

Listing Particulars



IL SOLE 24 ORE S.P.A.

(incorporated with limited liability under the laws of the Republic of Italy)

€45,000,000

4.950 per cent. Notes due July 2028

The issue price of the €45,000,000 4.950 per cent. Notes due July 2028 (the "Notes") of Il Sole 24 ORE S.p.A. (the "Issuer" or "Il Sole 24 ORE") is 99 per cent. of their principal amount.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 29 July 2028. The Notes are subject to redemption in whole, but not in part, at their principal amount, plus interest, if any, to the date fixed for redemption at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. The Issuer may also, at its option and at any time on the relevant Optional Redemption Date, redeem the outstanding Notes, in whole or in part, at an amount calculated on a "make-whole" basis, together with accrued interest to (but excluding) the relevant Optional Redemption Date (Make-Whole Call). The Issuer may, at its option, no earlier than 90 days prior to the Maturity Date, redeem all (but not some only) of the outstanding Notes, at their principal amount, together with accrued interest to (but excluding) the relevant date of redemption (3-Month Par Call). Furthermore, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, at its option, redeem all (but not some only) of the outstanding Notes, at their principal amount, together with accrued interest to (but excluding) the relevant date of redemption (Clean-up Call). In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at 100 per cent. of its principal amount together with accrued and unpaid interest (if any) upon the occurrence of a Change of Control (as defined below). See "Terms and Conditions of the Notes — Redemption and Purchase".

The Notes will be issued on 29 July 2021 (the "Issue Date"). The Notes will bear interest from the Issue Date at the rate of 4.950 per cent. per annum payable annually in arrears on 29 July each year commencing on 29 July 2022. Payments on the Notes will be made in Euros without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under "Terms and Conditions of the Notes — Taxation".

The Notes will constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligation of the Issuer, save for certain mandatory exceptions of applicable law.

An investment in the Notes involves certain risks. For a discussion of these risks, see "Risk Factors" on page 6.

Application has been made to admit the Notes to the official list of the Luxembourg Stock Exchange (the "Luxembourg Stock Exchange") and for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market (the "Euro MTF Market"). The Euro MTF Market is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (as amended, "MiFID II"). These Listing Particulars (the "Listing Particulars") constitute a prospectus under Part IV of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities (the "Luxembourg Prospectus Law"). These Listing Particulars are not a prospectus published in accordance with the requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "Prospectus Regulation"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within these Listing Particulars and the documents incorporated by reference herein. These Listing Particulars may be used only for the purposes for which they have been published. These Listing Particulars (together with the documents incorporated by reference herein) are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "Securities Act") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined herein) in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on transfers of the Notes, see "Subscription and Sale".

The Notes will be issued in new global note ("NGN") form and are intended to constitute eligible collateral for the Eurosystem monetary policy, provided the relevant eligibility criteria are met. The Notes will be in bearer form and in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. The Notes will initially be in the form of a temporary global note (the "Temporary Global Note"), which will be deposited on or around the Issue Date with a common safekeeper for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes") not earlier than 40 days after the Issue Date upon certification as to non U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in

whole, but not in part, for Notes in definitive form (the "**Definitive Notes**") in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. See "*Summary of Provisions Relating to the Notes in Global Form*".

Sole Global Coordinator & Physical Bookrunner

GOLDMAN SACHS INTERNATIONAL

Joint Bookrunners

GOLDMAN SACHS INTERNATIONAL

MPS CAPITAL SERVICES

Co-Manager

BANCA POPOLARE DI SONDRIO

23 July 2021

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IMPORTANT NOTICES

These Listing Particulars are not a prospectus published in accordance with the requirements of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in these Listing Particulars and declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to Goldman Sachs International (the "**Sole Global Coordinator & Physical Bookrunner**"), MPS Capital Services Banca per le Imprese S.p.A. (together with the Sole Global Coordinator & Physical Bookrunner, the "**Joint Bookrunners**") and Banca Popolare di Sondrio (the "**Co-Manager**" and, together with the Joint Bookrunners, the "**Managers**") that these Listing Particulars contain or incorporate all the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer are fair and based on reasonable grounds; these Listing Particulars taken as a whole do not omit to state any material fact necessary to make such information contained herein not misleading in any material respect.

To the fullest extent permitted by law, none of the Managers or The Bank of New York Mellon, London Branch, as fiscal agent (the "**Fiscal Agent**") accepts any responsibility for the contents of these Listing Particulars or for any other statements made or purported to be made by any of the Managers or on their behalf or by the Fiscal Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Managers and the Fiscal Agent disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of these Listing Particulars or any such statement.

These Listing Particulars should be read in conjunction with all information which is incorporated by reference in and forms part of these Listing Particulars (see "*Information Incorporated by Reference*").

Investors should rely only on the information contained in these Listing Particulars. The Issuer or any of the Managers have not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in these Listing Particulars or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or any of the Managers.

Neither the Issuer nor any of the Managers have authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Managers which constitute the final placement of the Notes contemplated in these Listing Particulars.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer or the Issuer together with its subsidiaries (the "**Group**") is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same, or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of these Listing Particulars. Each of the Managers expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

Neither these Listing Particulars nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of these Listing Particulars or any other information supplied in connection with the Notes should purchase any Notes. Each investor

contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer or the Group. Neither these Listing Particulars nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

The distribution of these Listing Particulars and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. Neither the Issuer nor any of the Managers represent that these Listing Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor do they assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any of the Managers which is intended to permit a public offering of the Notes or the distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of these Listing Particulars and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

In these Listing Particulars, unless otherwise specified: references to a "**Member State**" are references to a Member State of the European Economic Area; references to "€", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; and references to "billions" are to thousands of millions.

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables, including percentages, may not be an arithmetic aggregation of the figures which precede them.

The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail

investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("UK MiFIR"). Consequently no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of relevant manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the relevant manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

SUITABILITY OF INVESTMENT

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and

- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

MARKET SHARE INFORMATION AND STATISTICS

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group's business contained in these Listing Particulars consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of its sales and markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by this information. While the Issuer has compiled, extracted and, to the best of its knowledge, correctly reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer nor any of the Managers have independently verified that data. The Issuer cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. The information in these Listing Particulars has been accurately reproduced and no facts have been omitted that would render the reproduced information inaccurate or misleading. However, information regarding the sectors and markets in which the Group operates may not be available for certain periods and, accordingly, such information may not be current as of the date of these Listing Particulars. All sources of such information have been identified where such information is used. Similarly, while the Issuer believes such information to be reliable and believes its internal estimates to be reasonable and confirms all information to be up to date on the date of approval of these Listing Particulars, they have not been verified by any independent sources. Undue reliance should therefore not be placed on such information. See "*Forward-Looking Statements*" below.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in these Listing Particulars regarding the Group's business, financial condition, results of operations and certain of the Group's plans, objectives, assumptions, expectations or beliefs with respect to these items and statements regarding other future events or prospects are forward looking statements. These statements include, without limitation, those concerning: the Group's strategy and the Group's ability to achieve it; expectations regarding revenues, profitability and growth; plans for the launch of new products; the Group's possible or assumed future results of operations; research and development, and financing plans. The words "aim", "may", "will", "expect", "anticipate", "believe", "future", "continue", "help", "estimate", "plan", "intend", "should", "could", "would", "shall" or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward looking statements. In addition, these Listing Particulars include forward looking statements relating to the Group's potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities. These forward looking statements have been based on the Group's management's current view with respect to future events and financial performance. These views reflect the best judgment of the Group's management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in such forward looking statements and from past results, performance or achievements. Although the Group believes that the estimates reflected in the forward looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward thinking statements. Prospective investors are cautioned not to place undue reliance on these forward looking statements. None of the Issuer or the Group undertakes any obligation to republish revised forward looking statements to reflect events or circumstances after the date hereof. Prospective investors are also urged to carefully review and consider the various disclosures made by the Issuer and the Group in these Listing Particulars which attempt to advise interested parties of the factors that affect the Issuer, the Group and their business, including the disclosures made under "*Risk Factors*" and "*Description of the Issuer*". The Issuer does not intend to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. All subsequent written or oral forward looking statements

attributable to the Issuer or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout these Listing Particulars. As a result of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward looking statements as a prediction of actual results or otherwise.

PRESENTATION OF FINANCIAL INFORMATION

The historical financial information of the Issuer included in these Listing Particulars has been extracted or derived from (i) the English translation of the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2020 and 31 December 2019, all prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("**IFRS**") and audited by EY S.p.A., and (ii) the English translation of the unaudited condensed interim consolidated financial statements of the Issuer as of and for the three months ended 31 March 2021, prepared in accordance with IFRS applicable to interim financial reporting (IAS 34) and reviewed by EY S.p.A..

The Audited Consolidated Financial Statements and the 2021 Interim Consolidated Financial Statements (both as defined herein) are incorporated by reference in these Listing Particulars.

Alternative Performance Measures

In order to facilitate the understanding of the economic and financial performance of the Group, the directors have identified some alternative performance measures ("**APMs**").

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

- these indicators are based exclusively on the Group's historical data and are not indicative of the Group's future performance;
- APMs are not required by IFRS and, although they are derived from the Group's consolidated financial statements, they are not subject to audit;
- APMs should not be considered as a substitute for the indicators provided for by IFRS;
- APMs should not be considered as a substitute for the indicators provided for by IFRS;
- the reading of APMs must be carried out together with the Group's financial information taken from the consolidated financial statements of the Group;
- the definitions of the indicators used by the Group, insofar as they do not derive from the reference accounting standards, may not be consistent with those adopted by other groups/companies and therefore comparable with them;
- APMs used by the Group are elaborated with continuity and uniformity of definition and representation for all the periods for which financial information is included in each of the Audited Consolidated Financial Statements and the 2021 Interim Consolidated Financial Statements.

The APMs listed below have been included in these Listing Particulars and in the Audited Consolidated Financial Statements and 2021 Interim Consolidated Financial Statements as the Group believes that:

- the Net Financial Position, together with other indicators such as Net Financial Position/Equity, allows for a better assessment of the overall level of debt, equity solidity and debt repayment capacity of the Group;
- the Gross Operating Margin (EBITDA), the EBITDA margin, and the Operating profit (loss) (EBIT) (including net of non-recurring income and expenses), together with other indicators of relative profitability, illustrate changes in operating performance and provide useful information on the Group's ability to sustain its debt; these indicators are also commonly used by analysts and investors in the sector to which the Group belongs, in order to evaluate company performance.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business and the industries in which the Issuer and the Group operate together with all other information contained in these Listing Particulars, including, in particular, the risk factors described below, and including any document incorporated by reference herein.

In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in these Listing Particulars a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer, based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should read the entire Listing Particulars and also read the detailed information set out elsewhere in these Listing Particulars (including, without limitation, any documents incorporated by reference herein) and reach their own views prior to making any investment decision, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in these Listing Particulars have the same meaning in this section. References to a "Condition" is to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the entire Listing Particulars including any document incorporated by reference thereto.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Strategic and Market Risks

Impact of general economic conditions

The Group's financial position, results of operations and cash flows are influenced by the overall performance of the economy in Italy, Europe and globally. There is a close correlation between the trend of the main economic indicators and the trend of advertising investments and purchase of editorial products, which, in a scenario of economic crisis, political instability and/or financial weakness, typically undergo a contraction.

The economic and financial crisis that hit Western markets following the COVID-19 outbreak has strongly affected the publishing market because of its negative impact on consumption and investments in communication by companies. The Italian National Institute of Statistics ("**Istat**") estimates that, in the fourth quarter of 2020, the gross domestic product ("**GDP**") decreased by 2% compared to the previous quarter, and by 6.6% in trend terms. In 2020, calendar-adjusted GDP decreased by 8.9% according to Istat.

In Italy, the first easing of COVID-19 restrictions began in April 2021. This is likely to lead to a slightly positive GDP in the second quarter of 2021, following a slight contraction in the first quarter of 2021 equal to -0.4% (source: Centro Studi Confindustria - Economic Situation Flash 30 April 2021).

A continuation of this unfavourable macroeconomic scenario could lead to a further contraction in turnover for the Issuer and the other Group companies, with potentially significant negative effects on their financial position and results of operations. In that case, the Group's activities, strategies and prospects could also be negatively affected, especially with regard to advertising sales, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Contraction of revenues from database sales

The Issuer sells databases to professionals (accountants, lawyers, labour consultants, technical professions), companies and public administrations that can be used on PCs, tablets or smartphones. The databases consist of digital platforms that allow the search and consultation of regulatory and doctrinal content, articles and operational tools such as forms, calculation and simulation tools and e-learning courses, and include numerous features (such as alerts, notifications, personalised information, creation of dossiers and newsletters). The databases are sold primarily on an annual or multi-year subscription basis by the Group's sale agents.

The effect of the COVID-19 pandemic and related governmental measures (including lockdown measures) in the first half of 2020 resulted in a halt in activities by B2B market targeting companies, entities and institutions and the organisation of small and large professional activities, and thus prevented the traditional promotion of the Group's products, although sales networks quickly adapted to remote working. On the professional side, there was a decrease in the ability of those professional groups most affected by the crisis caused by the pandemic to spend on training and refresher courses.

In 2020, growth was recorded in the management software segment (mainly tax, but also legal and compliance) and marginally in residual products, due to various opportunities offered by cloud services, digital signature, the telematic process and the integration of software and databases or platforms. However, such growth was more contained when compared to 2019 (+4.2% in 2020 compared to +11.6% in 2019). The effects of the COVID-19 pandemic are expected to continue to affect the sectors in which the professionals that represent the Group's main target market (especially accountants and lawyers) operate. If the downturn in the reference market continues, this could lead to a contraction in the Group's revenues, including from database sales, with negative effects on the Group's financial position and results of operations and an adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Impact of the general condition of the reference market on advertising revenues

The Group generates a significant part of its revenue through advertising sales on its own media (the daily newspaper, magazines, radio, websites and applications) and on the media of third-party publishers, equal to about 41% of its revenue in 2020 and about 37% in the first quarter of 2021. "System" is the business division that handles advertising sales for the Group's main media and some third-party media.

The advertising market is characterised by a close relationship with the performance of the economy and the macroeconomic context in general. In 2020 and in the first quarter of 2021, the spread of COVID-19 had serious repercussions on the macroeconomic scenario and led to a significant slowdown (if not a halt) in communication by companies, which had to review and adapt their strategies to the new needs and expectations of consumers. This strongly affected the performance of the advertising market, which closed 2020 with a double-digit decline (-17.5%, net of local newspaper advertising) (source: Nielsen - January/December 2020). Continuing from 2020, the first quarter of 2021 closed with a decrease of 10.1% (net local advertising of newspapers): newspapers recorded a decrease of 5.5% (net local), magazines a decrease of 32.2%, radio a decrease of 17.0% and Internet an increase of 6.4% (source: Nielsen - January/March 2021).

The continuation of the adverse macroeconomic scenario and the negative performance of the advertising market could result in a contraction of advertising sales in the medium-to-long-term, with consequent negative effects on the Group's financial position and results of operations and an adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Implementation of the 2021-2024 Plan

On 25 February 2021, the Issuer's Board of Directors (the "**Board**") approved the 2021-2024 Plan. The 2021-2024 Plan confirms the strategic direction and medium-to-long-term objectives of the 2020-2023 Plan, which the Board previously approved on 30 June 2020 to reflect the impacts of the health emergency related to the spread of the COVID-19 virus ("**COVID-19**") and the related extraordinary measures adopted by the competent authorities.

The actions of the 2021-2024 Plan are centred on a "digital first" strategy to enable the continuous enrichment of the system of multi-format and multi-platform products of Il Sole 24 ORE, the efficiency of processes, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories. The 2021-2024 Plan confirms the expected progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs. The 2021-2024 Plan sets the strategic objective of reducing the costs of the Group's operating structure through a profound industrial and editorial process of reorganisation, the streamlining of support and staff structures and the strengthening of distinctive skills.

The forecasts of the 2021-2024 Plan show a worsening of the Group's net financial position for the years 2021 and 2022, mainly due to the acceleration of investments and the dynamics of disbursements related to personnel restructuring expenses, which is expected to gradually improve in 2023 and 2024.

The realisation of the objectives and the achievement of the results envisaged by the 2021-2024 Plan depend not only on the actual realisation of the volume of revenues indicated, but also on the effectiveness of the actions identified and their timely implementation. If the Group's results were to differ significantly from the forecasts of the 2021-2024 Plan, this could delay the satisfaction of the objectives of the 2021-2024 Plan and there could be adverse effects on the Group's financial position and prospects, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Impact of current trends and competitiveness in the Italian publishing sector

The publishing sector in Italy is characterised by a trend of progressive decline in sales through traditional channels (news-stands, book stores, subscriptions, etc.). Such trend is amplified by the gradual spread of digital media, which are both a threat to the paper media, as they replace traditional reading, and an opportunity, as they constitute an additional channel of circulation of traditional products in a new digital form. However, there is no clear evidence, even in more developed markets, of the final impact of this trend on the traditional publishing sector.

The above scenario was further negatively affected by the health emergency related to the spread of COVID-19, which continues to cause general uncertainty in the sector.

The Group will therefore have to increasingly leverage on its specificities in the Italian publishing (and advertising) market. If direct and indirect competition intensifies in the sectors in which the Group operates, this could have a negative impact on its competitive positioning, as well as the Group's financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Contraction of circulation revenues

The Group generates a considerable part of its revenue from the sale of publishing products, conducted through its business division "Publishing & Digital" and which includes the daily newspaper Il Sole, digital products linked to the newspaper, "vertical" newspapers, products attached to the newspaper, magazines, add-ons, the website and the news agency *Radiocor Plus*. Revenue from the sale of Il Sole (both printed and digital versions) was equal to about 26% and about 25% of the Group's revenue in 2020 and in the first quarter of 2021, respectively.

The market in which the Group operates has been influenced in recent years by an ongoing crisis affecting the circulation of newspapers and other publishing initiatives. ADS (*Accertamenti Diffusione Stampa*) data

for major national newspapers indicate a 7.8% decline in circulation of print and digital copies in 2020 compared to 2019, mainly due to the decline in circulation of printed newspapers (-13.4%), which was only partially offset by an increase in digital circulation (+13.2%) (source: ADS data processing January - December 2020) and, for the first quarter of 2021, a 4.1% decrease in total circulation of print copies and digital copies compared to the same period in 2020, largely attributable to the 11.3% decrease in circulation of the print version, which was only partly offset by a 19.8% increase in digital circulation (source: ADS data processing January - March 2021).

Revenues from the circulation of the Issuer's publications have been declining in recent years. This deterioration is associated with a radical change in consumption habits due to the rapid emergence of digital media, which, at present, is not yet sufficient to offset the negative trend relating to traditional media. This is also partially due to the fact that digital media is dominated by few international operators, which are defined as "OTT" (Over the Top).

The possible continuation of the crisis in the circulation of newspapers and the persistence of the economic and social crisis resulting from the spread of COVID-19 and the extraordinary measures adopted by the authorities could lead to a contraction in revenues from the circulation of editorial products with consequent negative effects on the Group's financial position and results of operations and an adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Contraction of advertising revenues due to lower circulation figures

In the publishing market, the reduction in advertising revenues can be associated not only with the negative trend of the reference market but also with the simultaneous contraction of circulation figures. The trend in circulation figures is expected to continue declining in the coming years. If the Issuer were not be able to achieve circulation results in contrast with the market trend, there could be a further decline in the circulation of the Group's publications. This circumstance could be taken into account by advertisers in the context of their investment choices, which could in turn affect the Group's financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Improper use of reproduction rights of newspapers and magazines by press review companies

As of 1 January 2019, the Issuer ceased to adhere to the collective agreement with Promopress S.r.l., an Italian company that manages the reproduction rights of daily newspapers and magazines of Italian publishers belonging to the Promopress repertory, aimed at regulating the licensing of reproduction rights by press review companies. Such decision was taken because of the economic irrelevance and inadequacy of the Promopress agreement in protecting the copyright and investments of the Issuer, particularly as two major Italian press review companies – L'Eco della Stampa S.p.A. and Data Stampa S.r.l. – had not adhered to such collective agreement. In this context of uncertainty and in the absence of any other contractual regulations, the major two Italian press review companies continued to reproduce newspaper content on the basis of past practice without considering whether they were obliged to pay adequate royalties to publishers. In relation to the Issuer, this risk is exacerbated by the fact that its offer model relies significantly on digital subscriptions by companies and public bodies, which might decide not to subscribe to the newspaper and only rely on press review services. If this phase of uncertainty continues, the Issuer may find it more difficult to achieve its subscription growth targets and to enforce its rights against press review companies, which could have a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Legal and Regulatory Risks

Pending litigation

The Group is party to civil, criminal, administrative, tax and labour law proceedings. See "*Description of the Issuer and the Group – Legal, Administrative and Other Proceedings*" for a description of the

proceedings that the Issuer's management believes are most relevant in view of their value or potential effects on the business operations, which include:

- Proceedings relating to the use of reproduction rights of newspapers and magazines by press review companies without remuneration of the Issuer;
- Proceedings before the Milan Public Prosecutor's Office relating to the alleged criminal offences of false corporate communications and market manipulation by former directors and executives of the Issuer and related alleged administrative offences by the Issuer; and
- Inspections by CONSOB (*Commissione Nazionale per le Società e la Borsa*, "CONSOB") relating to (i) the alleged market manipulation offense and related allegations of unfair commercial and reporting practices by the Issuer, and (ii) certain critical issues concerning the Issuer's consolidated financial statements as of and for the year ended on 31 December 2015, 2016 and 2017.

As of 31 March 2021, the number of lawsuits related to claims against the Group was 68 and the provision for litigation risks in the financial statements amounted to €7,097 thousand. This provision includes accruals for risks relating primarily to defamation suits initiated against the newspaper and the radio station, labour litigation, expected legal fees and possible contingent liabilities, including tax liabilities. Additionally, for litigation initiated before 2010, the Issuer has insurance policies in place to cover financial losses caused involuntarily and directly to third parties as a result of unintentional breaches of obligations pursuant to publishing law, including libel suits, covering up to a maximum of €516 thousand per claim.

To the extent the Group is not successful in some or all of these pending proceeding, or in future legal challenges, the Group's financial position or results of operations may be materially adversely affected, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Use of social shock absorbers

In the second quarter of 2017, the Issuer engaged a leading consulting firm to perform an assessment with respect to the management and application of social shock absorbers. The findings of such assignment showed that, in the period from May 2013 to April 2016, during the period of application of a defensive solidarity contract (*contratto di solidarietà difensiva*), additional work for 12 hours per month per person was provided at the maintenance area of the Milan plant pursuant to a union agreement. Compensation was provided for these additional working hours, which was not offset against the wage integration allowance recognised by INPS (*Istituto Nazionale della Previdenza Sociale*, "INPS").

This constitutes an irregularity that exposed the Issuer to the obligation of repaying the INPS of an amount corresponding to the wage integration allowance recognised by INPS but was not due in relation to the working hours that were in fact not reduced as provided under the solidarity contract. Additionally, this exposed the Issuer to any administrative sanctions and interest on arrears that could be determined by INPS within the limits imposed by applicable law. On 21 October 2019, the Issuer paid the INPS the required amounts to regularise its position.

While the assessment carried out did not reveal any further critical issues, the Issuer cannot exclude the possibility that similar irregularities may have occurred in other areas of the Group. While the Issuer maintains a provision for such contingent liabilities (€1,252 thousand as of 31 March 2021), any such irregularities may necessitate the repayment to INPS of amounts that exceed the contingency provisions and may have an adverse effect on the Issuer's financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Protection of intellectual property

The protection of intellectual property, including copyright and industrial property rights, is fundamental to the traditional business model of a publishing company. In addition to copyright on editorial content, the Group owns numerous Internet domains and national, international and EU trademarks used to identify products and services in the product categories of interest to the Group.

The Issuer protects its intellectual property rights through trademark registration applications relating to its printed and online publications, as well as the titles of radio programs broadcast by *Radio 24* and software products. However, even if trademark registrations are obtained, the related rights could (i) not prevent competitors from developing products identified by similar signs, and (ii) be ineffective in preventing acts of unfair competition by third parties, particularly in light of the limited distinctiveness resulting from the use of the numeral "24". Moreover, obtaining regular registrations does not prevent the rights granted therein from being challenged by third parties.

The Issuer cannot exclude the unlawful use of its intellectual property rights by third parties, which could adversely affect the Group's reputation, financial position, results of operations and prospects, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Adoption of EU Regulation 2016/679 on network access and personal data protection (GDPR)

On 25 May 2018, the new General Data Protection Regulation (EU Regulation 2016/679, "**GDPR**") came into force. The GDPR applies to the wholly or partly automated processing of personal data and to the non-automated processing of personal data held in, or intended to be held in, a filing system. The GDPR applies to data of EU residents and to companies, entities and organisations with registered offices outside the EU that process personal data of EU residents.

Pursuant to the GDPR, companies have been obliged to adopt a system of data processing in line with the principle of "privacy by design" and "privacy by default". In other words, data controllers have had to implement appropriate technical and organisational measures to ensure that only personal data necessary for each specific processing purpose is processed by default. This obligation applies to the quantity and quality of any collected personal data, the period of storage and its accessibility.

A breach of the provisions set out in the GDPR could expose the Issuer to administrative sanctions, which could be up to 4% of the Issuer's revenue and up to a maximum of €20 million, as well as any other sanction that EU member states may adopt pursuant to article 84 of GDPR. Moreover, any non-compliance with the provisions of the GDPR could damage the image and reputation of the Group, which in turn could affect the Group's financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Regulatory framework

The Group is subject to regulations regarding publishing, printing and broadcasting on both a national and EU level. See "*Description of the Issuer and the Group – Regulatory Framework*". Amendments to the current regulatory framework could impose additional burdens on the Group companies or cause slowdowns and suspensions to the Group's business, with possible negative repercussions on the Group's business, financial position and results of operations and a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Moreover, the Group companies are subject to controls, including periodic investigations, by an independent authority, AGCOM (*Autorità per le Garanzie nelle Comunicazioni*). A negative outcome of such controls or investigations could have negative repercussions on the Group's business, financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Measures introduced as a response to the COVID-19 pandemic

In response to the COVID-19 pandemic, the Italian government adopted emergency legislation, including Law Decree no. 76 of 16 July 2020 (converted into Law no. 120/2020). Articles 1 and 2 of Law Decree no. 76 of 16 July 2020 modify, until 31 December 2021, public tendering rules by allowing, *inter alia*, to derogate from the obligations to publish notices in daily newspapers. The decision to temporarily eliminate the requirement to publish information on public tendering procedures in newspapers is a further detriment to publishing companies. This measure, along with other measures introduced at the regional and national

level as a response to the COVID-19 pandemic, might have an adverse impact on the Group's business and on its financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Financial Risks

Credit lines and loans

The Issuer has a €50 million securitisation program in place, set up by Banca IMI S.p.A. as arranger using the securitisation vehicle company Monterosa SPV S.r.l. ("**Monterosa SPV**").

The program provides for the ongoing monthly transfer of portfolios of the Issuer's trade receivables to Monterosa SPV, either on a definitive non-recourse basis (*i.e.*, without a guarantee of the assigned debtors' solvency) or on a recourse basis (*i.e.*, with a guarantee of the assigned debtors' solvency) and matures in December 2026.

The securitisation agreement does not provide for financial covenants but provides for causes of impediment to the acquisition of the Issuer's portfolios of receivables, which, if not remedied, could result in the termination of the agreement. The securitisation agreement also provides for the possibility for both parties to terminate the agreement at the end of each calendar quarter.

Any termination of the securitisation program would impact the Group's financial operations if the Issuer were unable to fund itself through commercial net working capital leverage, or unable to raise additional capital and credit resources.

On 20 July 2020, the Group also entered into a new medium-to-long-term loan agreement with a syndicate of lending banks, including Intesa Sanpaolo (also acting as agent bank and SACE Guarantee agent bank), Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, backed by a SACE S.p.A. guarantee (the "**SACE Guarantee**") pursuant to Law Decree no. 23 of 8 April 2020 ("**Liquidity Decree**"). This loan agreement included certain financial and other covenants which, if breached by the Group and not remedied within the applicable grace period, would give the lending bank syndicate the right to accelerate the loan, declaring all outstanding amounts to be immediately due and payable and cancelling the loan. Any such action could have an impact on the Group's financial operations and position, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

For a description of the securitisation program and the medium-to-long-term loan agreement, see "*Description of the Issuer and the Group – Financing Arrangements*".

Tax Risks

Ability to recover deferred tax assets

The Group recorded deferred tax assets of €22.6 million as of 31 December 2020 and of €22.3 million as of 31 March 2021, including €19.2 million related to tax losses carried forward. The recovery of these assets is subject to the availability over the next few years of a flow of taxable income sufficient to generate a theoretical tax expense sufficient to absorb past losses. Article 84 of Presidential Decree No. 917 of 22 December 1986 allows the recovery of tax losses without a time limit and a ceiling for their use in each year equal to 80% of taxable income. No indication as to the length of the recovery period can be found in the relevant accounting standard.

As in previous years, the valuation of deferred tax assets on tax losses carried forward was made using recovery forecasts consistent with the business plan, extending such forecasts to the subsequent period and reducing them by 30% for the period 2025-2027, 55% for the period 2028-2030 and 100% beyond 2030. If there are negative differences between the forecasts contained in the plan and the actual figures available, the relevant accounting item will have to be written-down. Any such write-down could have an impact on

the Group's financial results, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Assignment of the IRES credit

On 28 September 2018, the Issuer assigned without recourse to Banca IFIS the IRES (corporate income tax) credit for failure to deduct IRAP (regional income tax) relating to employee and assimilated personnel expenses, amounting to Euro 2,401 thousand plus related accrued and accruing interests, for the 2007 and 2008 tax periods.

In the event that future tax liabilities emerge due to pending disputes or any other future disputes, the Italian Revenue Agency (*Agenzia delle Entrate*) may suspend payment of the refund pending the final outcome of the litigation or request a suitable surety guarantee and Banca IFIS would request to be held harmless and indemnified in that case, which could have an adverse impact on the Group's financial results, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

If the Italian Revenue Agency requested a surety to guarantee disputes, including those not relating to the assigned credit, and the Issuer was unable to obtain such a guarantee, a breach of contract would occur. This could have a negative impact on the Group's reputation, financial condition and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Contractual relationship with Di Source Ltd

CONSOB has alleged that, between 2012 and 2016, the Issuer implemented unfair commercial and reporting practices such as fictitious transactions aimed at artificially increasing Il Sole's circulation figures and providing an altered representation of Il Sole's circulation. See "*Description of the Issuer and the Group – Legal, Administrative and Other Proceedings – Inspections by CONSOB*". As a consequence, there is a tax risk with reference to commercial relationships with Di Source Ltd, and in part with Edifreepress S.r.l., Johnsons Holding S.r.l., Johnsons Inflight News Italia S.r.l., and P Publishing S.r.l. Specifically, invoices received by these companies could be considered irregular, with consequent recovery of taxes and related sanctions.

A specific provision for risks was recorded, and partly used for voluntary disbursements and adjustments, in the consolidated financial statements for the year ended 31 December 2016, whose residual amount is equal to €1,123 thousand. Any recovery of taxes or related sanctions which exceed the recorded risk provisions could have an adverse impact on the Group's financial results, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Operational Risks

Valuation of goodwill, intangible assets and tangible assets (impairment test)

The Group is characterised by a high incidence of goodwill, other intangible assets and tangible assets compared to total assets and equity and is exposed to the risk of impairment of these assets.

As of March 2021, goodwill recognised in the consolidated financial statements amounted to €22,019 thousand, intangible assets amounted to €39,926 thousand and tangible assets, including rights of use recognised in accordance with IFRS 16, amounted to €59,701 thousand, representing, respectively, 8.1%, 14.7% and 21.9% of total consolidated assets. In total, as of 31 March 2021, goodwill, intangible assets and tangible assets totalled €121,646 thousand, or 44.7% of total consolidated assets, compared to consolidated equity of €29,764 thousand.

On 25 February 2021, the Board approved the 2021-2024 Plan, which confirms the strategic direction and medium- to-long-term objectives of the 2020-2023 Plan that the Board had previously approved on 30 June 2020 and which was used as the basis for the impairment test. The results of the impairment test were

determined on the basis of the procedure adopted by the Group, which was approved by the Board on 25 February 2021. The assumptions made to determine the value in use of the individual cash generating units are, by their own nature, uncertain. As such, there could be adjustments in the book values depending on the actual realisation of the assumptions underlying the estimates made by the directors in the future. In consideration of the results of the first quarter of 2021, the Issuer determined that that no trigger event had occurred in the period of reference and, therefore, did not carry out a new impairment test.

Any future write-down of goodwill, intangible assets and tangible assets subject to the impairment test could result in a reduction in the assets and equity of the Issuer and the Group under IFRS, which could have a material adverse effect on the Issuer's business and the Group's financial position and results of operations, as well as on the Issuer's ability to continue as a going concern, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Possible escalation of conflict with employees

The Issuer is working on reducing the overall labour costs through a structural reduction in the workforce (across all categories of journalists, managers, printers, graphic designers and radio operators), which is expected to benefit the Group's cost structure.

To contain the economic effects of the COVID-19 emergency, the Issuer resorted to the work support measures made available by the Italian government. In particular, the Issuer resorted to ordinary wage subsidies for the maximum period permitted by law with regards to the graphics and polygraph areas, and to the wage guarantee fund (*cassa integrazione in deroga*) with regards to the journalism areas with different starting dates for each newspaper and expiring on 30 June 2021. In light of this, an escalation of conflicts with the Group's employees may occur. Since the Group's activities mainly include publishing, journalism and printing activities, work stoppages, strikes or other forms of conflict by certain categories of employees (in particular journalists and polygraphers) could lead to interruptions and, if prolonged, disruptions in operations that could affect the Group's financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Interruption of printing activity at plants

Until 15 March 2021, the printing of the Group's editorial products and the daily newspaper was carried out in part at the Group's two production sites located in Milan and Carsoli (L'Aquila), and in part under contract at third-party sites located in Sassari and Rende (Cosenza). With the 16 March 2021 edition of *Il Sole*, the Group implemented the restyling of *Il Sole* and its attachments with the consequent termination of production at its own plants and the outsourcing of all printing activities to third-party suppliers at plants located in Erbusco (Brescia), Rome, Rende (Cosenza) and Sassari.

With all of its printing activities contracted out to third parties, the Group is exposed, in particular with regard to *Il Sole*, to the possibility that the contracting companies may not abide by the terms agreed upon. It is also exposed to the operational risks of third-party plants.

Any interruptions or delays in the delivery of products, which could arise also as a result of the continued spread of COVID-19, could have an adverse effect on the Group's ability to meet its customers' demands, with a resultant adverse effect on its financial position and results of operations, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Dependence on a single supplier for the distribution of publishing products in Italy and abroad

On 29 June 2006, the Issuer entered into agreements with M-Dis Distribuzione Media S.p.A. ("**M-DIS**"), for the exclusive distribution and marketing in Italy and abroad (France, Slovenia and Switzerland) of newspapers, add-ons and magazines published by the Group. M-DIS is a joint venture between RCS (which

holds a 45% equity interest), Istituto Geografico DeAgostini S.p.A. (which holds a 45% equity interest) and Hearst Magazines Italia S.p.A. (which holds a 10% equity interest).

During the first few months of 2020, the Issuer entered into a new addenda regarding both the newspaper and add-on products and magazines, with the aim of containing distribution costs as much as possible while extending the term of the agreements by two years. As a result, following the latest contractual amendments of 28 April 2020, the agreement for the physical distribution and marketing in the newsagent channel of the daily newspaper, (and any future periodicals that the Issuer may decide to sell in conjunction with said newspaper) in Italy will expire on 31 December 2022; on the same date the agreement regarding the distribution and marketing of periodicals in Italy and the agreement regarding the distribution and marketing of add-on products in Italy will also expire. Moreover, the agreement for the physical distribution and marketing of Il Sole at newsstands abroad was also recently renewed to align its term to the other three existing agreements.

Since M-DIS is the exclusive distributor of the Group's entire distribution service, any suspension and/or interruption of the relationship between the parties could entail the need to identify new operators that can satisfy the Group's needs in a similar manner, both domestically and abroad. During such possible transition period, the Group may incur higher costs. Additionally, the gradual concentration of distributors of publishing products could generate territorial monopolies or oligopolies, resulting in a significant increase in the distribution costs borne by the Group, with consequent negative impacts on the Group's business and on its financial position and results of operations and an adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Availability of the raw material "coloured paper" in the supply market

The European paper market is characterised by an increasingly small number of reliable and stable suppliers. The last two years have seen the closure of a number of paper mills and the concentration of production in a smaller number of production sites, due to the decrease in overall volumes and the reduction in profit margins for paper suppliers. Recently, as a result of COVID-19, one of the largest paper manufacturers has declared disinterest in continuing the coloured paper business, declaring the closure of a paper mill. This created widespread uncertainties in the market, which could also undermine free competition. Faced with such an uncertain and critical period for paper procurement, the Group has signed a series of framework agreements for the year 2021 with the main players in the supply of coloured paper in Europe. Failure to renew such agreements for the following years could have material adverse effects on the financial position and results of operations of the Issuer and the Group, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

Internal control and risk management system

Between November 2016 and January 2017, a need to review the most significant operational processes adopted by the Issuer to identify any critical issues emerged as a result of a series of circumstances, including inspections by the supervisory authorities, news that investigations by judicial authorities were pending (at the time against unknown persons). Following a resolution of the Board on 16 March 2017, the Issuer engaged a leading consulting firm to: (i) identify any shortcomings and/or significant areas for improvement in the design of the internal control and risk management system ("**SCIGR**") and of the control processes with respect to existing guidelines and procedures, to align them to best practices and to the requirements of current legislation; and (ii) assess the operation and effectiveness of the controls in place. In particular, the audit focused on the following areas: (i) purchasing, (ii) commercial, (iii) reimbursements, (iv) circulation and distribution of the newspaper, (v) environment, (vi) health and safety. The audit was followed by other assessments carried out by the internal audit department of the Issuer and other third party auditors. The recommendations of the aforementioned audit and assessments, aimed at strengthening the internal control and risk management system, are monitored by the internal audit department which, in coordination with the corporate general division, verifies their actual implementation.

In July 2020, the Issuer adopted an updated version of the organisational, management and control model pursuant to Legislative Decree 231/2001 and, during 2020, the Issuer continued to monitor the administrative and accounting processes pursuant to Law no. 262/2005 and assess the main risks to which the Issuer is

exposed and updating the internal regulatory system with the issuance of new policies, guidelines and operating procedures and the resulting training/information for the Issuer's employees. In February 2021, the Board of Directors approved the latest version of the organisation, management and control model pursuant to Legislative Decree 231/2001.

If the SCIGR were to become inadequate for the Issuer due to its nature and size, inefficiencies or dysfunctions could arise, which could have material adverse effects on the financial position and results of operations of the Issuer and the Group, with a consequent adverse effect on the Issuer's ability to pay interest on the Notes or repay the Notes in full at their maturity.

RISK RELATING TO THE NOTES

The Notes are unsecured

The Notes will be (subject to Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Issuer. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness. The Notes are unsecured and, although they restrict the giving of any Security Interest (other than Permitted Encumbrances) by the Issuer and its Material Subsidiaries over Relevant Indebtedness and guarantees in respect of such Relevant Indebtedness, certain exceptions apply, as more fully described in Condition 3.1 (*Negative Pledge*). Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such secured indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

The Notes are not rated

Neither the Notes nor the long term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes and/or the Issuer, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes to be listed on the official list and admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Notes are fixed rate securities and are vulnerable to fluctuations in market interest rates

The Notes will carry fixed interest. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes may be redeemed prior to maturity for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or

governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions as described under "*Terms and Conditions of the Notes – Redemption for tax reasons*". If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential Noteholders should consider reinvestment risk in light of other investments available at that time.

The Notes are subject to optional redemption by the Issuer

The Notes contain an optional redemption feature, as set out in Condition 7(d) (*Redemption and Purchase - Redemption at the option of the Issuer (Make-Whole Call)*) which is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Notes may also be redeemed at the option of the Issuer pursuant to the 3 Month Par Call, as described in Condition 7(e) (*Redemption and Purchase - Redemption at the option of the Issuer (3 Month Par Call)*). If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield.

In addition, the Issuer may redeem or purchase the Notes at its option if 80 per cent. or more in principal amount of the outstanding Notes then outstanding have been redeemed or purchased, as described in Condition 7(f) (*Redemption and Purchase - Redemption at the option of the Issuer (Clean-up Call)*).

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Change of Control

Upon the occurrence of certain events relating to the Issuer, as set out in Condition 7(c) (*Redemption and Purchase - Redemption at the option of Noteholders upon a Change of Control*), under certain circumstances the Noteholders will have the right to require the Issuer to redeem all outstanding Notes at 100 per cent. of their principal amount. It is possible, however, that the Issuer will not have sufficient funds to redeem the Notes at the time that a Change of Control in respect of the Issuer occurs. If sufficient funds are not available to the Issuer for the purposes of carrying out the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise their right to redeem. Furthermore, if such a right to redeem is exercised by the Noteholders, this might adversely affect the Issuer's financial position.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive Definitive Notes and, as a result, the Notes will be represented by Global Notes (see "*Summary of provisions relating to the Notes in Global Form*"). These will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, which will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Limitations on Indebtedness and Restricted Payments

The Conditions restrict the Issuer's ability to make a Restricted Payment pursuant to Condition 3.2 (*Restrictions on payments*) and the Issuer's ability to incur any financial indebtedness pursuant to Condition 5.1 (*Limitation on Indebtedness*). However, each of these restrictions is subject to a number of exceptions which may allow the Issuer to make a Permitted Payment or to incur additional indebtedness.

For further information, see "*Terms and Conditions of the Notes*" – Condition 3.2 (*Restrictions on payments*) and – Condition 5.1 (*Limitation on Indebtedness*) below.

Minimum Denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including, *inter alia*, withholding or deduction of Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996, a brief description of which is set out below.

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws of any country or territory. See also "*Taxation*".

Italian substitute tax

Italian substitute tax (*imposta sostitutiva*) is applied at a rate of 26 per cent. to payments of interest, premium and other income (including the difference between the redemption amount and the issue price) to (i) certain Italian resident Noteholders and (ii) non Italian resident Noteholders who have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that he or she is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities.

Change of law or administrative practice

The Conditions are based on English law in effect as at the date of these Listing Particulars, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of these Listing Particulars, and any such change could materially adversely impact the value of the Notes.

Modification

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Any such modifications to the Notes, which may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes, and changing the amendment provisions, may adversely impact Noteholders' rights and may adversely impact the market value of the Notes.

Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances

As mentioned in "*Change of law or administrative practice*" above, the provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders' meetings where the issuer is an Italian listed company. As at the date of these Listing Particulars, the Issuer's Existing Preference Shares (as defined below) are admitted to trading on the *Mercato Telematico Azionario* of Borsa Italiana S.p.A. but, if its shares are delisted while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders' meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings - set out in the Agency Agreement and summarised in the Conditions - will correctly reflect mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks (but is not intended to be an exhaustive description).

The secondary market generally

The Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid and, consequently, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The market value of the Notes may also be significantly affected by factors such as variations in the Group's annual and interim results of operations, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Group.

Delisting of the Notes

Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market. After such listing and admission to trading on the Euro MTF Market of the Luxembourg Stock Exchange has successfully taken place, the Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing. Although no assurance is made by the Issuer as to the liquidity of the Notes as a result of such listing, any delisting of the Notes may have a material effect on a Noteholder's ability to re-sell its Notes on the secondary market.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, these Listing Particulars:

- (1) the English translation of the Issuer's audited consolidated annual financial statements as at and for the year ended 31 December 2019, together with the accompanying notes and the English translation of the independent auditor's report therein (the "**2019 Audited Consolidated Financial Statements**");
- (2) the English translation of the Issuer's audited consolidated annual financial statements as at and for the year ended 31 December 2020, together with the accompanying notes and the English translation of the independent auditor's report therein (the "**2020 Audited Consolidated Financial Statements**" and, together with the 2019 Annual Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and
- (3) the English translation of the Issuer's unaudited condensed interim consolidated financial statements as at and for the three months ended 31 March 2021, together with the accompanying notes and the English translation of the independent auditor's review report therein (the "**2021 Interim Consolidated Financial Statements**").

The Issuer will provide, without charge to each person to whom a copy of these Listing Particulars has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein. Requests for such documents should be directed to the Issuer at its offices set out at the end of these Listing Particulars. In addition such documents will be available, without charge, at the offices of the Fiscal Agent at One Canada Square, London E14 5AL, United Kingdom, on the website of the Issuer (www.gruppo24ore.ilsole24ore.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Cross reference list

The following table shows where the information incorporated by reference in these Listing Particulars can be found in the above mentioned documents.

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Any information not listed in the cross-reference list above but included in the documents incorporated by reference in these Listing Particulars are either deemed not relevant for an investor or are otherwise covered elsewhere in these Listing Particulars. Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference herein of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained in a document or part of a document that is incorporated by reference herein shall be deemed modified or superseded to the extent a statement contained herein modifies or supersedes any such statement.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to Notes in definitive form to the extent described in the next section of these Listing Particulars entitled "Summary of Provisions relating to the Notes in Global Form".

The €45,000,000 in aggregate principal amount of 4.950 per cent. Notes due July 2028 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Il Sole 24 ORE S.p.A. (the "**Issuer**") are the subject of a fiscal agency agreement dated 29 July 2021 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the other initial paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders (including by way of electronic means) during normal business hours upon request at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The Notes are serially numbered and are in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons attached at the time of issue. No Definitive Notes will be issued with a denomination above €199,000. Title to the Notes and Coupons passes by delivery. The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, general, unconditional and, subject to the provisions of Condition 3.1 (*Negative Pledge*), unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law (including, without limitation, the law applicable to creditor's rights in the event of insolvency and liquidation).

3. **Restrictions**

3.1 **Negative Pledge**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer will not, and the Issuer will procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than Permitted Encumbrances) upon the whole or any part of their respective present or future undertakings, assets or revenues to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security, guarantee, indemnity or other arrangement for the Notes as shall be approved by an Extraordinary Resolution of Noteholders.

3.2 **Restrictions on payments**

So long as any Note remains outstanding, the Issuer will not make a Restricted Payment.

4. **Definitions**

In these Conditions the following expressions have the following meanings:

"**Annual Consolidated Financial Statements**" has the meaning given in Condition 5 (*Covenants*);

a "**Business Day**" shall be a TARGET Settlement Day;

"**By-laws Dividend Payment**" means the payment of a dividend in any fiscal year of the Issuer to the holders of the Existing Preference Shares in an amount not to exceed the lower of (a) the net income of the Issuer for the immediately preceding fiscal year as determined in accordance with the Issuer's statutory unconsolidated financial statements and (b) an amount per Existing Preference Share equal to 5 per cent. of the higher of (i) Euro 2.60, or (ii) the then implied accounting par value of the Existing Preference Shares (which amount under this clause (b) is equal to Euro 7,324,953.61 as of the Issue Date).

"**Calculation Amount**" has the meaning given in Condition 6 (*Interest*);

"**Change of Control**" has the meaning given in Condition 7 (*Redemption and Purchase*);

"**Change of Control Notice**" has the meaning given in Condition 7 (*Redemption and Purchase*);

"**Consolidated Assets**" means, with respect to any date, the consolidated total assets of the Group, as reported in the most recently published Annual Consolidated Financial Statements;

"**Consolidated EBITDA**" has the meaning given in Condition 5 (*Covenants*);

"**Consolidated Revenues**" means, with respect to any date, the consolidated total revenues of the Group, as reported in the most recently published Annual Consolidated Financial Statements;

"**Day Count Fraction**" has the meaning given in Condition 6 (*Interest*);

"**Decree 239**" has the meaning given in Condition 9 (*Taxation*);

"**Decree 600**" has the meaning given in Condition 9 (*Taxation*);

"**Dispute**" has the meaning given in Condition 18 (*Governing Law and Jurisdiction*);

"**Equity Securities**" means any and all shares, warrants, options, rights to purchase, participations or other equivalents of or interests in (however designated) the equity of the Issuer, including any preferred shares (but excluding any debt securities convertible or exchangeable into such equity);

"**Event of Default**" has the meaning given in Condition 10 (*Events of Default*);

"**Existing Preference Shares**" means the preference shares of the Issuer outstanding on the Issue Date;

"**Extraordinary Resolution**" has the meaning set out in the Agency Agreement;

"**Financial Statements**" has the meaning given in Condition 5 (*Covenants*);

"**Group**" means the Issuer and its Subsidiaries from time to time;

- "**Indebtedness**" means any financial indebtedness of any Person for money borrowed or raised;
- "**Interest Payment Date**" has the meaning given in Condition 6 (*Interest*);
- "**Issue Date**" has the meaning given in Condition 6 (*Interest*);
- "**Majority Shareholder**" has the meaning given in Condition 7 (*Redemption and Purchase*);
- "**Material Subsidiary**" means any Subsidiary of the Issuer which accounts for more than 10 per cent. of the Consolidated Assets or Consolidated Revenues of the Group;
- "**Maturity Date**" has the meaning given in Condition 7 (*Redemption and Purchase*);
- "**Net Financial Debt-EBITDA Ratio**" has the meaning given in Condition 5 (*Covenants*);
- "**Net Financial Debt**" has the meaning given in Condition 5 (*Covenants*);
- "**Noteholders' Representative**" has the meaning given in Condition 14 (*Meetings of Noteholders; Noteholders' Representative; Modification*);
- "**Optional Redemption Date**" has the meaning given in Condition 7 (*Redemption and Purchase*);
- "**Original Financial Statements**" has the meaning given in Condition 5 (*Covenants*);
- "**Permitted Encumbrances**" means:
- (i) any Security Interest in existence on the Issue Date (as defined below);
 - (ii) any Security Interest over or affecting any asset acquired by any member of the Group after the Issue Date if:
 - (a) the Security Interest was not created in contemplation of the acquisition of that asset by a member of the Group; and
 - (b) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by any member of the Group;
 - (iii) any Security Interest over or affecting any asset of an entity that becomes a Subsidiary of the Issuer after the Issue Date if:
 - (a) the Security Interest was not created in contemplation of that entity becoming a Subsidiary of the Issuer; and
 - (b) the principal amount secured has not been increased in contemplation of or since that entity becoming a Subsidiary of the Issuer;
 - (iv) any Security Interest created in substitution of any security permitted under paragraphs (i) to (iii) above, *provided that* the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest;
 - (v) (A) any lien arising by operation of law or (B) any lien or retention of title arrangement arising by agreement to substantially the same effect and in the ordinary course of trading and not as a result of any default or omission by any member of the Group; and
 - (vi) a Permitted Securitisation;

"Permitted Payment" means any dividends, distributions or similar payments in respect of Equity Securities, provided that, on the date of such payment, after giving *pro forma* effect thereto, the Net Financial Debt – EBITDA Ratio for the Relevant Period relating to the most recently available Financial Statements of the Issuer would not have been greater than 4.0:1;

"Permitted Reorganisation" has the meaning given in Condition 10 (*Events of Default*);

"Permitted Securitisation" means any Security Interest created in connection with, or pursuant to, a securitisation, asset-backed financing or like arrangement where the payment obligations in respect of the Indebtedness secured by the relevant Security Interest are to be discharged solely from the revenues generated by the present or future assets (including receivables) over which such security is created *provided that* the aggregate nominal amount of the collateralised/secured Indebtedness shall not at any time exceed €50,000,000;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Proceedings" has the meaning given in Condition 18 (*Governing Law and Jurisdiction*);

"Put Option" has the meaning given in Condition 7 (*Redemption and Purchase*);

"Put Option Notice" has the meaning given in Condition 7 (*Redemption and Purchase*);

"Put Option Receipt" has the meaning given in Condition 7 (*Redemption and Purchase*);

"Put Period" has the meaning given in Condition 7 (*Redemption and Purchase*);

"Rate of Interest" has the meaning given in Condition 6 (*Interest*);

"Regular Period" has the meaning given in Condition 6 (*Interest*);

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Relevant Period" has the meaning given in Condition 5 (*Covenants*);

"Relevant Date" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Reserved Matter" has the meaning given in Condition 14 (*Meetings of Noteholders; Noteholders' Representative; Modification*);

"Restricted Payment" means the declaration or payment of any dividends or any other distributions of any sort in respect of Equity Securities or similar payment to the direct or indirect holders of its Equity Securities other than a Permitted Payment or a By-laws Dividend Payment;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any applicable jurisdiction;

"Semi-Annual Consolidated Financial Statements" has the meaning given in Condition 5 (*Covenants*);

"**Subsidiary**" means, in respect of any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) in which the majority of the votes capable of being cast in an ordinary shareholders' meeting is held, directly or indirectly, by the first Person as provided by Article 2359, paragraph 1, No. 1 of the Italian Civil Code, or in which the first Person holds, directly or indirectly, a sufficient number of votes to give the first Person a dominant influence (*influenza dominante*) in an ordinary shareholders' meeting of the Second Person as provided by Article 2359, paragraph 1, No. 2 of the Italian Civil Code; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line by line method (*metodo integrale*) with those of the first Person;

"**TARGET2**" means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto; and

"**TARGET System**" means TARGET2.

"**TARGET Settlement Day**" means a day on which the TARGET System is open for the settlement of payments in euro.

5. Covenants

5.1 Limitation on Indebtedness

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not Incur any Indebtedness; *provided, however*, that the Issuer may Incur Indebtedness if, on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof, the Net Financial Debt – EBITDA Ratio for the Relevant Period relating to the most recently available Financial Statements of the Issuer would not have been greater than 4.0:1.

The first paragraph of this covenant will not prohibit the Incurrence of:

- (a) Indebtedness under the Notes;
- (b) Indebtedness existing on the Issue Date;
- (c) Indebtedness subordinated in right of payment to the Notes;
- (d) Indebtedness outstanding under a Permitted Securitisation;
- (e) Indebtedness owed by a member of the Group to another member of the Group;
- (f) Indebtedness incurred to refinance or replace any Indebtedness then outstanding, provided that the principal amount is not thereby increased (other than in respect of accrued interest, fees, prepayment premium and transaction expenses);
- (g) Indebtedness under any lease or hire purchase contract which would have been treated as an operating lease prior to the issuance by the International Accounting Standards Board on 13 January 2016 of IFRS 16 and the issuance by the Financial Accounting Standards Board on 25 February 2016 of an Accounting Standards Update, as the case may be.

5.2 Delivery of Financial Information

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer shall, as soon as the same becomes available (and in any event no later than 180 days after the end of the Relevant Period in respect of the Annual Consolidated Financial Statements and no later than 90 days after the end of the Relevant Period in respect of the Semi-Annual Consolidated Financial Statements), deliver to the Fiscal Agent an electronic copy in English language of its Financial Statements as at the end of the Relevant Period. The Issuer shall ensure that each set of Financial Statements is, subject to Condition 5.3 (*Accounting Policies*): (i) prepared on the same basis as was used in the preparation of its Original Financial Statements and in accordance with IFRS; (ii) certified by an authorised signatory of the Issuer as giving a true and fair view of the financial condition of the Issuer as at the end of the period to which those Financial Statements relate and of the results of the Issuer's operations during such period; and (iii) audited by independent auditors in respect of the Annual Consolidated Financial Statements;. So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer shall make available for inspection by any Noteholder or Couponholder, free of charge at its own registered office and at the Specified Office of each Paying Agent, the Financial Statements for the Relevant Period, together with such description of changes and adjustments and such other information referred to in Condition 5.3 (*Accounting Policies*) as may be necessary.

In this Condition:

"**Consolidated EBITDA**" means with reference to the Issuer's latest Annual Consolidated Financial Statements or Semi-Annual Consolidated Financial Statements, as appropriate:

- (a) the results of operations as shown in the Issuer's consolidated income statement as EBIT; *plus*
- (b) amortisation of fixed assets; *plus*
- (c) depreciation of intangible assets; *plus*
- (d) impairment losses; *plus*
- (e) actuarial losses / income under IAS/IFRS to the extent included in EBIT; *plus*
- (f) costs relating to factoring or securitisation programmes to the extent included in EBIT;

"**Financial Statements**" means:

- (a) the income statement;
- (b) the balance sheet; and
- (c) the cash flow statement,

in each case, forming part of the most recent (i) audited annual consolidated financial statements of the Issuer (the "**Annual Consolidated Financial Statements**") or (ii) semi-annual consolidated financial statements of the Issuer (the "**Semi-Annual Consolidated Financial Statements**") as appropriate in each case, together with any notes to those documents and any accompanying reports, statements, declarations and other documents or information;

"**Incur**" means issue, create, assume, incur or otherwise become liable for, and the terms "**Incurred**" and "**Incurrence**" have meanings correlative to the foregoing; *provided, however, that any* Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"**Net Financial Debt-EBITDA Ratio**" means the ratio of (i) Net Financial Debt as at the end date of the Relevant Period to (ii) Consolidated EBITDA for the Relevant Period;

"**Net Financial Debt**" means the sum of the following items, calculated on a consolidated basis:

- (a) total non-current financial liabilities; *plus*
- (b) total current financial liabilities; *plus*
- (c) the higher of (x) total financial liabilities for leases minus total financial assets for leases and (y) zero; *plus*
- (d) the amount (being the amount financed) under factoring or securitisation programmes over commercial credits on a *pro solvendo* basis (with recourse basis); *less*
- (e) financial credits in respect of interest bearing escrow accounts held (*depositi cauzionali fruttiferi*); *less*
- (f) available cash (*disponibilità finanziarie*) and cash equivalents (where "**cash equivalents**" means cash at banks and all assets that can be liquidated within three months); *less*
- (g) total financial assets for leases; *less*
- (h) other financial assets represented by financial receivables; *less*
- (i) other financial assets represented by Italian government bonds and bonds with an investment grade rating;

in each case, as shown in, or determined by reference to, the Issuer's latest Annual Consolidated Financial Statements or Semi-Annual Consolidated Financial Statements, as appropriate;

"**Original Financial Statements**" means the audited consolidated financial statements of the Issuer for its financial year ended 31 December 2020; and

"**Relevant Period**" means (i) each period of 12 (twelve) months ending on the last day of the Issuer's financial year and (ii) each period of 12 (twelve) months ending on the last day of the first half of the Issuer's financial year, as appropriate and used for the calculation of the covenant provided under Condition 5.1 (*Limitation on Indebtedness*).

5.3 Accounting Policies

The Issuer shall ensure that each set of Financial Statements delivered pursuant to Condition 5.2 (*Delivery of Financial Information*) is prepared using accounting policies, practices and procedures consistent with those applied in the preparation of the Original Financial Statements unless, in relation to any such set of Financial Statements, the Issuer notifies the Fiscal Agent that there have been one or more changes in such accounting policies, practices and procedures and provides the Fiscal Agent for inspection by the Noteholders with: (i) a description of such changes; and (ii) sufficient information to make an accurate comparison between such Financial Statements and the Financial Statements for the previous Relevant Period.

5.4 Notification of Event of Default

The Issuer shall notify the Fiscal Agent of any Event of Default promptly upon becoming aware of its occurrence. In addition, in the context of such notice the Issuer shall describe the nature of the event, the circumstances from which such event arose and any steps taken to remedy it and shall also refer to the right of the Noteholders to declare the Notes immediately due and payable in accordance with Condition 10 (*Events of Default*) below.

6. Interest

The Notes bear interest on their outstanding principal amount from 29 July 2021 (the "**Issue Date**"), at the rate of 4.950 per cent. per annum, (the "**Rate of Interest**") payable in arrears on 29 July in each year (each, an "**Interest Payment Date**"), the first payment of interest shall be made on 29 July 2022 (also an "**Interest Payment Date**") in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date, all subject as provided in Condition 8 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on any Interest Payment Date shall be €4,950 in respect of each Note of €100,000 denomination, and €49.50 in respect of each Note of €1,000 denomination in excess of €100,000, notwithstanding any potential adjustment to the Interest Payment Dates pursuant to Condition 8(e) (*Payments on business days*) below. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the cent, with 0.5 cents being rounded upwards and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

"**Calculation Amount**" means €1,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

7. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 29 July 2028 (the "**Maturity Date**"), subject as provided in Condition 8 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), at their principal amount, together with interest (if any) accrued to the date fixed for redemption, if:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (i) Italy or (ii) the jurisdiction of residence and/or incorporation of the Issuer, any successor to the Issuer following a Permitted Reorganisation involving the Issuer, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date (or the date that any successor to the

Issuer following a Permitted Reorganisation assumes the obligations of the Issuer); and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (A) a certificate signed by an authorised signatory or a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment,

and the Fiscal Agent shall be entitled to accept the certificate and opinion without further enquiry as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Fiscal Agent and the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(b).

- (c) *Redemption at the option of Noteholders upon a Change of Control:* If at any time while any Note remains outstanding a Change of Control (as defined below) occurs, each Noteholder will have the option (the "**Put Option**") (unless, prior to the giving of the Change of Control Notice, the Issuer has given notice of its intention to redeem the Notes under paragraph (b) (*Redemption for tax reasons*) above) to require the Issuer to redeem that Note on the Optional Redemption Date, at 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued and unpaid interest (if any) to but excluding the Optional Redemption Date. Promptly upon the Issuer becoming aware that a Change of Control has occurred and in any event within 5 Business Days of the occurrence of a Change of Control, the Issuer shall give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 16(*Notices*) specifying (i) that a Change of Control has occurred, (ii) that each Noteholder is entitled to require the Issuer to redeem or repurchase the Notes of such holder, (iii) the nature of the Change of Control, (iv) the circumstances giving rise to the Change of Control, (v) the amount at which such Notes will be redeemed, and (vi) and the procedure for exercising the Put Option contained in this paragraph (c).

In order to exercise the option contained in this Condition 7(c), the holder of a Note must promptly upon becoming aware that a Change of Control has occurred, and in any event within the period (the "**Put Period**") of 21 days after the giving of the Change of Control Notice, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice in the form obtainable from any Paying Agent stating that such Noteholder requires early redemption of all or some of its Notes pursuant to this Condition 7(c) (the "**Put Option Notice**"). Subject to the deposit of any such Notes to the account of a Paying Agent as described above, the Issuer shall redeem the Notes in respect of which the Put Option has been validly exercised as provided above on the date which is the 15th Business Day following the end of the Put Period (the "**Optional Redemption Date**").

The Paying Agent with which a Note is so deposited shall deliver a duly completed put option receipt (the "**Put Option Receipt**") to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 7(c), may be withdrawn; *provided, however*, that if, prior to the relevant Optional Redemption Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 7(c), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

In this Condition 7 (*Redemption and Purchase*):

a "**Change of Control**" shall be deemed to occur if the Majority Shareholder at any time ceases to have direct or indirect Control of the Issuer;

"**Control**" has the meaning given to it by article 2359 of the Italian Civil Code and/or (where applicable) article 93 of Legislative Decree No. 58 of 24 February 1998; and

"**Majority Shareholder**" means Confindustria - Confederazione Generale dell'Industria Italiana.

(d) *Redemption at the option of the Issuer (Make-Whole Call)*: Unless (i) a Put Option Notice has been given pursuant to Condition 7(c) above and (ii) the Issuer has not redeemed the Notes in respect of which such Put Option has been validly exercised, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all or, from time to time, part of the Notes at a redemption price per Note equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

- (i) 100 per cent. of the principal amount outstanding of the Notes; and
- (ii) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate *plus* the Redemption Margin, in each case as determined by the Reference Dealer.

The amount determined according to this Condition 7(d) will be calculated by a calculation agent, being an international leading investment, merchant or commercial bank appointed by the Issuer for this purposes. For the avoidance of doubt, none of the Fiscal Agent nor the Paying Agents shall be required to calculate, determine, confirm or verify any redemption amounts, make-whole amounts, or any amounts payable in relation to redemptions.

In the case of a partial redemption, the redemption may be effected, at the option of the Issuer in accordance with the current practices, rules and regulations of the clearing system by reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed (pro rata pool factor). In case of partial redemption, the notice of redemption given under this Conditions 7(d) shall also specify the method of partial redemption and the outstanding amount of the Notes following such redemption.

In this Condition 7 (*Redemption and Purchase*):

“**Redemption Margin**” shall be 0.85 per cent above the Reference Bond;

“**Reference Dealer**” means Goldman Sachs International or its successor; and

“**Reference Dealer Rate**” means the average of the quotations given by the Reference Dealer on the third Business Day prior to the Optional Redemption Date (the “**Calculation Date**”) at 11.00 a.m. (Central European time) of the mid-market annual yield to maturity of the German government bond DBR 0.000% 11-2028 with ISIN DE0001102556 (the “**Reference Bond**”). If the Reference Bond is no longer outstanding, a similar security will be chosen by the Reference Dealer at 11.00 a.m. (Central European time) on the Calculation Date, quoted in writing by the Reference Dealer to the Issuer.

- (e) *Redemption at the option of the Issuer (3 Month Par Call)*: Unless (i) a Put Option Notice has been given pursuant to Condition 7(c) above and (ii) the Issuer has not redeemed the Notes in respect of which such Put Option has been validly exercised, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all the Notes, but not some only, at their principal amount together with interest accrued but unpaid to but excluding the date of redemption, provided that the date for such redemption does not fall earlier than 90 days prior to the Maturity Date.

Any notice of redemption given under given under this Condition 7(e) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 7(b) above.

- (f) *Redemption at the option of the Issuer (Clean-up Call)*: In the event that 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the dated fixed for such redemption or purchase.
- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs) (a)*Scheduled Redemption*) to (f) (*Redemption at the option of the Issuer (Clean-up Call)*) above.
- (h) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (i) *Cancellation*: All Notes redeemed or purchased, pursuant to and in accordance with this Condition 7, by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may be cancelled and may not be reissued or resold.

8. **Payments**

- (a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

- (b) *Interest:* Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that payment is made in full*) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Deduction for unmatured Coupons:* If a Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however,* that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however,* that where this sub paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however,* that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that payment is made in full*) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.
- (e) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place, unless that day falls in the next calendar month, in which case the holder shall be entitled to payment in such place of the amount due on the first preceding day that is a business day in such place. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, a TARGET Settlement Day.

- (f) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at a Specified Office of any Paying Agent outside the United States.
- (g) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

9. Taxation

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the amount of the payments of principal and interest in respect of the Notes and the Coupons due by or on behalf of the Issuer shall be increased to an amount which, after applying the aforementioned withholding or deduction, leaves an amount equal to the payment which would have been due if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy, other than the mere holding of the Note or Coupon; or
 - (ii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
 - (iii) by or on behalf of a holder of the Notes or Coupons who would not be liable or subject to the withholding or deduction by providing or making a declaration of non-residence or residence or other similar claim for exemption, certification, information, documents or other evidence concerning the nationality, residence or identity of the holder, or by complying with any other reporting requirement relating to such matters, but fails to do so; or
 - (iv) in relation to any payment or deduction of any interest, premium or proceeds of any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") as amended and/or supplemented or any regulations implementing or complying with such Decree; or
 - (v) where such withholding or deduction is required pursuant to Article 26 of the Italian Legislative Decree No. 600 of 29 September 1973 ("**Decree 600**") as amended and/or supplemented or any regulations implementing or complying with such Decree.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject with respect to its income at any time to any taxing jurisdiction other than Italy by reason of its tax residence or a permanent establishment maintained therein, references in these Conditions to Italy shall be construed as references to Italy and/or such other jurisdiction.

10. Events of Default

If any of the following events (each, an "**Event of Default**") occurs and is continuing, then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued and unpaid interest without further action or formality:

- (a) *Non-Payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 7 days in case of principal and 14 days in case of interest; or
- (b) *Breach of other obligations*: the Issuer does not perform or comply with any one or more of its other obligations under these Conditions (being obligations other than payment obligations to which Condition 10(a) (*Non-payment*) above applies, including, without limitation the debt incurrence covenant in Condition 5 (*Covenants*)), and such default (i) is incapable of remedy or (ii) is capable of remedy but is not remedied within 20 Business Days after notice (addressed to the Issuer or to the Specified Office of the Fiscal Agent) of such default shall have been given to the Issuer by any Noteholder; or
- (c) *Cross default of Issuer or Material Subsidiaries*:
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity by reason of an event of default, howsoever described; or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any guarantee and/or indemnity given in relation to any Indebtedness;

provided that, an Event of Default pursuant to this Condition 10(c) (*Events of Default – Cross default of Issuer or Material Subsidiaries*) shall only occur if the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee or indemnity referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €5,000,000 (or its equivalent in any other currency or currencies) and *provided further that* no Event of Default will be deemed to occur if the Issuer or the relevant Material Subsidiary is contesting in good faith, including, where applicable, in a competent court or before a competent arbitration panel, that the relevant Indebtedness or any such guarantee and/or indemnity is due and/or enforceable, as appropriate; or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) for the payment an aggregate amount in excess of €5,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance created or assumed by the Issuer or any of its Material Subsidiaries in respect of all or a substantial part of the undertaking, property, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) in respect

of any Indebtedness incurred by the Issuer or any of its Material Subsidiaries in excess of €5,000,000 (or its equivalent in any other currency or currencies); or

- (f) *Insolvency, etc:* (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, liquidator or other similar officer of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, property, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made unless such application is contested or stayed in good faith or dismissed within 60 days) or (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee and/or indemnity of any Indebtedness given by it; or
- (g) *Cessation of business:* (i) the Issuer ceases or threatens to cease to carry on all or a substantial part of the business of the Issuer or the Group (calculated on the basis of Consolidated Revenues) (otherwise than as a result of a Permitted Reorganisation); or (ii) any Material Subsidiary ceases or threatens to cease to carry on all or a substantial part of the business of the Group (calculated on the basis of Consolidated Revenues) (otherwise than as a result of a Permitted Reorganisation); or
- (h) *Winding up, etc:* an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than as a result of a Permitted Reorganisation); or
- (i) *Analogous event:* any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events or circumstances referred to in paragraphs (d) to (h) above; or
- (j) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes.

In these Conditions:

"Permitted Reorganisation" means:

- (a) in relation to the Issuer, any:
 - (i) "*fusione*" or "*scissione*" (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, demerger (whether in whole or in part), consolidation or restructuring whilst solvent or any other similar arrangement; or
 - (ii) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern or any other similar arrangement; or
 - (iii) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind or any other similar arrangement; or
 - (iv) lease of its assets or its going concern or any other similar arrangement,

whereby all or substantially all the assets and undertaking of the Issuer are transferred, sold, contributed, assigned or otherwise vested in a body corporate in good standing and such body corporate (i) assumes or maintains (as the case may be) liability as principal debtor and/or guarantor in respect of the Notes and (ii) continues substantially to carry on the

business of the Issuer as reported in the Issuer's most recently published audited financial statements immediately prior to such amalgamation, reorganisation, merger, demerger, consolidation or restructuring; or

- (b) in relation to any Material Subsidiary, any:
- (i) "*fusione*" or "*scissione*" (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, demerger (whether in whole or in part), consolidation or restructuring whilst solvent or any other similar arrangement; or
 - (ii) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern or any other similar arrangement; or
 - (iii) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind or any other similar arrangement; or
 - (iv) lease of its assets or its going concern,

whereby all or substantially all the assets and undertaking (as evidenced in its latest audited financial statements (consolidated, if available)) of such Material Subsidiary are transferred, sold, contributed, assigned or otherwise vested in (A) the Issuer, (B) any Subsidiary or Subsidiaries of the Issuer and/or (C) any Subsidiary or Subsidiaries of a Material Subsidiary.

For the purposes of this Condition 10, "**a substantial part**" shall mean a part of the whole which accounts for 30 per cent., while "**substantially all**" shall mean a part of the whole which accounts for at least 70 per cent.

11. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

12. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. **Paying Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. Meetings of Noteholders; Noteholders' Representative; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes and affecting their interests, including, without limitation, the modification of any provision of these Conditions or of any of the provisions of the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the Agency Agreement).

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution (as defined in the Agency Agreement), the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy and the By-laws of the Issuer in force from time and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the By-laws of the Issuer are amended at any time while the Notes remain outstanding:

- (i) a meeting of Noteholders may be convened by the board of directors (*consiglio di amministrazione*) of the Issuer and/or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request in writing of Noteholders holding not less than one twentieth of the aggregate principal amount of the outstanding Notes. If the Issuer or the Noteholders' Representative defaults in convening the meeting following such request or requisition by the Noteholders representing not less than one-twentieth of the aggregate principal amount of the outstanding Notes, the board of statutory auditors (*collegio sindacale*) shall do so or, if they so default, the same may be convened by a decision of the competent court in accordance with Article 2367, paragraph 2 of the Italian Civil Code. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and the By-laws of the Issuer in force from time to time;
- (ii) a meeting of Noteholders, convened to pass an Extraordinary Resolution (as defined in the Agency Agreement), will be validly held if: (a) in the case of a single call meeting (*unica convocazione*), there are one or more persons present being or representing Noteholders holding at least one-fifth of the aggregate principal amount of the outstanding Notes; or (b) in the case of a multiple call meeting, (i) in the case of a first meeting (*prima convocazione*), there are one or more persons present being or representing Noteholders holding at least one-half of the aggregate principal amount of the outstanding Notes, or (ii) in the case of a second meeting (*seconda convocazione*) following adjournment of the first meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one-third of the aggregate principal amount of the outstanding Notes, or (iii) in the case of any further meeting (*convocazioni successive*), there are one or more persons being or representing Noteholders holding at least one-fifth of the aggregate principal amount of the outstanding Notes; **provided, however, that** in each case (x) the quorum shall always be one or more persons being or representing Noteholders holding at least one-half of the aggregate principal amount of the outstanding Notes for the purpose of considering a Reserved Matter and (y) the Issuer's By-laws may (to the extent permitted under the applicable laws and regulations of the Republic of Italy) provide for a higher quorum; and
- (iii) the majority required to pass an Extraordinary Resolution (as defined in the Agency Agreement) (including any meeting convened following adjournment of the previous meeting for want of quorum) will be one or more persons present being or representing Noteholders holding (a) for voting on any matter other than a Reserved Matter, at least two-thirds of the aggregate principal amount of the

Notes represented at the meeting; or (b) for voting on a Reserved Matter, one or more persons present being or representing Noteholders holding the higher of (i) at least one-half of the aggregate principal amount of the outstanding Notes, and (ii) at least two-thirds of the aggregate principal amount of the Notes represented at the meeting, *provided however that* (c) for voting on any amendment or waiver relating to Condition 10(g) (*Events of Default – Cessation of business*) and/or any Event of Default thereunder, the higher of (i) at least one-half of the aggregate principal amount of the outstanding Notes, and (ii) at least 90 per cent. of the aggregate principal amount of the Notes represented at the Meeting, unless a different majority is required pursuant to Articles 2368 and 2369 of the Italian Civil Code; ***provided, however, that*** the Issuer's By-laws (to the extent permitted under applicable provisions of Italian law) may provide for higher majorities. Any Extraordinary Resolution (as defined in the Agency Agreement) duly passed at any such meeting shall be binding on all the Noteholders, whether or not they are present at the meeting and whether or not they have voted on such Resolution, and on all Couponholders.

In this Condition 14, "**Reserved Matter**" has the meaning given to it in the Agency Agreement and consists in any proposal referred to in Article 2415 paragraph 1 No. 2 of the Italian Civil Code to modify these Conditions (including, *inter alia*, any proposal to modify the maturity of the Notes or the dates on which interest is payable on them, to reduce, cancel or alter the method of calculating the principal amount of, or interest on, the Notes or to change the currency of payment of the Notes).

- (b) *Noteholders' Representative*: A representative of the Noteholders (*rappresentante comune*) (the "**Noteholders' Representative**"), subject to applicable provisions of Italian law, may be appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to any Extraordinary Resolution (as defined in the Agency Agreement) passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors (*amministratori*) of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.
- (c) *Modification*: The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or if the amendment is, in the opinion of the Issuer, of a formal, minor or technical nature. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any modification unless, in each case, in the opinion of the Issuer, (i) it is of a formal, minor or technical nature, (ii) it is made to correct a manifest error, (iii) it is not materially prejudicial to the interests of the Noteholders or (iv) it is made to comply with mandatory laws, legislation, rules and regulations of Italy and the Issuer's By-laws applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution (as defined in the Agency Agreement) and entered into force at any time while the Notes remain outstanding.

15. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

16. **Notices**

Notices to the Noteholders shall be valid if published in a leading Italian language daily newspaper published in Italy (which is expected to be *Il Sole-24Ore*), in a leading English language daily newspaper (which is expected to be the Financial Times) or by posting such notice to the Issuer's website (<https://www.gruppo24ore.ilsole24ore.com>) (in each case as published by the Issuer) or, so long as the Notes are admitted to trading on the Luxembourg Stock Exchange, in a manner which complies with the rules and regulations of such stock exchange. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

17. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18. **Governing Law and Jurisdiction**

- (a) *Governing law:* Subject to the below, the Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 14 (*Meetings of Noteholders; Noteholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to Italian law.
- (b) *Jurisdiction:* The courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes. Furthermore, the Issuer has (i) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (ii) designated a person in England to accept service of any process on its behalf; (iii) consented to the enforcement of any judgment; and (iv) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.
- (c) *Rights of the Noteholders to take proceedings outside England:* Condition 18(b) (*Governing law and Jurisdiction - Jurisdiction*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 18 (*Governing law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

- (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at its registered office for the time being at Eight Floor, 100 Bishopsgate, London, EC2N 4AG or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Parts 34 and 37 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

USE OF PROCEEDS

The net proceeds from the Issue of Notes will be applied by the Issuer for (i) refinancing existing debt, and (ii) the Group's general corporate purposes.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together, the "Global Notes") which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note ("NGN") form. On 13 June 2006, the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystème"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to or to the order of the Fiscal Agent if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Notes will be issued with a denomination above €199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached (in respect of interest which has not already been paid in full on the Permanent Global Note), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (i) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (ii) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment

in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 29 July 2021 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Global Notes will contain provisions which modify the Conditions as they apply to the Global Notes. The following is a summary of certain of those provisions:

Accountholders: For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of the principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 7(c) (*Redemption and Purchase - Redemption at the option of Noteholders upon a Change of Control*) and Condition 10 (*Events of Default*) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms). Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**business day**" means any day which is a TARGET Settlement Day.

Interest Calculation: For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying 4.950 per cent. per annum to a sum equal to the principal amount of Notes for the time being represented by the Global Note, multiplying the product by the relevant Day Count Fraction. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

Prescription: Claims against the Issuer in respect of principal or premium and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal and premium) and five years (in the case of interest) from the Relevant Date.

Cancellation: On cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and

Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

Exercise of put option: In order to exercise the option contained in Condition 7(c) (*Redemption and Purchase - Redemption at the option of Noteholders upon a Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Redemption for taxation reasons: The option of the Issuer provided for in Condition 7(b) (*Redemption and Purchase - Redemption for tax reasons*) shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out, and containing the information required by, that Condition.

Redemption of the option of the Issuer (Make-Whole Call): For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required under Condition 7(d) (*Redemption and Purchase - Redemption at the option of the Issuer (Make-Whole Call)*) in the event that the Issuer exercises its call option pursuant to Condition 7(d) (*Redemption and Purchase - Redemption at the option of the Issuer (Make-Whole Call)*) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In order to exercise the option contained in Condition 7(d) (*Redemption and Purchase - Redemption at the option of the Issuer (Make-Whole Call)*), the Issuer shall give notice to the Noteholders and the relevant clearing system (or procure that such notice is given on its behalf) within the time limits set out in and containing the information required by that condition.

Notices: Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by the Permanent Global Note and/or the Temporary Global Note, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange, such notices shall be published in a manner which complies with the rules and regulations of such stock exchange.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview

Il Sole 24 ORE S.p.A. (the “**Issuer**” or “**Il Sole 24 ORE**”) is a joint-stock company (*società per azioni* or S.p.A.) incorporated under the laws of the Republic of Italy. The Issuer is registered at the Companies’ Registry (*Registro delle Imprese*) of Milan under registration and VAT number 00777910159. Its Legal Entity Identifier is 8156005CF920F2A40C13. Its registered office is at Viale Sarca, 223, 20126 Milan, Italy and its main telephone number is (+39) 02 30221. The Issuer’s Existing Preference Shares (as defined in the Conditions) are listed on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. (MTA) and have been included, since 6 December 2007, in the segment FTSE Italia Small Cap.

The Issuer was incorporated on 8 November 1965. Pursuant to its Articles of Association, its duration is until 31 December 2050, unless such term is subsequently extended in accordance with the applicable laws of Italy.

The Issuer’s newspaper "Il Sole 24 ORE" ("**Il Sole**") is a leading distributor of business, financial and regulatory information (source: reports periodically published by Audipress and ADS), with an average number of 785,000 daily readers in 2020 (source: Audipress), and the key driver of the high brand profile of the Issuer’s group (the “**Group**”) operations. The Issuer’s Articles of Association provide that its principal corporate purpose is to carry out (i) publishing activities through any technical means and/or electronic and multimedia support, (ii) communication activities, pertaining to the information sector, through printing, audio, television and multimedia platforms and (iii) related activities. For further information on the business activities of the Issuer and the Group as a whole, see " *The Group’s Business*" and “*Business Divisions of the Group*” below.

Board of Directors

The Issuer is managed by a Board of Directors (*Consiglio di Amministrazione*) composed of eleven members. The current members of the Board of Directors were elected on 30 April 2019¹ and will hold office until the shareholders’ meeting called for the approval of the financial statements for the year ending 31 December 2021.

The current members of the Board of Directors are as follows:

Name	Title	Outside Activities	
		Company	Position Held
Edoardo Garrone	Chairman	ERG S.p.A.	Chairman of the Board of Directors
Giuseppe Cerbone	Chief Executive Officer	n.a.	n.a.
Carlo Robiglio	Deputy-Chairman	Ebano S.p.A.	Chairman of the Board of Directors
Patrizia Elvira Micucci	Director	Neuberger Berman Europe Limited	Managing Director

¹ Ms. Mirja Cartia d’Asero and Ms. Veronica Diquattro were appointed by the Board of Directors on 23 July 2020 and 7 October 2020, respectively, and confirmed in their roles by virtue of a resolution of the ordinary shareholders’ meeting of 28 April 2021.

Elena Nembrini	Director	Vincenzo Zucchi S.p.A.	Independent Director
		Cortellazzo & Soatto — Associazione Professionale di Dottori Commercialisti e Avvocati	Tax expert advisor
Maurizio Stirpe	Director	BS Holding S.p.A. P.S.C. S.p.A. Sole Components S.r.l.	Chairman of the Board of Directors
Salvatore Maria Nolasco	Director	Law firm Carnelutti Studio Legale Associato	Partner
Mirja Cartia d’Asero	Director	Guber Banca	Head of Real Estate
Veronica Diquattro	Director	DAZN S.p.A.	Chief Customer & Innovation Officer
Fabio Domenico Vaccarone	Director	Google Italy	Managing Director
Marco Gabriele Gay	Director	Digital Magics S.p.A.	Managing Director

For the purposes of their function as members of the Board of Directors of the Issuer, the business address of each of the members of the Board of Directors is the registered office of the Issuer.

Board of Statutory Auditors

The current Board of Statutory Auditors (*Collegio Sindacale*) of the Issuer was appointed on 30 April 2019 and will hold office until the shareholders’ meeting called for the approval of the financial statements for the year ending 31 December 2021.

The current members of the Board of Statutory Auditors are as follows:

Name	Title	Outside Activities	
		Company	Position Held
Pellegrino Libroia	Chairman	Fininvest S.p.A.	Chairman of the Board of Statutory Auditors
		Ethica Holding S.p.A.	
		Prysmian S.p.A.	
Paola Coppola	Effective Statutory Auditor	Legal and tax firm "Coppola"	Main Partner
		Università degli Studi di Napoli, Federico II	University Professor

Francesco Pellone	Effective Statutory Auditor	Tax firm "Pellone & Associati" in Naples	Main Partner
Cecilia Andreoli	Alternate Statutory Auditor	Tax firm "Andreoli" in Maranello (MO)	Main Partner
Alessandro Pedretti	Alternate Statutory Auditor	Tax firm "Zunino" in Turin	Partner

The business address of each of the members of the Board of Statutory Auditors for the purposes of their function as members of the Board of Statutory Auditors is the registered office of the Issuer.

Conflicts of interest

At the date of these Listing Particulars, to the Issuer's knowledge, there is no conflict between the private interests of any member of the Issuer's Board of Directors or Board of Statutory Auditors or any of the principal executive officers of the Group, on the one hand, and the duties and obligations arising from the position or positions each of such persons holds within the Group, on the other hand.

Management

At the date of these Listing Particulars, the Issuer's day-to-day management team is as follows:

- Chairman: Edoardo Garrone
- Vice Chairman: Carlo Robiglio
- Chief Executive Officer: Giuseppe Cerbone
- Corporate General Manager & Chief Financial Officer: Paolo Fietta
- Personnel and Organisation Central Director: Romeo Marrocchio
- Information Technology Director: Tim Price
- System 24 General Manager: Federico Silvestri
- Radio 24 General Manager: Federico Silvestri
- Publishing & Digital General Manager: Karen Nahum
- Servizi Professionali General Manager: Eraldo Minella

History

In Brief

Il Sole 24 ORE is the result of a merger, on 8 November 1965, of two renowned Milan daily newspapers *Il Sole* and *24 Ore* (the "**Merger**"). It is one of the oldest newspapers in circulation and the main business, economics financial and regulatory newspaper in Italy (source: reports published periodically by Audipress and ADS). The name of *Il Sole* comes from the motto "*Le soleil luit pour tout le monde*" ("*the sun shines for everyone*") as information should be accessible to all.

The first issue of Il Sole was distributed to Italian news-stands on 9 November 1965.

The Beginnings

The newspaper *Il Sole*, dedicated to economic information, was founded in August 1865 by Mr. Gaetano Semenza and Messrs. Penocchio and Francesco Vallardi. The first edition of *Il Sole* consisted of four pages and contained a section dedicated to economic news and a section dedicated to political news.

The Merger

The new entity resulting from the Merger was first incorporated as a limited liability company (*società a responsabilità limitata*) as "*Nuova Società Editrice Commerciale S.r.l.*". The extraordinary shareholders' meeting held on 9 June 1983 resolved to change the legal form of the Issuer into a joint-stock company (*società per azioni*) and the Issuer then assumed the name "*Editrice Il Sole 24 ORE S.p.A.*". The current corporate name "*Il Sole 24 ORE S.p.A.*" was adopted on 8 January 1998.

From the 1980s to 2000s

Under the long-term direction of Mr. Gianni Locatelli since May 1983, *Il Sole* expanded its provision of different types of information. The newspaper increasingly appealed to a wide and varied readership, and there was significant growth in sales in the 1980s. In 1983, the "*Domenica*" cultural supplement was launched.

From 1985 to 2000, the Issuer, with a view to diversifying its offer, expanded its business to other similar business areas which were complementary to the publishing sector. In line with this, in 1985, the company 24 ORE System - Concessionaria di Pubblicità S.p.A. was incorporated to operate in the advertising sales sector, which quickly led to a significant growth in the Group's turnover and profitability.

In 1986, the publication of the "*Monday*" was launched, and in 1989, the finance and markets section was published for the first time to report on the Italian Stock Exchange, international finance and capital markets news. In 1988 the Issuer also incorporated the company 24 ORE New Media S.p.A., dedicated to the management of online databases.

In 1990, the Issuer launched a strategic plan aimed at entering the professional publishing and professional financial information markets, through external growth. In the same year, the acquisitions of some companies active in the aforementioned sectors were completed (Società Editrice Mondo Economico S.p.A., Pirola Editore S.p.A., Frizzera, and Laserdata S.p.A.).

Diversifying its media offerings came in the 1990s, when the newspaper launched its website www.ilsole24ore.com, its news agency "*Radiocor Plus*", and its radio station "*Radio 24*" along with its first professional publications and databases.

Continued development of the Group into the new millennium

The Group has developed a solid competitive market position in terms of providing services to professionals and businesses, thanks to its databanks and online services.

The Issuer, listed on the Italian Stock Exchange since 6 December 2007, controls a Group which has also carved itself a unique place in the organisation of exhibitions and cultural events through 24 ORE Cultura S.r.l. The Group is also involved in the event planning business, through the Issuer's subsidiary *Il Sole 24 ORE Eventi S.r.l.*

The Issuer has, in recent years, increased its efforts in multimedia accessibility and technology integration, making the most of the potential offered by digital platforms. With the introduction of the newspaper's new application and the *Radio 24*'s podcasts, maintaining a presence on social networks and other emerging digital platforms, developing data journalism, utilising artificial intelligence in databases, continuing the offer of professional software and databases and new voice-controlled devices, the Issuer maintains a consistent strategy increasingly focused on innovation applied to the world of information.

The Group's Business

The Group is a leading Italian multimedia publishing organisation, operating in the economic, financial, professional, and cultural information sector.

The information offering of Il Sole, the leading newspaper in Italy on business, economics financial and regulatory information, is complemented by the *Radiocor Plus* news agency, the www.ilsole24ore.com web portal, and *Radio 24*, a news & talk show radio station, on air since 4 October 1999.

The Group has a solid competitive market position in the field of services tailored to professionals and businesses thanks to its databanks, software and online services.

The business proposal of the Group is integrated with organisation of events through the Issuer's subsidiary Il Sole 24 ORE Eventi S.r.l., an organisation focused on supporting client needs and an advertising agency.

The Group has also gained a unique position in the organisation of exhibitions and cultural events through 24 ORE Cultura S.r.l., an important player in the market. With 20 years of experience and over 50 major exhibitions produced, it boasts a well-established network of relations with leading institutions in Italy and around the world.

Key consolidated figures

The Group's EBITDA in 2020 was equal to €20 million compared to €21 million in 2019, and revenues were equal to €191 million in 2020 compared to €199 million in 2019. In the first quarter of 2021, the Group's EBITDA was equal to -€0.5 million compared to -€1.6 million in the same period of 2020, and revenues were equal to €44 million compared to €43.3 million in the same period of 2020.

The following table sets forth the Group's key financial figures as of and for the years ended 31 December 2020 and 31 December 2019 and as of and for the three months ended 31 March 2021 and 31 March 2020²:

KEY CONSOLIDATED FIGURES OF THE GROUP				
Euro thousands	FY 2020	FY 2019	Q1 2021	Q1 2020
Revenues	190,976	198,737	44,070	43,298
Gross operating margin (EBITDA)	20,119	21,042	(453)	(1,554)
Operating profit (loss) (EBIT)	2,268	(2,761)	(4,542)	(5,572)
Profit (loss) before taxes	324	(398)	(5,332)	(5,977)
Net profit (loss) for the period	(989)	(1,202)	(5,653)	(5,939)
	31.12.2020	31.12.2019	31.03.2021	31.12.2020
Non-current assets	146,719	129,478	145,512	146,719
Current assets	127,665	84,111	126,656	127,665
Total assets	274,384	213,589	272,168	274,384
Group equity	35,320	36,572	29,764	35,320
Minority interests	-	-	-	-
Total equity	35,320	36,572	29,764	35,320
Non-current liabilities	112,941	49,325	111,607	112,941
Current liabilities	126,123	127,693	130,797	126,123
Total liabilities	239,064	177,018	242,404	239,064
Total equity and liabilities	274,384	213,589	272,168	274,384

² This table and all other financial tables contained in this section "Description of the Issuer and the Group" are extracted from the Issuer's financial statements as incorporated by reference in these Listing Particulars.

The following table sets forth the Group's key financial figures, net of non-recurring income and expenses, as of and for the years ended 31 December 2020 and 31 December 2019 and as of and for the three months ended 31 March 2021 and 31 March 2020:

KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES				
Euro thousands	FY 2020	FY 2019	Q1 2021	Q1 2020
Revenues	190,976	198,737	44,070	43,298
EBITDA net of non-recurring income and expenses*	17,741	13,663	(493)	(1,627)
EBIT net of non-recurring income and expenses	586	(3,057)	(4,209)	(5,645)
Profit (loss) before taxes net of non-recurring income and expenses	(1,359)	(4,525)	(4,999)	(6,050)
Net profit (loss) net of non-recurring income and expenses	(2,874)	(6,061)	(5,320)	(6,012)
	31.12.2020	31.12.2019	31.03.2021	31.12.2020
Equity	35,320	36,572	29,764	35,320
Net financial position	(50,897)	(26,293)	(54,978)	(50,897)

(*) 2019 adjustments of €7.4 million include: -€3.2 million release of risk provision for the possible price adjustment for the disposal of Business School24; -€0.4 million for amounts received from former directors; -€2.3 million for releases of other provisions for risks; -€1.6 million for the partial restatement of the payable to personnel for restructuring expenses; +€0.1 million non-recurring expenses.
2020 adjustments of €2.4 million include: -€1.5 million release of the provision for tax risks (disposal of Business School24); -€3.8 million Covid-19 government subsidies; +€2.7 million personnel restructuring expenses; +€0.2 million provision for social security risks.
Q1 2020 adjustments reflect -€0.07 million release of other provisions for risks.
Q1 2021 adjustments reflect -€0.04 million Covid-19 government subsidies.

The following table sets forth the breakdown of non-recurring income and expenses for the years ended 31 December 2020 and 31 December 2019.

BREAKDOWN OF CONSOLIDATED NON-RECURRING INCOME AND EXPENSES		
Euro thousands	FY 2020	FY 2019
Gross operating margin (EBITDA)	20,119	21,042
Compensation for operators in the exhibition sector art. 183 paragraph 2 D.L.34/2020	3,521	
Other contributions Covid-19	291	
Compensation for damages to former directors		400
Releases (provisions) for contractual risks	-	3,925
Release of risk provision for contingent liabilities, including tax, connected with the outcome of criminal proceedings no. 5783/17 R.G.N.R.		1,095
Release of provision for tax risks on disposal of BS24 investment	1,500	
Release (allocation) of provision for social security risks	(199)	400
Releases (provisions) for legal risks		140
Expenses for disposal of production plants		(90)
Administrative penalty related to the acceptance of the plea bargain on crim. proc. no. 5783/17 R.G.N.R.		(50)
Recalculation of payable for personnel restructuring expenses	(2,736)	1,559
Total non-recurring income and expenses with impact on EBITDA	2,377	7,379
EBITDA net of non-recurring income and expenses	17,741	13,663
Operating profit (loss) (EBIT)	2,268	(2,761)
Total non-recurring income and expenses with impact on EBITDA	2,377	7,379
Effects of contractual changes	(662)	(338)
Write-down of rotary press Bologna	(33)	
Effects of early termination of lease contract Milan - Via Monte Rosa office	-	(6,745)
Total non-recurring income and expenses with impact on EBIT	1,682	296
EBIT net of non-recurring income and expenses	586	(3,057)
Profit (loss) before taxes	324	(398)
Total non-recurring income and expenses with impact on EBIT	1,682	296

Gain on disposal of Business School24 S.p.A.		3,831
Total non-recurring income and expenses on profit (loss) before taxes	1,682	4,127
Profit (loss) before taxes net of non-recurring income and expenses	(1,359)	(4,525)
Net profit (loss)	(989)	(1,202)
Total non-recurring income and expenses on net profit (loss) before taxes	1,682	4,127
Release of deferred taxes due to contractual changes	203	732
Total non-recurring income and expenses on net profit (loss)	1,885	4,859
Net profit (loss) net of non-recurring income and expenses	(2,874)	(6,061)

Statement of cash flows

The Group's total cash flow in 2020 was equal to €25.1 million compared to -€6.9 million in 2019. In the first quarter of 2021, the Group's total cash flow was equal to -€4.6 million compared to -€0.3 million in the same period of 2020.

The following table sets forth a summary of the financial figures for each relevant period.

SUMMARY CONSOLIDATED FINANCIAL FIGURES				
Euro thousands	FY 2020	FY 2019	Q1 2021	Q1 2020
Profit (loss) before taxes from continuing operations attributable to the Group	324	(398)	(5,332)	(5,977)
Adjustments	23,444	13,810	5,023	4,584
Changes in net working capital	(10,072)	40	206	3,851
Total cash flow from operating activities	13,695	13,452	(103)	2,458
Investments	(14,868)	(8,614)	(3,123)	(1,751)
Proceeds from disposal of investments	115	5,000	-	115
Other changes	713	1,761	40	325
Cash flow from investing activities	(14,039)	(1,853)	(3,083)	(1,311)
Free cash flow*	(344)	11,599	(3,186)	1,147
Cash flow from financing activities	25,468	(18,531)	(1,438)	(1,408)
Change in cash and cash equivalents	25,124	(6,932)	(4,624)	(261)
Cash and cash equivalents:				
At the beginning of the year	15,122	22,053	40,246	15,122
At the end of the period	40,246	15,122	35,622	14,861
Change in cash and cash equivalents	25,124	(6,932)	(4,624)	(261)

(*) Free cash flow is calculated as cash flows from operating activities plus cash flows from investing activities.

Net financial position

The following table sets forth the net financial position of the Group as at 31 December 2020 and 31 December 2019.

NET FINANCIAL POSITION OF THE GROUP		
Euro thousands	31.12.2020	31.12.2019
A. Cash	47	87
B. Other cash and cash equivalents (bank and postal accounts)	40,842	15,644
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	40,889	15,731
E. Current financial receivables	16,004	1,384

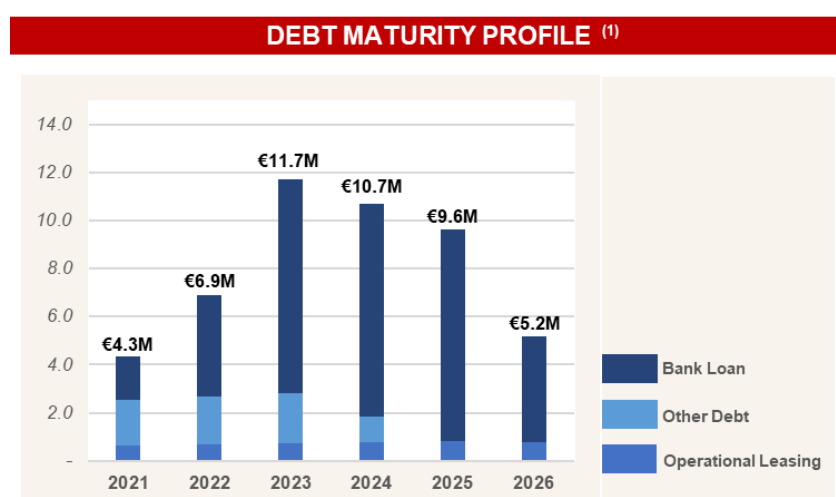
F. Current bank payables	(16,545)	(15,706)
G. Current portion of non-current debt	(643)	(609)
H. Other current financial payables	(8,803)	(11,150)
I. Current financial debt (F) + (G) + (H)	(25,991)	(27,464)
J. Current net financial position (I) + (E) + (D)	30,902	(10,349)
K. Non-current bank payables	(38,994)	(11,131)
L. Bonds issued	-	-
M. Other non-current payables	(42,804)	(4,813)
N. Non-current financial debt (K) + (L) + (M)	(81,799)	(15,944)
O. Net financial position (J) + (N)	(50,897)	(26,293)

The Group's net financial position at 31 December 2020 was equal to -€50.9 million compared to -€26.3 million at 31 December 2019, a deterioration €24.6 million. The change in the net financial position is mainly due to:

- (i) the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the year;
- (ii) the increase in current financial receivables, which at 31 December 2020 included €15.8 million from Education Acquisitions Limited referring to the present value of the deferred component of the disposal of the investment in Business School24 S.p.A. This receivable in the financial statements at 31 December 2019 was included in non-current assets and, therefore, not included in the related net financial position;
- (iii) the increase in the payable deriving mainly from the present value of the lease fees of the new contracts for the offices in Milan, Viale Sarca, equal to €29.8 million, and in Rome, equal to €3.5 million following the application of IFRS 16.

Non-current financial debt at 31 December 2020 also included the long-term bank payable resulting from the signing of a medium/long-term loan backed by a SACE guarantee pursuant to the Liquidity Decree on 20 July 2020, with a nominal value of €37.5 million and a duration of 6 years.

As at 31 December 2020, the debt maturity profile of the Issuer was as follows:



⁽¹⁾ Not including securitization debt, assuming rolling of the facility in 2026.

The following table sets forth the net financial position of the Group as at 31 March 2021 and 31 December 2020.

NET FINANCIAL POSITION OF THE GROUP		
Euro thousands	31.03.2021	31.12.2020
A. Cash and cash equivalents	45	47
B. Cash equivalents	36,229	40,842
C. Other current financial assets	16,102	16,004
D. Liquidity (A + B + C)	52,376	56,893
E. Current financial payable	(16,943)	(16,545)
F. Current portion of the non-current financial payable	(9,701)	(9,445)
G. Current financial debt (E + F)	(26,644)	(25,991)
H. Current net financial position (G + D)	25,732	30,902
I. Non-current financial payables	(80,711)	(81,799)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(80,711)	(81,799)
M. Net financial position (H + L)	(54,978)	(50,897)

The Group's net financial position at 31 March 2021 was equal to -€55.0 million compared to -€50.9 million at 31 December 2020, a deterioration of €4.1 million. The change in the net financial position was mainly due to cash flows from investing activities.

Non-current financial debt at 31 March 2021 included the bank payable resulting from the signing of a medium/long-term loan backed by a SACE guarantee pursuant to the Liquidity Decree on 20 July 2020, with a nominal value of €37.5 million and a duration of 6 years, and financial payables arising from the present value of lease fees under contracts for headquarters, broadcasting equipment and cars totalling €37.4 million (€37.9 million at 31 December 2020) following the application of IFRS 16.

Business Divisions of the Group

The Group operates through six dedicated business divisions and one internal division:

- i. *Publishing & Digital*: this division is dedicated to publishing Il Sole along with its digital products other related products such as books, magazines, add-ons publications, as well as managing the website and the *Radiocor Plus* news agency.
- ii. *Tax & Legal*: this division is dedicated to developing integrated product systems aimed at professionals, companies and public administrations, with technical, regulatory content and networking.
- iii. *Radio*: this division manages the national broadcaster Radio 24, a news and talk show radio station with an editorial format that alternates between radio news and information and entertainment programmes.
- iv. *System*: this division acts as an advertising sale agency and carries out the activity of advertising concessions for media of the Group and certain third-party media.
- v. *Culture*: this division manages the MUDEC museum in Milan and produces and markets exhibitions and related services (bookshop, ticketing, events), as well as managing the design and publication of books and merchandising. These activities are carried out through the Issuer's subsidiary 24 ORE Cultura S.r.l.

- vi. *Events*: this division operates in the management, organisation, promotion and sale, both in Italy and abroad, of conferences, events and meetings, also in collaboration with public and private entities. These activities are carried out through the Issuer's subsidiary Il Sole 24 ORE Eventi S.r.l.

A further internal division is dedicated to supporting the Group's central departments and services and facilitating the integration between the functions of the various business divisions of the Group. The main functions of this internal division are: (i) Planning and Control; (ii) Investor Relations; (iii) Accounting; (iv) Finance and Treasury; (v) Tax; (vi) Information Technology; (vii) Legal and Corporate Affairs, including the Privacy and Data Protection unit and the activities of Risk Management and Compliance; (viii) Human Resources; (ix) Procurement and (x) Facility Management.

Set out below is a brief description of each of the six business divisions in which the Group operates.

Publishing & Digital

The Publishing & Digital division includes two units: (a) Il Sole (paper and digital), its digital products other related products such as books, magazines, add-ons publications, as well as the website and (b) the news agency *Radiocor Plus*.

Main Products and Operations

The Newspaper - Il Sole

Il Sole serves as a point of reference for both professionals and households, providing in-depth analysis of events and issues in politics, economy, legislation, and the Italian and international financial markets. The editorial offices of Il Sole are organised by thematic sections located in two main offices in Milan and Rome and in five other Italian offices (located in Genoa, Turin, Naples, Venice and Palermo). Il Sole also provides international news coverage through correspondents posted in three foreign offices located in Brussels, Frankfurt and New York. As at 31 December 2020, the newspaper's editorial structure includes 202 employed journalists, who also contribute to the content of the *www.ilsole24ore.com* portal and the newspapers *How To Spend It* and *24Hours*.

Until 15 March 2021, the printing process of Il Sole was carried out in part at the Group's two proprietary production sites located in Milan and Carsoli (AQ), and in two third-party plants located in Sassari and Rende (CS). Of a total of 33.71 million copies printed in 2020, 93.7% were printed at proprietary plants and 6.3% at third-party plants. Since the 16 March 2021 edition, the Group has restyled Il Sole and its attachments with the consequent cessation of production at its own plants and outsourcing all printing activities to third-party suppliers at the plants located in Erbusco (BS), Rome, Rende (CS) and Sassari. Please also see "*Recent Developments*" below.

Website

The website (<http://www.ilsole24ore.com/>) represents a digital platform providing full mobile-focused and responsive premium content in innovative formats.

The website covers various sections, including a food channel, the Real Estate24 section, the Markets channel (together with a *M+* "*onlyweb*" subscription service) and *24+* (the premium digital platform of the website).

The food channel, together with the food pages on Saturday's edition of Il Sole, offers quality and exclusive content dedicated to both industry players and to all those keen on what gravitates around the world of food: the economy of the food business, the cases of Made in Italy excellence, and the changes in consumption, sales systems and distribution. The Real Estate24 section is dedicated to the real-estate world and tailored to both professionals and the general public to learn more about industry trends, price and rent forecasts, yield trends, new real-estate developments and urban regeneration projects.

The Markets channel, with the *M+* "*onlyweb*" subscription offer, provides dynamic charts that cross-reference stock market data and news, a custom stock portfolio, real-time quotes, interactive charts, alerts

and push notifications. Finally, 24+ is the new premium digital platform of the website, through which users can access exclusive and innovative content, a series of special functions and be part of the Il Sole 24 ORE community where they can engage in dialogue with the editorial staff.

The offerings on the website are complemented by two premium newsletters: *RealEstate+* providing insight and analysis of the real-estate sector, and *Fintech+* casting a spotlight on the world of financial technology.

Radiocor Plus

The *Radiocor Plus* news agency offers real-time news on financial markets and the economy, as well as the activities of the Italian Parliament and the Italian Government. News reports follows developments in sectors including Health, Agro-industry, Real Estate and Infrastructure, and also focusing on the topics of Sustainability and European Funds. The main products produced by *Radiocor Plus* are: the economic-financial news bulletin *Radiocor*, the news bulletin *Radiocor Plus*, Breaking News, personalised publishing products (newsletters, articles, video interviews) and tabular data on macroeconomic and financial indicators.

As of 31 December 2020, *Radiocor Plus* employed 44 highly qualified journalists.

Performance

The following table sets forth the results breakdown of the Publishing & Digital division for the years ended 31 December 2020 and 31 December 2019 and the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE PUBLISHING & DIGITAL DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	65,010	62,323	4.3%	15,137	14,593	3.7%
Advertising revenues	42,777	45,488	-6.0%	9,727	9,217	5.5%
Revenues	107,787	107,811	0.0%	24,863	23,809	4.4%
Gross operating margin (EBITDA)	11,795	3,209	267.5%	166	(1,453)	111.4%
EBITDA Margin %	10.9%	3.0%	8.0 p.p.	0.7%	-6.1%	6.8 p.p.
Operating profit (loss) (EBIT)	6,932	(834)	930.7%	(1,346)	(2,595)	48.1%

The Publishing & Digital division closed 2020 with overall revenues equal to €107.8 million, in line with 2019. Revenues for the first quarter of 2021 amounted to €24.9 million, up 4.4% compared to the same period in 2020.

In particular:

- circulation and other revenues in 2020 totalled €65 million, up 4.3% compared to 2019 (with an increase of €2.7 million), and €15.1 million in the first quarter of 2021, up 3.7% compared to the same period of 2020 (with an increase of €0,5 million);
- advertising revenues in 2020 amounted to €42.8 million, down 6% compared to 2019 (with a decrease of €2.7 million), and to €9.7 million in the first quarter of 2021, up 5.5% compared to the first quarter in 2020 (with an increase of €0.5 million).

The Publishing & Digital division's EBITDA in 2020 was equal to €11.8 million, with a marked increase compared to the €3.2 EBITDA recorded in 2019. EBITDA was equal to €0.2 million in the first quarter of 2021, with an increase compared to -€1.5 million in the first quarter of 2020.

The main changes in 2020 compared to 2019 include:

- a decrease in personnel costs equal to €4.6 million (-8.8%);

- a decrease in direct costs equal to €2.1 million (-5.5%), with a decrease in particular in distribution costs of €0.6 million (-3.5%), sales costs of €0.7 million (-21.6%) and raw material costs of €0.6 million (-12.1%);
- a decrease in operating costs equal to €4.2 million (-17.4%).

The main changes in the first quarter of 2021 compared to the first quarter of 2020 include:

- a decrease in personnel costs equal to €0.7 million (-5.5%);
- a decrease in direct costs equal to €0.3 million (-3.8%), with a decrease in particular in distribution costs of €0.1 million (-7.1%) and raw material costs of €0.2 million (-15.8%);
- an increase in advertising costs equal to €0.6 million for the campaign in support of the restyled newspaper;
- a decrease in property management costs equal to €0.3 million.

a) Performance of Il Sole and Related Products

The following table sets forth the results breakdown of Il Sole and the related products for the years ended 31 December 2020 and 31 December 2019 and the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF NEWSPAPER AND RELATED PRODUCTS (*)						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	57,830	55,379	4.4%	13,451	13,070	2.9%
Advertising revenues	42,752	45,448	-5.9%	9,714	9,217	5.4%
Revenues	100,582	100,827	-0.2%	23,165	22,286	3.9%
Gross operating margin (EBITDA)	11,581	3,886	198.0%	356	(1,179)	130.2%
EBITDA Margin %	11.5%	3.9%	7.7 p.p.	1.5%	-5.3%	6.8 p.p.
Operating profit (loss) (EBIT)	6,849	(8)	N.S.	(1,128)	(2,284)	50.6%

(*) Includes the website www.ilsole24ore.com and the magazines "How to spend it" and "24Hours".
FY 2020 also included the magazine "IL"

Total revenues for the unit Il Sole and related products in 2020 were equal to €100.6 million (down 0.2% compared to 2019), and €23.2 million in the first quarter of 2021 (up 3.9% compared to the same period in 2020).

Advertising revenues in 2020 amounted to €42.8 million (down 5.9% compared to 2019), and to €9.7 million in the first quarter of 2021 (up 5.4% compared to the same period in 2020). Circulation and other revenues in 2020 amounted to €57.8 million, up 4.4% compared to 2019, and to €13.5 million in the first quarter of 2021, up 2.9% compared to the same period in 2020.

Il Sole's circulation revenues (printed and digital versions) in 2020 amounted to €49.2 million, down 0.4% compared to 2019, and to €11.1 million in the first quarter of 2021, down 3.3% compared to the first quarter of 2020. Circulation revenues of the printed version in 2020 amounted to €29.6 million, down 6% compared to 2019, and to €6.3 million in the first quarter of 2021, down 14.9% compared to the same period in 2020. Circulation revenues of the digital version in 2020 amounted to €19.6 million, up 9.5% compared to 2019, and to €4.8 million in the first quarter of 2021, up 17.4% compared to the same period in 2020.

The division's EBITDA in 2020 was equal to €11.6 million, with a marked increase compared to EBITDA recorded in 2019 which was equal €3.9 million. EBITDA in the first quarter of 2021 was equal to €0.4 million, with a marked increase compared to -€1.2 million in the same period of 2020.

During 2020, *Il Sole* provided dedicated coverage on COVID-19, with editorial items in the newspaper and on all digital media products illustrating, in particular, the variety of regulatory amendments in the period and the impacts on readers.

Il Sole was recognised for its credibility and reliability in both its printed and digital format, particular relating to the coverage on the COVID-19 pandemic. The ranking drawn up by *Reputation Review Magazine*, a magazine rating to corporate reputation, ranked *Il Sole* as the first newspaper and the third most reliable media in terms of reporting on the COVID-19 health emergency in Italy. The *Reuters Institute Digital News Report 2020* also confirmed *Il Sole* in the first place among daily newspapers and third place overall among media titles in terms of brand trust.

During the first quarter of 2021, the Issuer underwent a product refresh exercise that resulted in the publication of a completely revamped newspaper on news-stands on 16 March 2021: a new paper format, a new scanning of the newspaper, new content, new graphics and a new application full of innovative features.

The new application for tablets and smartphones, iOS and Android was also released on 16 March 2021, bringing about a new, faster and more efficient experience of reading the digital copy of *Il Sole*, as well as one-tap access to the online content of *Il Sole* 24 ORE: website, 24+ - the premium section of the website - and podcasts. Among the most innovative new features of the application are the introduction of a voice management system that makes it possible to interact in a simple and intuitive way by interfacing with Siri and Google Assistant, the new use of all the podcasts, and the new "Brief" format, a free daily summary, edited by the central editor of *Il Sole*, which completes and elaborates on the headlines of the morning paper.

During both the year 2020 and the first quarter of 2021, *Il Sole's* editorial offer for readers was enriched with numerous initiatives and features at news-stands. All releases were supported by dedicated communication campaigns on the Group's media.

During both the year 2020 and the first quarter of 2021, specific initiatives were launched to strengthen engagement with young people and women. In particular:

- on 25 November 2020, the international day for the elimination of violence against women, *Il Sole* proposed an integrated campaign to launch new content and new information services designed for the community of readers and users of *Il Sole*;
- on 8 March 2021, *Il Sole* proposed an integrated editorial schedule for the community of readers and users of *Il Sole* with initiatives with respect to all media and formats with a focus on women and work: *Il Sole* on news-stands with a four-page folder; LAB24 infographics on female entrepreneurship; a cycle of streaming video-forums in collaboration with alleyOop, the multi-author blog of *Il Sole* 24 ORE dedicated to gender issues; the launch of the "Donne In Campo" podcast on women's sports in collaboration with Audible;
- several editorial initiatives have been taken for a young target, including: the development of new formats such as podcasts; the development of the Group's Instagram account; dedicated editorial initiatives, such as guides to master's degrees and other educational guides; and target partnerships with leading companies operating in the digital area to intercept young users and strengthen brand awareness.

Revenues from other Group magazines (*How to Spend It*, *IL* and *24 Hours*) in 2020 were down 25.3% compared to 2019. This result was influenced, in particular, by a decrease in advertising investment in monthly magazines by companies in the clothing and home furnishings sectors, which was down 29.2% (source: Nielsen - January 2020). These sectors are of considerable importance to the Group's monthly magazines, with a 36% share of advertising space on *IL* and 45% on *How to Spend It* being taken up by companies in such sectors. In addition, the Group, as part of the reorganisation of its structure, decided to cease publication of the magazine *IL* as of January 2021.

Revenues from *How to Spend It* and *24 Hours* closed the first quarter of 2021 with a decrease of 43.7% compared to the same period in 2020. Following the closure of *IL*, revenues on a like-for-like basis in the

first quarter of 2021 were down 21.7% compared to the same period in 2020. The performance of magazines was significantly affected by the persistent decrease in advertising investment by companies in the clothing and home furnishings sectors, down 38.1% (source: Nielsen January/March 2021). These sectors are of considerable importance to the monthly magazine *How To Spend It*, representing a 49% share of advertising space.

In 2020 the website recorded a daily average of 1.8 million browsers, up 88% compared to the 2019 average, and a daily average of 1.6 million browsers in the first quarter of 2021, down 21.5% compared to the same period in 2020 (source: Webtrekk). The results in 2020 were linked to real time coverage of the issues related to the COVID-19 pandemic, particularly in March (on average 3.77 million browsers daily, up 281% compared to the same period of 2019) and April (on average 3.15 million browsers daily, up 252% compared to the same period of 2019), and decreased in the following months, maintaining however a growth of 60% compared to 2019. The results of the first three months of 2021 reflected an overall positive trend: 1.6, 1.5 and 1.8 million of browsers, respectively up 46%, up 12.5% and down 53.2% compared to the first three months of 2020 (however, in relation to March, the figures are not directly comparable to those of March 2020, which marked an all-time record high of browsers due to the pandemic). In the first quarter of 2021, media views were down 14.2% compared to the same period of 2020.

Since the early days of the COVID-19 pandemic, the website of Il Sole was recognised as an accurate real-time provider of all information and developments at a national and international level, with regular updates on developments, government measures and reactions from the markets. The release of the new accelerated mobile pages format in November 2020 made the website even more user-friendly and optimised for search engine traffic. In March 2021, the release of the new graphical version of the articles improved the user experience thanks to the presence of new modules dedicated to the key points of the content and in-depth analysis boxes and the enhancement of related articles. Additionally, on 31 March 2021, Google Showcase, the licencing program for the world of news, was officially launched in Italy. As a partner publisher, the Issuer was able to benefit from this new program, allowing a selection of curated and in-depth news to be made available through the “*Google News*” and “*Discover*” tabs of Google Showcase. Simultaneously with the launch of Google Showcase, 24+ also introduced a new payment system (*Subscribe with Google*).

The digital offer of Il Sole in the year 2020 and in the first quarter of 2021 also strengthened its multimedia component, both in terms of video productions, with new web series and live appointments on its website and social networks, and in terms of audio productions. The first newsletter with a subscription model, *Real Estate +*, dedicated to in-depth analysis of the real estate market, was also launched in September 2020.

b) Performance of Radiocor Plus

The core production of *Radiocor Plus* includes (i) the Radiocor Plus News Report, with daily news on the business, financial, political and regulatory worlds; (ii) the RCO World News Report in English, with daily news on the key business and financial events; (iii) thematic news reports on Energy, Health, Food, Real Estate, Local Authorities & PA, Law Firms, ESG, UE Funds and (iv) video reports on the day’s business-financial trend, plus weekly insights from industry experts.

Complementing productions include a range of made-to-measure editorial products, such as specialist news reports, information products and custom communication services for banks, businesses, media, and the public administration.

The *Radiocor Plus* news agency recorded revenues equal to €7.1 million in 2020, up 2.4% compared to 2019, and equal to €1.7 million in the first quarter of 2021, up 10% compared to the same period in 2021.

Tax & Legal

The Tax & Legal division is dedicated to developing integrated product systems, with technical, regulatory and networking content, aimed at professionals, companies and public administrations. The goal is to satisfy all the information, operational and networking needs of the target customers, providing integrated and specialised information through databanks, vertical newspapers, magazines, books, internet services, software solutions, visibility platforms.

Specific professionals segments of the Tax & Legal division include the following:

- **Tax area:** this area covers the professional training update of accountants, accounting experts and other professionals involved in the tax area. The offerings cover the tools needed to operate in the tax, corporate, bankruptcy, insolvency, financial reporting, accounting, finance and control fields through digital platforms, databanks, integrated information systems, books and specialist journals.
- **Labour area:** this area covers the provision of insights into the main topics of the employment field to labour consultants, lawyers, tax professionals and businesses through the Issuer's custom products.
- **Law area:** products and services of the law area are custom made for practitioners, company lawyers and legal professionals and are provided through integrated systems, databanks, specialist journals, daily newsletters and books.
- **Public administration area:** this area offers tools that address the information update needs of public bodies to stay current on: public employment, levies, accounting, demographic services, social policies, trade and development, agriculture and food, health, local police. Such information needs are met through an analysis of all the related topics, not only from a regulatory point of view but also from a technical, tax and operational perspective.
- **Technical area:** this area addresses the needs of surveyors, architects, engineers, experts, condominium managers, and safety supervisors. The products and services offered by the Issuer provide a current picture of the technical topics of design, construction, urban planning, systems, fire prevention, construction sites, safety, environment, energy, waste, property management, condominium, contracts, food and beverages.

Products and Operations

The professional publishing offering includes a product portfolio consisting as of 31 December 2020 of: 24 databanks and online services, 9 magazines/periodicals (specialised titles in print and digital versions), 5 daily newspapers (*Fisco, Lavoro, Diritto, Condominio* and *Enti locali & Edilizia*), 12 software packages and over 100 instant books and hard-cover books to be sold at news-stands, book stores and through e-commerce. Periodicals are primarily sold by subscription through mail order and e-commerce.

Performance

The following table sets out the breakdown of results of the Tax & Legal division for the years ended 31 December 2020 and 31 December 2019 and for the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE TAX & LEGAL DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	44,014	43,219	1.8%	12,028	11,207	7.3%
Advertising revenues	267	128	107.8%	33	52	-37.1%
Revenues	44,281	43,348	2.2%	12,061	11,259	7.1%
Gross operating margin (EBITDA)	13,535	12,994	4.2%	3,806	3,173	19.9%
EBITDA Margin %	30.6%	30.0%	0.6 p.p.	31.6%	28.2%	3.4 p.p.
Operating profit (loss)	12,467	12,196	2.2%	3,533	2,947	19.9%

The division's EBITDA in 2020 was equal to €13.5 million, up 4.2% compared to 2019, and to €3.8 million in the first quarter of 2021, up 19.9% compared to the same period of 2020.

Despite the impact of the COVID-19 pandemic and the consequent adverse effect on book stores, sales outlets and professional offices, 2020 revenues from the Tax & Legal division amounted to €44.3 million

(up 2.2% compared to 2019), and €12.1 million in the first quarter of 2021 (up 7.1% compared to the same period in 2020).

Revenues from electronic publishing in 2020 amounted to €36.1 million, up 4% compared to 2019, and €9.2 million in the first quarter of 2021, up 6.9% compared to the same period in 2020, with an increase of €0.6 million.

The new product lines launched in the second half of 2019, the software *Valore24* and *Partner24ORE* network in 2020 contributed a total of €3 million to the division's revenues, representing an increase of €2.5 million compared to 2019. In the first quarter of 2021 the new offerings contributed a total of €1.1 million to the division's revenues, with an increase of €0.5 million compared to the same period in 2020.

The positive trends mentioned above managed to offset the decline in revenues from traditional paper products, such as books and magazines, which totalled €5.1 million, down 34.9% compared to 2019. In the first quarter of 2021 paper products totalled €1.6 million, down 19.8% compared to the first quarter of 2020.

Analysing revenues by main market segments, "*Tax & Labour*" related products in 2020 achieved revenues equal to €31.8 million, up 5.6% compared to 2019, and equal to €7.4 million in the first quarter of 2021, down 1.5% compared to the same period in 2020; the "*Law*" related products in 2020 achieved revenues equal to €7.6 million, down 5.7% compared to 2019, and equal to €1.7 million in the first quarter of 2021, down 2.5% compared to the same period in 2020; the "*Technical & Public Administration*" related products in 2020 achieved revenues equal to €4.9 million, up 3.3% compared to 2019, and equal to €1 million in the first quarter of 2021, in line with the same period of 2020.

In 2020 and in the first quarter of 2021 the Issuer continued with the development and innovation of electronic publishing offerings aimed at professionals, companies and public administrations, including the renewal of a professional vertical newspaper, the introduction of new series and guides, the development of the *Partner24ORE* network (launching *Partner24ORE Avvocati* for lawyers in September 2020), the extension of the software proposal and the hosting of webinars.

In order to cope with the health emergency and provide its customers with useful tools to navigate the related economic crisis, the Issuer developed and made available special editions and an in-depth analysis dedicated to COVID-19 and its many impacts on the following topics: tax, labour, legal, and security management.

Radio

The Radio division manages the national broadcaster *Radio 24*, a news and talk show radio service with an editorial format that alternates between news and other information and entertainment programmes.

Radio 24, established on 4 October 1999, is a general-interest news and information broadcaster and provides programming on a variety of topics. Each day, the station talks about, *inter alia*, current events, the economy, and employment, as well as culture, sports, health, customs, society.

Radio 24 broadcasts from studios in Milan and Rome, covering all of Italy on its various frequencies. It is also available via satellite, internet streaming, and as a podcast available at www.radio24.it.

Products and operations

Radio 24 airs a wide variety of programmes, ranging from economy and work, culture, sport, health, costumes and society. The editorial offices of the *Radio 24* are organised by sections and located in the two offices of Milan and Rome.

Since October 2019, *Radio 24*'s website has undergone a strategic transformation, evolving from a news website to a digital audio hub, allowing visitors to listen to live radio, on-demand podcasts of all programs and original *ad hoc* podcasts.

Podcast downloads are available from *Radio 24*'s website and application but also from third-party platforms such as Spotify, which totalled more than 27.2 million for the year 2020, with a monthly average equal to almost 2.3 million, and totalled 16.4 million in the first quarter of 2021 and a monthly average of 5.5 million (Sources January/October 2020: Webtrekk for website, Firebase for the application, Spotify Metrix for Spotify; Source November/December 2020: Adswizz; Sources January/March 2021: Audiometrix for website and application, Spotify Metrix for Spotify).

Performance

The following table sets forth the results breakdown of the Radio division for the years ended 31 December 2020 and 31 December 2019 and for the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE RADIO DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	749	431	73.6%	49	120	-58.6%
Advertising revenues	15,170	17,968	-15.6%	2,663	3,535	-24.7%
Revenues	15,919	18,400	-13.5%	2,712	3,655	-25.8%
Gross operating margin (EBITDA)	2,825	4,146	-31.9%	(716)	640	-211.8%
EBITDA Margin %	17.7%	22.5%	-4.8 p.p.	-26.4%	17.5%	-43.9 p.p.
Operating profit (loss)	1,453	2,947	-50.7%	(1,061)	335	-417.0 p.p.

In the second half of 2020, *Radio 24* reached 2,357,000 listeners on average. The number of listeners decreased by 1.1% compared to the second half of 2019 (which remains the highest figure in the station's history) but increased by 0.5% compared to the 2019 annual data. A consolidated audience of over 2.3 million listeners confirms the position of *Radio 24* as a prestigious broadcaster with original and quality content (source: RadioTER 2019-2020).

The Radio division's 2020 revenues were equal to €15.9 million, down 13.5% compared to 2019, when revenues were equal to €18.4 million. In the first quarter of 2021 revenues amounted to €2.7 million, down 25.8% compared to the same period in 2020, when revenues were equal to €3.7 million.

Total advertising revenues of the Radio division, including advertising sales on radio stations and the website *www.radio24.it*, showed a decrease of 15.6% in 2020 compared to 2019, and a decrease of 24.7% in the first quarter of 2021 compared to the same period in 2020.

Advertising airtime in the period January-December 2020 was down 14.5% compared to the same period in 2019, and in the first quarter of 2021 was down 21.8% compared to the same period in 2020 (source: Nielsen - January/December 2020 and Nielsen - January/March 2021; no. seconds).

Radio 24's share of the total radio market in Italy was 9% in 2020 (source: Nilsen, January/December 2020) and 8.2% in the first quarter of 2021 (source: Nielsen, January/March 2021).

During 2020, *Radio 24*'s website recorded an average of 1.7 million views per month, and in the first quarter of 2021 an average of 2 million views per month. The number of single users of the website reached a monthly average of 388,000 in 2020 and 448,000 in the first quarter of 2021 (sources: Webtrekk, January/December 2020 and Webtrekk – January/March 2021).

System

The System division acts as advertising sales agent for the Group's media as well as some selected group of other publishers in both the domestic and international markets.

The variety of media represented – daily newspapers, digital, radio, periodicals, cultural and educational events – make it possible for clients to reach a diverse range of audience.

Products and operations

The advertising agency has a matrix organisational structure: territorial, with seven sales branches, and by product / type / means.

As of 31 December 2020, the overall sales structure in Italy consisted of 12 employees and 76 agents. Outside Italy, sales are entrusted to the foreign advertising department, with a network of local representatives in all major countries, including the subsidiary Il Sole 24 ORE UK Ltd., which is responsible for the sale of advertising space in the United Kingdom.

Performance

The following table sets forth the results breakdown of the System division for the years ended 31 December 2020 and 31 December 2019 and for the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE SYSTEM DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Group revenues	72,810	78,743	-7.5%	15,395	15,710	-2.0%
Revenues from third parties	2,774	2,367	17.2%	502	481	4.4%
Revenues	75,584	81,110	-6.8%	15,897	16,191	-1.8%
Gross operating margin (EBITDA)	554	(141)	494.0%	(281)	(680)	58.6%
EBITDA Margin %	0.7%	-0.2%	0.9 p.p.	-1.8%	-4.2%	2.4 p.p.
Operating profit (loss)	526	(167)	415.3%	(288)	(688)	58.2%

The division's EBITDA in 2020 was equal to €0.6 million, compared to an EBITDA equal to -€0.1 million in 2019, and equal to -€0.3 million in the first quarter of 2021, up 58.6% compared to the same period of 2020, which recorded an EBITDA equal to -€0.7 million.

The System division closed 2020 with revenues equal to €75.6 million (down 6.8% compared to 2019), recording a better result than the market trend (whose revenues went down 17.5%) and closed the first quarter of 2021 with revenues equal to €15.9 million (down 1.8% compared to the same period in 2020).

The spread of COVID-19 since March 2020, especially in the first phase, has inevitably had an impact on the advertising market and, as a result, on the System division's revenues. The current context called for extreme flexibility: companies had significantly slowed (if not stopped) their communication, but have subsequently gradually learned to adapt their strategies to the new expectations and needs of consumers, as well as to the evolution of government measures aimed at containing the spread of the virus.

On the sales side, these aspects have translated into an even greater effort in the development of special *ad hoc* initiatives for customers, which have contributed, at least in part, to containing the negative effects of the crisis that has hit the advertising market.

Il Sole (daily newspaper and supplements) in 2020 recorded a decrease of 6.9% (compared to -11.8% of total daily newspapers) in advertising revenue, managing to contain the negative effects of the spread of Covid-19 better than the reference market, thanks to its prestige and the high quality of its content (source: Nielsen - January/December 2020). In the first quarter of 2021, Il Sole recorded an increase of 10.9%, compared to the reference market, which was down 5.5% (source: Nielsen - January/March 2021).

There was a significant decrease in advertising investment by companies belonging to two of the core sectors of Il Sole in 2020, namely professional services (-23.6%) and automobiles (-36.7%), which was not offset by the increase recorded for the finance/insurance sector (+35.5%). The three sectors as a whole, accounting for 46% of the advertising space of Il Sole, represented a decrease of 8.1% (source: Nielsen - January/December 2020; no. pages). In the first quarter of 2021, advertising investment from finance/insurance, institutions and professional services underwent a contraction (-23.3%) as did the sectors

of clothing and personal items (-29.4%) (source: Nielsen - January/March 2021; no. pages). Such sectors totalled 57% of the advertising space of *Il Sole*.

In 2020, advertising revenues from *How to Spend It*, *IL* and *24 Hours* magazines were down 26.4%, whereas the reference market was down 36.6% (source: Nielsen - January/December 2020). Advertising revenues from *How to Spend It* and *24 Hours* in the period January/March 2021 recorded a decrease of 29.7% (net of the *IL* title closed in December 2020), whereas the reference market was down 32.2% (source: Nielsen - January/March 2021).

The performance of magazines was significantly affected in 2020 by contraction of investments by companies in the clothing and home furnishings sectors (-29.2%) (source: Nielsen - January/December 2020; no. pages). Such sectors were of considerable importance in the Group's monthly magazines, with 36% share of advertising space on *IL* and 45% on *How to Spend It*. The first quarter of 2021 recorded a similar trend, with a decrease of 38.1% in the clothing and home furnishings sectors (source: Nielsen - January/March 2021; no. pages). In the first quarter of 2021, these sectors represented 49% share of advertising space of *How to Spend It*.

Radio 24's advertising revenues were also affected by the negative consequences of the spread of COVID-19: in 2020 revenues were down 14.8%, compared to the reference market, down 25% (source: Nielsen January/December 2020). In the first quarter of 2021, revenues were down 23.9% compared to the reference market, down 17% (source: Nielsen January/March 2021).

In 2020, in the radio market, there was a slowdown in advertising investments by companies in *Radio 24*'s core sectors: automobiles (-34.3%), which alone accounted for about one-fifth of the broadcaster's advertising airtime, in addition to professional services and industry/building/activities (-27.5%). The positive signs recorded by companies in the finance/insurance and IT/photography (+4.5%) sectors were not enough to offset such slowdowns (source: Nielsen - January/December 2020; no. seconds). These five sectors as a whole accounted for 59% of advertising airtime for *Radio 24*. In the first quarter of 2021, there was a decrease in advertising investments by companies in *Radio 24*'s core sectors, especially automobiles (-38.2%) and finance/insurance (-11.1%) which together represented approximately one fourth of the broadcaster's advertising revenues. Such slowdowns were compensated in part by the positive signs registered by the industry/building/activities (+40.1%) and professional services (+37.9%) sectors (source: Nielsen January/March 2021; no. seconds). These four sectors as a whole accounted for 45% of advertising airtime for *Radio 24*.

Advertising sales on behalf of the broadcaster "*Radio Kiss Kiss*" also suffered in 2020 from the negative effects of COVID-19, recording a decrease of 30.8% (from January to 2 December 2020, date on which the concession of advertising sales by *Radio Kiss Kiss* ended) compared to 2019. In terms of advertising space, automobiles and distribution sectors continued to be the predominant client sector (49%) (source: Nielsen - January/December 2020; no. seconds).

The System division's 2020 online sales (net of fund type and foreign newspapers) increased by 15.7%, whereas the reference market recorded -0.8% (source: Nielsen - January/December 2020). This double-digit growth is considered to be particularly positive in view of the slowdowns reported by the automobiles (-10.4%), media/publishing (-9.6%) and professional services (-1.1%) sectors (source: FCP - January/December 2020), which together accounted for more than a third of the total of the advertising inflows of the Group's media. However, online sales in the first quarter of 2021 (net of fund type and foreign newspapers) decreased by 2.6%, whereas the reference market increased by 6.4% (source: Nielsen January/March 2021). A positive trend was recorded in the Group's website sales (+2.4%), that benefited from the growth of the automobiles (+6.4%) and the finance/insurance (+6.2%) sectors; at the same time the media/publishing sector saw a decrease (-31.4%) (source: FCP January/March 2021).

Culture

The Culture division manages the MUDEC – Museo delle Culture museum in Milan, produces and markets exhibitions and related services (bookshop, ticketing, events) as well as manages the design and publication

of books and merchandising. These activities are carried out through the Issuer's subsidiary 24 ORE Cultura S.r.l.

Products and Operations

24 ORE Cultura S.r.l. manages the MUDEC – Museo delle Culture in Milan, an intercultural and multidisciplinary hub dedicated to the various cultures of the five continents. Over the last 20 years, 24 ORE Cultura S.r.l. has organised more than 50 major exhibitions in Italy and abroad, including travelling exhibitions which reflects the history of Italian, European and world art, architecture, design and, in particular, to photography. 24 ORE Cultura S.r.l. collaborates with prestigious operating and strategic partners, cultural organisations and public and private institutions to promote concrete actions to support and enhance cultural heritage in Italy and abroad.

Performance

The following table sets forth the results breakdown of the Culture division for the years ended 31 December 2020 and 31 December 2019 and for the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE CULTURE DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	2,482	12,146	-79.6%	341	1,024	-66.7%
Revenues	2,482	12,146	-79.6%	341	1,024	-66.7%
Gross operating margin (EBITDA)	430	1,097	-60.8%	(946)	(972)	2.7%
EBITDA Margin %	17.3%	9.0%	8.3 p.p.	-277.7%	-95.0%	n.s.
Operating profit (loss)	(718)	93	-870.0%	(1,051)	(1,098)	4.3%

The division's EBITDA in 2020 was equal to €0.4 million, down 60.8% compared to 2019, which recorded an EBITDA equal to €1.1 million, and equal to -€0.9 million in the first quarter of 2021, up 2.7% compared to the same period in 2020, which recorded an EBITDA equal to -€1 million.

The Culture division recorded revenues equal to €2.5 million in 2020, down 79.6% compared to revenues equal to €12.1 million in 2019; in the first quarter of 2021, it recorded revenues equal to €0.4 million, down 66.7% compared to the same period in 2020 which recorded revenues equal to €1 million.

In 2020, the MUDEC Permanent Collection had 22,200 visitors compared to 84,964 in 2019. In the fourth quarter (October-December) of 2020, the MUDEC Permanent Collection recorded 2,724 visitors compared to 30,069 visitors in 2019. In the first quarter of 2021, the MUDEC Permanent Collection opened between 9 and 26 February and had 778 visitors, compared to 13,927 visitors in the first quarter of 2020.

The spread of COVID-19 had a critical impact on the division's results both in 2020 and in the first quarter of 2021. MUDEC was closed until 28 May 2020, with limited re-openings and activities since 29 May 2020. Subsequently, in accordance with the emergency legislation (*i.e.*, the Prime Minister's Decrees of 24 October 2020, 3 November 2020 and 3 December 2020) all activities were closed until the end of 2020, and MUDEC has remained largely closed since 1 January 2021 until 31 March 2021.

During 2020, in order to cope with the effects of the COVID-19 pandemic, 24 ORE Cultura S.r.l. obtained €3.5 million in relief from the Ministry of Cultural Heritage and Tourism, and requested a second relief from the Ministry of Cultural Heritage and Tourism due to the lack of revenue from the production of exhibitions. The competent Ministry has allocated an additional €1.2 million contribution to 24 ORE Cultura S.r.l., which was collected on 6 May 2021 as described in "*Recent Developments*" below.

In 2020 and in the first quarter of 2021, promotions continued for the sale of exhibitions aimed at the international market and the sale of closed-door events partially converted to digital formats to meet new market needs. In the publishing area, commercial activities involving sponsored volumes were implemented, and the production of books in paper format for book stores and sales of books in e-book format continued.

Due to the restrictions resulting from the COVID-19 pandemic, certain exhibitions and openings were postponed until a later date.

Events

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

Products and Operations

Il Sole 24 ORE Eventi S.r.l. plans and organises events, integrated with the various facets of the Group, to meet customer needs.

Il Sole 24 ORE Eventi S.r.l. organises physical, digital and hybrid events in the following formats:

- **Summits:** annual conferences tailored to the core market, targeting top executives, managers and business professionals, to create an interactive debate on economic and market trends, and on strategies for growth and change;
- **Roadshows:** traveling events with the aim of engaging local business communities with relevant themes.
- **Topics:** events based on topical issues and with strong informational relevance, to convey immediate and timely content to the Group’s target audience and allow partner companies to increase their brand visibility in their target markets.
- **Tailor made:** in line with sponsor strategies, co-branded events that feature custom content and speakers, as well as organising tailor-made multimedia communication campaigns.

Performance

The following table sets forth the results breakdown of the Events division for the years ended 31 December 2020 and 31 December 2019 and for the three months ended 31 March 2021 and 31 March 2020:

RESULTS OF THE EVENTS DIVISION						
Euro thousands	FY 2020	FY 2019	change %	Q1 2021	Q1 2020	change %
Circulation revenues/other	343	-	0.0%	68	233	-70.9%
Advertising revenues	4,000	-	0.0%	741	271	> 100%
Revenues	4,343	-	0.0%	809	505	60.2%
Gross operating margin (EBITDA)	1,027	-	0.0%	171	(128)	> 100%
EBITDA Margin %	23.7%	0.0%	n.s.	21.1%	-17.4%	n.s.
Operating profit (loss)	1,022	-	0.0%	170	(129)	> 100%

The division’s EBITDA in 2020 amounted to €1 million. In the first quarter of 2021, the EBITDA amounted to €0.2 million, with an increase compared to the same period of 2020, which recorded an EBITDA equal to -€0.1 million.

The Events business division was created in 2019 through the incorporation in July 2019 of the company Il Sole 24 ORE Eventi S.r.l., wholly owned by the Issuer. In December 2019, Il Sole 24 ORE Eventi S.r.l. completed the acquisition of the “events business unit” from Business School24 S.p.A., through an asymmetric non-proportional demerger transaction. In order to enhance the organisational structure of the Events division in December 2019, the Issuer transferred the “24ORE live” business unit to Il Sole 24 ORE Eventi S.r.l.

The Events division closed 2020 with revenues of €4.3 million, a result achieved thanks to its ability to adapt and revise its offerings in line with the COVID-19 pandemic; in the first quarter of 2021, the Events division generated revenues equal to €0.8 million, up 60.2% compared to the same period in 2020.

The outbreak of the COVID-19 pandemic in February 2020 forced the suspension of all planned physical events and made it necessary to rapidly rethink the Events division's offerings: the division's activities therefore focused on the conversion of products from physical to digital. Il Sole 24 ORE Eventi S.r.l. has thus renewed its offerings through the launch of new formats for the realisation of digital events.

The high quality of the new formats was recognised and rewarded by users in terms of large number of participants, interactions and high average connection times both in 2020 and in the first quarter of 2021.

Group Strategy

The Issuer pursues a "digital first" business strategy for its long-term growth that is based, among other factors, on the revitalisation, redesign and digital transformation of its business, the acceleration of multichannel commercial performances, the further development of territorial coverage, the reduction of all operating costs, the streamlining of support and staff structures and the strengthening of distinctive skills. This strategy is reflected in the 2021-2024 Plan, which the Board of Directors approved on 25 February 2021.

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

The below sets out 5 main areas of the Group's strategy.

Digital Transformation

The Issuer has been implementing a strategy aimed at:

- strengthening the value of its content offering by further developing its digital offering, products and services with a high rate of innovation and profitability:
 - In 2020, despite the negative impact of COVID-19, Il Sole 24 ORE reported a positive trend thanks to the strategic implementation of new digital capabilities, applying new technologies to existing business activities;
 - +9.5% (about €1.7 million) online newspaper subscriptions;
 - +15.7% compared to 2019 in online advertising revenues vs general decline of approximately -0.8% of the related sector (source: Nielsen - January/December 2020);
- developing new premium subscription-based contents (such as: thematic newsletters, ePapers, podcasts, videos and multimedia); and
- focusing on distributing content to professional networks through technology.

Multichannel Distribution

The Group has put in place several initiatives to accelerate multichannel commercial performances through an effective upselling strategy and the enhancement of the existing customer base, including:

- restyling Il Sole and reviewing its editorial content. This initiative, launched on 16 March 2021, represents the most visible new element within a broader plan to enhance the value of content (including audio/video/podcast content) and the continuous renewal of the supply system from a multi-format and multi-platform perspective, made possible by virtue of the "digital first" strategy;

- redesigning the website (homepage and internal pages) with a focus on “recirculation” of the audience and creating upselling and cross selling opportunities;
- launching the new mobile application, designed to improve users’ experience and engagement. Released on 16 March 2021 the new application for tablets and smartphones, iOS and Android introduces a new, faster and more efficient experience of reading the digital copy of the newspaper, as well as one-tap access to the online content of Il Sole 24 ORE: website, 24+ - the premium section of the website - and podcasts;
- launching a new e-commerce platform (*Shopping24*); and
- focusing on distributing enriched content to professional networks through new publishing and technological platforms, developing a product system and enhancing the great strength of the brand.

Coverage

The Issuer has been further expanding its territorial coverage and enhancing brand awareness, including by:

- direct market penetration through consolidation and development of its customer base, thanks to a capillary distribution network of expert sale representatives vertically focused on specific market sectors (tax/regulatory, legal, public sector, corporate accounting); and
- indirect market penetration through independent market dealers (which represents a complementary strategy to direct and/or online sales).

Cost Reduction

The Issuer has been improving and transforming its internal operating processes to reduce drafting, production, distribution and central function costs, including by:

- re-designing business processes to enhance digital skills such as: videomaking, social media, data analytics and digital desk;
- outsourcing printing facilities (implemented on 16 March 2021 along with the restyling of the Il Sole); and
- renegotiating long term contracts (e.g., the Issuer moved its corporate offices in Milan to *Urban Cube*).

Focus on ESG Principles

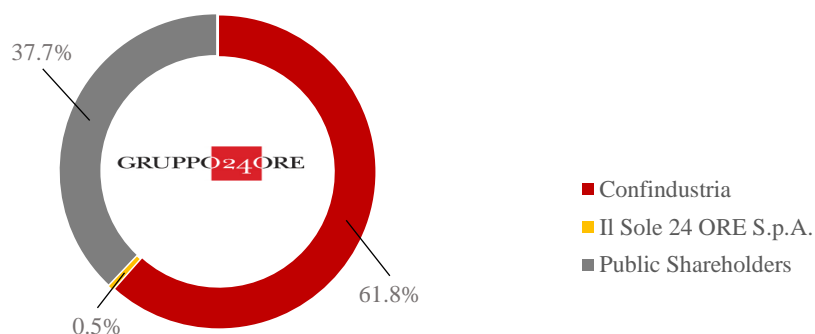
The Group has incorporated ESG principles, which embrace every aspect of its business, into its corporate mission. ESG principles are contemplated in the Group’s strategy including:

- the design of a set of ESG ratios and awards to recognise social and business excellences (*i.e.*, the *Life Quality Report* and the *Quality of Life Index by City*);
- the implementation of a strategy to go paperless and plastic-free as much as possible, reducing the environmental impact of the Group's business;
- the relocation of the Milan office to *Urban Cube*, a 15,500 sqm renovation of an industrial building with low energy consumption and low environmental impact;
- the implementation of dedicated services, such as ESG newsletters on financial sustainability, articles, guides and publications linked to climate change, and the inclusion of a section on the website dedicated to sustainability; and

- placing people at the centre of the Issuer's development strategy. The Group fosters and supports gender equality in all its activities and has implemented an extensive code of ethics for the Group, the employees and the other stakeholders.

Corporate and Shareholding Structure

Based on the register of shareholders and other information available to the Issuer, as of the date of these Listing Particulars, the composition of the share capital of the Issuer is as follows:



Shareholder	N. of ordinary shares	N. of Existing Preference Shares	Total Shares	%
Confindustria - Confederazione Generale dell'Industria Italiana*	9,000,000	31,371,684	40,371,684	61.8%
Il Sole 24 ORE S.p.A.	-	330,202	330,202	0.5%
Market	-	24,643,911	24,643,911	37.7%
Total Shares	9,000,000	56,345,797**	65,345,797	100.0%

(*) Confindustria - Confederazione Generale dell'Industria Italiana itself and 51 (53 at the signing date in 2019) other Confindustria - Confederazione Generale dell'Industria Italiana's associations signed a shareholders' agreement in 2019, valid for 3 years and tacitly renewed on a rolling basis. The shareholders' agreement concerns an equity investment in the total amount of 68.549% of the share capital as well as a prior consultation requirement regarding the exercise of voting shareholding rights and a right of first refusal.

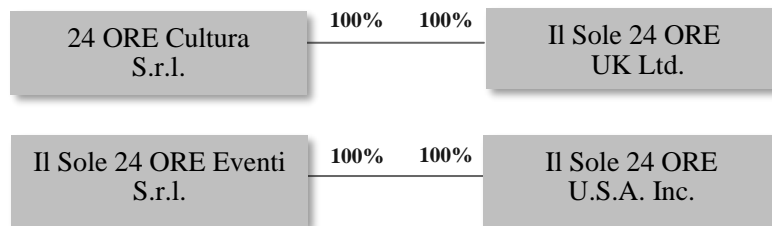
(**) The Existing Preference Shares:

- give the right to vote in the general shareholders meetings and in the Preference Shares' shareholders meetings;
- entitle to the preferential dividend as per the Issuer's By-Laws;
- in the event of the winding-up of the Issuer, provide a preferential right in the division of the corporate assets.

Shares	Share Capital (€)
Ordinary shares*	78,523
Existing Preference Shares	491,602
Total	570,125

The following chart sets out the entire structure of the Group and the companies in which the Issuer holds an interest as of the date of these Listing Particulars.

Il Sole 24 ORE S.p.A.



Employees

In the first quarter of 2021, the Group had an average number of employees equal to 849, evidencing a decrease of 49 units if compared to the average number of employees of 898 in the first quarter of 2020.

In order to contain the economic effects of the COVID-19 pandemic, the Issuer availed itself of the work support measures made available by the Italian government. In particular, the Issuer obtained ordinary wage subsidies from 11 May 2020 and for the maximum period permitted by law with regard to the graphics and polygraph departments, and also availed itself of the wage guarantee fund (*cassa integrazione in deroga*) from 1 July 2020 and for the maximum period permitted by law with regard to the journalism department.

Financing Arrangements

Securitisation program

The Issuer has a €50 million securitisation program in place, set up by Banca IMI S.p.A. as arranger using the securitisation vehicle company Monterosa SPV. The program provides for the ongoing monthly transfer of portfolios of the Issuer's trade receivables to Monterosa SPV, either on a definitive non-recourse basis (*i.e.*, without a guarantee of the assigned debtors' solvency) or on a recourse basis (*i.e.*, with a guarantee of the assigned debtors' solvency) and matures in December 2026. The securitisation agreement does not provide for financial covenants but provides for causes of impediment to the acquisition of the Issuer's portfolios of receivables, which, if not remedied, could result in the termination of the agreement. The securitisation agreement also provides for the possibility for both parties to terminate the agreement at the end of each calendar quarter.

As of 31 March 2021, the credit line for the securitisation of trade receivables with recourse (for a total amount of Euro 20 million) that has been utilised was €16.9 million.

On 20 July 2020, the Issuer and Monterosa SPV entered into an amendment agreement to extend the maturity of the securitisation program to December 2026, and to modify the option for both parties to terminate the agreement at the end of each calendar semester (instead of every calendar quarter).

For a description of the risks related to the Issuer's securitisation program, see "*Risk Factors – Financial Risks – Credit lines and loans*".

Loan agreement

On 20 July 2020, the Group also entered into a new medium-to-long-term loan agreement with a syndicate of lending banks, including Intesa Sanpaolo (also acting as agent bank and SACE Guarantee agent bank), Cassa Depositi e Prestiti, Banco BPM, Banca Popolare di Sondrio and Banca Monte dei Paschi di Siena, backed by a SACE Guarantee pursuant to the Liquidity Decree.

In relation to the SACE Guarantee provided by the loan and in accordance with the provisions of the Liquidity Decree, the Group undertook, *inter alia*:

- i. to use the loan proceeds for the purpose of financing: (a) investments; (b) working capital; (c) personnel costs; (d) costs of lease or rent fees of business units, exclusively for production facilities and business activities located in Italy (excluding acquisitions of corporate interests);
- ii. to keep a substantial part of production in Italy;

- iii. to comply with the regulations in force from time to time regarding the fight against money laundering, financing of terrorism and corruption;
- iv. not to approve or make dividend distributions or share repurchases during 2020 and to ensure that any other company based in Italy that is part of the Group does not approve or make dividend distributions or share repurchases during 2020;
- v. to manage employment levels through trade union agreements for the entire duration of the loan.

The agreement provides for financial covenants at the consolidated level, calculated without giving effect to IFRS 16.

The agreement includes clauses that are in line with market practice such as those relating to negative pledge, *pari passu*, limitation on the incurrence of debt, cross-default and change of control, and some specific provisions that provide for mandatory partial early repayment upon the occurrence of certain events.

For a description of the risks related to the Issuer's medium-to-long-term loan agreement, see "*Risk Factors – Financial Risks – Credit lines and loans*".

Legal, Administrative and Other Proceedings

As part of their ordinary course of business, companies within the Group are subject to a number of civil, administrative, tax and labour proceedings. The Group has carried out a review of its ongoing litigation, and provisions in the consolidated financial statements were made where the disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made.

As at 31 March 2021, the Issuer had a provision in its consolidated financial statement for legal proceedings amounting to €7,097 thousand. The amount of such reserves that the Issuer considers appropriate has been determined taking into consideration the following: (i) risks related to a single proceeding in the light of legal opinions rendered by outside counsels; and (ii) accounting principles providing for reserves of probable and quantifiable risks. In certain cases, where the negative outcome of disputes was merely possible, no specific provisions were made in the Issuer's consolidated financial statements in accordance with the principles and procedures governing the preparation of financial statements.

Below is a description of the proceedings that the Issuer's management believes are most relevant in view of their value or potential effects on the business operations. For a description of the risks related to these proceedings, see "*Risk Factors – Legal and Regulatory Risks – Pending Litigation*".

Proceedings relating to the use of reproduction rights of newspapers and magazines by press review companies without remuneration of the Issuer

On 5 May 2020, on the Issuer's request, the AGCOM (*Autorità per le Garanzie nelle Comunicazioni*, "AGCOM"), with Resolution no. 169/20/CONS, ordered L'Eco della Stampa, one of the largest Italian providers of press reviews, to remove the articles published in Il Sole bearing the wording "all rights reserved" (*riproduzione riservata*) from its service, including its archives, as it deemed the operator's conduct to be in violation of copyright law. L'Eco della Stampa appealed against Resolution no. 169/20/CONS before the Regional Administrative Tribunal ("TAR") of Lazio and on 12 April 2021, with decision no. 4260, the appeal was rejected, fully confirming the validity of Resolution no. 169/20/CONS.

The Issuer is currently involved, as defendant, in three proceedings brought by Data Stampa S.r.l., Intelligence 2020 – Agenzia Waypress and L'Eco della Stampa before the Civil Court of Milan. The plaintiffs seek to ascertain their right to use articles, news and information published in Il Sole, including those bearing the "all rights reserved" (*riproduzione riservata*) clause, in their press reviews and obtain declaratory relief establishing that the Issuer is not entitled to receive any remuneration for the inclusion of such articles, news and information in press reviews prepared by the plaintiffs.

With regard to the proceeding brought by Data Stampa S.r.l., the next hearing is scheduled for 9 June 2022, during which the parties will be called to finalise their conclusions on whether damages are due. The next hearing for the proceeding brought by L'Eco della Stampa is scheduled for 21 July 2022, during which the parties will be called to finalise their conclusions on whether damages are due. The first hearing of the proceeding brought by Intelligence 2020 – Agenzia Waypress is scheduled for 10 November 2021.

Proceedings before the Milan Public Prosecutor's Office

On 16 November 2018, the Milan Public Prosecutor's Office issued a notice of conclusion of investigations (*avviso di conclusione delle indagini*) against Benito Benedini, Roberto Napoletano and Donatella Treu, respectively former Chairman of the Board, former Editorial Director and former Chief Executive Officer of the Issuer, relating to criminal proceeding no. 5783/17 R.G.N.R. for the offences of false corporate communications (*false comunicazioni sociali*) pursuant to article 2622 of the Italian Civil Code and market manipulation pursuant to article 185 of the Legislative Decree No. 58/1998, as amended (the "**Financial Services Act**"). In the same notice, the Issuer was also charged with the administrative offences pursuant to article 5 paragraph 1, letter a), 6, 25 *ter* paragraph 1, letter b) of Legislative Decree no. 231/2001 and article 5 paragraph 1, letter a), 6, 25 *sexies* of Legislative Decree no. 231/2001, which are dependent on the above-mentioned underlying criminal offenses.

More specifically, the aforementioned former directors and executives were charged with the offence of false corporate communications for having disclosed untrue material information about the Issuer's financial position and results of operations in the half-year financial statements of 30 June 2015, the interim report of 30 September 2015, as well as in the financial statements as of and for the year ended 31 December 2015 "in order to ensure an unjust profit for themselves and third parties". The false representation charge related to, according to the Milan Public Prosecutor's Office, the overstatement of the performance of the newspaper Il Sole, and particularly the revenues from the sales of digital and printed copies, by way of camouflaging accrued losses through the aggregation of different business areas. The aforementioned persons were also charged with market information manipulation for having provided the market with false information (regarding the performance of the circulation figures of the newspaper Il Sole and related revenues) capable of causing a significant alteration in the Issuer's share price through press releases issued between 2014 and 2016.

On 24 September 2019, the Issuer filed a plea-bargain application with the preliminary hearing judge (*giudice per l'udienza preliminare*), indicating the consent already given by the Public Prosecutor to a monetary administrative sanction of €50 thousand. In this context, defendants Benito Benedini and Donatella Treu delivered to Issuer's counsel cheques for €100 thousand and €300 thousand respectively, as a down payment for the damages suffered and the judge ordered the separation of the proceedings against defendant Roberto Napoletano. On 29 October 2019, the Court of Milan accepted the plea bargain submitted by the Issuer, having also considered the remedial measures adopted by the Issuer and the implementation of an organisation model that the Court of Milan considered suitable to prevent similar offences. At the same hearing, defendants Benito Benedini and Donatella Treu made plea bargains and were sentenced to 1 year, 5 months and 20 days' imprisonment and 1 year and 8 months' imprisonment, respectively. The aforementioned defendants were also granted a suspended sentence (*sospensione condizionale della pena*).

On 16 January 2020, the trial of Roberto Napoletano started before the judges of the Second Criminal Section of the Court of Milan. At this hearing, CONSOB (*Commissione Nazionale per le Società e la Borsa*, "CONSOB"), which had already joined the proceeding as plaintiff in the preliminary hearing, announced that it would file a motion requesting that the Issuer be held civilly liable, meaning the Issuer might be held jointly and severally liable with the other defendants pursuant to article 2049 of the Italian Civil Code, for any damages caused to third parties by the alleged offences. Six persons (employees and former employees of the 24 ORE Group) and Confindustria - Confederazione Generale dell'Industria Italiana also joined the proceeding as plaintiffs. At the hearing on 28 May 2020, the Court of Milan granted CONSOB's request to hold the Issuer civilly liable. At a hearing on 15 January 2021, the Court of Milan completed the admission of evidence phase, authorising the summoning of all the witnesses requested by the parties as well as the examination of the defendant. The preliminary hearing phase has since started, with a hearing held on 13 July 2021.

The fact that the Issuer has been subjected to a pecuniary sanction pursuant to Legislative Decree no. 231/2001 constitutes a circumstance that must be declared when participating in procedures for the award of public contracts. The sanction does not have any automatic effect of excluding the Issuer from participating in the award procedures, but it must in any case be submitted to each contracting authority for the purpose of assessing whether it constitutes "a serious professional misconduct", which can be a cause of exclusion of discretionary nature, as provided by article 80 paragraph 5 letter c) of Legislative Decree no. 50/2016. In order to be able to order exclusion from the procedure, the contracting authority would need to, following an adversarial procedure with the Issuer, identify the existence of a situation that is likely to undermine the integrity and reliability of the Issuer for the purposes of carrying out the specific contract.

In connection with the above proceedings, on 12 March 2019, the Board resolved to submit to the Issuer's shareholder meeting a proposal for a corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code against Benito Benedini, Donatella Treu and Roberto Napoletano. Such proposal was approved at the shareholders' meeting on 30 April 2019. Accordingly, on 18 June and 24 June 2019, the Issuer served summonses on the following persons:

- i. Benito Benedini, against whom a claim has been made for compensation for all damages suffered and to be suffered by the Issuer in relation to the Business Media Transaction (as defined in the illustrative report pursuant to article 125-*ter* of the Financial Services Act published on 29 March 2019), currently quantified at no less than €4,328 thousand, to be borne jointly with Donatella Treu;
- ii. Donatella Treu, against whom a claim has been made for compensation for all damages suffered and to be suffered by the Issuer in relation to:
 - a) the commercial and reporting practices aimed at artificially increasing the circulation figures of Il Sole, currently quantified at no less than €7,548 thousand, to be borne jointly with Roberto Napoletano and KPMG S.p.A., which is also a defendant in the action;
 - b) the Business Media Transaction, currently quantified at no less than €4,328 thousand, to be borne jointly with Benito Benedini;
 - c) the Stampa Quotidiana Transaction (as defined in the illustrative report pursuant to article 125-*ter* of the Financial Services Act published on 29 March 2019), currently quantified at no less than €666 thousand, to be borne jointly with KPMG S.p.A.
- iii. Roberto Napoletano, in his capacity as *de facto* director of the Issuer, against whom a claim has been made for compensation for all damages suffered and to be suffered by the Issuer in relation to commercial and reporting practices aimed at artificially increasing the circulation figures of Il Sole, currently quantified at no less than €7,548 thousand, to be borne jointly with Donatella Treu and KPMG S.p.A.

At a hearing on 18 May 2021, investigating judge (*giudice istruttore*) acknowledged the lack of ground to settle the issue, adjourned the hearing to 14 December 2021 and granted the terms for the filing of preliminary memoranda.

Inspections by CONSOB

The events described above under "*Proceedings before the Milan Public Prosecutor's Office*" were also the subject of the following inspections by CONSOB:

- i. On 3 August 2018, the Issuer was notified by CONSOB of certain objections pursuant to article 187-*septies* of the Financial Services Act. These objections concerned the market manipulation offense set out in article 187-*ter* of the Financial Services Act and were directed against five individuals no longer at the Issuer (Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli) and the Issuer, as a party jointly liable pursuant to article 6 of Law 689/1981. The Issuer was also charged with the offence set out in article 187-*quinquies*, paragraph 1, lett. a), of the Financial Services Act (liability of the company) for violation of article 187-*ter*,

paragraph 1, of the Financial Services Act, which was committed, according to CONSOB, in the interest of the Issuer by a former representative of the Issuer no longer in office (Donatella Treu). More specifically, CONSOB alleged that between 2012 and 2016, the Issuer implemented unfair commercial and reporting practices aimed at artificially increasing the newspaper Il Sole's circulation figures and providing an altered representation of the newspaper's circulation.

On 22 February 2019, CONSOB proposed the application of pecuniary administrative sanctions for the violation of article 187-*ter*, paragraph 1, of the Financial Services Act against Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for a total amount of €1,050 thousand and against the Issuer pursuant to article 187-*quinquies* of the Financial Services Act for €140 thousand. Following an appeal by some of these individuals, the amount of the pecuniary administrative sanctions was reduced to €870 thousand. The Issuer was also jointly liable with Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for the payment of the total pecuniary administrative sanctions proposed by CONSOB against them, without prejudice, in any case, to the Issuer's right of recourse. With reference to the penalty proposed on Donatella Treu, Roberto, Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli, the Issuer determined the level of such risk to be possible, but not probable, and therefore decided not to allocate a provision related to such risk.

On 11 September 2019, having assessed the results of its preliminary investigation, CONSOB dropped its sanctions against the Issuer and communicated the closure of such proceedings on 11 September 2019. Specifically, CONSOB did not find any conduct of the Issuer aimed at achieving the relevant unlawful purpose that would make it administratively liable and subject to sanctions. Moreover, CONSOB decided not to formulate any judgement of reprehensibility towards the Issuer itself, as the Issuer had taken steps to implement an organisational model adequate to prevent similar offences from occurring again.

On 21 May 2021, the Court of Appeal of Rome granted the appeal filed by Mr. Napoletano and cancelled the penalty against him, which was equal to €280 thousand. Therefore, based on the information available to the Issuer, as of the date of these Listing Particulars, the Issuer remains jointly liable for the payment of the penalties against Donatella Treu, Anna Matteo, Alberto Biella and Massimo Arioli, amounting to €590 thousand, without prejudice, in any case, to its right of recourse.

- ii. On 13 August 2018, CONSOB notified the Issuer of the initiation of proceedings aimed at adopting measures pursuant to article 154-*ter*, paragraph 7 of the Financial Services Act, with regard to certain critical issues that emerged during its examinations of the financial statements as of and for the year ended on 31 December 2015, which also affected the consolidated financial statements as of and for the years ended 31 December 2016 and 2017. On 22 October 2018, the Issuer submitted to CONSOB its written comments on the notification of 13 August 2018.

On 28 December 2018, the Commission notified the Issuer of resolution no. 20770, whereby it ascertained the non-compliance of the Issuer's consolidated financial statements as of and for the year ended on 31 December 2017 with the rules governing their preparation, pursuant to article 154-*ter*, paragraph 7, of the Financial Services Act. Specifically, according to CONSOB, the non-compliance of the consolidated financial statements as of and for the year ended 31 December 2015 resulted in the incorrect application of IAS 1, paragraphs 27 and 28 and IAS 8, paragraphs 42 and 49 in relation to the consolidated financial statements as of and for the year ended 31 December 2016 and of IAS 1, paragraphs 10, 38 and 38A in relation to the comparative information relating to the 2016 financial year presented in the consolidated financial statements as of and for the year ended 31 December 2017.

Consequently, pursuant to article 154-*ter*, paragraph 7, of the Financial Services Act, CONSOB requested that the Issuer disclose the following information to the market:

- a. the shortcomings and critical accounting aspects noted by CONSOB regarding the above-mentioned financial statements;

- b. the International Accounting Standards applicable to the abovementioned financial statements and the violations identified by CONSOB in this regard;
- c. the illustration, through a pro-forma balance sheet and income statement, of the effects that a true and fair view would have had on the balance sheet, income statement and shareholders' equity for the financial year for which incorrect information was provided.

While reiterating the arguments already illustrated to CONSOB in its notice of 22 October 2018, the Issuer complied with requests (i) and (ii) on 2 January 2019 and with request (iii) on 22 January 2019 by means of a specific press release. On 26 February 2019, the Issuer announced that it had filed an appeal before the TAR of Lazio to challenge CONSOB's resolution no. 20770 of 28 December 2018, requesting the annulment of the contested resolution. The case was discussed and held for decision by the TAR of Lazio at the hearing on 2 March 2021. With decision no. 4766/2020 issued on 23 April 2021, the TAR of Lazio rejected the Issuer's appeal.

Regulatory Framework

The Group's activities are regulated:

- i. with regard to the publishing and press sector, *inter alia*, by (a) Law no. 47 of 8 February 1948 ("Provisions on the press"); (b) Law no. 416 of 5 August 1981 ("Discipline of publishing companies and benefits for the publishing industry"); (c) Law no. 67 of 25 February 1987 ("Renewal of Law no. 416 of 5 August 1981, regulating publishing companies and benefits for the publishing industry"); (d) Law no. 62 of 7 March 2001 ("New rules on publishing and publishing products and amendments to Law no. 416 of 5 August 1981"); (e) Legislative Decree no. 170 of 24 April 2001 ("Reorganisation of newspaper and publishing press, pursuant to article 3 of Law no. 108 of 13 April 1999"); (f) Legislative Decree no. 177 of 31 July 2005 ("Consolidated law on audiovisual and radio media services"), as amended by Legislative Decree no. 44 of 15 March 2010 ("Romani Decree"); (g) Law no. 198 of 26 October 2016 ("Establishment of the fund for pluralism and innovation of information and delegation to the Government for the redefinition of the discipline of public support for the publishing sector and local radio and television broadcasting, the discipline of pension profiles of journalists and the composition and powers of the National Council of the Order of Journalists. Procedure for the concession of the public radio, television and multimedia service (OG no.255 of 31 October 2016)); and
- ii. with regard to the radio sector, *inter alia*, by Legislative Decree no. 177 of 31 July 2005 ("Consolidated law on audiovisual and radio media services"), amended *inter alia* by Legislative Decree no. 44 of 15 March 2010.

Following the spread of COVID-19, the Italian government has adopted a number of measures to address the impacts of the pandemic to the publishing sector, including the extension of tax benefits for the retail sale of newspapers, magazines and periodicals, the introduction of an extraordinary scheme for access to tax credits for advertising investments, simplifications for access to direct contributions and for payments by publishing companies, tax credits for the purchase of paper and digital services, and contributions for newsagents. In particular:

- Law Decree no. 18/2020 (later converted into Law no. 27/2020) extended, for 2020, the tax credit for newsstands to companies distributing daily newspapers and/or magazines to outlets located in municipalities with a population of less than 5,000 inhabitants and in municipalities with only one sales outlet. Additionally, it expanded the types of expenses that can be offset to include electricity, telephone and Internet connection services, as well as home delivery of copies of newspapers. The maximum amount paid to each beneficiary was increased from €2,000 to €4,000. The 2021 Budget Law further extended such tax credit to 2021 and 2022, also recognising it for businesses operating exclusively in the retail sale of newspapers, magazines and periodicals and to press distribution companies that supply newspapers or periodicals to outlets located in municipalities with a population of less than 5,000 inhabitants and in municipalities with only one sales outlet, up to an annual expenditure limit of €15 million;

- Law Decree no. 18/2020 also provided, for 2020, an extraordinary regime for access to tax credit for advertising investments in newspapers, periodicals and local radio and television broadcasters, in consideration of the expected drop in investment volumes resulting from the health emergency relating to COVID-19. In particular, it provided that the tax credit for 2020 would be granted under the same conditions and to the same parties as those already envisaged, in the single measure of 30% of the value of the investments made, and not already within the limit of 75% of the incremental investments alone. The 2021 Budget Law increased such tax credit to being granted in the single measure of 50% of the value of advertising investments made in newspapers and periodicals, including digital ones, up to a maximum limit of €50 million for each of 2021 and 2022;
- Law Decree no. 34/2020 recognised, for 2020, a tax credit for the purchase of paper used for the printing of newspapers and periodicals equal to 10% of the expenditure incurred in 2019 and up to €30 million. It also provided that such tax credit cannot be cumulated with direct contributions;
- Law Decree no. 34/2020 recognised, for 2020, for publications published in digital format, a tax credit for the acquisition of server, hosting and evolutionary maintenance services, and for information technology for connectivity management, equal to 30% of the expenditure incurred in 2019 and up to €8 million. This tax credit cannot be cumulated with direct contributions. Subsequently, the 2021 Budget Law extended such tax credit to the years 2021 and 2022 under the same conditions and in the same manner as provided for the 2020 tax credit, up to a maximum limit of €10 million for each of 2021 and 2022;
- Law Decree no. 34/2020 introduced, for 2020 and for VAT purposes, an extraordinary flat-rate system for returns of newspapers and periodicals, aimed at allowing a 95% reduction (instead of the 80% envisaged under the ordinary system);
- Law Decree no. 34/2020 authorised the Presidency of the Council of Ministers to extend from 31 December 2020 to 31 December 2021 the duration of existing agreements entered into with press agencies for the purchase of journalistic and information services;
- Law Decree no. 76 of 16 July 2020 modified, until 31 December 2021, public tendering rules by allowing, *inter alia*, to derogate from the obligations to publish notices in daily newspapers; and
- Law Decree no. 104 of 14 August 2020 contained some provisions relating to the measures for the publishing industry, including:
 - article 27, which extended the exemption from social security contributions for employment in disadvantaged areas to journalists employed by publishing companies; and
 - article 96, which provided refinancing and simplifications for the publishing sector. In particular, the resources allocated to finance the tax credit for advertising investments in the newspaper, magazine press, television and radio broadcasters was increased from €60 million to €85 million (specifically, those allocated to newspapers was increased from €40 million to €50 million), and the tax credit granted to companies that publish newspapers and magazines for the purchase of paper was raised from 8% to 10%, with reference to expenditure incurred in 2019 (thus raising the related expenditure cap from €24 million to €30 million). In addition, the regulation of direct contributions to the publishing industry was also simplified through a number of provisions.

Recent Developments

From April 2021, printing activities located in Rende (CS) moved to a plant owned by the same third-party supplier, located in Messina.

In compliance with Law Decree no. 44 of 1 April 2021, MUDEC museum reopened on 1 May 2021.

On 6 May 2021, the company 24 ORE Cultura S.r.l. collected the contribution of €1.2 million granted by the Ministry of Cultural Heritage and Tourism with respect to the lack of revenue from the production of exhibitions in the differential between the year 2019 and the year 2020 (1 August - 30 November).

TAXATION

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Listing Particulars and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

This summary assumes that the Issuer is resident for tax purposes in the Republic of Italy.

Prospective purchasers of the Notes are advised to consult their own tax advisors concerning the overall tax consequences under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Tax Treatment of Notes issued by the Issuer

Interest Income

Legislative Decree No. 239 of 1 April 1996, as amended ("**Decree 239**"), provides for the tax treatment applicable to interest, premium and other income (including the difference between the redemption amount and the issue price; such interest, premium and other income collectively referred to as the "**Notes Income**") arising from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by companies listed on an Italian regulated market, such as the Notes issued by the Issuer.

Italian Resident Holders

Where an Italian resident holder of the Notes is (i) an individual not engaged in a business activity to which the Notes are connected (unless such holder has opted for the application of the discretionary investment portfolio regime – see section "Capital gains" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income tax, any Notes Income accrued by such holder is subject to a final withholding tax referred to as "*imposta sostitutiva*", levied at the rate of 26% when the Notes Income is cashed or deemed to be cashed upon the disposal for a consideration of the Notes.

In case the holders falling under (i) to (iii), above, are engaged in a business activity to which the Notes are connected, the Notes Income is currently included in their overall year-end taxable income on an accrual basis and either taxed at the ordinary rates of personal income tax (IRPEF), with respect to individuals doing business directly or through a partnership, or subject to the corporate income tax (IRES), with respect to private and public institutions. In such cases, the *imposta sostitutiva* is levied as a provisional tax creditable against the overall income tax due.

Moreover, subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not holding the Notes in connection with a business activity, may be exempt from any taxation on the Notes Income if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**") and in Article 1 (210-215) of Law No. 145 of 30 December 2018 (the "**Finance Act 2019**"), both as subsequently amended and supplemented from time to time.

Where an Italian resident holder is a company or similar commercial entity, or a commercial partnership, or a permanent establishment in Italy of a foreign enterprise to which the Notes are effectively connected, and the Notes are deposited with an Intermediary (as defined below), the Notes Income is not subject to the *imposta sostitutiva*, but currently included in the holder's overall year-end taxable income on an accrual basis and subject to the corporate income tax. In addition, depending on the "status" of the holder (*i.e.*,

generally, in the case of banks or financial institutions), the Notes Income may be subject to the Italian regional quasi-income tax (IRAP).

If the holder is an Italian pension fund subject to the regime provided for under Legislative Decree No. 252 of 5 December 2005, and the Notes are deposited with an Intermediary, the Notes Income is not subject to the *imposta sostitutiva* but currently included in the annual net accrued results of such pension fund, which are subject to a substitute tax of 20%. Subject to certain conditions (including minimum holding period requirement) and limitations, Notes Income may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019, both as subsequently amended and supplemented from time to time.

The Notes Income received by Italian investment funds and by Italian investment companies with variable or fixed capital (SICAVs and SICAFs), provided that (i) they are established in Italy and (ii) the fund, SICAV, SICAF or their manager is subject to the supervision of a regulatory authority, is not subject to any withholding tax or substitute tax, but must be included in the management results of the investment funds, SICAVs or SICAFs which are not subject to tax at the entity's level.

The Notes Income received by (i) Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-*bis* of Law No. 86 of 25 January 1994, or (ii) Italian resident real estate SICAFs is not subject to any withholding or substitute tax but must be included in the management results of the funds or SICAFs which are not subject to tax at the entity's level.

Pursuant to Decree 239, the *imposta sostitutiva* is levied by banks, qualified financial intermediaries (SIMs), fiduciary companies, asset management companies (SGRs), stockbrokers and other entities identified by a decree of the Minister of Finance (each an "**Intermediary**").

An Intermediary must (i) be resident in Italy or be the Italian permanent establishment of a non-Italian resident financial intermediary or a non-Italian resident organisation or company, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream, Luxembourg) having appointed an Italian representative for the purposes of Decree 239 and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or transfer, made either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying the Notes Income to a Noteholder or Couponholder.

Non-Italian resident Holders

If the holder of the Notes is a non-Italian resident that does not have a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that such holder is either (i) resident, for tax purposes, in States or territories that allow an adequate exchange of information with Italy (*i.e.* included in the list set forth in the Decree of the Minister of Finance dated 4 September 1996, as amended, the "**White List**"); or (ii) an entity or international body established according to international treaties implemented in Italy; or (iii) a Central Bank or an entity managing the official reserves of a State; or (iv) a qualified institutional investor (whether or not subject to tax) established in a White List country.

In order for this exemption to apply and to ensure a gross payment of the Notes Income, non-Italian resident holders of the Notes eligible for the exemption must be the beneficial owners of the Notes Income and

- (i) deposit, directly or indirectly, the Notes with a resident bank or broker-dealer or a permanent establishment in Italy of a non-Italian resident bank or broker-dealer or with a non-Italian resident

entity or company participating in a centralized securities management system which is electronically connected with the Ministry of Economy and Finance, such as Euroclear or Clearstream, Luxembourg; and

- (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes and in no event later than a payment of the Notes Income is made as a result of the holding or disposal of the Notes, a statement of or on behalf of the relevant holder, which remains valid until it is withdrawn or revoked, stating that the holder is eligible to benefit from the exemption. The statement (which is not requested for international bodies or entities established according to international treaties implemented in Italy nor for Central Banks or entities managing the official reserves of a State) must comply with the requirements set forth by the Decree of the Minister of Finance dated 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26% on the Notes Income paid to holders of the Notes not eligible for the exemption mentioned above. Investors eligible for a lower rate of taxation under a tax treaty entered into by Italy, where applicable, may seek a total or partial reduction of the *imposta sostitutiva*, subject to timely filing the required documentation, or relief pursuant to the ordinary refund procedure.

Capital Gains

Italian Resident Holders

Capital gains realized upon any disposal, sale or redemption of the Notes are currently included in the overall taxable income of an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in a business activity to which the Notes are connected. As such, they would be subject to corporate or personal income tax, as the case may be, at ordinary rates. In addition, in certain circumstances, depending on the "status" of the holder, they may also be subject to IRAP.

Capital gains arising from the disposal, sale or redemption of the Notes by (i) an Italian resident holder who is an individual not engaged in a business activity to which the Notes are connected, (ii) a non-commercial partnership, or (iii) a non-commercial private or public institution, are subject to a capital gains tax (*imposta sostitutiva sulle plusvalenze e sugli altri redditi*), currently levied at the rate of 26%, pursuant to one of the following regimes:

- (i) under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in a business activity to which the Notes are connected, the capital gains tax is chargeable, on a cumulative basis, on all capital gains net of any incurred capital loss realized by any such holder on the disposal, sale or redemption of the Notes occurring in any given tax year. Such gain, net of any relevant incurred capital loss, must be reported in the year-end tax return and the tax must be paid on the capital gain together with any income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains realized in the next tax years up to the fourth; or
- (ii) under the non-discretionary portfolio regime (*regime del risparmio amministrato*), the holder may elect to pay the tax separately on capital gains realized on each disposal, sale or redemption of the Notes. This separate taxation of capital gains is allowed subject to (x) the Notes being deposited with Italian banks, SIMs or certain authorized financial intermediaries and (y) the holder making a timely election in writing for the *regime del risparmio amministrato*, addressed to any such intermediary. The depository is then responsible for accounting for the tax in respect of capital gains realized on each disposal, sale or redemption of the Notes (as well as in respect of capital gains realized upon the revocation of its mandate), net of any incurred capital loss, withholding and remitting to the Treasury the tax due. Losses may be deducted from capital gains subsequently realized within the same securities portfolio in the same tax period. Capital losses in excess of capital gains may be carried forward against capital gains realized in the next tax years up to the

fourth. Under the *risparmio amministrato* regime, the holder is not required to report the capital gains in his year-end tax return; or

- (iii) under the discretionary portfolio regime (*regime del risparmio gestito*), eligible when the Notes are included in a portfolio discretionarily managed by an authorized intermediary, the 26% capital gains tax is paid on the appreciation of the investment portfolio accrued in any given year (including the gains realized on the disposal, sale or redemption of the Notes). The tax is paid by the authorized intermediary. Any depreciation of the investment portfolio accrued at year-end may be carried forward and netted against the appreciation accrued in any of the four succeeding tax years. Under such regime, the holder is not required to report the gains realized in his year-end tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not holding the Notes in connection with a business activity may be exempt from any taxation on the capital gains if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017 and in Article 1 (210-215) of the Finance Act 2019, both as subsequently amended and supplemented from time to time. According to Article 1 (219-226) of Law No. 178 of 30 December 2020, under some conditions, capital losses realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets specific requirements, give rise to a tax credit equal to the capital losses, provided that such tax credit does not exceed the 20% of the amount invested in the long-term saving accounts (*piano di risparmio a lungo termine*).

Capital gains realized by Italian-resident pension funds, certain Italian investment funds and real estate funds from the disposal, sale or redemption of the Notes are subject to the same tax regime described above under section "—Interest Income."

Non-Italian resident Holders

Capital gains realized by non-Italian resident holders of the Notes that do not have a permanent establishment in Italy to which the Notes are effectively connected, from the disposal, sale or redemption of the Notes, are exempt from taxation, provided that the Notes are held outside of Italy and, in any event, if at the time of the disposal, sale or redemption, the Notes are listed on a regulated market.

Capital gains realized by non-Italian resident holders from the sale or redemption of notes not listed on a regulated market are exempt from the capital gains tax, provided that the beneficial owner is either (i) resident, for tax purposes, in a White List country; or (ii) an entity or international body established according to international treaties implemented in Italy; or (iii) a Central Bank or an entity managing the official reserves of a State; or (iv) a qualified institutional investor (whether or not subject to tax) established in a White List country. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *risparmio gestito* or are subject to the *risparmio amministrato*, exemption from Italian capital gains tax will apply upon condition that they provide in time with the authorised financial intermediary an appropriate statement stating that they meet the requirement indicated above.

If the conditions above are not met and the Notes are held in Italy, such gains are subject to the 26% capital gains tax unless a convention against double taxation with Italy applies. Most conventions against double taxation entered into by Italy provide that capital gains realized upon the sale or redemption of Notes are subject to tax only in the country of residence of the seller. In such cases, the capital gains realized by non-resident holders on the sale or redemption of the notes will not be subject to tax in Italy.

Please note that for a non-Italian resident, the *risparmio amministrato* shall automatically apply, unless it is expressly waived, where the Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, as converted, with amendments, with Law No. 286 of 24 November 2006, a transfer of the Notes by reason of death or gift is subject to an inheritance and gift tax levied on the value of the inheritance or gift, as follows:

- Transfers to a spouse or direct descendants or ancestors up to €1,000,000 to each beneficiary are exempt from inheritance and gift tax. Transfers in excess of such threshold will be taxed at a 4% rate on the value of the Notes exceeding such threshold;
- Transfers between relatives up to the fourth degree other than siblings, and direct or indirect relatives by affinity up to the third degree are taxed at a rate of 6% on the value of the Notes (where transfers between siblings up to a maximum value of €100,000 for each beneficiary are exempt from inheritance and gift tax and taxed at the same 6% rate on the value of the Notes exceeding such threshold); and
- Transfers by reason of gift or death to persons other than those described above will be taxed at a rate of 8% on the value of the Notes.

If the beneficiary of any such transfer is an individual with a severe disability pursuant to Law No. 104 of 5 February 1992, inheritance or gift tax is applied only on the value of the Notes in excess of €1,500,000 at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, Article 1 (210-215) of the Finance Act 2019, both as subsequently amended and supplemented from time to time – is exempt from inheritance tax.

The tax regime described above will not prevent the application, if more favorable to the taxpayer, of any different provisions of a bilateral convention against double taxation in force in Italy with respect to taxes on estates and inheritances, pursuant to which non-Italian resident holders are generally entitled to a tax credit for any estate and inheritance taxes possibly applied in Italy.

Stamp Duty on the Notes

Pursuant to Article 13(2bis-2ter) of the Tariff attached to Presidential Decree No. 642 of 26 October 1972, as amended, regulating the Italian stamp duty (*imposta di bollo*), subject to certain conditions, a stamp duty may be due, at the rate of 0.2% on the fair market value of the Notes (or, in case the fair market value cannot be determined, on their face or redemption values or on their purchase cost), in connection with the periodic reporting communications sent by financial intermediaries to their clients with respect to any financial instruments (such as the Notes), if deposited with an Italian resident financial intermediary or with an Italian permanent establishment of a foreign financial intermediary. The stamp duty cannot exceed €14,000 for taxpayers other than individuals.

If the Notes are held abroad (*i.e.*, with foreign financial intermediary or with a foreign permanent establishment of an Italian financial intermediary) by Italian resident individuals, non-commercial entities and certain partnerships (*società semplici* and similar partnerships), a similar duty is due at the rate of 0.2% on the fair market value of the Notes (or, in case the fair market value cannot be determined, on their face or redemption values or on their purchase cost). A tax credit is granted for any property taxes paid abroad on the same Notes. This duty cannot exceed €14,000 per year for taxpayers other than individuals.

Transfer Tax

Deeds regulating the transfer of securities (including the Notes) may be subject to the Italian registration tax as follows: (i) public deeds and authenticated private agreements are subject to registration tax at the

fixed rate of €200; and (ii) not authenticated private agreements are subject to registration tax at the fixed rate of €200 only "in the case of use" (*caso d'uso*), "explicit reference" (*enunciazione*) or on a voluntary basis.

As clarified by Circular No. 37 of 10 June 1986 of the Ministry of Finance, the issuance of bonds, such as the Notes, should not be subject to any Italian registration tax or other stamp, issuance or transfer taxes or duties in Italy.

Tax Monitoring Obligations

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-commercial entities and certain partnerships (*società semplici* and similar partnerships) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments (including Notes) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to be complied with in respect of Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

SUBSCRIPTION AND SALE

The Managers have, in a subscription agreement dated 23 July 2021 (the "**Subscription Agreement**") and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 99 per cent. of their principal amount, less the commission on the aggregate principal amount of the Notes to be paid by the Issuer to the Sole Global Coordinator & Physical Bookrunner as set forth in the Subscription Agreement and to be deducted from the portion of the proceeds of the Notes to be paid by the Sole Global Coordinator & Physical Bookrunner to the Issuer. The Issuer has also agreed to reimburse the Managers for certain of its expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of its distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Each of the Managers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined under the Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of sales to UK retail investors

Each of the Managers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom (“UK”). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of the UK MiFIR; or
 - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each of the Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation. Each of the Managers has represented, warranted and agreed that any offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation:

- (a) to qualified investors (*investitori qualificati*) as defined under Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the “**Financial Services Act**”) and implementing Italian CONSOB regulations; or
- (b) in circumstances where an exemption from the rules governing public offers of securities applies, pursuant to the Prospectus Regulation and any applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of these Listing Particulars or any other document relating to the Notes in the Republic of Italy in compliance with the selling restrictions under (a) and (b) above must be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “**Banking Act**”); and
- (ii) in compliance with any other applicable laws and regulations or requirements imposed from time to time by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015, as amended from time to time) and/or any other Italian authority.

Switzerland

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”) because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. These Listing Particulars do not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

No key information document according to the FinSA or any equivalent document under the FinSA has been prepared in relation to the Notes, and, therefore, the Notes may not be offered or recommended to retail clients within the meaning of the FinSA in Switzerland.

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in Switzerland.

For the purposes of this provision, the expression “**retail investor**” in the sense of Art. 4 para. 1 lit. a FinSA means all clients who are not professional clients pursuant to FinSA.

General

Each of the Managers has agreed that it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations. Persons into whose hands these Listing Particulars come are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish these Listing Particulars or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 4 June 2021.

Listing and Admission to Trading

Application has been made for the Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Group.

Material Adverse Change

Since 31 March 2021 there has been no material adverse change in the prospects and the financial position of the Issuer or the Group.

Material Contracts

As at the date of these Listing Particulars, neither the Issuer nor any of its Subsidiaries has entered into any contracts outside the ordinary course of business that have been or may be reasonably expected to be material to the Issuer's ability to meet its obligations under the Notes.

Independent Auditor

The independent auditor of the Issuer is EY S.p.A., whose registered office is at Via Lombardia 31, 00187, Rome, Italy. EY S.p.A., is authorised and regulated by the Italian ministry of Economy and Finance ("MEF") and registered on the special register of auditing firms held by the MEF.

EY S.p.A. has audited, in accordance with International Standards on Auditing (ISA Italia), Issuer's consolidated financial statements as of and for the years ended 31 December 2020 and 2019, prepared in accordance with IFRS, without qualification, as stated in the convenience translation into English of their reports incorporated by reference in these Listing Particulars.

Documents on Display

For so long as the Notes remain outstanding, physical or electronic copies of the following documents (together, where appropriate, with English translations) may be inspected during normal business hours at the offices of the Fiscal Agent at One Canada Square, London E14 5AL, United Kingdom:

- (a) the By-laws (*Statuto*) of the Issuer;
- (b) these Listing Particulars;
- (c) the Agency Agreement;
- (d) the Deed of Covenant; and

- (e) the Issuer's 2020 Annual Consolidated Financial Statements, 2019 Annual Consolidated Financial Statements and 2021 Interim Consolidated Financial Statements.

In addition, the Issuer's 2020 Annual Consolidated Financial Statements, 2019 Annual Consolidated Financial Statements and 2021 Interim Consolidated Financial Statements will be available, without charge, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.gruppo24ore.ilsole24ore.com). The Listing Particulars will be available, without charge, on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Potential Conflicts of Interest

Certain of the Managers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may have performed (or may in the future perform) services for, or may have provided (or may in the future provide) financing to, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or any entity related to the Notes. Certain of the Managers and their affiliates that have a lending relationship with the Issuer or the Issuer's affiliates routinely hedge their credit exposure to the Issuer or the Issuer's affiliates consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliate" includes also parent companies.

Yield

On the basis of the issue price of the Notes of 99 per cent. of their principal amount, the gross real yield of the Notes is 5.124 per cent. on an annual basis.

Legend Concerning US Persons

The Notes and any Coupons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Clearing Systems, ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2355600110 and the common code is 235560011. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

Post-issuance information

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

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