GRUPPO 24 ORE

<u>Press Release</u>

Pursuant to CONSOB Resolution 11971/99 as subsequently amended and supplemented

Il Sole 24 ORE S.p.A.: BoD approves the Financial Statements for the year ended 31 December 2020

Results in 2020 improve versus 2019 net of non-recurring expense and income, thanks to the reduction in payroll costs, the actions taken to curb direct and operating costs, and the upward revenue trend in the second half of the year

Consolidated highlights of the 24 ORE Group:

- **Positive EBITDA of € 20.1 million (positive € 21.0 million at 31 December 2019)**
- **Positive EBIT of € 2.3 million (negative € 2.8 million at 31 December 2019)**
- **Loss of € 3.4 million (negative € 1.2 million at 31 December 2019)**

Consolidated highlights of the 24 ORE Group net of non-recurring expense and income:

- **Positive EBITDA of € 17.7 million (positive € 13.7 million at 31 December 2019)**
- **Positive EBIT of € 0.6 million (negative € 3.1 million at 31 December 2019)**
- **Loss of € 2.9 million (negative € 6.1 million at 31 December 2019)**

Negative net financial position of € 50.9 million versus a negative € 26.3 million at 31 December 2019, due mainly to the increase in debt resulting from the present value of the lease payments under the new contracts for the Milan - Viale Sarca and Rome offices, cash flow from investing activities, and payment of non-recurring expense from voluntary redundancies, partly offset by the increase in current financial receivables

Consolidated equity of € 35.3 million versus € 36.6 million at 31 December 2019

Milan, 23 March 2021 - Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Edoardo Garrone, approved the draft financial statements at 31 December 2020 and the consolidated financial statements of the 24 ORE Group.

Financial highlights of the 24 ORE Group

The 24 ORE Group closed 2020 with a positive EBITDA of € 20.1 million, a positive EBIT of € 2.3 million and a net loss of € 1.0 million. Consolidated equity amounted to € 35.3 million, € 1.3 million lower than consolidated equity of € 36.6 million at 31 December 2019.

The key financial figures of the Group at 31 December 2020, drawn from the consolidated financial statements are as follows:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Amounts in € millions	FY 2020	FY 2019
Revenue	191.0	198.7
Gross operating profit (EBITDA)	20.1	21.0
Operating profit (loss) (EBIT)	2.3	(2.8)
Pre-tax profit (loss)	0.3	(0.4)
Profit (loss) of the period	(1.0)	(1.2)
	31.12.2020	31.12.2019
Non-current assets	146.7	129.5
Current assets	127.7	84.1
Total assets	**274.4**	**213.6**
Equity attributable to owners of the parent	35.3	36.6
Equity attributable to non-controlling interests	-	-
Total equity	**35.3**	**36.6**
Non-current liabilities	112.9	49.3
Current liabilities	126.1	127.7
Total liabilities	**239.1**	**177.0**
Total equity and liabilities	**274.4**	**213.6**

Market environment

Since the second half of February 2020, the market has been affected by the Covid-19 health emergency and the extraordinary measures adopted by the authorities involved to contain the virus. The impacts on the publishing market have regarded in particular advertising across all media, physical events and cultural activities. As a result, publishers have had to rapidly revise their publishing plans for 2020, even rescheduling the initiatives where possible. Radio too has greatly suffered the health emergency.

ADS figures of the main national newspapers show, for 2020, a -7.8% drop in total circulation of print+digital copies versus 2019. The trend is attributable to the -13.4% drop in circulation of the print version, partly offset by the +13.2% increase in digital circulation (ADS January - December 2020).

The latest radio audience figures available for the second half of 2020 indicate a total of 33,689,000 listeners on average day, down versus 2019 (-3.4% versus the second half, RadioTER 2019-2020). Full-year 2020 figures are unavailable due to the momentary interruption of surveys by research institutes as a result of the Covid-19 pandemic.

The relevant market for the Group's advertising sales closed the year with a double-digit drop (-17.5%, net of local newspaper advertising) caused by the ongoing health emergency in 2020: newspapers closed at -11.8% (net of local), magazines at -36.6%, radio at -25.0% and Internet at -0.8% (Nielsen - January/December 2020). The health emergency has caused a significant slowdown in communication plans by businesses, which have had to adapt their strategies to the new needs and expectations of consumers, and has affected the professional publishing market too. The health emergency and the lockdown in the first half of the year froze the B2B market of businesses, bodies, and institutions, as well as small and large-sized professional practices, and prevented agent networks from developing traditional product promotion, although the networks were quick to adapt to remote working. In terms of sales channels, with bookstores (from the beginning of March until June) and minor physical channels put on hold, the weight of online sales grew rapidly, partly offsetting the loss incurred. The professional front saw a net decrease in the spending power on training and retraining of the weakest bands of professionals most affected by the pandemic crisis.

In 2020, professional publishing fell by 2.7% versus the prior year. The trend is closely tied to the sharp drop in turnover from editorial content (-5.1% overall), not offset by the growth in management software (+4.2%), confirming the continued low spending power of businesses, public bodies, professionals and practices.

The analysis by market segment in 2020 indicates a drop in the legal area (-4.7% versus 2019), which sees the market migrate towards digital solutions (legal databases and online portals in particular) to the detriment of traditional sectors associated with print versions; the tax area, instead, saw a scaling down of growth, amounting to 1.1% (versus +10.1% in 2019), driven mainly by the continued development of management software related to electronic invoicing and document storage.

Regarding type of media used, electronic publishing witnessed a growing trend, the breakdown of which confirms the clear structural shift in the market towards the online digital segment (consisting mainly of databases, Internet services and theme portals, making for 97.7% of e-publishing) with a 2.3% increase in terms of value versus 2019 (2.4% in the prior year).

All traditional media were down, in particular books (-14.6% versus 2019) and magazines (-9.8%). Traditional publishing was negatively impacted in the first half of the year by the closure of bookstores and professional businesses.

2020 saw a subdued growth in the management software segment (mainly tax, but also legal and compliance products), and a minor growth in residual products (+4.2% overall in 2020 versus +11.6% in 2019), affected by the various opportunities from cloud solutions, digital signature, online trial and integration between software and databases or platforms (Databank Report "Segment analysis and market shares Professional Publishing", Cerved, December 2020).

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Consolidated results at 31 December 2020

Financial highlights of the 24 ORE Group net of non-recurring expense and income

The key financial figures (net of non-recurring expense and income) of the Group at 31 December 2020 are shown below:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP NET OF NON RECURRING CHARGES		
Amounts in € millions	FY 2020	FY2019
Revenue	191.0	198.7
EBITDA net of non recurring income	17.7	13.7
EBIT net of non recurring income	0.6	(3.1)
Pre-tax profit (loss) net of non recurring income	(1.4)	(4.5)
Net profit (loss) net of non recurring income	(2.9)	(6.1)
	31.12.2020	31.12.2019
Equity	35.3	36.6
Net financial position	(50.9)	(26.3)

Revenue trend

In 2020, the 24 ORE Group achieved **consolidated revenue** of € 191.0 million versus € 198.7 million in 2019 (€ -7.8 million, down by -3.9%). The downturn in revenue was impacted by the effects of the Covid-19 health emergency and the resulting restrictive measures adopted by government authorities, which compounded the weakness tied to the structural decline of the relevant market and impacted the Culture area in particular, marked by a reduction in revenue versus the prior year of € -9.7 million (-79.6%), due to the closure of the activities of the Mudec - Museo delle Culture in Milan for most of the year.

Specifically, publishing revenue in the year grew by € 0.7 million (+0.6% from € 101.3 to € 102.0 million), driven by the growth of revenue from digital subscriptions to the newspaper, the website *www.ilsole24ore.com,* Tax & Legal products and add-on sales, which offset the decline in revenue from subscriptions to the print newspaper and the sale of books and magazines. Advertising revenue dropped by € 2.1 million (-2.6% from € 81.0 million to € 78.9 million), while other revenue fell by € 6.3 million (-38.3% from € 16.4 million to € 10.1 million), due primarily to the sharp drop in revenue from the Culture area, partly offset by the development of new initiatives in the Tax & Legal area. Revenue from the Tax & Legal area was on the rise versus the prior year.

The Covid-19 health emergency affected copies distributed and declared by the Publisher to ADS as well as copies sold. With regard to sales of the print version of Il Sole 24 ORE, the newsstand channel posted a positive result versus the pre-Covid-19 period, offset by the negative trend of sales made on an ongoing basis to the business sectors that have been impacted by the effects of the lockdown and the restrictive measures still in progress (such as for trains and airplanes) and of block sales specifically for events, as well as the suspension of print subscriptions to businesses, banks and professional firms. On the other hand, the digital version of the Daily saw a sharp rise in the number of new subscriptions, with an increase in circulation versus the pre-Covid-19 period.

In 2020, the portal *www.ilsole24ore.com* posted a daily average of over 1.8 million unique browsers, up by 88% versus the 2019 average (*Webtrekk*). The result is attributable to the real-time coverage of the Covid-19 emergency, particularly in March (3.77 million average daily unique browsers, +281% versus the same period of the prior year) and in April (3.15 million average daily unique browsers, +252% versus the same period of the prior year), then decreasing in the following months, maintaining however a 60% growth versus 2019. Mention should be made of the daily records set on 12 March 2020 for unique browsers (5.5 million) and on 22 March 2020 for page views (17.4 million), with indicators on the rise for both video (average monthly stream views +93% versus 2019) and social channels.

Main trends in consolidated revenue:

- circulation revenue from the Daily (print+digital) amounted to € 49.2 million, down slightly by € 0.2 million (-0.4%) versus 2019. Circulation revenue from the print Daily amounted to € 29.6 million, down by € 1.9 million (-6.0%) versus 2019. Circulation revenue of the digital newspaper amounted to € 19.6 million, increasing by € 1.7 million (+9.5%) versus 2019.
- Group advertising revenue, amounting to € 78.9 million, was down by € 2.1 million (-2.6%) versus 2019, outperforming the relevant market's -17.5% *(Nielsen - January/December 2020*). From March onwards, the spread of Covid-19 inevitably affected the performance of the advertising market and, as a result, System's sales.
  The circulation of the Covid-19 pandemic led to the ordered suspension of the physical events of the subsidiary Il Sole 24 ORE Eventi S.r.l.. In order to alleviate the impact on the income statement, Management focused promptly on converting the initiatives to digital by revamping the offering and launching new event formats.
- revenue from e-publishing in the Tax & Legal area amounted to € 36.1 million, up by € 1.4 million (+4.0%) versus 2019, leveraging on the renewed product portfolio launched in 2019 and despite the impact of the Covid-19 health emergency, which also led to the closure of bookstores, points of sale, and professional practices;
- revenue from the Culture area amounted to € 2.5 million, down by € 9.7 million (-79.6%) versus the prior year, hit heavily by the Covid-19 emergency and the closure of all museums and exhibition venues during the lockdown period.

The circulation (print+digital) of Il Sole 24 Ore from January to December 2020 totaled 145,385 average daily copies (-3.2% versus 2019). Specifically, the average daily print circulation declared to ADS for the period January - December 2020 was 59,958 copies (-13.2% versus 2019). Digital circulation declared to ADS was 85,427 average daily copies (+5.4% versus 2019). Newsstand sales in the months of January to December 2020 fell by 4.3% versus the prior year with the market down by 10.1% in the same channel.

Additionally, the Group asked an independent third party to render an opinion on the effective application of the appropriate procedures adopted in the calculation of the *Total Paid For Circulation* ("TPFC", i.e. total number of Il Sole 24 ORE daily fee-based sales on all markets through print and digital channels) at 31 December 2020; following the audit, the independent third party issued an unqualified Report of Assurance (ISAE 3000 - Limited assurance) on 26 February 2021.

Based on these procedures, the average *Total Paid For Circulation* for the period January - December 2020 was 183,737 thousand copies (-1.5% versus 2019), including all multiple digital copies sold, but not declarable as circulated for ADS purposes, therefore not included in the relating declaration.

Margins trend

EBITDA in 2020 came to a positive € 20.1 million versus a positive € 21.0 million in June 2019. EBITDA in 2020 benefited from non-recurring expense and income of € 2.4 million (€ 7.4 million in 2019) from the release of the provision for tax risks, recorded following the disposal of the investment in Business School24 S.p.A. for € 1.5 million, and the allocation to the provision for pension risks for € 0.2 million. Specifically, during the period under review, the Company performed a new assessment of the tax risk regarding the application of the registry tax on the transfer of the Business School24 S.p.A. business unit in 2017, which takes account of the legislative measures of 2018, 2019 and the ruling of the Constitutional Court dated 21 July 2020. The Company has therefore considered that the reasons for keeping the provision under liabilities no longer apply. EBITDA also benefited from income of € 3.5 million from 24 ORE Cultura S.r.l., which received the amount under the "Allocation of a portion of the emergency fund for companies and cultural institutions pursuant to Article 183, paragraph 2, of Legislative Decree no. 34 of 2020 of 3 August, intended to provide relief to art exhibition operators" relating to the period 23 February - 31 July 2020.

The change in EBITDA, amounting to € 0.9 million versus the prior year, is due mainly to the decrease in revenue of € 7.8 million (-3.9%), partly offset by the reduction in costs. Direct and operating costs were down by € 10.7 million (-10.0% from € 106.5 million to € 95.8 million). Net of non-recurring expense and income, the positive EBITDA of € 17.7 million improved by € 4.1 million versus the positive € 13.7 million in 2019.

Personnel expense, amounting to € 78.7 million, decreased by € 2.1 million (-2.6%) versus € 80.8 million in the prior year. The average headcount, amounting to 863 units, decreased by 42 units (regarding mainly graphic designers and printers) versus 905 units in the prior year. Personnel expense includes non-recurring expense of € 2.7 million set aside based on the actions to reorganize the Group structure, and certain activities, in line with the post-Covid Business Plan approved on 30 June 2020, also in light of the tools made available by Budget Law no. 178/2020. Against this backdrop, the Group decided to cease publication of the magazine "IL" effective from January 2021. The decrease in personnel expense is attributable mainly to the reduction in average headcount versus 2019, following the early retirement of printers and graphic designers, in accordance with the provisions of Budget Law no. 160/2019, and the reorganization-related redundancies. Additionally, in order to reduce the effects of the Covid-19 health emergency on the income statement, the Group resorted to the work support measures provided by the law. With particular regard to printers and graphic designers, the ordinary wage subsidies treatment has been in effect since 11 May 2020 for the maximum period allowed by law; regarding journalists from the Newspaper and Radiocor, agreements have been reached on the use of the redundancy fund in derogation as from 1 July 2020 covering the entire year.

Service costs amounted to € 81.8 million, down by € 8.0 million (-8.9%) versus 2019, thanks to the measures adopted to curb operating costs and to various business dynamics, resulting in: lower costs for conferences and exhibitions (€ -1.7 million), lower promotional and trade expenses (€ -2.5 million), lower costs for administrative services (€ -0.9 million), lower costs for other consultancy (€ -1.8 million), lower distribution costs (€ -0.7 million) and lower printing costs (€ -0.3 million). Conversely, commissions and other sales expense (€ +0.5 million), sundry production costs (€ +0.6 million) and IT and software services (€ +0.8 million) rose versus the prior year.

EBIT in 2020 came to a positive € 2.3 million, improving by € 5.0 million versus a negative € 2.8 million in 2019. Amortization and depreciation in 2020 amounted to € 17.2 million versus € 16.7 million in 2019. The changed term of the Mudec sublease agreement, falling within the scope of IFRS 16, led to the recognition of a write-down of € 0.7 million in financial receivables. Net of non-recurring expense and income, the positive EBIT of € 0.6 million improved by € 3.6 million versus the negative € 3.1 million in 2019.

The **result before tax** came to € +0.3 million versus € -0.4 million at 31 December 2019, which had also benefited from the gain from the disposal of the investment held by Il Sole 24 ORE S.p.A. in Business School24 S.p.A. and the transfer of the "Events" BU. The result was affected by net financial expense of € 2.0 million (€ -2.3 million in 2019). In 2020, a capital gain of € 0.1 million was recorded from the disposal of the minority interest in Editorial Ecoprensa S.A..

The **loss attributable to the owners of the parent** came to € -1.0 million, improving versus € -1.2 million in 2019. The loss attributable to the owners of the parent, net of non-recurring expense and income, amounted to € -2.9 million, improving versus the net loss of € -6.1 million in the prior year.

Statement of Financial Position

The **net financial position** at 31 December 2020 stands at € -50.9 million versus € -26.3 million at 31 December 2019. The change in the net financial position is due mainly to the increase in the debt from the present value of the lease payments for the new contracts for the Milan - Viale Sarca offices, amounting to € 29.8 million, and the Rome office, amounting to € 3.5 million, the cash flow from investing activities and payment of non-recurring expense from voluntary redundancies settled during the year, and the increase in current financial receivables, which included at 31 December 2020 € 15.8 million from Education Acquisitions Limited relating to the present value of the deferred component of the sale of the investment in Business School24 S.p.A. (this receivable in the financial statements for the year ended 31 December 2019 was recorded under non-current assets, therefore not included in the related net financial position).

Non-current financial debt also includes long-term bank payables from the signing on 20 July 2020 of a medium/long-term SACE-backed loan pursuant to Decree Law no. 23 of 8 April 2020, the so-called "Liquidity Decree", with a nominal value of € 37.5 million and a duration of 6 years.

Equity amounted to € 35.3 million, or € 1.3 million lower than at 31 December 2019, when it amounted to € 36.6 million, due to the result for 2020 of € -1.0 million, and the actuarial assessment of post-employment benefits, which had a negative impact of € 0.3 million.

Approval of the Consolidated Non-Financial Statement

The Board of Directors has also approved the Consolidated Non-Financial Statement, prepared pursuant to Legislative Decree no. 254/2016.
In accordance with CONSOB Regulation no. 20267 of 18/1/2018, the Statement will be disclosed in the same manner as the 2020 Financial Statements.

Approval of the Report on Corporate Governance and Ownership Structure and of the Remuneration Report

Pursuant to Article 123-bis of Legislative Decree 58/1998 (TUF), notice is given that the Board of Directors has approved the 2020 Report on Corporate Governance and Ownership Structure. Additionally, pursuant to Article 123-ter of the Consolidated Finance Law (TUF), the Board of Directors has also approved the Report on the Remuneration Policy and on Compensation Paid of Il Sole 24 ORE S.p.A..

The Shareholders' Meeting will be called to resolve, pursuant to Article 123-ter, paragraph 3 of the TUF on Section One of the Report on the Remuneration Policy and Compensation Paid (Remuneration Policy), submitted to the binding vote of the Shareholders' Meeting, and, pursuant to Article 123-ter, paragraph 6 of the TUF, to express an opinion on Section Two of the Report (Compensation Paid). Both documents will be published in the manner and within the time limits of law, with adequate public disclosure.

Parent results at 31 December 2020

Il Sole 24 ORE S.p.A. closed 2020 with a loss of € 1.0 million, with **equity** standing at € 35.3 million, decreasing by € 1.3 million versus € 36.6 million at 31 December 2019.

Proposed allocation of the result for 2020

The Board of Directors has decided to submit to the Shareholders' Meeting, that will be convened on 28 April 2021, a proposal to carry forward the net loss of Il Sole 24 ORE S.p.A. of €1,010,732.

Convening of the Ordinary Shareholders' Meeting

The Board of Directors of Il Sole 24 ORE S.p.A. has authorized the Chairman to convene the Ordinary Shareholders' Meeting on 28 April 2021, in single call, to discuss and resolve, among other things, on the approval of the Financial Statements for the year ended 31 December 2020. The notice of call will be published in the manner and within the time limits of law.

Business outlook

The opening months of 2021 confirm the lingering weak market conditions and general uncertainty of the Italian economy, which affect the performance of advertising sales in particular. The Covid-19 health emergency and the extraordinary containment measures adopted by the authorities have resulted in a deterioration of the general conditions of the global economy, the extent and duration of which are currently hard to predict. After the improvement recorded in the third quarter, the Italian economy contracted again in the fourth, due to the economic effects of the new measures adopted to contain the health emergency. This result led to a deterioration of the downward trend of GDP: from -5.1% in the previous third quarter to -6.6% (*ISTAT - preliminary GDP estimate - IV quarter 2020 - 2 February 2021*).

Owing to the health emergency, publishing and the advertising market in particular are marked by a general uncertainty over the ongoing effects of the Covid-19 pandemic and the resulting restrictive measures ordered by the competent authorities.

On 25 February 2021, the Board of Directors of the Company approved the 2021-2024 Plan, which reiterates the strategic path and medium-long term objectives contained in the previous 2020-2023 post-Covid Plan approved on 30 June 2020, representing its update, evolution and acceleration.

The 2021-2024 Plan confirms the steady improvement of operating and financial indicators, driven by the growth of consolidated revenue and the reduction of costs. Compared to the 2020-2023 post-Covid Plan, the updated estimates show a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in the following years.

The Group continues to closely monitor the developments of the Covid-19 health emergency and the trend of the relevant markets against the assumptions of the Plan, evaluating the actual possibility of rescheduling the initiatives planned, while keeping a proactive and constant eye on the containment of all costs and the identification of initiatives that can further alleviate the risk tied to revenue in order to shield profitability and expected cash flows.

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Consolidated financial statements at 31 December 2020

(audit to be completed)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € millions	31.12.2020	31.12.2019
ASSETS		
Non-current assets		
Property. plant and equipment	59.6	26.1
Goodwill	22.0	22.0
Intangible assets	40.9	40.6
Non-current financial assets	0.7	0.7
Other non-current assets	0.8	16.3
Deferred tax assets	22.6	23.8
Total	**146.7**	**129.5**
Current assets		
Inventories	1.9	2.9
Trade receivables	58.9	55.1
Other receivables	5.2	3.9
Other current financial assets	16.0	1.4
Other current assets	4.8	5.1
Cash and cash equivalents	40.9	15.7
Total	**127.7**	**84.1**
Assets held for sale	-	-
TOTAL ASSETS	**274.4**	**213.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € millions	31.12.2020	31.12.2019
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	0.6	0.6
Equity reserves	19.5	19.5
Post-employment benefits Reserve - IAS adjustment	(4.8)	(4.6)
Retained earnings	21.1	22.3
Profit (loss) attributable to owners of the parent	(1.0)	(1.2)
Total equity	**35.3**	**36.6**
Non-current liabilities		
Non-current financial liabilities	81.8	15.9
Employee benefit obligations	15.8	17.6
Deferred tax liabilities	5.6	6.0
Provisions for risks and charges	9.6	9.7
Other non-current liabilities	0.1	0.1
Total	**112.9**	**49.3**
Current liabilities		
Bank overdrafts and loans - due within one year	17.2	16.3
Other financial liabilietes	8.8	11.1
Trade payables	79.1	78.4
Other current liabilities	0.4	0.0
Other payables	20.6	21.8
Total	**126.1**	**127.7**
Liabilities held for sale		
Total liabilities	**239.1**	**177.0**
TOTAL EQUITY AND LIABILITIES	**274.4**	**213.6**

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CONSOLIDATED INCOME STATEMENT

Amounts in € millions	FY 2020	FY 2019
1) Continuing operations		
Revenue	**191.0**	**198.7**
Other operating income	9.4	11.7
Personnel expenses	(78.7)	(80.8)
Change in inventories	(1.0)	0.8
Purchase of raw materials and consumables	(4.4)	(7.3)
Services	(81.8)	(89.8)
Use of third party assets	(6.1)	(7.0)
Other operating costs	(2.5)	(3.1)
Provisions	(2.7)	(1.2)
Provisions for bad debts	(3.0)	(0.8)
Gross operating profit	**20.1**	**21.0**
Amortisation of intangible assets	(6.3)	(4.8)
Depreciation of property, plant and equipment	(10.9)	(11.9)
Impairment losses on property, plant and equipment and intangible assets	(0.7)	(7.1)
Net gains on disposal of non-current assets	0.0	(0.0)
Operating profit	**2.3**	**(2.8)**
Financial income	0.8	0.6
Financial expenses	(2.8)	(3.0)
Total Financial income (expenses)	**(2.0)**	**(2.3)**
Other income from investment assests and liabilities	0.1	3.9
Valuation by equity method of the share capital investments	-	0.8
Net profit (loss) before tax	**0.3**	**(0.4)**
Income tax	(1.3)	(0.8)
Net profit (loss) from continuing operations	**(1.0)**	**(1.2)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**-**	**-**
Profit (loss)	**(1.0)**	**(1.2)**
Profit (loss) attributable to minorities	**-**	**-**
Profit (loss) attributable to the shareholders of the parent company	**(1.0)**	**(1.2)**

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € millions	FY 2020	FY 2019
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	0.3	(0.4)
Adjustments for [b]	**23.4**	**13.8**
Amortization	17.2	16.7
(Gains) loss	(0.0)	0.0
Effect of investment valuation	(0.0)	(0.9)
Gain on disposal of minority investments	(0.1)	-
Increase (decrease) in provisions for risks and charges	0.7	(6.4)
Recalculation of payables for restructuring costs	2.7	(1.6)
Increase (decrease) in employee benefits	0.2	0.3
Impairment of tangible and intangible assets	0.7	7.1
Capital gain from disposal Business School24 S.p.A	-	(3.8)
Financial income (expenses)	2.0	2.3
Changes in net working capital [c]	**(10.1)**	**0.0**
Increase (decrease) in inventories	1.0	(0.8)
Increase (decrease) in trade receivables	(3.7)	8.7
Increase (decrease) in trade payables	0.7	(1.8)
Other changes in net working capital	(8.0)	(6.0)
Total cash flow used in operating activities [d=a+b+c]	**13.7**	**13.5**
Cash flow from investing activities [e]	**(14.0)**	**(1.9)**
Investments in intangible assets and property plant and equipment	(14.9)	(8.6)
Proceeds from disposal of minority investments	0.1	5.0
Guarantee deposits paid	(0.6)	-
Other changes in investing activities	1.3	1.8
Cash flow from financing activities [f]	**25.5**	**(18.5)**
Net financial interest paid	(2.2)	(2.3)
SACE guaranteed financing	36.8	-
Repayment of medium/long term bank loans	(0.6)	(0.6)
Changes in short-term bank loans	0.8	(2.2)
Change in other financial receivables and payables	(0.1)	(2.7)
Other changes in financial assets and liabilities	0.0	(0.0)
Change in payables IFRS 16	(9.3)	(10.7)
Change in financial resources [d+e+f]	**25.1**	**(6.9)**
Opening cash and cash equivalents at the beginning of the period	**15.1**	**22.1**
Closing cash and cash equivalents at the end of the periodo	**40.2**	**15.1**
Increase(decrease) for the period	**25.1**	**(6.9)**

Parent financial statements at 31 December 2020

(audit to be completed)

STATEMENT OF FINANCIAL POSITION - IL SOLE 24 ORE S.p.A.		
Amounts in € millions	31.12.2020	31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	57.2	23.2
Goodwill	15.5	15.5
Intangible assets	40.8	40.5
Non-current financial assets	0.7	0.7
Other non-current assets	12.4	26.3
Deferred tax assets	22.0	23.2
Total	**148.6**	**129.4**
Current assets		
Inventories	1.7	2.6
Trade receivables	57.0	53.7
Other receivables	4.6	3.0
Other current financial assets	16.3	1.2
Other current assets	4.8	4.7
Cash and cash equivalents	36.6	13.0
Total	**121.1**	**78.1**
Assets held for sale	-	-
TOTAL ASSETS	**269.7**	**207.5**

STATEMENT OF FINANCIAL POSITION - IL SOLE 24 ORE S.p.A. (CONT.)		
Amounts in € millions	31.12.2020	31.12.2019
EQUITY AND LIABILITIES		
Equity		
Share capital	0.6	0.6
Equity reserves	19.5	19.5
Post-employment benefits Reserve - IAS adjustment	(4.9)	(4.6)
Retained earnings	21.2	21.2
Profit (loss)	(1.0)	(0.0)
Total equity	**35.3**	**36.6**
Non-current liabilities		
Non-current financial liabilities	80.7	14.7
Employee benefit obligations	15.3	17.2
Deferred tax liabilities	5.6	5.7
Provisions for risks and charges	9.2	9.2
Other non-current liabilities	0.0	0.0
Total	**110.8**	**46.8**
Current liabilities		
Bank overdrafts and loans - due within one year	17.2	16.3
Other financial liabilietes	9.1	13.9
Trade payables	76.6	72.5
Other current liabilities	0.4	-
Other payables	20.3	21.4
Total	**123.6**	**124.1**
Liabilities held for sale		
Total liabilities	**234.4**	**171.0**
TOTAL EQUITY AND LIABILITIES	**269.7**	**207.5**

GRUPPO 24 ORE

CONSOLIDATED INCOME STATEMENT - IL SOLE 24 ORE S.p.A.		
Amounts in € millions	FY 2020	FY 2019
1) Continuing operations		
Revenue	**185.3**	**186.8**
Other operating income	6.4	11.6
Personnel expenses	(76.8)	(79.2)
Change in inventories	(0.9)	0.9
Purchase of raw materials and consumables	(4.4)	(6.9)
Services	(77.8)	(82.9)
Use of third party assets	(5.8)	(6.4)
Other operating costs	(2.3)	(2.3)
Provisions	(2.7)	(1.2)
Provisions for bad debts	(2.8)	(0.8)
Gross operating profit	**18.2**	**19.4**
Amortisation of intangible assets	(6.3)	(4.8)
Depreciation of property, plant and equipment	(10.4)	(11.3)
Impairment losses	(0.0)	(6.6)
Net gains on disposal of non-current assets	0.0	(0.0)
Operating profit	**1.5**	**(3.3)**
Financial income	0.7	0.5
Financial expenses	(2.8)	(2.9)
Total Financial income (expenses)	**(2.0)**	**(2.3)**
Other income from investment assessts and liabilities	0.6	6.5
Net profit (loss) before tax	**0.2**	**0.9**
Income tax	(1.2)	(0.9)
Net profit (loss) from continuing operations	**(1.0)**	**(0.0)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**-**	**-**
Profit (loss)	**(1.0)**	**(0.0)**

GRUPPO 24 ORE

STATEMENT OF CASH FLOWS – IL SOLE 24 ORE S.p.A.		
Amounts in € millions	FY 2020	FY 2019
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	0.2	0.9
Adjustments for [b]	**21.6**	**12.8**
Amortization	16.6	16.2
(Gains) loss	(0.0)	0.0
Effect of investment valuation	(0.6)	(0.5)
Gain on disposal of minority investments	(0.1)	-
Increase (decrease) in provisions for risks and charges	0.7	(4.4)
Recalculation of payables for restructuring costs	2.7	(1.6)
Increase (decrease) in employee benefits	0.1	0.2
Impairment of tangible and intangible assets	0.0	6.6
Capital gain from disposal Business School24 S.p.A	-	(6.0)
Financial income (expenses)	2.0	2.3
Changes in net working capital [c]	**(6.7)**	**(1.0)**
Increase (decrease) in inventories	0.9	(0.9)
Increase (decrease) in trade receivables	(3.3)	7.0
Increase (decrease) in trade payables	4.1	(1.8)
Other changes in net working capital	(8.4)	(5.3)
Total cash flow used in operating activities [d=a+b+c]	**15.0**	**12.7**
Cash flow from investing activities [e]	**(14.1)**	**(2.1)**
Investments in intangible assets and property plant and equipment	(14.8)	(8.6)
Proceeds from disposal of minority investments	0.1	5.0
Constitution Il Sole 24 ORE Eventi S.r.l.	-	(0.1)
Transfer of company branch	-	(0.0)
Guarantee deposits paid	(0.6)	-
Other changes in investing activities	1.2	1.6
Cash flow from financing activities [f]	**22.7**	**(17.5)**
Net financial interest paid	(2.1)	(2.3)
SACE guaranteed financing	36.8	-
Repayment of medium/long term bank loans	(0.6)	(0.6)
Changes in short-term bank loans	0.8	(2.2)
Change in other financial receivables and payables	(0.2)	(2.5)
Other changes in financial assets and liabilities	(3.0)	0.6
Change in payables IFRS 16	(9.1)	(10.4)
Change in financial resources [d+e+f]	**23.6**	**(6.9)**
Opening cash and cash equivalents at the beginning of the period	**12.4**	**19.2**
Closing cash and cash equivalents at the end of the periodo	**36.0**	**12.4**
Increase(decrease) for the period	**23.6**	**(6.9)**

GRUPPO 24 ORE

Supplements required by CONSOB pursuant to Article 114. Italian Legislative Decree 58/1998

Updated at 31 December 2020

Net financial position of Il Sole 24 ORE S.p.A. and the 24 ORE Group. with separate disclosure of current and non-current components

NET DEBT OF THE 24 ORE GROUP		
in thousands of euro	31.12.2020	31.12.2019
A. Cash in hand	47	87
B. . Other cash and cash equivalents (bank and post office accounts)	40.842	15.644
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	**40.889**	**15.731**
E. Net current debt (I) – (E) – (D)	**16.004**	**1.384**
F. Current portion of amounts due to banks	(16.545)	(15.706)
G. Current portion of amounts due to banks	(643)	(609)
H. Other current loans and borrowings	(8.803)	(11.150)
I. Current debt (F)+(G)+(H)	**(25.991)**	**(27.464)**
J. Net current debt (I) – (E) – (D)	**30.902**	**(10.349)**
K. Non-current bank loans and borrowings	(38.994)	(11.131)
L. Bonds issued	-	-
M Other non-current borrowings	(42.804)	(4.813)
N. Non-current debt (K) + (L) + (M)	**(81.799)**	**(15.944)**
O. Net financial position (J) + (N)	**(50.897)**	**(26.293)**

The **net financial position** stands at € -50.9 million at 31 December 2020 versus € -26.3 million at 31 December 2019, worsening by € 24.6 million. The change in the net financial position refers mainly to:

- cash flow from investing activities and payment of non-recurring expense from voluntary redundancies settled during the year;
- the increase in current financial receivables. which include at 31 December 2020 € 15.8 million from Education Acquisitions Limited referring to the present value of the deferred component of the sale of the investment in Business School24 S.p.A.. This receivable was recognized in the financial statements for the year ended 31 December 2019 as a non-current asset and therefore not included in the related net financial position;
- the increase in debt resulting primarily from the present value of lease payments under the new contracts for the Viale Sarca offices in Milan, amounting to € 29.8 million. and in Rome. amounting to € 3.5 million in application of IFRS 16.

Non-current financial debt also includes long-term bank payables from the signing on 20 July 2020 of a medium/long-term SACE-backed loan pursuant to Decree Law no. 23 of 8 April

2020. the so-called "Liquidity Decree", with a nominal value of € 37.5 million and a duration of 6 years.

The Group's current net financial position stands at a positive € 30.9 million versus a negative € 10.3 million at 31 December 2019.

Net financial position of the Parent Company

NET DEBT OF IL SOLE 24 ORE SPA		
in thousands of euro	31.12.2020	31.12.2019
A. Cash in hand	29	31
B. . Other cash and cash equivalents (bank and post office accounts)	36.595	12.938
C. Securities held for trading		-
D. Liquidity (A) + (B) + (C)	**36.623**	**12.969**
E. Net current debt (I) – (E) – (D)	**16.328**	**1.230**
F. Current portion of amounts due to banks	(16.545)	(15.706)
G. Current portion of amounts due to banks	(643)	(609)
H. Other current loans and borrowings	(9.137)	(13.916)
I. Current debt (F)+(G)+(H)	**(26.325)**	**(30.230)**
J. Net current debt (I) – (E) – (D)	**26.626**	**(16.031)**
K. Non-current bank loans and borrowings	(38.994)	(11.131)
L. Bonds issued	-	-
M Other non-current borrowings	(41.719)	(3.524)
N. Non-current debt (K) + (L) + (M)	**(80.713)**	**(14.655)**
O. Net financial position (J) + (N)	**(54.087)**	**(30.687)**

The **net financial position of the Parent Company** stands at € -54.1 million at 31 December 2020 versus € -30.7 million at 31 December 2019, worsening by € 23.4 million. The change in the net financial position refers mainly to:

- cash flow from investing activities and payment of non-recurring expense from voluntary redundancies settled during the year;
- the increase in current financial receivables. which include at 31 December 2020 € 15.8 million from Education Acquisitions Limited referring to the present value of the deferred component of the sale of the investment in Business School24 S.p.A.. This receivable was recognized in the financial statements for the year ended 31 December 2019 as a non-current asset and therefore not included in the related net financial position;
- the increase in debt resulting primarily from the present value of lease payments under the new contracts for the Viale Sarca offices in Milan, amounting to € 29.8 million. and in Rome. amounting to € 3.5 million in application of IFRS 16.

Non-current financial debt also includes long-term bank payables from the signing on 20 July 2020 of a medium/long-term SACE-backed loan pursuant to Decree Law no. 23 of 8 April 2020 the so-called "Liquidity Decree", with a nominal value of € 37.5 million and a duration of 6 years.

The Company's current net financial position stands at a positive € 26.6 million versus a negative € 16.0 million at 31 December 2019.

Company and Group amounts due. split up by nature (financial. trade. tax. social security and to employees) and any associated action by creditors (reminders. orders for payment. suspended deliveries. etc.)

Amounts due by the 24 ORE Group split up by nature at 31 December 2020

AMOUNTS DUE FROM THE 24 ORE GROUP									
	Dues split up by days overdue								
in thousands of euro	0-30	31-60	61-90	91-120	121-150	151-180	181-210	By more than 210 days	Total due
Loans and borrowings	-	-	-	-	-	-	-	-	-
Trade payables	1.789	37	192	18	5	2	0	1.028	3.072
Social security institutions	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax liabilities	-	-	-	-	-	-	-	-	-
	1.789	**37**	**192**	**18**	**5**	**2**	**0**	**1.028**	**3.072**

Amounts due by Il Sole 24 ORE S.p.A. split up by nature at 31 December 2020

AMOUNTS DUE FROM IL SOLE 24 ORE SPA									
	Dues split up by days overdue								
in thousands of euro	0-30	31-60	61-90	91-120	121-150	151-180	181-210	By more than 210 days	Total due
Debiti finanziari	-	-	-	-	-	-	-	-	-
Debiti commerciali	1.763	29	191	18	5	2	0	594	2.602
Debiti previdenziali	-	-	-	-	-	-	-	-	-
Debiti verso dipendenti	-	-	-	-	-	-	-	-	-
Debiti tributari	-	-	-	-	-	-	-	-	-
	1.763	**29**	**191**	**18**	**5**	**2**	**0**	**594**	**2.602**

Amounts due by the 24 ORE Group and the parent company Il Sole 24 ORE S.p.A. refer to trade payables.

Regarding past dues over 210 days. it should be noted that the amount includes suppliers blocked for items in dispute for a total of € 336 thousand on the Parent Company. The Parent Company received two payment orders for € 347 thousand on the disputed amounts. filing its objection. Following a ruling of the Court of Rome on 21 January 2021. one of the two orders for € 296 thousand was revoked.

Regarding action by creditors. mention should be made that the reminders received fall into the ordinary administrative activities. At the date of the Financial Annual Report at 31 December 2020 there is no evidence of further payment orders served referring to the above amounts due; no suspended delivery has been made such as to affect normal business operations.

Main changes in related party transactions of the Company and its Group since the latest Annual or Half-Year Report approved. pursuant to Article 154-ter of the TUF

RELATED PARTY TRANSACTIONS – CONSOLIDATED AT 31 DECEMBER 2020								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	4	-	-	-	69	-	-	-
Total Ultimate Parent	**4**	**-**	**-**	**-**	**69**	**-**	**-**	**-**
Key management personnel	-	-	(38)	-	-	(1.630)	-	-
Board of Directors	-	-	(138)	-	-	(1.124)	-	-
Board of Statutory Auditors	-	-	(214)	-	-	(220)	-	-
Other related party persons	55	-	(14)	-	76	(6)	-	-
Total other related parties	**55**	**-**	**(404)**	**-**	**76**	**(2.981)**	**-**	**-**
Total related parties	**59**	**-**	**(404)**	**-**	**145**	**(2.981)**	**-**	**-**

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

- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;
- sale of advertising space.

Revenue refers mainly to the sale of advertising space in proprietary titles and subscriptions to the Daily.

On 12 March 2020, the Company's Chief Executive Officer extended the qualification of Key Management Personnel to Eraldo Minella - General Manager Professional Area. and to Romeo Marrocchio - Central Director Personnel and Operations. At the date of the Report, the following executives are identified as Key Management Personnel of the Company: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and Business Unit Director Radio 24; Karen Nahum - General Manager Publishing & Digital Area; Eraldo Minella - General Manager Professional Area and Romeo Marrocchio - Central Director Personnel and Operations.

In accordance with the RPT Regulation, and the Regulation on Related Party Transactions approved by CONSOB resolution 17221/2011, the Company periodically updates the List of Related Parties of the Company. In line with the RPT Regulation and the CONSOB Regulation, on 30 June 2020 the Company identified its direct and indirect Related Parties by means of appropriate statement forms addressed to the "Related Parties" referred to in Annex 1 of the CONSOB Regulation to which the RPT Regulation refers entirely. The Company also promptly updated the above List following the resignation of Marcella Panucci and Vanja Romano from the position of Directors of the Company, with effect from the relevant effective date, and the appointment by co-optation of Mirja Cartia d'Asero, by resolution of the Board of Directors on 23 July 2020, and Veronica Diquattro, by resolution of the Board of Directors on 7 October 2020.

No further changes were reported in existing contractual relations from the situation relating to the last approved Half-Year Report.

RELATED PARTY TRANSACTIONS - PARENT COMPANY AT 31 DECEMBER 2020								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	4	-	-	-	69	-	-	-
Total Ultimate Parent	**4**	**-**	**-**	**-**	**69**	**-**	**-**	**-**
24 Ore Cultura S.r.l.	169	-	(282)	(481)	545	(420)	-	-
Il Sole 24 ORE Eventi S.r.l.	275	441	(1.418)	-	766	(2.662)	7	-
Il Sole 24 ORE UK Ltd	-	-	(179)	-	-	(340)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(164)	-	24	(506)	-	-
Total subsidiaries	**444**	**441**	**(2.043)**	**(481)**	**1.336**	**(3.928)**	**7**	**-**
Key management personnel	-	-	(38)	-	-	(1.630)	-	-
Board of Directors	-	-	(138)	-	-	(1.124)		
Board of Statutory Auditors	-	-	(198)	-	-	(198)	-	-
Other related party persons	55	-	(14)	-	76	(6)	-	-
Total other related parties	**55**	**-**	**(388)**	**-**	**76**	**(2.959)**	**-**	**-**
Total related parties	**503**	**441**	**(2.431)**	**(481)**	**1.480**	**(6.887)**	**7**	**-**

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

- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;
- sale of advertising space in Group titles;
- receivables for corporate services;
- receivables for intermediation activity of advertising space;
- tax consolidation and VAT receivables.

Trade and other payables refer mainly to:

- payables to the subsidiary Il Sole 24 ORE UK Ltd., for the commercial intermediation activity relating to the sale of advertising space in the UK;
- payables to the subsidiary Il Sole 24 ORE Eventi S.r.l., for the commercial intermediation activity relating to the organization of events on behalf of the parent company
- trade payables for services from Il Sole 24 ORE U.S.A Inc.;
- payables for the provision of services and editorial work;
- payables for the purchase of information;
- tax and VAT consolidation payables.

Financial payables refer to current account transactions with the subsidiary 24 ORE Cultura S.r.l.. Financial receivables refer to current account transactions with the subsidiary Il Sole 24 ORE Eventi S.r.l..

Revenue and operating income relate mainly to:

- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;

- sale of advertising space in Group titles;
- charging of centralized services to Group companies;

Costs refer mainly to:

- a contractual agreement with the subsidiary Il Sole 24 ORE UK Ltd.. for the commercial intermediation activity relating to the sale of advertising space in the UK;
- a contractual agreement with the subsidiary Il Sole 24 ORE U.S.A. Inc. for services rendered;
- a contractual agreement with the subsidiary Eventi S.r.l. for the commercial brokerage activity relating to the sale of advertising space and for its share of the sponsorship of events.

On 29 February 2020, the merger by incorporation of Ticket 24 ORE S.r.l. into the parent company 24 ORE Cultura S.r.l. was completed.

On 12 March 2020, the Company's Chief Executive Officer extended the qualification of Key Management Personnel to Eraldo Minella - General Manager Professional Area, and to Romeo Marrocchio - Central Director Personnel and Operations. At the date of the Report, the following executives are identified as Key Management Personnel of the Company: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and Business Unit Director Radio 24; Karen Nahum - General Manager Publishing & Digital Area; Eraldo Minella - General Manager Professional Area and Romeo Marrocchio - Central Director Personnel and Operations.

In accordance with the RPT Regulation, and the Regulation on Related Party Transactions approved by CONSOB resolution 17221/2011, the Company periodically updates the List of Related Parties of the Company. In line with the RPT Regulation and the CONSOB Regulation, on 30 June 2020 the Company identified its direct and indirect Related Parties by means of appropriate statement forms addressed to the "Related Parties" referred to in Annex 1 of the CONSOB Regulation to which the RPT Regulation refers entirely. The Company also promptly updated the above List following the resignation of Marcella Panucci and Vanja Romano from the position of Directors of the Company, with effect from the relevant effective date, and the appointment by co-optation of Mirja Cartia d'Asero, by resolution of the Board of Directors on 23 July 2020, and Veronica Diquattro, by resolution of the Board of Directors on 7 October 2020.

No further changes were reported in existing contractual relations from the situation relating to the last approved Half-Year Report.

Failure to meet covenants, negative pledges and any other clause of the Group's debt involving limits in the use of financial resources, with the disclosure to date of the degree of compliance with such clauses

On 20 and 22 July 2020, the Company sent the lending banks requests to cancel the unused revolving cash facilities, which were confirmed on 23 and 29 July 2020 respectively.

On 20 July 2020, the Company and Monterosa SPV concluded an agreement to extend the maturity of the transaction until December 2026; it should be noted, however, that under the agreement, both parties may conclude operations at the end of each calendar semester.

The maximum total financeable amount is € 50.0 million; at 31 December 2020, the credit facility for the securitization of trade receivables with recourse (for a total of € 20.0 million) was utilized for € 16.5 million.

The securitization agreement does not contain financial covenants, but rather impediments to the purchase of the Company's portfolios of receivables which, in the event of failure to remedy, may also result in termination of the agreement. At 31 December 2020, no such impediments to the purchase had arisen, and/or significant events as to determine the termination of the agreement.

On 20 July 2020, the Group signed a new medium/long-term SACE-backed loan agreement with a pool of Lending Banks, comprising Intesa Sanpaolo (also in its capacity as the Loan and Guarantee Agent Bank). Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, pursuant to Decree Law no. 23 of 8 April 2020, the so-called "Liquidity Decree".

As for SACE's guarantee under the loan and in accordance with the "Liquidity Decree", the Group has undertaken to:

a) use the Loan to finance: *(i)* investments; *(ii)* working capital; (*iii*) personnel expense; *(iv)* rental or lease costs of business units, exclusively for production plants and business activities located in Italy (excluding the acquisition of equity interests) and: *(i)* maintain most of the production activities in Italy; *(ii)* use the proceeds from the Loan exclusively in accordance with the Purpose set forth in this Agreement;

b) comply with the regulations in force from time to time on combating money laundering, terrorist financing and corruption;

c) not approve or make dividend payouts or share buybacks in 2020 and to ensure that any other company based in Italy that is part of the same group does not approve or make dividend payouts or share buybacks in 2020;

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

The loan amounts to € 37.5 million and the duration is 6 years with a maturity date of 30 June 2026 and 24 months grace period; the repayment plan provides for quarterly instalments with constant principal and interest margin equal to Euribor 3 months +1.65%.

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

The loan does not require any collateral or compulsory security, but has financial covenants recognized at a consolidated level and calculated without giving effect to IFRS 16. The covenants are structured as follows:

FINANCIAL COVENANTS											
€ millions	31-Dec-20	30-June-21	31-Dec-21	30-June-22	31-Dec-22	30-June-23	31-Dec-23	30-June-24	31-Dec-24	30-June-25	31-Dec-25
EBITDA ≥	n.r.	0.0	8.0								
Minimum E ≥	18.0	18.0	18.0								
Lev Ratio (NFP/EBITDA) ≤				2.75x	2.0x	2.0x	1.50x	1.50x	1.50x	1.50x	1.50x
Gearing Ratio (NFP/E) ≤				2.5x	2.0x	1.5x	1.0x	1.0x	1.0x	1.0x	1.0x

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

The agreement, in addition to the typical clauses for this type of loan, includes a: negative pledge, *pari passu*, cross-default and change of control and specific provisions that provide for mandatory partial early repayment on occurrence of certain events.

The breach of even a single covenant implies that all amounts for which the Company has been declared forfeited will be immediately due and payable and the loan will be immediately cancelled. However, changes to the loan agreement may be requested from the lenders, or the lenders may waive their right to early withdrawal if failure to meet a covenant should occur.

On 22 July 2020, the loan was paid out in full to the Company for a total of € 37.5 million.

Compliance at 31 December 2020 with the covenant is confirmed: Equity net of IFRS 16 adjustments amounting to € 34.5 million, above the covenant minimum of € 18.0 million.

State of implementation of the Business Plan, and disclosure of deviations of actual data from forecasts

On 30 June 2020, the Board of Directors of the Company approved the update to the 2020-2023 Plan, which incorporates the impact of the Covid-19 health crisis.

The previous 2020-2023 Plan, approved on 12 March 2020, did not reflect the impacts of the Covid-19 health emergency and the extraordinary containment measures introduced by the competent authorities, the scope of which could not be predicted at the time, both in terms of duration and impact on business. The final figures for the opening months of 2020, the economic slowdown brought by the pandemic and the updated estimates by analysts, have required the Company's Management to update their forecasts against a general backdrop that remains highly uncertain.

The following is a comparison of the 2020 consolidated financial results with the 2020 forecast figures from the 2020-2023 post-Covid Plan approved by the Board of Directors on 30 June.

FINAL 2020 VERSUS 2020 post-Covid plan		
€ millions	2020	2020 post-Covid plan
Revenue	191	178
EBITDA	20	15
EBIT	2	(2)

The year 2020 was affected by the Covid-19 health emergency and marked by the continued weak market conditions and general uncertainty in the Italian economy The Covid-19 health emergency and the extraordinary containment measures adopted by the authorities have resulted in a deterioration of the general conditions of the global economy, the extent and duration of which are currently hard to predict.

However, consolidated revenue in 2020 shows a lower impact of the Covid-19 health emergency than expected in the post-Covid plan, with special regard to the performance of advertising sales. Circulation revenue of the newspaper and the Il Sole 24ore.com website also improved, thanks to the extraordinary coverage of the Covid-19 emergency and the in-depth analysis of the many new regulations.

EBITDA in 2020 versus the post-Covid plan incorporated non-recurring income of € 3.5 million relating to 24 ORE Cultura S.r.l. and referring to the "Allocation of a portion of the emergency fund for companies and cultural institutions pursuant to Article 183, paragraph 2, of Legislative Decree no. 34 of 2020 of 3 August" and higher provisions for risks and bad debts. Additionally, personnel expense in 2020 incorporates a greater resort to temporary measures to contain payroll costs and a different timing of structural interventions on personnel expense versus the assumptions of the 2020-2023 post-Covid Plan.

The deviation of EBIT in 2020 from the post-Covid Plan, in addition to the above comments on EBITDA, includes the effects of the changed term in the sublease agreement of Mudec, which led to the recognition of a write-down of financial receivables of € 0.7 million.

On 25 February 2021, the Board of Directors of the Company approved the 2021-2024 Plan, which reiterates the strategic path and medium-long term objectives contained in the previous 2020-2023 post-Covid Plan approved on 30 June 2020, representing its update, evolution and acceleration.

The estimates contained in the 2021-2024 Plan reflect the new market trend forecasts and incorporate an update of the implementation timeline for the initiatives already set out in the post-COVID 2020-2023 Plan, confirming the investments in print products, first and foremost the re-launch of the Daily in the new format, and in innovative digital initiatives.

The actions of the Plan hinge on a "*digital first*" strategy as the driver of the continued enhancement of the multi-format and multi-platform product system of Il Sole 24 ORE, process efficiency, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories.

The 2021-2024 Plan confirms the steady improvement of operating and financial indicators, driven by the growth of consolidated revenue and the reduction of costs. Compared to the post-COVID 2020-2023 Plan, the updated estimates show a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in the following years.

The current year in fact continues to be impacted by the COVID-19 health emergency and by a general economic slowdown and great uncertainty in terms of duration of the crisis and potential effects on business.

The exhibition activities of the Culture Area are affected in particular, with a further postponement to the second quarter of 2021 of the events already rescheduled for the end of 2020. Over the period of the Plan, in addition to the contribution of exhibitions, an improvement in results is also expected from the development of new merchandising channels, the enhancement of editorial initiatives and greater coverage of foreign markets.

The Events Area has readily reacted to the pandemic by adapting and enriching its portfolio with the development of a line of digital events and other alternative solutions capable of responding to new market needs.

16 March 2021 saw the launch of the new format of the Daily Newspaper, The initiative represents the most tangible innovation in a broader plan to enhance the value of content (including audio/video/podcast content) and to continue to renew the offering from a multi-format and multi-platform viewpoint, made possible thanks to the "*digital first*" strategy. Additionally, the new format of Il Sole 24 ORE and related initiatives represent an opportunity to bolster circulation and pursue the engagement of traditional and new relevant targets.

The enhancement of the print and digital portfolio in the professional area leverages on new publishing and technology platforms to develop products and services and to create a product system enhancing the great strength of the brand.

The 2021-2024 Plan also envisages initiatives aimed at strengthening coverage of the radio market and expanding the audience.

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

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

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

The forecasts in the 2021-2024 Plan show a deterioration of the net financial position in 2021 and 2022, due mainly to the acceleration of investments and the outlays for personnel restructuring costs, to then gradually improve in following years over the period of the Plan.

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

The main operating indicators forecast in the 2021-2024 Plan are shown below:

2021-2024 PLAN		
€ millions	2021 Plan	2024 Plan
Revenue	203	245
EBITDA	16	54
EBIT	(2)	36

The main operating indicators forecast in the post-COVID 2020-2023 Plan are shown below:

POST-COVID 2020-2023 PLAN		
€ millions	2020 Plan	2023 Plan
Revenue	178	234
EBITDA	15	40
EBIT	(2)	24

The forward-looking data appearing in the 2021-2024 Plan represent strategic targets set in the frame of corporate planning.

The preparation of the 2021-2024 Plan was based, among other things, on (i) general, hypothetical, as well as discretionary assumptions, and on (ii) a series of estimates and assumptions regarding the implementation, by the directors, of specific actions to be taken in the time frame covered by the plan, or regarding future events that may be only partly influenced by the directors, or events which may not occur or be subject to change over the period of the plan.

The accomplishment of the targets and the results set in the 2021-2024 Plan depends not only on the actual achievement of the volume of revenue envisaged, but also on the effectiveness and timely implementation of the actions identified, within the time frames and with the operating impacts assumed.

A significant negative deviation of Group results from the 2021-2024 Plan could impact on operations and on the financial situation, as well as on the Group's prospects.

The Group continues to closely monitor the developments of the COVID-19 health emergency and the trend of the relevant markets against the assumptions of the Plan, evaluating the actual possibility of rescheduling the initiatives planned, keeping a proactive and constant eye on the containment of all costs and the identification of initiatives that can further alleviate the risk tied to revenue in order to shield profitability and expected cash flows.

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Under paragraph 2, Article 154-bis of the Consolidated Finance Law (TUF), Paolo Fietta, in his capacity as Financial Reporting Manager, attests that the accounting information contained herein is consistent with the Company's document results, books and accounting records.

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