

Press Release

Pursuant to Consob resolution 11971/99 as amended

Il Sole 24 ORE S.p.A.: the Board of Directors approves the Half-Yearly Financial Report as at 30 June 2022

Improved results compared to H1 2021 thanks to the revenue growth linked to the good performance of advertising sales, the development of products in the Professional Services area and the improvement in the pandemic context, allowing for the resumption of the exhibitions organized by 24 ORE Cultura

Key consolidated figures of the 24 ORE Group:

- EBITDA positive at Euro 10.4 million (positive Euro 7.3 million as at 30 June 2021)
- EBIT positive at Euro 2.3 million (negative Euro 1.1 million as at 30 June 2021)
- Net loss of Euro 0.4 million (loss of Euro 3.3 million as at 30 June 2021)

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

- EBITDA positive at Euro 10.0 million (positive Euro 6.6 million as at 30 June 2021)
- EBIT positive at Euro 1.8 million (negative Euro 1.1 million as at 30 June 2021)
- Net loss of Euro 0.8 million (loss of Euro 3.4 million as at 30 June 2021)

Negative net financial position of Euro 49.5 million, an improvement of Euro 14.3 million compared to a 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 15.2 million compared to Euro 13.9 million as at 31 December 2021



Milan, 28 July 2022 - The Board of Directors of II Sole 24 ORE S.p.A. met today under the chairmanship of Edoardo Garrone and approved the Half-yearly financial report as at 30 June 2022 of the 24 ORE Group.

Key summary figures of the 24 ORE Group

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

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

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP								
Euro millions	H1 2022	H1 2021						
Revenues	104.6	96.8						
Gross operating margin (EBITDA)	10.4	7.3						
Operating profit (loss) (EBIT)	2.3	(1.1)						
Profit (loss) before taxes	0.4	(2.5)						
Net profit (loss)	(0.4)	(3.3)						
	30.06.2022	31.12.2021						
Non-current assets	127.2	131.1						
Current assets	131.8	117.0						
Total assets	259.1	248.1						
Group equity	15.2	13.9						
Minority interests	-	-						
Total equity	15.2	13.9						
Non-current liabilities	113.6	121.3						
Current liabilities	130.3	112.9						
Total liabilities	243.9	234.3						
Total equity and liabilities	259.1	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 assumed in the last quarter of 2021 was reduced.

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

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

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

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

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



Consolidated results as at 30 June 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 H1 2022:

KEY CONSOLIDATED FIGURES NET OF NON-RECURRING	INCOME AND EXP	PENSES
Euro millions	H1 2022	H1 2021
Revenues	104.6	96.8
EBITDA net of non-recurring income and expenses	10.0	6.6
EBIT net of non-recurring income and expenses	1.8	(1.1)
Profit (loss) before taxes net of non-recurring income and expenses	(0.0)	(2.5)
Net profit (loss) net of non-recurring income and expenses	(8.0)	(3.4)
	30.06.2022	31.12.2021
Equity	15.2	13.9
Net financial position	(49.5)	(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 H1 2022, the 24 ORE Group reported **consolidated revenues** of Euro 104.6 million (Euro 96.8 million in H1 2021), up 8.1% or Euro +7.8 million compared to the same period of 2021.

Specifically, in H1 2022, advertising revenues increased by Euro 4.5 million (+11.3% compared to the same period of the previous year) and amounted to Euro 44.2 million, publishing revenues decreased by Euro 1.7 million (-3.3% from Euro 51.4 to Euro 49.7 million) mainly due to the decrease in revenues generated by the sale of the print newspaper, and other revenues increased by Euro 5.0 million (from Euro 5.7 million to Euro 10.7 million), mainly due to higher revenue in the Culture area and more innovative products in the Professional Services area.

In H1 2022, the portal www.ilsole24ore.com recorded a daily average of 1.2 million unique browsers, down 20.4% compared to the average of the same period of 2021 (Source: *Webtrekk*). A positive result for the video component, with the average views per month in H1 2022 up 4.9% compared to the 2021 figure. Indicators were up on social media, in particular



LinkedIn +13.7%, confirming over 1 million followers, Instagram +13%, Twitter +10.2% and Facebook +2.4% compared to 30 June 2021.

The main dynamics that characterized consolidated revenues are:

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

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

The Group also asked an independent third-party company to express an opinion on the effective application of the appropriate procedures adopted for the calculation of the Total Paid For Circulation ("TPFC", i.e. the total number of daily paid sales of Il Sole 24 ORE in all markets through print and digital channels) at 30 June 2022; on conclusion of its checks, the



independent third-party company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 25 July 2022.

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

Profit margin trends

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

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

Costs for services amounted to Euro 47.5 million, up by Euro 4.8 million (+11.1%) compared to H1 2021. The main changes include higher commissions and other sales expenses (Euro +1.3 million), higher printing costs (Euro +0.8 million) linked to the new production structure, higher costs for conventions and exhibitions (Euro +2.7 million), also due to the resumption of exhibitions organized by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021) and higher promotional and marketing expenses (Euro +0.5 million) mainly due to the resumption of exhibitions organized by 24 ORE Cultura S.r.l. On the other hand, distribution costs (Euro -1.0 million) and utility costs (Euro -0.3 million) were down compared to H1 2021.

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

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



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

Statement of financial position

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

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 26 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.9 million.

Equity amounted to Euro 15.2 million, an increase of Euro 1.3 million compared to 31 December 2021, when it amounted to Euro 13.9 million, due to the result for the period, which was negative by Euro 0.4 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a positive effect of Euro 1.7 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 current uncertainty linked to the evolution of the spread of the Covid-19 virus and its variants and the impacts deriving from the ongoing conflict in Ukraine, as well as rising commodity and energy costs and the resurgence of inflation, calls for continuing to maintain a certain degree of caution with respect to the macroeconomic scenario forecasts. Therefore, the publishing sector - in particular the advertising market and the exhibition and event organization activities - remain characterized by uncertainty as to the possible effects of the continuing Covid-19 epidemic and the possible repercussions that the ongoing conflict in Ukraine could have on the Italian and European economies.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.



Consolidated Financial Statements as at 30 June 2022

(data for which auditing has not been completed)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION							
Euro millions	30.06.2022	31.12.2021					
ASSETS							
Non-current assets							
Property, plant and equipment	54.2	55.9					
Goodwill	20.7	20.7					
Intangible assets	30.4	31.9					
Non-current financial assets	0.8	0.7					
Other non-current assets	1.3	1.3					
Deferred tax assets	19.9	20.5					
Total	127.2	131.1					
Current assets							
Inventories	2.6	1.7					
Trade receivables	62.2	65.8					
Other receivables	3.3	2.6					
Other current financial assets	4.4	5.6					
Other current assets	8.2	5.6					
Cash and cash equivalents	51.2	35.7					
Total	131.8	117.0					
Assets available for sale	-	-					
TOTAL ASSETS	259.1	248.1					



CONSOLIDATED STATEMENT OF FINANCIAL POSI	30.06.2022	31.12.2021
Luo millons	30.00.2022	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	(3.6)	(5.3)
Profits (losses) carried forward	(0.9)	20.2
Profit (loss) attributable to shareholders of the parent company	(0.4)	(21.0)
Total	15.2	13.9
Equity attributable to minority shareholders		
Capital and reserves attributable to minority shareholders	-	-
Profit (loss) attributable to minority shareholders	-	
Total		
Total equity	15.2	13.9
Non-current liabilities		
Non-current financial liabilities	81.7	82.5
Employee benefits	12.4	15.3
Deferred tax liabilities	5.0	5.2
Provisions for risks and charges	7.5	8.8
Other non-current liabilities	7.0	9.5
Total	113.6	121.3
Current liabilities		
Current bank overdrafts and loans	14.7	15.8
Other current financial liabilities	8.8	7.0
Trade payables	84.0	68.7
Other current liabilities	0.2	0.2
Other payables	22.6	21.3
Total	130.3	112.9
Liabilities available for sale		
Total liabilities	243.9	234.3
TOTAL EQUITY AND LIABILITIES	259.1	248.1



CONSOLIDATED STATEMENT OF PROFIT (LOSS)							
Euro millions	H1 2022	H1 2021					
1) Continuing operations							
Revenues	104.6	96.8					
Other operating income	1.6	2.1					
Personnel costs	(40.2)	(40.2)					
Change in inventories	1.0	(0.3)					
Purchases of raw and consumable materials	(3.0)	(1.8)					
Costs for services	(47.5)	(42.7)					
Costs for rents and leases	(3.3)	(3.2)					
Other operating expenses	(1.7)	(1.3)					
Allocations	(0.5)	(1.3)					
Bad debt	(0.7)	(0.8)					
Gross operating margin	10.4	7.3					
Amortization of intangible assets	(3.9)	(3.3)					
Depreciation of tangible assets	(4.3)	(4.4)					
Impairment of tangible and intangible assets	-	(0.7)					
Gains/losses on disposal of non-current assets	0.0	0.1					
Operating profit (loss)	2.3	(1.1)					
Financial income	0.3	0.3					
Financial expenses	(2.2)	(1.8)					
Total financial income (expenses)	(1.9)	(1.5)					
Other income from investment assets and liabilities	0.0	0.0					
Profit (loss) before taxes	0.4	(2.5)					
Income taxes	(0.8)	(0.8)					
Profit (loss) from continuing operations	(0.4)	(3.3)					
2) Assets held for sale							
Profit (loss) from assets held for sale		-					
Net profit (loss)	(0.4)	(3.3)					
Profit (loss) attributable to minority shareholders	-	-					
Profit (loss) attributable to the shareholders of the parent company	(0.4)	(3.3)					



CONSOLIDATED STATEMENT OF CASH FL		114.0004
Euro millions	H1 2022	H1 2021
Statement items		()
Profit (loss) before taxes from continuing operations attributable to the Group [a]	0.4	(2.5)
Adjustments [b]	10.3	11.6
Amortization/Depreciation	8.2	7.7
(Gains) losses	(0.0)	(0.1)
Effect of valuation of investments	(0.0)	(0.0)
Allocation and (release) of provisions for risks and charges	0.1	1.2
Restructuring expenses	-	0.6
Provision for employee benefits	0.1	0.1
Impairment of tangible and intangible assets	0.0	0.7
Financial income and expenses	1.9	1.5
Changes in operating net working capital [c]	10.8	(8.6)
Change in inventories	(1.0)	0.3
Change in trade receivables	3.7	(3.4)
Change in trade payables	15.4	0.8
Income tax payments	(0.5)	
Other changes in net working capital	(6.7)	(6.4)
Total cash flow from operating activities [d=a+b+c]	21.5	0.5
Cash flow from investing activities [e]	(1.7)	(5.2)
Investments in intangible and tangible assets	(2.8)	(5.3)
Change in receivables guaranteeing financial payables	1.1	-
Other changes in investing activities	0.0	0.1
Cash flow from financing activities [f]	(4.3)	(7.4)
Net financial interest paid	(0.8)	(1.4)
Change in medium/long-term bank loans	-	(0.3)
Change in short-term bank loans	(1.1)	(1.9)
Changes in other financial payables and receivables	(1.2)	(3.0)
Other changes in financial assets and liabilities	0.1	-
Change in payables IFRS 16	(1.3)	(0.8)
Change in financial resources [g=d+e+f]	15.5	(12.1)
Cash and cash equivalents at the beginning of the year	35.7	40.2
Cash and cash equivalents at the end of the period	51.2	28.1
Increase (decrease) for the period	15.5	(12.1)



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

Update as at 30 June 2022

The net financial position of II Sole 24 ORE S.p.A. and the 24 ORE Group, showing the short-term components separately from the medium/long-term components

The statement of net financial position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021.

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

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

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.9 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position as of 30 June 2022 was a positive Euro 32.1 million (positive Euro 18.6 million as at 31 December 2021) and includes Euro 4.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 26 thousand in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.9 million.



Net financial position of the Parent Company

The statement of net financial position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021.

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

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

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 36.1 million (Euro 36.0 million at 31 December 2021) in application of IFRS 16.

The Parent Company's current net financial position as of 30 June 2022 was a positive Euro 23.6 million (positive Euro 10.1 million as at 31 December 2021) and includes Euro 4.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 3.7 million.



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

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

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

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

PAST DUE DEBT POSITIONS OF IL SOLE 24 ORE S.p.A.									
values in Euro thousands			Breakdow	n of payabl	es by days p	ast due			total past
values in Euro triousarius	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	0 due
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	261	13	10	6	4	0	1	570	865
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	_
	261	13	10	6	4	0	1	570	865

The past due debt positions of the 24 ORE Group and the Parent Company II Sole 24 ORE S.p.A. refer to trade payables.

With regard to past due amounts exceeding 210 days, it is noted that this past due amount includes suppliers blocked for disputed claims that amount to a total of Euro 336 thousand for the Parent Company.

On 29 April 2021, a summons was served to the Court of Milan for the resumption of an injunction, issued in 2018 by the Court of Rome and then, by judgement no. 1547/2021 of 28 January 2021, revoked by the same Court which had declared itself not to have territorial jurisdiction. On 25 July 2022, the Court of Milan dismissed the counterparty's claims, awarding the costs of the litigation.

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



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

TRANSACTIONS WIT	H RELATI	ED PARTI	ES - COI	NSOLIDA	TED AT	30 Jun	e 2022	
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	-	-	-	-	23	-	-	-
Total Parent Company					23			
Key Executives	-	-	(459)	-	-	(1,584)	-	-
Board of Directors	-	-	(74)	-	-	(448)	-	-
Board of Statutory Auditors	-	-	(44)	-	-	(107)	-	-
Other related parties	93	-	(50)	-	136	(56)	-	-
Total other related parties	93		(627)		136	(2,195)	-	-
Total related parties	93	-	(627)		159	(2,195)	-	-

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

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

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

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

As at 30 June 2022, Key Executives ("DIRS") are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For further information, please refer to the press releases already issued on 27 April 2022.

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



TRANSACTIONS WITH	I RELATE	PARTIE	S - PARI	ENT COM	IPANY A	T 30 Ju	ne 202	2
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)					23			
Total Parent Company			-	-	23			
24 ORE Cultura S.r.l.	468	-	(118)	(2,107)	439	(506)	-	(44)
II Sole 24 ORE Eventi S.r.l.	1,013	-	(1,203)	(1,315)	639	(1,610)	-	(31)
II Sole 24 ORE UK Ltd	-	-	(401)	-	-	(232)	-	-
II Sole 24 ORE U.S.A. Inc	-	-	(259)	-	-	(282)	-	-
Total Subsidiaries	1,481		(1,981)	(3,422)	1,078	(2,630)		(75)
Key Executives	-	-	(459)	-	-	(1,584)	-	-
Board of Directors	-	-	(74)	-	-	(448)		
Board of Statutory Auditors	-	-	(33)	-	-	(96)	-	-
Other related parties	93	-	(50)	-	136	(56)	-	-
Total other related parties	93	-	(616)		136	(2,184)		-
Total related parties	1,574	-	(2,597)	(3,422)	1,237	(4,814)	-	(75)

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

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

Trade payables/other payables refer mainly to:

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

Financial payables relate to current account relations with the subsidiary 24 ORE Cultura S.r.l. and the subsidiary II 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 II Sole 24 ORE U.S.A Inc. for the provision of services;
- contractual agreement with the subsidiary II 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.

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

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

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

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

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

The bonds were issued on 29 July 2021 and placed at an issue price equal to 99% of the nominal value of these securities, with a coupon of 4.950% and annual payment. The bonds are governed by English law save in respect of matters governed by Italian law and are listed from 29 July 2021 on the "Euro MTF" multilateral trading facility of the Luxembourg Stock Exchange. The notes representing the bond have not been assigned a rating. On 1 November 2021, the bonds were also listed on the "ExtraMOT PRO" multilateral trading facility of Borsa Italiana S.p.A., under the same terms and conditions.

The regulation of the bond requires compliance with a covenant on an incurrence basis relating to the ratio between the net financial position and EBITDA of the 24 ORE Group, applicable only in the case of any new debt.

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

This bond issue enabled the Company to further strengthen its financial structure, providing it with the flexibility and resources to carry out the investments and actions planned over the plan period, which are necessary to develop revenues and achieve greater operating efficiency.

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



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

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

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

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

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

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

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

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

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



The main forecast economic indicators expected in the 2022-2025 Plan are shown below:

2022-2025 PLAN		
Euro millions	Plan 2022	Plan 2025
Revenues	216	246
EBITDA	26	47
EBIT	6	26

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

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

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

The development of the 2022-2025 Plan was based on, among other things: (i) general and hypothetical assumptions, as well as discretionary assumptions, and (ii) a series of estimates and hypotheses relating to the implementation by the directors of specific actions to be undertaken in the reference time period, or relating to future events that the directors can only partially influence and that may not occur or may vary during the plan period.

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

The realization of the objectives and the achievement of the results envisaged by the 2022-2025 Plan depend not only on the actual realization of the volume of revenues indicated, but also on the effectiveness of the actions identified and the implementation of these actions, in accordance with the time frame and economic impacts assumed.

If the Group's results were to differ significantly from those forecast in the 2022-2025 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and the prospects for a post-pandemic recovery as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions set forth in the Plan, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.



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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