Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Half-Year Financial Report at 30 June 2020

First half 2020 results are affected by the Covid-19 health emergency

Consolidated highlights of the 24 ORE Group:

- **Positive EBITDA of € 3.7 million (positive € 10.4 million at 30 June 2019)**
- **Negative EBIT of € 4.5 million (positive € 2.1 million at 30 June 2019)**
- **Loss of € 5.3 million (positive € 1.7 million at 30 June 2019)**

Net financial position of € -35.1 million versus € -26.3 million at 31 December 2019, worsening by € 8.8 million

Consolidated equity of € 31.4 million, € 5.2 million lower than € 36.6 million recorded at 31 December 2019

Milan, 30 July 2020 - Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Edoardo Garrone, approved Half-year financial report at 30 June 2020 of the 24 ORE Group.

Financial highlights of the 24 ORE Group

The 24 ORE Group closed first half 2020 with a net loss of € 5.3 million and with equity of € 31.4 million, decreasing by € 5.2 million versus consolidated equity of € 36.6 million at 31 December 2019.

The key financial figures of the Group at 30 June 2020, drawn from the condensed consolidated half-year financial statements are as follows:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP

Amounts in € millions	1H 2020	1H 2019
Revenue	43.3	50.2
Gross operating profit (EBITDA)	(1.6)	2.4
Operating profit (loss) (EBIT)	(5.6)	(1.7)
Pre-tax profit (loss)	(6.0)	(1.7)
Profit (loss) of the period	(5.9)	(1.7)
	31.03.2020	31.12.2019
Non-current assets	132.4	129.5
Current assets	87.0	84.1
Total assets	**219.4**	**213.6**
Equity attributable to owners of the parent	31.4	36.6
Equity attributable to non-controlling interests	-	-
Total equity	**31.4**	**36.6**
Non-current liabilities	51.3	49.3
Current liabilities	136.8	127.7
Total liabilities	**188.0**	**177.0**
Total equity and liabilities	**219.4**	**213.6**

Market environment

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

ADS figures of the main national newspapers show, for the period January - May 2020, a 7.9% drop in total circulation of print+digital copies versus the same period of 2019. The trend is attributable to the 12% drop in circulation of the print version of the Daily, partly offset by the 7.6% increase in digital circulation *(ADS January - May 2020*).

The latest radio audience figures for 2019 indicate a total of 34,849,000 listeners on average day, steady versus 2018 (+0.4% *RadioTER 2018-2019*).

The relevant market of the System Area for advertising sales closed the first five months of the year down by 30.1% (net of local newspaper advertising), clearly affected by the ongoing health emergency: newspapers closed at -23.4% (net of local), magazines at -41.5%, radio at -39.2% and Internet at -17.2% *(Nielsen - January - May 2020).* The health emergency has caused a significant slowdown in communication plans by businesses, which have had to adapt their strategies to the new needs and expectations of consumers.

In 2020, the professional publishing segment was expected to level off its overall turnover, affected by the low spending power of professionals and the spending review actions taken by Public Administration. For the various segments, the forecasts pointed to more positive dynamics for tax publishing than legal publishing, and for digital publishing than print publishing, with a reduction in the sales of books and magazines in particular, due to the shift towards digital content. On the other hand, forecasts had indicated a moderate growth in management software, with greater integration of digital editorial content within software solutions.

In this segment too, forecasts for 2020, however, must now take account of the impacts of the Covid-19 emergency, which has affected professionals and businesses and, as a result, the professional publishing market as well. The sentiment of the professional publishing market pointed for 2020 to a sluggish trend in overall turnover, affected by structural megatrends (digital revolution, reduction of entry barriers with the entry of new free or low-cost competitors), the lower spending power of professionals and the spending review actions taken by Public Administration.

Consolidated results at 30 June 2020

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

The key financial figures (net of non-recurring expense and income) of the Group at 30 June 2020 are shown below:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP NET OF NON RECURRING CHARGES		
Amounts in € millions	1H 2020	1H 2019
Revenue	43.3	50.2
EBITDA net of non recurring income	(1.6)	2.4
EBIT net of non recurring income	(5.6)	(1.7)
Pre-tax profit (loss) net of non recurring income	(6.1)	(1.7)
Net profit (loss) net of non recurring income	(6.0)	(1.7)
	30.06.2020	31.12.2019
Equity	31.4	36.6
Net financial position	(31.1)	(26.3)

Revenue trend

In first half 2020, the 24 ORE Group achieved **consolidated revenue** of € 88.2 million versus € 100.8 million in first half 2019 (€ -12.6 million, down by -12.5%). The downturn in revenue was strongly impacted by the effects of the Covid-19 health emergency and the resulting restrictive measures adopted by government authorities, which compounded the weakness tied to the structural decline of the relevant market. Specifically: advertising revenue was down by € 6.0 million (-15.3% from € 39.0 million to € 33.1 million), publishing revenue by € 1.8 million (-3.5% from € 52.6 million to € 50.8 million) and other revenue by € 4.8 million (-52.2% from € 9.2 million to € 4.4 million). Revenue from the Culture Area dropped by 83.8%, given the total stoppage of MUDEC activities until 28 May. Subsequently, from 29 May, the Municipality of Milan reopened access to the Permanent Collection, with a limited capacity for three days a week.

The Covid-19 emergency, which spread across Italy from the end of February 2020, is also impacting both on copies distributed and declared by the publisher to ADS and on copies sold. Regarding sales of the print version of Il Sole 24 ORE, the newsstand channel posted a positive result versus the pre-Covid-19 period, offset by the negative trend of sales made on an ongoing basis to the business sectors that have been impacted by the effects of the lockdown and the restrictive measures still in progress (such as trains and airplanes) and of block sales specifically for events, as well as the temporary suspension of print subscriptions to businesses, banks and professional firms. On the other hand, the digital version of the Daily saw a strong increase in the number of new subscriptions, resulting in an increase in circulation versus the pre-Covid period.

In first half 2020, the portal *www.ilsole24ore.com* posted a daily average of over 2 million unique browsers, up by 121.3% versus the 2019 average (*Webtrekk*). The combined effect of the surge in demand for Coronavirus-related content from digital channels, plus a greater willingness to subscribe to paid content due to the severity and uncertainty of the situation, and a strong presence of both a free (multi-format/multichannel) and paid offer of digital products, accompanied by a clear trust and relevance of information provided, led to a remarkable growth in the brand's digital consumption. The result is attributable to the real-time coverage of the Covid-19 emergency, particularly in March (3.77 million average daily unique browsers, +281% versus the same period of the prior year) and in April (3.15 million average daily unique browsers, +252% versus the same period of the prior year), then decreasing in the following months, maintaining however a positive trend versus the prior year also in June (1.57 million average daily unique browsers, +48.1% versus the same period of the prior year). Daily records were set in the six-month period on 12 March 2020 for unique browsers (5.5 million) and on 22 March 2020 for page views *(*17.4 million) and peak indicators for both video (average daily stream views +138.6% versus first half 2019) and on social channels. In particular, the Facebook fanbase grew in March by +3.6% (versus the monthly average of the previous three months +0.7%) and in April by +2.4%; the Instagram fanbase increased in March by +10% (versus the monthly average of the previous three months +3.6%) and in April by 6.9%. In first half 2020, Il Sole 24 ORE retained its media record on LinkedIn with almost 750 thousand followers. Live broadcasts continue with the editorial staffs also on LinkedIn.

Main trends in consolidated revenue:

- circulation revenue from the Daily (print+digital) amounted to € 24.5 million, down by € 0.8 million (-3.2%) versus first half 2019. Circulation revenue from the print Daily amounted to € 15.4 million, down by € 0.9 million (-5.5%) versus the same period of 2019. Circulation revenue from the digital Daily amounted to € 9.1 million, up slightly (+0.8%) versus first half 2019;
- Group advertising revenue, amounting to € 33.1 million, was down by € 6.0 million (-15.3%) versus first half 2019, outperforming the market's -30.1%. From March onwards, the spread of the Covid-19 pandemic inevitably affected the performance of the advertising market and, as a result, System's sales. The spread of the pandemic led to the suspension of physical events, countered by Il Sole 24 ORE with the development of new digital formats. Special initiatives created specifically for customers and capable of offsetting the persisting crisis of print media, which account for 48% of the agency's total sales, were also held up;
- revenue from e-publishing in the Tax & Legal Area amounted to € 17.5 million, up by 0.8% versus the same period of 2019, despite the negative effects of Covid-19, which also led to the closure of a great number of professional firms, with resulting impacts on the sales of databases and software;
- revenue from the Culture Area amounted to € 1.2 million, down by € 6.3 million (-83.8%) versus the same period of the prior year.

The circulation (print+digital) of Il Sole 24 ORE for the period January-May 2020 totaled 145,031 average daily copies (-7.6% versus the same period of 2019). Specifically, the average daily print circulation declared to ADS for the period January-May 2020 was 65,157 copies (-15.4% versus 2019). Digital circulation declared to ADS was 79,874 average daily copies (-0.1% versus 2019). A point worth mentioning, especially in the months from February to May 2020, is the constant growth of newsstand sales, up in May by 10.6% versus May 2019 *(ADS, sales channels required by law),* against a market that lost 7.9% in May 2020 versus May 2019. The extraordinary coverage of the Covid-19 emergency also rewarded the digital circulation of Il Sole 24 ORE, with an 11.3% increase in May 2020 versus May 2019 *(ADS, circulation of digital copies).*

As shown in the Interim Management Statement at 30 September 2018, the Group asked an independent third party to render an opinion on the effective application of the appropriate procedures adopted in the calculation of the *Total Paid For Circulation* ("TPFC", i.e. total number of Il Sole 24 ORE daily fee-based sales on all markets through print and digital channels) at 30 June 2020; following the audit, the independent third party issued an unqualified Report of Assurance (ISAE 3000 - Limited assurance) on 24 July 2020.

Based on these procedures, the average *Total Paid For Circulation* for the period January-June 2020 was 179,726 thousand copies (-3.2% versus the same period of 2019), including all multiple digital copies sold, but not declarable as circulated for ADS purposes, therefore not included in the relating declaration.

Margins trend

EBITDA in first half 2020 came to a positive € 3.7 million versus a positive € 10.4 million in first half 2019. EBITDA for the period benefited from non-recurring income of € 1.6 million from the release of the provision for tax risks, recorded following the disposal of the investment in Business School24 S.p.A. for € 1.5 million and the partial release of the provision for pension risks for € 0.1 million. In particular, during the period under review, the Company performed a new assessment of the tax risk regarding the application of the registry tax on the transfer of the Business School24 S.p.A. business unit in 2017, which takes account of the legislative measures of 2018, 2019 and the ruling of the Constitutional Court dated 21 July 2020. The Company has therefore considered that the reasons for keeping the provision under liabilities no longer apply.

The change in EBITDA versus the same period of the prior year is due mainly to the decrease in revenue of € 12.6 million (-12.5%), partly offset by the reduction in costs, with particular regard to direct and operating costs, down by € 6.2 million (-11.5% - from € 53.4 to € 47.3 million).

Personnel expense, amounting to € 40.8 million, decreased by € 1.8 million (-4.2%) versus € 42.6 million in first half 2019. The average headcount, amounting to 878 units, decreased by 39 units versus 917 units in the same period of the prior year. The lower cost is due mainly to the reduction in average headcount versus 30 June 2019.

Service costs, totaling € 40.3 million, were down by € 4.5 million (-10.1%) versus first half 2019, due mainly to lower costs for conferences and exhibitions (€ -1.5 million), lower promotional and trade expense (€ -1.1 million), lower distribution costs (€ -0.7 million), lower costs for administrative services (€ -0.6 million) and lower printing costs (€ -0.4 million).

EBIT in first half 2020 came to € -4.5 million versus € +2.1 million in first half 2019. Amortization and depreciation amounted to € 8.3 million versus € 8.2 million in the same period of 2019.

The **result before tax** came to € -5.4 million versus € +1.8 million in first half 2019. The result was affected by net financial expense and income of € -1.0 million (€ -1.2 million in first half 2019). In first half 2020, a capital gain of € 0.1 million was recorded from the disposal of the minority interest in Editoriale Ecoprensa S.A..

The **net result attributable to the owners of the parent** came to € -5.3 million versus € +1.7 million in first half 2019. The result attributable to the owners of the parent, net of non-recurring expense and income, came to € -7.0 million versus € -1.5 million in first half 2019.

Statement of Financial Position

The **net financial position** stands at € -35.1 million at 30 June 2020 versus € -26.3 million at 31 December 2019, deteriorating by € 8.8 million. The change in the net financial position refers mainly to the cash flow from operations, which includes the payment of non-recurring expense from voluntary redundancies settled during the period, the cash flow from investing and financing activities, resulting in a reduction in cash and cash equivalents, and the change in non-current financial debt, relating mainly to the medium/long-term financial payable at 30 June 2020 from the present value of the payments for the new lease of € 3.9 million for the Rome offices.

Equity amounted to € 31.4 million, or € 5.2 million lower than € 36.6 million recorded at 31 December 2019, due to the result for the period of € -5.3 million, and the actuarial assessment of post-employment benefits, which had a positive impact of € 0.1 million.

Business outlook

The first six months of 2020 confirm the lingering weak market conditions and general uncertainty of the Italian economy, which affect the performance of advertising sales in particular. The Covid-19 health emergency and the extraordinary containment measures adopted by the authorities have resulted in a deterioration of the general conditions of the global economy, the extent and duration of which are currently hard to predict. In first quarter 2020, according to ISTAT, GDP fell by 5.3% versus the prior quarter, while forecasts point to a strong reduction in 2020 (-8.3%) and a partial recovery in 2021 (+4.6% - *ISTAT press release - Italian economic outlook 2020-2021 - 8 June 2020*).

Given the health emergency, publishing and the advertising market in particular are marked by a general uncertainty due to the effects of the spread of the pandemic.

Additionally, in accordance with the order of 23 February 2020 of the Ministry of Health and the President of the Lombardy Region, and the ensuing legal measures, a number of 24 ORE Group events have been cancelled and others have been rescheduled during 2020. Under the same order, the activities of the MUDEC, managed by the subsidiary 24 ORE Cultura S.r.l., were closed until 28 May; from 29 May, the Municipality of Milan reopened access to the Permanent Collection, with a limited capacity for three days a week.

On 30 June 2020, the Board of Directors of the Company approved the update to the 2020-2023 Plan, which incorporates the impact of the Covid-19 health crisis. The updated post-Covid 2020-2023 Plan basically confirms the strategic guidelines and medium-long term goals of the pre-Covid 2020-2023 Plan.

Despite the sharp drop in revenue expected in 2020, the new post-Covid 2020-2023 Plan envisages a growth in consolidated revenue and confirms the gradual improvement in operating margins thanks also to the greater efficiencies achievable in direct and operating costs.

The Group continues to closely monitor the developments of the Covid-19 health emergency and the potential repercussions on the relevant markets, keeping a proactive and constant eye on the containment of all costs and the identification of initiatives that can further alleviate the risk tied to revenue in order to shield profitability and expected cash flows.

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Consolidated financial statements at 30 June 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € millions	31.03.2020	31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	28.9	26.1
Goodwill	22.0	22.0
Intangible assets	40.6	40.6
Investments in associates and joint ventures	-	-
Available-for-sale financial assets	0.7	0.7
Other non-current assets	16.4	16.3
Deferred tax assets	23.8	23.8
Total	**132.4**	**129.5**
Current assets		
Inventories	1.9	2.9
Trade receivables	56.8	55.1
Altri crediti	5.7	3.9
Other current financial assets	1.1	1.4
Other current assets	5.9	5.1
Cash and cash equivalents	15.5	15.7
Total	**87.0**	**84.1**
Assets held for sale	-	-
TOTAL ASSETS	**219.4**	**213.6**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

Amounts in € millions	31.03.2020	31.12.2019
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	0.6	0.6
Equity reserves	19.5	19.5
Post-employment benefits Reserve - IAS adjustment	(3.8)	(4.6)
Retained earnings	21.1	22.3
Profit (loss) attributable to owners of the parent	(5.9)	(1.2)
Total	**31.4**	**36.6**
Equity attributable to non-controlling interests	**-**	**-**
Capital and reserves attributable to non-controlling interests	-	-
Profit (loss) attributable to non-controlling interests	-	-
Total	**-**	**-**
Total equity	**31.4**	**36.6**
Non-current liabilities		
Non-current financial liabilities	19.1	15.9
Employee benefit obligations	16.3	17.6
Deferred tax liabilities	5.9	6.0
Provisions for risks and charges	9.7	9.7
Other non-current liabilities	0.1	0.1
Total	**51.3**	**49.3**
Current liabilities		
Bank overdrafts and loans - due within one year	17.7	16.3
Other financial liabilietes	10.8	11.1
Trade payables	89.2	78.4
Other current liabilities	0.0	0.0
Other payables	19.0	21.8
Total	**136.8**	**127.7**
Liabilities held for sale	-	-
Total liabilities	**188.0**	**177.0**
TOTAL EQUITY AND LIABILITIES	**219.4**	**213.6**

CONSOLIDATED INCOME STATEMENT

Amounts in € millions	1Q 2020	1Q 2019
1) Continuing operations		
Revenue	**43.3**	**50.2**
Other operating income	1.1	1.4
Personnel expenses	(21.2)	(21.5)
Change in inventories	(1.0)	(0.1)
Purchase of raw materials and consumables	(0.5)	(1.9)
Services	(20.6)	(22.3)
Use of third party assets	(1.0)	(1.5)
Other operating costs	(0.9)	(1.4)
Provisions	(0.2)	(0.3)
Provisions for bad debts	(0.6)	(0.2)
Gross operating profit	**(1.6)**	**2.4**
Amortisation of intangible assets	(1.3)	(1.2)
Depreciation of property, plant and equipment	(2.7)	(2.9)
Net gains on disposal of non-current assets	(0.0)	(0.0)
Operating profit	**(5.6)**	**(1.7)**
Financial income	0.2	0.1
Financial expenses	(0.7)	(0.8)
Total Financial income (expenses)	**(0.5)**	**(0.6)**
Other income from investment assests and liabilities	0.1	-
Valuation by equity method of the share capital investments	-	0.7
Net profit (loss) before tax	**(6.0)**	**(1.7)**
Income tax	0.0	(0.0)
Net profit (loss) from continuing operations	**(5.9)**	**(1.7)**
2) Discontinued operations	**-**	**-**
Profit (loss) from discontinued operations	**-**	**-**
Profit (loss)	**(5.9)**	**(1.7)**
Profit (loss) attributable to minorities	**-**	**-**
Profit (loss) attributable to the shareholders of the parent company	**(5.9)**	**(1.7)**

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € millions	1Q 2020	1Q 2019
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	(6.0)	(1.7)
Adjustments for [b]	**4.6**	**4.1**
Amortization	4.0	4.1
Effect of investment valuation	-	(0.7)
Profit (loss) attributable to non-controlling interests	(0.1)	-
Increase (decrease) in provisions for risks and charges	0.1	0.0
Increase (decrease) in employee benefits	0.1	0.1
Changes in deferred tax assets/liabilities	-	(0.1)
Financial income (expenses)	0.5	0.6
Changes in net working capital [c]	**3.9**	**(4.6)**
Increase (decrease) in inventories	1.0	0.1
Increase (decrease) in trade receivables	(1.7)	0.1
Increase (decrease) in trade payables	10.8	4.4
Other changes in net working capital	(6.2)	(9.2)
Total cash flow used in operating activities [d=a+b+c]	**2.5**	**(2.1)**
Cash flow from investing activities [e]	**(1.3)**	**(0.1)**
Investments in intangible assets and property plant and equipment	(1.8)	(0.9)
Fees collected from sale of minority investments	0.1	-
Other changes in investing activities	0.3	0.9
Cash flow from investing activities [e]	**(1.4)**	**(5.1)**
Net financial interest paid	(0.5)	(0.6)
Repayment of medium/long term bank loans	(0.2)	(0.1)
Changes in short-term bank loans	1.4	(0.9)
Change in other financial receivables and payables	(0.2)	(0.5)
Other changes in financial assets and liabilities	0.0	(0.0)
Change in receivables and payables form IFRS16	(2.0)	(2.9)
Cash flow absorbed during of the yearg=d+e+f]	**(0.3)**	**(7.3)**
Opening cash and cash equivalents	**15.1**	**22.1**
Closing cash and cash equivalents	**14.9**	**14.8**
Increase(decrease) for the period	**(0.3)**	**(7.3)**

Supplements required by CONSOB pursuant to Article 114, Italian Legislative Decree 58/1998 Updated at 30 June 2020

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

NET DEBT OF THE 24 ORE GROUP		
(in thousands of euro)	30.06.2020	31.12.2019
A. Cash in hand	48	87
B. . Other cash and cash equivalents (bank and post office accounts)	8,837	15,644
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	**8,885**	**15,731**
E. Net current debt (I) – (E) – (D)	**1,059**	**1,384**
F. Current portion of amounts due to banks	(17,109)	(15,706)
G. Current portion of amounts due to banks	(617)	(609)
H. Other current loans and borrowings	(10,800)	(11,150)
I. Current debt (F)+(G)+(H)	**(28,526)**	**(27,464)**
J. Net current debt (I) – (E) – (D)	**(11,988)**	**(10,349)**
K. Non-current bank loans and borrowings	(10,501)	(11,131)
L. Bonds issued	-	-
M Other non-current borrowings	(8,642)	(4,813)
N. Non-current debt (K) + (L) + (M)	**(19,143)**	**(15,944)**
O. Net financial position (J) + (N)	**(31,131)**	**(26,293)**

The net financial position stands at € -35.1 million at 30 June 2020 versus € -26.3 million at 31 December 2019, worsening by € 8.8 million. The change in the net financial position refers mainly to the cash flow from operations, which includes the payment of non-recurring expense from voluntary redundancies settled during the period, the cash flow from investing and financing activities, resulting in a reduction in cash and cash equivalents, and the change in non-current financial debt, relating mainly to the medium/long-term financial payable at 30 June 2020 from the present value of the payments for the new lease of € 3.9 million for the Rome offices.

The Group's current net financial position stands at € -12.0 million. The Group also has revolving credit facilities for € 30.0 million not drawn down and totally available to date.

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Net financial position of the Parent Company

NET DEBT OF IL SOLE 24 ORE SPA		
migliaia di euro	31.03.2020	31.12.2019
A. Cash in hand	31	31
B. . Other cash and cash equivalents (bank and post office accounts)	14,047	12,938
C. Securities held for trading		-
D. Liquidity (A) + (B) + (C)	**14,078**	**12,969**
E. Net current debt (I) – (E) – (D)	**930**	**1,230**
F. Current portion of amounts due to banks	(17,109)	(15,706)
G. Current portion of amounts due to banks	(617)	(609)
H. Other current loans and borrowings	(13,657)	(13,916)
I. Current debt (F)+(G)+(H)	**(31,383)**	**(30,230)**
J. Net current debt (I) – (E) – (D)	**(16,374)**	**(16,031)**
K. Non-current bank loans and borrowings	(10,501)	(11,131)
L. Bonds issued	-	-
M Other non-current borrowings	(7,401)	(3,524)
N. Non-current debt (K) + (L) + (M)	**(17,901)**	**(14,655)**
O. Net financial position (J) + (N)	**(34,275)**	**(30,687)**

The net financial position stands at € -34.3 million at 31 March 2020 versus € -30.7 million at 31 December 2019, worsening by € 3.6 million. The change is attributable mainly to the debt from the present value of the payments for the new lease of € 5.1 million for the Rome offices.

The Company's current net financial position stands at € -16.4 million. The Group also has revolving credit facilities for € 30.0 million not drawn down and totally available to date.

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

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

AMOUNTS DUE FROM THE 24 ORE GROUP									
	Dues split up by days overdue								
(in thousands of euro)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	By more than 210 days	Total due
Loans and borrowings	-	-	-	-	-	-	-	-	-
Trade payables	1,627	136	89	51	7	62	32	1,146	3,150
Social security institutions	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax liabilities	-	-	-	-	-	-	-	-	-
	1,627	**136**	**89**	**51**	**7**	**62**	**32**	**1,146**	**3,150**

Amounts due by Il Sole 24 ORE S.p.A. split up by nature at 31 March 2019

AMOUNTS DUE FROM IL SOLE 24 ORE SPA									
	Dues split up by days overdue								
(in thousands of euro)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	By more than 210 days	Total due
Loans and borrowings	-	-	-	-	-	-	-	-	-
Trade payables	1,553	1,491	251	316	150	25	48	659	4,492
Social security institutions	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax liabilities	-	-	-	-	-	-	-	-	-
	1,553	**1,491**	**251**	**316**	**150**	**25**	**48**	**659**	**4,492**

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

Regarding past dues over 210 days, it should be noted that the amount includes suppliers blocked for items in dispute for a total of € 336 thousand on the Parent Company. The Parent Company received two payment orders for € 347 thousand on the disputed amounts, filing its objection.

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

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

Related parties of the Group

RELATED PARTY TRANSACTIONS – CONSOLIDATED AT 31 MARCH 2020								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	43	-	-	-	33	-	-	-
Total Ultimate Parent	**43**	**-**	**-**	**-**	**33**	**-**	**-**	**-**
Key management personnel	-	-	(264)	-	-	(467)	-	-
Board of Directors	-	-	(318)	-	-	(315)	-	-
Board of Statutory Auditors	-	-	(65)	-	-	(56)	-	-
Other related party persons	378	-	(318)	-	362	(306)	-	-
Total other related parties	**378**	**-**	**(965)**	**-**	**362**	**(1,143)**	**-**	**-**
Total related parties	**421**	**-**	**(965)**	**-**	**394**	**(1,143)**	**-**	**-**

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

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

Revenue refers mainly to the sale of advertising space in proprietary titles, subscriptions to the Daily and charges for services to Business School24 S.p.A..

The cost item relating to other related parties refers mainly to a sponsorship and visibility agreement with Confindustria Servizi S.p.A. and a Senior Advisor agreement of the Professional area.

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

In accordance with the Company's "Regulation on Related Party Transactions" (the "**RPT Regulation"**), and the Regulation on Related Party Transactions approved by CONSOB resolution no. 17221/2011, the Company periodically updates the Register of "Related Parties" of the Company. In line with the RPT Regulation and the CONSOB Regulation, on 31 March 2020 the Company identified its direct and indirect Related Parties by means of appropriate statement forms addressed to the "Related Parties" referred to in Annex 1 of the CONSOB Regulation to which the RPT Regulation refers entirely. Specifically, starting from this Interim Management Statement, the parties previously identified in the table appearing in the 2019 Consolidated Financial Statements "Transactions with related parties" under the items: “Associates" - Business School24 S.p.A. and "Other Executives" have not been identified as related parties and therefore no longer shown.

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

Related parties of Il Sole 24 ORE S.p.A.

RELATED PARTY TRANSACTIONS - PARENT COMPANY AT 31 MARCH 2020								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	43	-	-	-	33	-	-	-
Total Ultimate Parent	**43**	**-**	**-**	**-**	**33**	**-**	**-**	**-**
24 Ore Cultura S.r.l.	208	-	(190)	(3,094)	141	(197)	-	-
Il Sole 24 ORE Eventi S.r.l.	103	-	(490)	-	101	(488)	-	-
Il Sole 24 ORE UK Ltd	-	-	(224)	-	-	(89)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(169)	-	-	(111)	-	-
Total subsidiaries	**310**	**-**	**(1,073)**	**(3,094)**	**243**	**(885)**	**-**	**-**
Key management personnel	-	-	(264)	-	-	(467)	-	-
Board of Directors	-	-	(318)	-	-	(315)		
Board of Statutory Auditors	-	-	(60)	-	-	(50)	-	-
Other related party persons	378	-	(318)	-	362	(306)	-	-
Total other related parties	**378**	**-**	**(960)**	**-**	**362**	**(1,138)**	**-**	**-**
Total related parties	**731**	**-**	**(2,032)**	**(3,094)**	**637**	**(2,023)**	**-**	**-**

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

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

Trade and other payables refer mainly to:

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

Financial payables refer to current accounts with the subsidiaries Ticket 24 ORE S.r.l., 24 ORE Cultura S.r.l. and to financial payables to Il Sole 24 ORE Eventi S.r.l..

Revenue and operating income relate mainly to:

- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;
- sale of advertising space in Group titles;
- charging of centralized services to Group companies;

Costs refer mainly to:

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

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The cost item relating to other related parties refers mainly to a sponsorship and visibility agreement with Confindustria Servizi S.p.A..

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

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

In accordance with the Company's "Regulation on Related Party Transactions" (the "**RPT Regulation"**), and the Regulation on Related Party Transactions approved by CONSOB resolution no. 17221/2011, the Company periodically updates the Register of "Related Parties" of the Company. In line with the RPT Regulation and the CONSOB Regulation, on 31 March 2020 the Company identified its direct and indirect Related Parties by means of appropriate statement forms addressed to the "Related Parties" referred to in Annex 1 of the CONSOB Regulation to which the RPT Regulation refers entirely. Specifically, starting from this Interim Management Statement, the parties previously identified in the table appearing in the 2019 Consolidated Financial Statements "Transactions with related parties" under the items: “Associates" - Business School24 S.p.A. and "Other Executives" have not been identified as related parties and therefore no longer shown.

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

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

On 30 November 2017, the Company finalized the execution of the recapitalization and capital strengthening transaction and concluded agreements with lenders on the granting of new revolving cash credit facilities for a total of € 30.0 million, falling due on 31 December 2020, to support any future financial needs of the Company. The new revolving cash credit facilities do not require any collateral or compulsory security, but financial covenants recognized at consolidated level and without including any adjustments for non-recurring items. The covenants are structured as follows:

FINANCIAL COVENANTS						
€ millions	31 Dec 2017	30 June 2018	31 Dec 2018	30 June 2019	31 Dec 2019	30 June -2020
EBITDA (*) higher than	n.r.	2.0	5.0	8.0	12.5	13.0
Equity higher than	27.0	25.0	23.0	24.0	26.0	30.0
Debt/EBITDA lower than	n.r.	n.r.	1.75	n.r.	1.50	n.r.

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

Failure to satisfy even one of the covenants involves the right of early withdrawal from the loan by the banks. However, changes to the loan agreement may be requested from the lenders, or the lenders may waive their right to early withdrawal if failure to meet a covenant should occur.

On 13 May 2019, the lenders confirmed that, as from 2019, the covenants will be reviewed by adjusting the figures taken from the Group's half-year and annual reports by the effects of the introduction of the new IFRS 16 based on the elements elaborated in the financial reports.

With regard to the last contractual survey performed on 31 December 2019, although no use was made of the above credit facility, the aforesaid covenants were met:

- EBITDA *(*rolling 12 months): € 12.6 million (covenant: € 12.5 million);
- equity: € 34.9 million (covenant: € 26.0 million);
- NFP/EBITDA: 1.12 (covenant: 1.50).

On 12 March 2020, the lenders announced the change in the value of the financial covenant EBITDA rolling 12 months, used in the recognition of the covenant at 30 June 2020 (date of the last interim recognition before expiry of the loan), from € 16.5 million to € 13.0 million. The approved 2020 Budget meets the new EBITDA covenant. On the same date, the lenders also announced the increase in financial debt allowed overall at consolidated level, from € 10.0 million to € 20.0 million.

Additionally, on 13 November 2017, the Company and Monterosa SPV concluded an agreement to extend the maturity of the transaction involving the securitization of trade receivables in place at that time until December 2020; it should be noted, however, that under the agreement, both parties may conclude operations at the end of each calendar quarter.

The maximum total financeable amount is € 50.0 million; at 31 March 2020, the credit facility for the securitization of trade receivables had been drawn down, with recourse, for the amount of € 17.1 million (total amount of the facility € 20.0 million), and without recourse, for € 16.3 million.

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

On 8 May 2020, the Company:

- submitted a formal request to the lenders to suspend the recognition of the covenants at 30 June 2020 (covenant holiday);
- sent a request to obtain a medium/long-term loan from a pool of banks, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, so-called "Liquidity Decree";

- submitted a formal request to extend the securitization line for trade receivables beyond the maturity date currently scheduled at 31 December 2020.

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

On 12 March 2020, the Board of Directors of the Company approved the 2020-2023 Business Plan, which confirms the strategic course of the previous 2019-2022 Plan approved on 15 May 2019, with updates and developments thereto.

In keeping with the previous Plan, the following strategic targets were set:

- strengthen the value of content in the integrated 24 ORE system by focusing on products and services with high margins and a high rate of innovation in both the print and digital range offered;
- accelerate multi-channel sales performance by boosting upselling and enhancing the customer base;
- expand territorial coverage in order to increase the involvement of users of products and services of the 24 ORE system and enhance the relevance of the brand;
- transform operations as a whole in order to improve the efficiency of editing, production and distribution costs.

The forward-looking data appearing in the 2020-2023 Plan represent strategic targets set in the frame of corporate planning.

The preparation of the 2020-2023 Plan was based, among other things, on (i) general, hypothetical, as well as discretionary assumptions, and on (ii) a series of estimates and assumptions regarding the implementation, by the directors, of specific actions to be undertaken in the time frame covered by the Plan, or regarding future events that may be only partly influenced by the directors, or events which may not occur or be subject to change over the period of the Plan.

Specifically, the 2020-2023 Plan does not take into consideration the impacts of the Covid-19-related emergency and the extraordinary containment measures subsequently taken by the authorities involved, which led to a sudden deterioration of the general conditions of the global economy in March, the extent of which could not be predicted at the time of its preparation in terms of both duration and impact on business.

The spread of the pandemic has significantly affected the performance of advertising sales and led to the suspension of planned events and the slowdown of special initiatives created specifically for customers. Despite the growth in advertising sales in the first two months of 2020, a number of media centres have reviewed their forecasts for 2020, which take account of the repercussions of the spread of Covid-19, estimating a drop of between -17.5% and -20% (print approximately -30%; radio over -20% and digital approximately -15%), mindful of the fact that the current forecasts may be further reviewed. Radio, too, is bearing the brunt of the current emergency.

The Culture area has been greatly impacted by the current health emergency; in accordance with the order of 23 February 2020 of the Ministry of Health and the President of the Lombardy Region, and the ensuing legal measures, the MUDEC has been closed until further notice, with the resulting suspension and postponement of scheduled exhibitions.

The Professional area is equally affected by the closure of distributors and bookstores, and of professional practices, with a resulting negative impact both on sales of specialist publishing and of databases and software.

On the circulation front, ADS figures of the main national newspapers show for January-March 2020 a drop in total circulation of print+digital copies of -8.0% versus the same period of 2019, with a drop in circulation of the print version of -10.4% and an increase in digital circulation of +1.1% *(ADS January-March 2020).* Circulation revenue from the Daily outperformed forecasts, linked to newsstand sales and combined marketing initiatives, partly offset by lower direct sales from the suspension of supplies to trains and airlines and lower sales of add-ons related chiefly to the shuttering of the bookstore channel.

The trend of the relevant markets affected the overall performance of the Group, which closed first quarter 2020 with consolidated revenue and EBITDA lower than expected, only partly offset by the reduction in direct and operating costs.

In light of the negative effect on the Group's consolidated revenue of the restrictions and lockdown measures adopted by the government authorities due to the Covid-19 emergency, the Company has swiftly reacted by implementing a series of actions to mitigate the operating and financial impacts.
Specifically, the Company has identified and adopted the following cost containment measures:

- adoption of shock absorbers and other forms of public support to protect workers issued on an extraordinary basis and voluntary salary reduction by Management;
- extended use of smart working and suspension of all costs for travel and expense reports;
- strong reduction in editorial, marketing and commercial costs;
- suspension of all discretionary costs and renegotiation of several service contracts.

Additionally, in order to ensure the net financial position, the Company has also:

- temporarily suspended all non-essential investments;
- submitted a formal request to the lenders to suspend the recognition of the covenants at 30 June 2020 (covenant holiday);
- sent a request to obtain a medium/long-term loan from a pool of banks, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, so-called "Liquidity Decree";

Lastly, the Company has submitted a formal request to extend the securitization line for trade receivables beyond the maturity date currently scheduled at 31 December 2020.

The results of these actions, despite their launch in March, will contribute to performance starting from the second quarter, which, however, is expected to bear the brunt of the negative effects of Covid-19.

Given the current uncertainty over the duration and intensity of the Covid-19 health and socio-economic emergency, and over the timing of a possible return to normalcy, the Company believes that it is not possible, as things stand, to estimate the impact of the epidemic in 2020 and possibly the following years, and therefore reserves the right to provide updates as soon as visibility conditions allow more accurate estimates of the impact of the Covid-19 emergency.

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

For further information:

Investor Relations:
Raffaella Romano
Tel: 02 30223728
e-mail: investor.relations@ilsole24ore.com

Communication and External Relations:
Ginevra Cozzi
Mob. 335 1350144
e-mail: ginevra.cozzi@ilsole24ore.com