

Press Release

Pursuant to Consob resolution 11971/99 as amended

Il Sole 24 ORE S.p.A.: Board of Directors approves Interim Report on Operations at 30 September 2022

Improved results compared to the first nine months of 2021 thanks to revenue growth relating to the good performance of advertising sales, the development of products in the Professional Services area and the improvement of the pandemic situation, allowing for the resumption of the exhibitions organized by 24 ORE Cultura

Key consolidated figures of the 24 Ore Group:

- **EBITDA positive at Euro 17.1 million (positive Euro 13.3 million as at 30 September 2021)**
- **EBIT positive at Euro 4.8 million (positive Euro 0.2 million as at 30 September 2021)**
- **Net profit of Euro 0.9 million (loss of Euro 3.7 million as at 30 September 2021)**

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

- **EBITDA positive at Euro 14.5 million (positive Euro 12.5 million as at 30 September 2021)**
- **EBIT positive at Euro 2.3 million (positive Euro 0.7 million as at 30 September 2021)**
- **Net loss of Euro 1.7 million (loss of Euro 3.2 million as at 30 September 2021)**

Negative net financial position of Euro 48.6 million, an improvement of Euro 15.3 million from the negative Euro 63.8 million as at 31 December 2021, mainly due to the performance of net working capital included in cash flows from operating activities

Consolidated shareholders' equity of Euro 17.3 million compared to Euro 13.9 million as at 31 December 2021

Milan, 10 November 2022 - The Board of Directors of Il Sole 24 ORE S.p.A. met today under the chairmanship of Edoardo Garrone and approved the Interim Report on Operations as at 30 September 2022 of the 24 ORE Group.

Key summary figures of the 24 ORE Group

The 24 ORE Group closed the first nine months of 2022 with a positive EBITDA of Euro 17.1 million, a positive EBIT of Euro 4.8 million and a net profit of Euro 0.9 million. Equity amounted to Euro 17.3 million, an increase of Euro 3.4 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 September 2022 deriving from the condensed interim consolidated financial statements:

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Euro millions	Jan-Sept 2022	Jan-Sept 2021
Revenues	149.9	142.6
Gross operating margin (EBITDA)	17.1	13.3
Operating profit (loss) (EBIT)	4.8	0.2
Profit (loss) before taxes	2.0	(2.3)
Net profit (loss)	0.9	(3.7)
	30.09.2022	31.12.2021
Non-current assets	124.3	131.1
Current assets	115.2	117.0
Total assets	239.5	248.1
Group equity	17.3	13.9
Minority interests	-	-
Total equity	17.3	13.9
Non-current liabilities	109.6	121.3
Current liabilities	112.6	112.9
Total liabilities	222.2	234.3
Total equity and liabilities	239.5	248.1

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 for 2022 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 7.0% for the January-September 2022 period compared to the same period of 2021, with a decline in circulation of the print version of 11.3% offset in part by an increase in digital circulation of 3.3% (*Source: ADS data processing January - September 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-September 2022 period, the System reference market recorded a decline of 2.0% (net of local newspaper advertising): newspapers closed at -4.7% (net local), magazines at -2.6%, radio at +3.5% and Internet at -3.8% (*Source: Nielsen January/September 2022 vs 2021*).

In 2022, the forecasts developed at the end of the previous year (2021) for the professional publishing segment pointed to a recovery in overall segment turnover thanks to the expected reforms, the new drive towards digitalization involving professionals and companies, the investments planned 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*).

Consolidated results as at 30 September 2022

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

Below are the Group's key profit and loss (net of non-recurring income and expenses), financial position and cash flow figures for the first nine months of 2022:

KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES		
Euro millions	Jan-Sept 2022	Jan-Sept 2021
Revenues	149.9	142.6
EBITDA net of non-recurring income and expenses	14.5	12.5
EBIT net of non-recurring income and expenses	2.3	0.7
Profit (loss) before taxes net of non-recurring income and expenses	(0.6)	(1.8)
Net profit (loss) net of non-recurring income and expenses	(1.7)	(3.2)
	30.09.2022	31.12.2021
Equity	17.3	13.9
Net financial position	(48.6)	(63.8)

Revenue trend

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 the first nine months of 2022, the 24 ORE Group reported **consolidated revenues** of Euro 149.9 million (Euro 142.6 million in the January-September 2021 period), up 5.1% or Euro +7.3 million compared to the same period of 2021.

In particular, in the first nine months of 2022 advertising revenues were up by Euro 3.0 million (+5.3% compared to the same period of the previous year), to Euro 60.6 million, publishing revenues were down by Euro 2.2 million (-2.9% from 76.0 to Euro 73.8 million) mainly due to the drop in revenues generated by the sale of the print newspaper, other revenues grew by Euro 6.5 million (from Euro 9.1 to 15.6 million), primarily due to higher revenues in the Culture area and more innovative products in the Professional Services area.

In the first nine months of 2022, the portal www.ilsole24ore.com recorded a daily average of 1.1 million unique browsers, down 18.8% compared to the average of the same period of 2021 (Source: *Webtrekk*). The video component had average views per month of 16 million in the first nine months of 2022, down 3.9% compared to the 2021 figure. Indicators were up on

social media, in particular LinkedIn +13.5%, confirming over 1 million followers, Instagram +14%, Twitter +11% and Facebook +3.1% compared to 30 September 2021.

The main dynamics that characterized consolidated revenues are:

- circulation revenues of the newspaper (print + digital) amounted to Euro 31.7 million, down by Euro 2.2 million (-6.6%) compared to the first nine months of 2021. Circulation revenues of the print newspaper amounted to Euro 16.4 million, down Euro 2.0 million (-10.8%) compared to the same period of 2021. Circulation revenues of the digital newspaper amounted to Euro 15.3 million, down Euro 0.3 million (-1.7%) compared to the January-September 2021 period;
- the Group's advertising revenues of Euro 60.6 million were up 5.3% on the first nine months of 2021. The concessionaire is maintaining its position, 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 its audience. The Group's advertising revenues outperformed the reference market, down by 2.0% (*Source: Nielsen - January/September 2022*) but now they will need to face the uncertain environment linked to the consequences of the ongoing conflict in Ukraine.

The high quality of digital formats, established in 2020 in response to the suspension of in-person events due to the pandemic, since the start has been recognized and appreciated by users in terms of high attendance, interaction and high average connection times, as well as by the market at the level of partner memberships and sponsorships. Revenues in the first nine months of 2022 amounted to Euro 4.7 million (Euro 3.6 million in the corresponding period of 2021), also thanks 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 32.9 million, up by Euro 0.5 million (+1.7%) vs. the same period of 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 8.2 million, were up by Euro 5.8 million compared to the January-September 2021 period, which was penalized by the Covid-19 emergency, following 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 September 2022 totalled 135,913 average copies per day (-4.2% compared to January-September 2021). Specifically, the average daily print circulation reported to ADS for the January-September 2022 period is 48,557 copies (-10.4% compared to the same period of 2021). Digital circulation reported to ADS was 87,356 average copies per day (-0.4% compared to the January-September 2021 period). News-stand sales for the January - September 2022 period (*Source: ADS, Individual print copy sales*) were down 23.7% compared to the same period of the previous year, with the market contracting in the same channel by 11.6%.

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 September 2022; on conclusion of its checks, the independent third-party Company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 8 November 2022.

Based on these procedures, the average Total Paid For Circulation for the January-September 2022 period was determined to be 174,367 copies (-3.9% 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.

Profit margin trends

The **gross operating margin (EBITDA)** for the first nine months of 2022 was a positive Euro 17.1 million and compares to a positive EBITDA of Euro 13.3 million in the same period of 2021. The change in *EBITDA* is mainly attributable to the growth in revenues of Euro 7.3 million (+5.1%) and higher operating income of Euro 2.4 million, in part offset by an increase in costs totalling Euro 5.9 million. Net of non-recurring income and expenses, EBITDA was a positive Euro 14.5 million, an improvement of Euro 2.1 million compared to a positive Euro 12.5 million in January-September 2021.

At Euro 56.8 million, **personnel costs** were in line (+0.1%) with the same period of 2021. In the first nine months of 2022, 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 2021 and a lower use of the residual leave provision. The average number of employees, 777, decreased by 47 (mainly graphic designers and printers) compared with the corresponding period of the previous year when it amounted to 824.

Costs for services amounted to Euro 68.9 million, up by Euro 5.5 million (+8.6%) compared to the first nine months of 2021. The main changes include higher commissions and other sales expenses (Euro +1.4 million), higher printing costs (Euro +0.8 million) linked to the new production structure and higher costs for conventions and exhibitions (Euro +2.9 million), also due to the recovery in exhibitions organized by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021) and higher promotional and commercial expenses (Euro +1.0 million) mainly due to the resumption of exhibitions by 24 ORE Cultura S.r.l. On the other hand, distribution costs (Euro -1.2 million) are down compared to the first nine months of 2021.

The **operating profit (EBIT)** for the first nine months of 2022 was a positive Euro 4.8 million and compares to a positive EBIT of Euro 0.2 million in the same period of 2021. Depreciation and amortization for the period amounted to Euro 12.3 million compared to Euro 11.8 million in the same period of 2021. As of the 2021 Budget, concessions and radio frequencies have been reclassified as assets with a "finite useful life" instead of "indefinite useful life," with the introduction of the amortization mechanism over a 15-year time frame. The amortization of concessions and radio frequencies amounted to Euro 1.1 million in the first nine months of 2022. The January-September 2021 period included write-downs of intangible assets by Euro 1.3 million in connection with software developments that are no longer used. Net of non-recurring income and expenses, EBITDA was a positive Euro 2.3 million, an improvement of Euro 1.5 million compared to a positive Euro 0.7 million in the same period of 2021.

The **profit before taxes** was Euro 2.0 million and compares with a loss of Euro 2.3 million at 30 September 2021. Negative net financial expenses and income of Euro 2.9 million (negative Euro 2.6 million in the first nine months of 2021) had an impact. During the period, **income taxes** amounted to Euro 1.1 million, of which Euro 0.3 million for IRAP, Euro 0.1 million for foreign taxes and from prior years, and Euro 0.7 million for the cancellation of deferred assets and liabilities.

The **net profit attributable to shareholders of the parent company** was Euro 0.9 million, an improvement of Euro 4.6 on the loss of Euro 3.7 million in the first nine months of 2021. Net of non-recurring income and expenses, the net loss attributable to shareholders of the parent company was Euro 1.7 million, an improvement of Euro 1.5 million over the loss of Euro 3.2 million reported as at 30 September 2021.

Statement of financial position

The **net financial position** at 30 September 2022 was a negative Euro 48.6 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 15.3 million. The change in the net financial position mainly refers to the trend 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 headquarters, broadcasting equipment and cars totalling Euro 35.5 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 September 2022 was a positive Euro 31.3 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 3.8 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 4.7 million.

Equity amounted to Euro 17.3 million, an increase of Euro 3.4 million compared to 31 December 2021, when it amounted to Euro 13.9 million, due to the result for the period, which was positive by Euro 0.9 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a positive effect of Euro 2.5 million.

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 revisions of the annual and quarterly national accounts confirmed the quarterly profile of GDP for the current year: the moderate quarterly increase in the first quarter (+0.1%) was followed by stronger growth in the following three months (+1.1% - source: *Istat- Monthly Note September 2022*).

The current uncertainty linked to the evolution of the spread of the Covid-19 virus and its variants and any impacts deriving from the conflict under way 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 conflict under way in Ukraine could have on the Italian and European economies.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine and rising raw material and energy costs as well as the surge in inflation, 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.

Consolidated Financial Statements as at 30 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Euro millions	30.09.2022	31.12.2021
ASSETS		
Non-current assets		
Property, plant and equipment	52.5	55.9
Goodwill	20.7	20.7
Intangible assets	29.5	31.9
Non-current financial assets	0.8	0.7
Other non-current assets	1.3	1.3
Deferred tax assets	19.6	20.5
Total	124.3	131.1
Current assets		
Inventories	3.5	1.7
Trade receivables	49.3	65.8
Other receivables	2.8	2.6
Other current financial assets	3.8	5.6
Other current assets	6.1	5.6
Cash and cash equivalents	49.5	35.7
Total	115.2	117.0
Assets available for sale	-	-
TOTAL ASSETS	239.5	248.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro millions	30.09.2022	31.12.2021
EQUITY AND LIABILITIES		
Equity		
Equity attributable to shareholders of the parent company		
Share capital	0.6	0.6
Capital reserves	19.5	19.5
Employee severance indemnity (TFR) reserve - IAS adjustment	(2.8)	(5.3)
Profits (losses) carried forward	(0.9)	20.2
Profit (loss) attributable to shareholders of the parent company	0.9	(21.0)
Total	17.3	13.9
Equity attributable to minority shareholders		
Capital and reserves attributable to minority shareholders	-	-
Profit (loss) attributable to minority shareholders	-	-
Total	-	-
Total equity	17.3	13.9
Non-current liabilities		
Non-current financial liabilities	79.8	82.5
Employee benefits	10.5	15.3
Deferred tax liabilities	4.9	5.2
Provisions for risks and charges	7.6	8.8
Other non-current liabilities	6.8	9.5
Total	109.6	121.3
Current liabilities		
Current bank overdrafts and loans	13.0	15.8
Other current financial liabilities	9.1	7.0
Trade payables	69.6	68.7
Other current liabilities	0.3	0.2
Other payables	20.6	21.3
Total	112.6	112.9
Liabilities available for sale	-	-
Total liabilities	222.2	234.3
TOTAL EQUITY AND LIABILITIES	239.5	248.1

CONSOLIDATED STATEMENT OF PROFIT (LOSS)

Euro millions

Jan-Sept 2022

Jan-Sept 2021

1) Continuing operations		
Revenues	149.9	142.6
Other operating income	5.0	2.6
Personnel costs	(56.8)	(56.8)
Change in inventories	1.8	0.0
Purchases of raw and consumable materials	(4.8)	(2.6)
Costs for services	(68.9)	(63.5)
Costs for rents and leases	(4.9)	(4.2)
Other operating expenses	(2.4)	(1.9)
Allocations	(0.8)	(1.8)
Bad debt	(1.1)	(1.2)
Gross operating margin	17.1	13.3
Amortization of intangible assets	(5.8)	(5.0)
Depreciation of tangible assets	(6.5)	(6.8)
Impairment of tangible and intangible assets	-	(1.3)
Gain/loss on disposal of non-current assets	0.0	0.1
Operating profit (loss)	4.8	0.2
Financial income	0.5	0.5
Financial expenses	(3.4)	(3.1)
Total financial income (expenses)	(2.9)	(2.6)
Other income from investment assets and liabilities	0.0	0.0
Profit (loss) before taxes	2.0	(2.3)
Income taxes	(1.1)	(1.4)
Profit (loss) from continuing operations	0.9	(3.7)
2) Assets held for sale	-	-
Profit (loss) from assets held for sale	-	-
Net profit (loss)	0.9	(3.7)
Profit (loss) attributable to minority shareholders	-	-
Profit (loss) attributable to the shareholders of the parent company	0.9	(3.7)

CONSOLIDATED STATEMENT OF CASH FLOWS		
Euro millions	Jan-Sept 2022	Jan-Sept 2021
Statement items		
Profit (loss) before taxes from continuing operations attributable to the Group [a]	2.0	(2.3)
Adjustments [b]	15.7	18.0
Amortization/Depreciation	12.3	11.8
(Gains) losses	(0.0)	(0.1)
Effect of valuation of investments	(0.0)	(0.0)
Allocation and (release) of provisions for risks and charges	0.4	1.7
Restructuring expenses	-	0.6
Provision for employee benefits	0.1	0.1
Impairment of tangible and intangible assets	0.0	1.3
Financial income and expenses	2.9	2.6
Changes in operating net working capital [c]	7.4	(11.0)
Change in inventories	(1.8)	(0.0)
Change in trade receivables	16.5	10.5
Change in trade payables	1.0	(14.8)
Income tax payments	(0.5)	-
Other changes in net working capital	(7.7)	(6.6)
Total cash flow from operating activities [d=a+b+c]	25.1	4.6
Cash flow from investing activities [e]	(2.4)	(7.3)
Investments in intangible and tangible assets	(4.1)	(7.4)
Change in receivables guaranteeing financial payables	1.6	-
Other changes in investing activities	0.0	0.1
Cash flow from financing activities [f]	(8.8)	(3.9)
Net financial interest paid	(3.5)	(1.9)
SACE guaranteed financing	-	(37.5)
Non-convertible senior unsecured bond	-	42.5
Change in medium/long-term bank loans	-	(0.5)
Change in short-term bank loans	(2.8)	(3.0)
Changes in other financial payables and receivables	(0.6)	(1.9)
Other changes in financial assets and liabilities	0.2	-
Change in payables IFRS 16	(2.1)	(1.6)
Change in financial resources [g=d+e+f]	13.8	(6.6)
Cash and cash equivalents at the beginning of the year	35.7	40.2
Cash and cash equivalents at the end of the period	49.5	33.7
Increase (decrease) for the period	13.8	(6.6)

Additions at the request of Consob pursuant to article 114 of Legislative Decree 58/1998

Update as at 30 September 2022

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	30.09.2022	31.12.2021
A. Cash	55	102
B. Cash equivalents	49,468	35,642
C. Other current financial assets	3,845	5,641
D. Liquidity (A + B + C)	53,368	41,385
E. Current financial payable	(13,005)	(15,779)
F. Current portion of the non-current financial payable	(9,103)	(6,991)
G. Current financial debt (E + F)	(22,107)	(22,771)
H. Current net financial position (G + D)	31,261	18,614
I. Non-current financial payable	(36,967)	(39,828)
J. Debt instruments	(42,862)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(79,829)	(82,464)
M. Net financial position (H + L)	(48,568)	(63,849)

The **net financial position** at 30 September 2022 was a negative Euro 48.6 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 15.3 million. The change in the net financial position mainly refers to the trend 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 headquarters, broadcasting equipment and cars totalling Euro 35.5 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 September 2022 was a positive Euro 31.3 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 3.8 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 4.7 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	30.09.2022	31.12.2021
A. Cash	30	26
B. Cash equivalents	43,071	30,590
C. Other current financial assets	3,800	5,501
D. Liquidity (A + B + C)	46,901	36,117
E. Current financial payable	(13,005)	(15,779)
F. Current portion of the non-current financial payable	(12,170)	(10,196)
G. Current financial debt (E + F)	(25,174)	(25,976)
H. Current net financial position (G + D)	21,727	10,141
I. Non-current financial payable	(36,255)	(38,952)
J. Debt instruments	(42,862)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(79,118)	(81,587)
M. Net financial position (H + L)	(57,391)	(71,446)

The **Parent Company's net financial position** at 30 September 2022 was negative by Euro 57.4 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 refers to the trend 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 headquarters, broadcasting equipment and cars totalling Euro 34.8 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 September 2022 was a positive Euro 21.7 million (positive Euro 10.1 million as at 31 December 2021) and includes Euro 3.8 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 4.5 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 September 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	447	16	108	7	10	6	7	588	1,190
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	447	16	108	7	10	6	7	588	1,190

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 30 September 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	388	9	91	1	8	6	7	547	1,057
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	388	9	91	1	8	6	7	547	1,057

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 Interim Report on Operations at 30 September 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 SEPTEMBER 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)	0	-	-	-	36	-	-	-	
Total Parent Company	0	-	-	-	36	-	-	-	
Key Executives	-	-	(900)	-	-	(2,573)	-	-	
Board of Directors	-	-	(180)	-	-	(756)	-	-	
Board of Statutory Auditors	-	-	(92)	-	-	(162)	-	-	
Other related parties	11	-	(78)	-	144	(105)	-	-	
Total other related parties	11	-	(1,251)	-	144	(3,596)	-	-	
Total related parties	11	-	(1,251)	-	181	(3,596)	-	-	

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 September 2022, Key Executives ("DIRS") are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager Media & Business; 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 the press releases previously issued on 27 April 2022.

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

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 30 SEPTEMBER 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)	0	-	-	-	36	-	-	-
Total Parent Company	0	-	-	-	36	-	-	-
24 ORE Cultura S.r.l.	648	-	(163)	(2,041)	734	(695)	-	(69)
Il Sole 24 ORE Eventi S.r.l.	1,190	-	(1,793)	(1,191)	848	(2,185)	-	(46)
Il Sole 24 ORE UK Ltd	-	-	(473)	-	-	(310)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(292)	-	-	(432)	-	-
Sole 24 ORE Formazione S.p.A.	-	-	-	-	-	-	-	-
Total Subsidiaries	1,839	-	(2,721)	(3,233)	1,582	(3,622)	-	(116)
Key Executives	-	-	(900)	-	-	(2,573)	-	-
Board of Directors	-	-	(180)	-	-	(756)	-	-
Board of Statutory Auditors	-	-	(82)	-	-	(145)	-	-
Other related parties	11	-	(78)	-	144	(105)	-	-
Total other related parties	11	-	(1,241)	-	144	(3,579)	-	-
Total related parties	1,850	-	(3,962)	(3,233)	1,762	(7,201)	-	(116)

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 September 2022, Key Executives ("DIRS") are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager Media & Business; 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 the press releases previously issued on 27 April 2022.

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A, operating in the training sector, with a 100% stake in the share capital, totalling Euro 50 thousand.

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

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

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

The maximum total amount that can be financed is Euro 50.0 million; at 30 September 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 13.0 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 September 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.

The bond issue allowed 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.

In any event, 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 set forth in the 2022-2025 Plan was 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.

According to the latest estimates, the net financial position for the year 2022 is expected to improve compared to the Plan's forecasts, mainly due to the different trend in net working capital, investments and disbursements connected to early staff departures.

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 the first nine months of 2022 did not meet expectations, but in terms of *EBITDA* and *EBIT* net of non-recurring expenses and income, the first nine months of 2022 are 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 highlighting that the 2022-2025 Plan does not reflect any impacts deriving 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 and the publishing sector, and whose impact on the Group's business is in any case difficult to predict at this time, along with rising raw material and energy costs and the surge in inflation, is not considered to be such that the medium- to long-term objectives reflected in this plan cannot be confirmed.

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.

The Manager in charge of financial reporting, Paolo Fietta, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

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