessions and frequencies.

Pending a return to positive tax results, neither deferred tax assets on period losses nor deferred tax assets on newly taxed temporary differences were recognized.

9. Segment reporting

Segment reporting has been prepared in such a way as to provide the information necessary to allow an evaluation of the nature and effects on the financial statements of the activities carried out and the economic context of reference.

Operating segments have been identified on the basis of the company's operating activities that generate revenues and costs, the results of which are periodically reviewed at the highest operational decision-making level for the purpose of making decisions on resource allocation and performance assessment, and for which separate financial information is available.

An operating segment identified in accordance with the qualitative requirements set out above is separately disclosed when the following quantitative limits have been exceeded:

- reported revenues, including both sales to external customers and intersegment sales, represent at least 10% of the total revenues of all operating segments;
- the segment profit or loss represents at least 10% of the greater, in absolute value, between the total profit of all operating segments in profit and the total loss of all operating segments in loss;
- the activities of one segment account for at least 10% of the total activities of all operating segments.

If the quantitative thresholds indicated above are not exceeded, but management has deemed it useful to provide separate disclosure for the purposes of assessing the nature and effects on the financial statements of the related operating activities, the operating segments identified for this purpose have been reported in detail.

Please note that the 2021 comparative figures have been appropriately reclassified to reflect the new organization. In particular, consistent with the 2021 Annual Financial Report, the results of the Radiocor Plus operating sector are included in the Professional Services area, while in the Half-yearly financial report as at 30 June 2022, 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								
H1 2022	26,434	22,381	48,815	4,676	(2,109)	-	6	2,572
H1 2021	28,098	22,672	50,770	5,251	(2,361)	(354)	61	2,597
PROFESSIONAL SERVICES								
H1 2022	28,012	188	28,201	7,297	(626)	-	0	6,671
H1 2021	27,722	114	27,836	7,914	(599)	(263)	-	7,052
RADIO								
H1 2022	127	9,009	9,136	1,973	(1,410)	-	1	564
H1 2021	94	6,956	7,050	(96)	(680)	(4)	-	(781)
SYSTEM								
H1 2022	42,626	(1,551)	41,075	67	(14)	-	-	53
H1 2021	38,528	(780)	37,748	(554)	(13)	-	-	(567)
EVENTS								
H1 2022	1,886	1,581	3,467	742	(8)	-	-	734
H1 2021	1,408	1,078	2,485	636	(3)	-	-	633
CULTURE								
H1 2022	5,542	506	6,048	(451)	(224)	-	-	(676)
H1 2021	979	170	1,149	(389)	(210)	-	-	(599)
CORPORATE AND CENTRALIZED SERVICES								
H1 2022	0	-	0	(3,895)	(3,772)	-	2	(7,665)
H1 2021	0	-	0	(5,486)	(3,871)	(63)	10	(9,410)
CONSOLIDATED								
H1 2022	104,628	-	104,628	10,409	(8,164)	-	9	2,254
H1 2021	96,829	-	96,829	7,276	(7,737)	(685)	71	(1,075)

BUSINESS BY SECTOR

SECTOR	Property, plant and equipment	Goodwill	Intangible assets	Trade receivables
PUBLISHING & DIGITAL				
30.06.2022	8,435	-	4,313	4,825
31.12.2021	8,942	-	4,919	4,057
PROFESSIONAL SERVICES				
30.06.2022	252	15,469	1,852	30,187
31.12.2021	317	15,469	1,891	25,938
RADIO				
30.06.2022	3,943	-	20,041	105
31.12.2021	4,429	-	20,797	14
SYSTEM				
30.06.2022	40	-	-	25,136
31.12.2021	54	-	-	33,228
CULTURE				
30.06.2022	1,825	-	65	288
31.12.2021	2,008	-	77	517
EVENTS				
30.06.2022	4	5,255	40	1,476
31.12.2021	5	5,255	38	1,979
CORPORATE AND CENTRALIZED SERVICES				
30.06.2022	39,698	-	4,111	137
31.12.2021	40,175	-	4,145	102
CONSOLIDATED				
30.06.2022	54,197	20,724	30,423	62,154
31.12.2021	55,930	20,724	31,868	65,835

10. Further information

10.1 Transactions with related parties

A related party is a person or entity related to the Parent Company, identified in accordance with the provisions of *IAS 24 Related Party Disclosures*. The definition of a related party always includes companies controlled by associates and joint ventures of the Parent Company.

For transactions entered into with related parties during the period covered by these Half-Yearly 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 Half-Yearly Consolidated Financial Statements.

Transactions carried out with related parties are essentially limited to commercial, administrative and financial services with subsidiaries and associates. These transactions are part of normal business operations, within the scope of the typical activity of each party involved, and are regulated at market conditions.

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

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

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 30 JUNE 2022

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)	-	-	-	-	23	-	-	-
Total Parent Company	-	-	-	-	23	-	-	-
Key Executives	-	-	(459)	-	-	(1,584)	-	-
Board of Directors	-	-	(74)	-	-	(448)	-	-
Board of Statutory Auditors	-	-	(44)	-	-	(107)	-	-
Other related parties	93	-	(50)	-	136	(56)	-	-
Total other related parties	93	-	(627)	-	136	(2,195)	-	-
Total related parties	93	-	(627)	-	159	(2,195)	-	-

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space.

Revenues relate primarily to the sale of advertising space in proprietary publications and subscriptions to the newspaper.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2022, 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 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in H1 2022".

There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

10.2 Breakdown of the Group's past due positions by type

PAST DUE DEBT POSITIONS OF THE 24 ORE GROUP									
values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	349	32	29	13	17	0	1	614	1,054
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	349	32	29	13	17	0	1	614	1,054

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.

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. On 25 July 2022, the Court of Milan dismissed the counterparty's claims, awarding the costs of the litigation.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of this Half-yearly report at 30 June 2022, there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

10.3 Significant events occurring after 30 June 2022

[On 28 July 2022, the Company's Board of Directors approved a medium/long-term "LTI" variable remuneration plan for the 2022-2024 period, in favour of the Chief Executive Officer and certain key executives. The Plan provides for each beneficiary to receive a percentage of his or her gross annual remuneration at the end of the 2024 period, provided that he or she has achieved the objectives set and has not resigned before the end of the Plan.]

10.4 Disclosure pursuant to Consob Resolution no. 15519 of 27 July 2006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Euro thousands	30.06.2022	of which related parties	31.12.2021	of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment	54,198	-	55,930	-
Goodwill	20,724	-	20,724	-
Intangible assets	30,422	-	31,868	-
Non-current financial assets	773	-	731	-
Other non-current assets	1,260	-	1,302	-
Deferred tax assets	19,854	-	20,529	-
Total	127,231	-	131,084	-
Current assets				
Inventories	2,620	-	1,659	-
Trade receivables	62,154	93	65,835	392
Other receivables	3,288	-	2,588	-
Other current financial assets	4,409	-	5,641	-
Other current assets	8,159	-	5,561	-
Cash and cash equivalents	51,216	-	35,744	-
Total	131,847	93	117,027	392
Assets available for sale	-	-	-	-
TOTAL ASSETS	259,078	93	248,112	392

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	30.06.2022	of which related parties	31.12.2021	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	(3,550)	-	(5,294)	-
Profits (losses) carried forward	(878)	-	20,151	-
Profit (loss) attributable to shareholders of the parent company	(405)	-	(21,029)	-
Total	15,189	-	13,851	-
Equity attributable to minority shareholders				
Capital and reserves attributable to minority shareholders	-	-	-	-
Profit (loss) attributable to minority shareholders	-	-	-	-
Total	-	-	-	-
Total equity	15,189	-	13,851	-
Non-current liabilities				
Non-current financial liabilities	81,654	-	82,464	-
Employee benefits	12,379	-	15,329	-
Deferred tax liabilities	5,029	-	5,216	-
Provisions for risks and charges	7,484	-	8,819	-
Other non-current liabilities	7,028	-	9,498	-
Total	113,573	-	121,325	-
Current liabilities				
Current bank overdrafts and loans	14,710	-	15,779	-
Other current financial liabilities	8,797	-	6,991	-
Trade payables	84,016	124	68,658	494
Other current liabilities	187	-	217	-
Other payables	22,605	503	21,290	133
Total	130,315	627	112,936	628
Liabilities available for sale	-	-	-	-
Total liabilities	243,888	627	234,261	628
TOTAL EQUITY AND LIABILITIES	259,078	627	248,112	628

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

CONSOLIDATED STATEMENT OF PROFIT (LOSS)

Euro thousands	H1 2022	of which related parties	of which non-recurring	H1 2021	of which related parties	of which non-recurring
1) Continuing operations						
Revenues	104,628	159		96,829	97	
Other operating income	1,634	-	421	2,136		1,280
Personnel costs	(40,172)	(1,584)		(40,223)	(1,543)	(575)
Change in inventories	961			(336)		
Purchases of raw and consumable materials	(2,964)			(1,833)		-
Costs for services	(47,455)	(611)		(42,699)	(724)	-
Costs for rents and leases	(3,311)			(3,187)		-
Other operating expenses	(1,685)			(1,285)	-	-
Allocations	(479)			(1,322)	-	
Bad debt	(749)			(804)		
Gross operating margin	10,409	(2,036)	421	7,276	(2,170)	705
Amortization of intangible assets	(3,884)			(3,292)		
Depreciation of tangible assets	(4,279)			(4,446)		
Impairment of tangible and intangible assets	-		-	(685)		(682)
Gains/losses on disposal of non-current assets	9			71		
Operating profit (loss)	2,254	(2,036)	421	(1,075)	(2,170)	23
Financial income	338	-		342		
Financial expenses	(2,240)	-		(1,819)	-	-
Total financial income (expenses)	(1,902)	-	-	(1,477)	-	-
Other income from investment assets and liabilities	42	-		28	-	
Profit (loss) before taxes	394	(2,036)	421	(2,524)	(2,170)	23
Income taxes	(799)	-		(807)	-	-
Profit (loss) from continuing operations	(405)	(2,036)	421	(3,331)	(2,170)	23
2) Assets held for sale						
Profit (loss) from assets held for sale	-	-	-	-	-	-
Net profit (loss)	(405)	(2,036)	421	(3,331)	(2,170)	23
Profit (loss) attributable to minority shareholders	-	-	-	-	-	-
Profit (loss) attributable to the shareholders of the parent company	(405)	(2,036)	421	(3,331)	(2,170)	23

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands	H1 2022	of which re- lated parties	H1 2021	of which re- lated parties
Statement items				
Profit (loss) before taxes from continuing operations attributable to the Group [a]		394		(2,524)
Adjustments [b]	10,257	-	11,626	-
Amortization/Depreciation	8,164		7,737	
(Gains) losses	(9)		(71)	
Effect of valuation of investments	(42)		(28)	
Allocation and (release) of provisions for risks and charges	148		1,187	
Restructuring expenses	-		575	
Provision for employee benefits	93		67	
Impairment of tangible and intangible assets	1		682	
Financial income and expenses	1,902		1,477	
Changes in operating net working capital [c]	10,836	(299)	(8,638)	562
Change in inventories	(961)		336	
Change in trade receivables	3,680	(299)	(3,399)	(3)
Change in trade payables	15,358	(370)	781	73
Income tax payments	(493)			
Other changes in net working capital	(6,747)	370	(6,356)	492
Total cash flow from operating activities [d=a+b+c]	21,487	(299)	465	562
Cash flow from investing activities [e]	(1,718)	-	(5,196)	-
Investments in intangible and tangible assets	(2,814)		(5,285)	
Change in receivables guaranteeing financial payables	1,086			
Other changes in investing activities	10		89	
Cash flow from financing activities [f]	(4,298)	-	(7,395)	-
Net financial interest paid	(841)		(1,383)	
Change in medium/long-term bank loans	-		(335)	
Change in short-term bank loans	(1,070)		(1,882)	
Changes in other financial payables and receivables	(1,242)		(2,963)	
Other changes in financial assets and liabilities	146		-	
Change in payables IFRS 16	(1,291)		(833)	
Change in financial resources [g=d+e+f]	15,472	(299)	(12,125)	562
Cash and cash equivalents at the beginning of the year	35,744		40,246	
Cash and cash equivalents at the end of the period	51,216		28,120	
Increase (decrease) for the period	15,472		(12,126)	

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

It should be noted that no atypical and/or unusual transactions were carried out with third parties, related parties or Group companies.

10.5 Net financial position

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the “Prospectus Regulation” of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021.

NET FINANCIAL POSITION OF THE 24 ORE GROUP		
Euro thousands	30.06.2022	31.12.2021
A. Cash	93	102
B. Cash equivalents	51,122	35,642
C. Other current financial assets	4,409	5,641
D. Liquidity (A + B + C)	55,625	41,385
E. Current financial payable	(14,710)	(15,779)
F. Current portion of the non-current financial payable	(8,797)	(6,991)
G. Current financial debt (E + F)	(23,507)	(22,771)
H. Current net financial position (G + D)	32,118	18,614
I. Non-current financial payable	(38,867)	(39,828)
J. Debt instruments	(42,787)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(81,654)	(82,464)
M. Net financial position (H + L)	(49,537)	(63,849)

The **net financial position** at 30 June 2022 was a negative Euro 49.5 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 14.3 million. The change in the net financial position mainly relates to the change in net working capital included in cash flows from operating activities.

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 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 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 26 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 3.9 million.

10.6 Employees

The average number of employees by category is as follows:

EMPLOYEES						
AVERAGE WORKFORCE	H1 2022		H1 2021		Change	
	Number	%	Number	%	Number	%
Executives	25.5	3.2%	27.2	3.3%	(1.7)	-6.3%
Journalists	261.0	33.1%	273.0	32.8%	(12.0)	-4.4%
White-collar workers	501.3	63.6%	509.0	61.2%	(7.7)	-1.5%
Blue-collar workers	0.3	0.0%	22.5	2.7%	(22.2)	-98.7%
Total	788.1	100.0%	831.8	100.0%	(43.7)	-5.2%

DIRECTORS' ASSESSMENT OF THE GOING CONCERN ASSUMPTION

The 24 ORE Group closed H1 2022 with a net loss of Euro 0.4 million (net loss of Euro 3.3 million in H1 of the previous year) and at 30 June 2022 had equity of Euro 15.2 million (Euro 13.9 million at 31 December 2021), and a negative net financial position of Euro 49.5 million (Euro 63.8 million at 31 December 2021).

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 issue enabled 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.

The current uncertainty linked to the possible evolution of the spread of the Covid-19 virus and its variants and the impacts deriving from the ongoing conflict in Ukraine, as well as rising commodity and energy costs and the resurgence of inflation, calls for continuing to maintain a certain degree of caution.

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 Half-Yearly Financial Report at 30 June 2022 to be prepared on a going concern basis.

OUTLOOK

After a 2021 in which the Italian economy experienced sustained growth, GDP estimates point to more limited growth: +2.8 in 2022 and +1.9% in 2023 (Source: *ISTAT - Italy's economic outlook in 2022-2023 - 7 June 2022*).

The current uncertainty linked to the evolution of the spread of the Covid-19 virus and its variants and the impacts deriving from the ongoing conflict in Ukraine, as well as rising commodity and energy costs and the resurgence of inflation, calls for continuing to maintain a certain degree of caution with respect to the 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 ongoing conflict 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, 28 July 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 Mirja Cartia d'Asero, in her capacity as Chief Executive Officer, and Paolo Fietta, in his capacity as Manager in charge of financial reporting of Il Sole 24 ORE S.p.A., taking into account the provisions of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, certify

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed half-yearly consolidated financial statements at 30 June 2022.

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 condensed half-yearly consolidated financial statements and the analysis of the results achieved were carried out in a complex context characterized, among other things, by the continuation of the organizational review of corporate processes;
- the adequacy of the administrative and accounting procedures for the preparation of the consolidated condensed half-yearly financial statements at 30 June 2022 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 Audit 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 condensed half-yearly consolidated financial statements at 30 June 2022.

3. It is further certified that:

- the condensed half-yearly consolidated financial statements:
 - have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the information contained in the accounting ledgers and records;
 - provide a true and fair representation of the equity, economic and financial situation of the Company in question.

The report on operations includes a reliable analysis of the operating performance and results for H1 2022, as well as the situation of the issuer, together with a description of the principal risks and uncertainties.

Milan, 28 July 2022

CEO
Mirja CARTIA d'ASERO

Manager in charge of financial reporting
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.

NET FINANCIAL POSITION OF THE 24 ORE GROUP

Euro thousands	30.06.2022	31.12.2021
A. Cash	93	102
B. Cash equivalents	51,122	35,642
C. Other current financial assets	4,409	5,641
D. Liquidity (A + B + C)	55,625	41,385
E. Current financial payable	(14,710)	(15,779)
F. Current portion of the non-current financial payable	(8,797)	(6,991)
G. Current financial debt (E + F)	(23,507)	(22,771)
H. Current net financial position (G + D)	32,118	18,614
I. Non-current financial payable	(38,867)	(39,828)
J. Debt instruments	(42,787)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(81,654)	(82,464)
M. Net financial position (H + L)	(49,537)	(63,849)

The **net financial position** at 30 June 2022 was a negative Euro 49.5 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 14.3 million. The change in the net financial position mainly relates to the change in net working capital included in cash flows from operating activities.

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 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 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 26 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 3.9 million.

Net financial position of the Parent Company

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the “Prospectus Regulation” of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021.

NET FINANCIAL POSITION OF IL SOLE 24 ORE S.p.A.		
Euro thousands	30.06.2022	31.12.2021
A. Cash	21	26
B. Cash equivalents	45,988	30,590
C. Other current financial assets	4,343	5,501
D. Liquidity (A + B + C)	50,352	36,117
E. Current financial payable	(14,710)	(15,779)
F. Current portion of the non-current financial payable	(12,057)	(10,196)
G. Current financial debt (E + F)	(26,767)	(25,976)
H. Current net financial position (G + D)	23,585	10,141
I. Non-current financial payable	(38,100)	(38,952)
J. Debt instruments	(42,787)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(80,887)	(81,587)
M. Net financial position (H + L)	(57,302)	(71,446)

The **Parent Company's net financial position** at 30 June 2022 was negative by Euro 57.3 million and compares with a negative Euro 71.4 million at 31 December 2021, an improvement of Euro 14.1 million. The change in the net financial position mainly relates to the change in net working capital included in cash flows from operating activities.

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 36.1 million (Euro 36.0 million at 31 December 2021) in application of IFRS 16.

The Parent Company's current net financial position as of 30 June 2022 was a positive Euro 23.6 million (positive Euro 10.1 million as at 31 December 2021) and includes Euro 4.3 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 3.7 million.

The past due debt positions of the Company and the Group, broken down by type (financial, commercial, tax, social security and employee) and any related creditor reaction initiatives (reminders, injunctions, suspension of supplies, etc.)

Past due debt positions of the 24 ORE Group broken down by type at 30 June 2022

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	349	32	29	13	17	0	1	614	1,054
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	349	32	29	13	17	0	1	614	1,054

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 30 June 2022

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	261	13	10	6	4	0	1	570	865
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	261	13	10	6	4	0	1	570	865

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.

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. On 25 July 2022, the Court of Milan dismissed the counterparty's claims, awarding the costs of the litigation.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of the Half-yearly report at 30 June 2022 there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

The main changes in the related party transactions of this Company and Group since the last annual or half-yearly financial report approved in accordance with article 154-ter of the Consolidated Law on Finance (TUF) are as follows

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 30 JUNE 2022								
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)	-	-	-	-	23	-	-	-
Total Parent Company	-	-	-	-	23	-	-	-
Key Executives	-	-	(459)	-	-	(1,584)	-	-
Board of Directors	-	-	(74)	-	-	(448)	-	-
Board of Statutory Auditors	-	-	(44)	-	-	(107)	-	-
Other related parties	93	-	(50)	-	136	(56)	-	-
Total other related parties	93	-	(627)	-	136	(2,195)	-	-
Total related parties	93	-	(627)	-	159	(2,195)	-	-

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space.

Revenues relate primarily to the sale of advertising space in proprietary publications and subscriptions to the newspaper.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2022, 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 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in H1 2022".

There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 30 June 2022

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)	-	-	-	-	23	-	-	-
Total Parent Company	-	-	-	-	23	-	-	-
24 ORE Cultura S.r.l.	468	-	(118)	(2,107)	439	(506)	-	(44)
Il Sole 24 ORE Eventi S.r.l.	1,013	-	(1,203)	(1,315)	639	(1,610)	-	(31)
Il Sole 24 ORE UK Ltd	-	-	(401)	-	-	(232)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(259)	-	-	(282)	-	-
Total Subsidiaries	1,481	-	(1,981)	(3,422)	1,078	(2,630)	-	(75)
Key Executives	-	-	(459)	-	-	(1,584)	-	-
Board of Directors	-	-	(74)	-	-	(448)	-	-
Board of Statutory Auditors	-	-	(33)	-	-	(96)	-	-
Other related parties	93	-	(50)	-	136	(56)	-	-
Total other related parties	93	-	(616)	-	136	(2,184)	-	-
Total related parties	1,574	-	(2,597)	(3,422)	1,237	(4,814)	-	(75)

Trade receivables and other assets from other related parties mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space in its proprietary publications;
- receivables for corporate services;
- receivables for advertising space brokerage activities;
- receivables from tax consolidation and VAT.

Trade payables/other payables refer mainly to:

- payables to the subsidiary Il Sole 24 ORE UK Ltd., for commercial brokerage activities relating to the sale of advertising space in the United Kingdom;
- payables to the subsidiary Il Sole 24 ORE Eventi S.r.l., for commercial brokerage activities relating to the organization of events on behalf of the Parent Company;
- trade payables for services to Il Sole 24 ORE U.S.A. Inc;
- payables for services and editorial services;
- payables for the purchase of information;
- payables from tax consolidation and VAT consolidation.

Financial payables relate to current account relations with the subsidiary 24 ORE Cultura S.r.l. and the subsidiary Il Sole 24 ORE Eventi S.r.l.

Operating revenues and income mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space in its proprietary publications;
- debit of centralized services to Group companies.

Costs mainly refer to:

- contractual agreement with the subsidiary Il Sole 24 ORE UK Ltd., for commercial brokerage activities relating to the sale of advertising space in the United Kingdom;
- contractual agreement with the subsidiary Il Sole 24 ORE U.S.A. Inc. for the provision of services;

- contractual agreement with the subsidiary Il Sole 24 ORE Eventi S.r.l., for commercial brokerage activities relating to the sale of advertising space and for its share of the sponsorship of events.

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2022, 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 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in H1 2022".

There have been no changes in existing contractual relationships since the situation relating to the last approved annual financial report.

Non-compliance with covenants, negative pledges and any other clause of the Group's debt that imposes restrictions on the use of financial resources, with an indication of the degree of compliance with these clauses at the date of the financial statements

On 20 July 2020, the Company entered into an agreement with Monterosa SPV to extend the maturity of the transaction until December 2026; however, it should be noted that the agreement provides for the option to terminate operations by either party at the end of each calendar half-year.

The maximum total amount that can be financed is Euro 50.0 million; at 30 June 2022, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

The securitization contract does not provide for financial covenants but does provide for causes of impediment to the acquisition of the Company's portfolios of receivables, which, if not remedied, could result in the termination of the contract. At 30 June 2022, there were no causes of impediment to purchase and/or material events that would result in contract termination.

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 issue enabled 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.

The status of implementation of the business plan, highlighting any deviations from the actual figures compared to those forecast.

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.

The 2022-2025 Plan in any event 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

Consolidated revenues for H1 2022 were slightly lower than expected due to the offsetting of higher advertising revenues with lower circulation and other revenues, also correlated with different planning of activities and initiatives.

In terms of *EBITDA* and *EBIT* net of non-recurring expenses and income, H1 2022 is still basically in line with the plan due to both the different business development and actions to contain direct and operating costs.

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 addition, while it should be noted that the 2022-2025 Plan does not reflect any impact from the ongoing conflict in Ukraine, at present there are no significant direct effects on the Group's performance resulting from this event. The influence of indirect effects, mainly attributable to the possible repercussions that this conflict could have on the Italian and European economies, the publishing sector and procurement costs, and whose impact on the Group's business is in any case difficult to predict at this time, is not deemed to be such so as to not allow for the confirmation of the medium/long-term objectives reflected in this plan.

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, 28 July 2022

The Chairperson of the Board of Directors
Edoardo GARRONE



Il Sole 24 Ore S.p.A.

Review report on the interim condensed consolidated financial statements at June 30, 2022

(Translation from the original Italian text)

Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Il Sole 24 Ore S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statement of profit (loss) for the period, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows and the related explanatory notes of Il Sole 24 Ore S.p.A. and its subsidiaries (the "24 Ore Group") at June 30, 2022. The Directors of Il Sole 24 Ore S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of 24 Ore Group as of June 30, 2022 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

1 - Going concern assumption

We draw attention to paragraph "Directors' assessment of the going concern assumption" of the explanatory notes, which describes Directors' considerations regarding going concern basis. In particular, despite the uncertainties arising from the evolution of the health emergency due to Covid-19 and from the possible impacts of the ongoing conflict in Ukraine, and the unavoidable uncertainties of the industry and any projection generally, which could affect the results that will be actually achieved, as well as their outcome and timing, Directors assessed that the 24 Ore Group has the financial and equity resources to prepare the interim condensed consolidated financial

statements at June 30, 2022 on a going concern basis. Our conclusions are not modified in respect of this matter.

2 - Risk related to the outcome of the proceedings before the Public Prosecutor's Office and to Consob inspections

We draw attention to paragraphs "Risks related to the outcome of the proceedings before the Milan Public Prosecutor's Office crim. proc. no. 5783/17 R.G.N.R." and "Risks associated with Consob inspections" of the Directors' Report, which describe the relevant updates, the assessments and the actions taken by the Directors regarding the outcome of the ongoing proceedings before the Public Prosecutor's Office and the Consob inspections. Our conclusions are not modified in respect of these matters.

Milan, July 29, 2022

EY S.p.A.

Signed by: Massimo Meloni, Auditor

This report has been translated into the English language solely for the convenience of international readers