GRUPPO 24 ORE

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 2021

First half 2021 results close better than same period of 2020, thanks to the growth in revenue amid an improved pandemic context, high quality content, the launch of the new format of the Daily, strong advertising sales and continued product development

Consolidated highlights of the 24 ORE Group:

- **Positive EBITDA of € 7.3 million (positive € 3.7 million at 30 June 2020)**
- **Negative EBIT of € 1.1 million (negative € 4.5 million at 30 June 2020)**
- **Loss of € 3.3 million (negative € 5.3 million at 30 June 2020)**

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

- **Positive EBITDA of € 6.6 million (positive € 2.1 million at 30 June 2020)**
- **Negative EBIT of € 1.1 million (negative € 6.6 million at 30 June 2020)**
- **Loss of € 3.4 million (negative € 7.0 million at 30 June 2020)**

Negative net financial position of €57.4 million versus a negative € 50.9 million at 31 December 2020, due mainly to cash flows from investing activities and payment of non-recurring expense related to voluntary redundancies settled during the period

Consolidated equity of € 32.0 million versus € 35.3 million at 31 December 2020

GRUPPO 24 ORE

Milan, 30 July 2021 - Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Edoardo Garrone, approved the Half-year financial report at 30 June 2021 of the 24 ORE Group.

Financial highlights of the 24 ORE Group

The 24 ORE Group closed first half 2021 with a positive EBITDA of € 7.3 million, a negative EBIT of € 1.1 million and a net loss of € 3.3 million. Consolidated equity amounted to € 32.0 million, € 3.3 million lower than consolidated equity of € 35.3 million at 31 December 2020.

The key financial figures of the Group at 30 June 2021, drawn from the consolidated financial statements are as follows:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
€ millions	1H 2021	1H 2020
Revenue	96.8	88.2
Gross operating profit (EBITDA)	7.3	3.7
Operating profit (loss) (EBIT)	(1.1)	(4.5)
Pre-tax profit (loss)	(2.5)	(5.4)
Profit (loss) of the period	(3.3)	(5.3)
	30.06.2021	31.12.2020
Non-current assets	142.4	146.7
Current assets	122.1	127.7
Total assets	**264.5**	**274.4**
Equity attributable to owners of the parent	32.0	35.3
Equity attributable to non-controlling interests	-	-
Total equity	**32.0**	**35.3**
Non-current liabilities	110.8	112.9
Current liabilities	121.7	126.1
Total liabilities	**232.5**	**239.1**
Total equity and liabilities	**264.5**	**274.4**

Market environment

Starting from the second half of February 2020, the market has been affected by the Covid-19 health emergency and the spread of the virus; since March 2021 however, there have been signs of growth brought by the improved pandemic context and an increased confidence in the recovery that are driving the market as a whole.

ADS figures of the main national newspapers show a -4.1% drop in total circulation of print+digital copies for the period January-May 2021 versus the same period of 2020. The trend is attributable to the -9.9% decline in circulation of the print version, partly offset by the +13.7% increase in digital circulation (*ADS January-May 2021*).

The latest radio audience figures refer to first half 2021 and indicate a total of 33,216,000 listeners on average day, down by 4.6% versus first half 2019 *(RadioTer 2019-2021*); the figures for the first half of the year and for 2020 are unavailable owing to the temporary interruption of surveys by research institutes due to the spread of the Covid-19 pandemic.

The relevant market for the Group's advertising sales closed the first five months of 2021 up by +15.4% (net of local newspaper advertising), thus reflecting the first signs of recovery after more than a year negatively affected by the Covid-19 health emergency: newspapers ended at +7.5% (net of local), magazines at -2.9%, radio at +22.1% and Internet at +27.2% *(Nielsen January/May 2021*).

2021 continues to loom large as a challenging year for professional publishing players, owing to the long wave triggered by the ongoing Covid-19 health emergency, which will affect the areas in which the clients of professionals, the main target market (accountants and lawyers in particular), operate. According to Confcommercio, which processed Movimprese Unioncamere data, more than 300 thousand businesses were forced to close in 2020 due to the effects of the Covid-19 pandemic. Additionally, forecasts on the self-employed population, whether registered in associations or not, indicate the shutdown of business for approximately 200 thousand professionals from professional, scientific, technical, administrative, services and other areas.

Estimates show a drop for tax publishing (-2.4%) and for the legal area (-2.1%), affected by the lower earnings of professionals, who will suffer the long wave of the crisis triggered in 2020, due to the Covid-19 related effects of the restrictive measures on business activities, therefore on their client base.

In terms of media, 2021 seems not to show any change in the current trends: overall, electronic publishing will continue to grow (+1.8%), driven by online and digital content (+3.2%), while offline will continue along its strong downward path (-60%). Management software is expected to slow down growth (+3.7%), which will see digital editorial content increasingly integrate with management software *(Source: "Databank Rapporto Editoria Professionale"- Cerved S.p.A., December 2020).*

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Consolidated results at 30 June 2021

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 2021 are shown below:

MAIN CONSOLIDATED FIGURES OF THE 24 ORE GROUP NET OF NON RECURRING CHARGES		
€ millions	1H 2021	1H 2020
Revenue	96.8	88.2
EBITDA net of non recurring income	6.6	2.1
EBIT net of non recurring income	(1.1)	(6.1)
Pre-tax profit (loss) net of non recurring income	(2.5)	(7.0)
Net profit (loss) net of non recurring income	(3.4)	(7.0)
	30.06.2021	31.12.2020
Equity	32.0	35.3
Net financial position	(57.4)	(50.9)

Revenue trend

In first half 2021, the 24 ORE Group, while still feeling the brunt of the Covid-19 health emergency which started in March 2020, witnessed signs of growth thanks both to the improvement in the pandemic context and an increasing confidence in the recovery, which are driving the market as a whole, and to the authority, high quality content, the launch of the new format of the Daily, the good performance of advertising sales, the continued development of products in the Tax & Legal area, the acceleration of the Events area and the effective business policies across all areas. The 24 ORE Group achieved **consolidated revenue** of € 96.8 million versus € 88.2 million in first half 2020, up by € 8.6 million (+9.7%).

Specifically, in first half 2021 publishing revenue grew by € 0.7 million (+1.3% from € 50.8 to € 51.4 million), driven by the growth of revenue from digital subscriptions to the Daily, the website *www.ilsole24ore.com*, Tax & Legal products, from add-ons to books, which offset the decline in revenue from the print newspaper and the sale of magazines. Advertising revenue grew by € 6.6 million or by 20.1% versus the first half of the prior year and amounted to € 39.7 million, other revenue was up by € 1.3 million (+29.5% from € 4.4 to € 5.7 million), thanks mainly to the development of new initiatives in the Tax & Legal area. Revenue from the Tax & Legal area was on the rise versus first half 2020.

The Covid-19 health emergency impacted negatively on sales made on an ongoing basis to the business sectors that have suffered the effects of the lockdown and the restrictive measures. On the other hand, the digital version of the Daily saw a sharp rise in the number of new subscriptions, with an increase in circulation versus the pre-Covid-19 period.

In first half 2021, the *ilsole24ore.com* portal recorded a daily average of 1.5 million unique browsers, down by 31.4% versus the average for the same period of 2020 (*Mapp Intelligence – ex Webtrekk*). The result was affected by the comparison with 2020 which, starting from

March, shows figures that are not directly comparable; that same month, in fact, had achieved an all-time record with 3.77 million average daily unique browsers, +281.4% versus the same period of the prior year, due to the spread of the Covid-19 emergency which continued in the following months. Videos followed the same downward trend, with average monthly views for the first half of the year down by 21.9% versus 2020. Indicators were on the rise for social media, specifically Instagram +31.8%, LinkedIn +27.8%, Facebook +6.3% and Twitter +5.7% versus June 2020.

Main trends in consolidated revenue:

- circulation revenue from the Daily (print+digital) amounted to € 22.8 million, down by € 1.7 million (-7.1%) versus first half 2020. Circulation revenue from the print Daily amounted to € 12.5 million, down by € 2.9 million (-18.9%) versus first half 2020. This performance was partly offset by circulation revenue from the digital Daily, which amounted to € 10.3 million, up by € 1.2 million (+13.1%) versus the same period of the prior year;
- Group advertising revenue amounted to € 39.7 million, up versus first half 2020. This result was achieved thanks to the authority, high quality content and effective business policies which enabled Il Sole 24 ORE to contain the negative effects of the pandemic better than the market, as well as to the launch of the new format of the Daily on 16 March 2021. Group advertising revenue outperformed the relevant market, up by 15.4% *(Nielsen - January-May 2021*).
  The spread of Covid-19 led to the forced suspension of the physical events of the subsidiary Il Sole 24 ORE Eventi S.r.l.. In order to alleviate the impact on business performance, Management focused promptly on converting the initiatives to digital by revamping the offering and launching new event formats. These activities resulted in revenue of € 2.5 million in first half 2021 (€ 1.2 million in first half 2020);
- revenue from e-publishing in the Tax & Legal area amounted to € 18.7 million, up by € 1.2 million (+6.6%) versus first half 2020, leveraging on the renewal of the product portfolio and sales network that started in prior years and despite the impact of the Covid-19 health emergency;
- revenue from the Culture area amounted to € 1.1 million, down by € 0.1 million (-5.8%) versus first half 2020, hit heavily by the Covid-19 emergency and the closure of all museums and exhibition venues during the lockdown period.

The circulation (print+digital) of Il Sole 24 Ore for the period January-May 2021 totaled 146,807 average daily copies (+1.6% versus the same period of 2020). Specifically, the average daily print circulation declared to ADS for the period January-May 2021 was 59,159 copies (-9.1% versus the same period of 2020). Digital circulation declared to ADS was 87,648 average daily copies (+10.3% versus January-May 2020). Newsstand sales in the months from January to May 2021 fell by 13.0% versus the same period of the prior year, with the market down in the same channel by 10.9% (*ADS, newsstand sales*).

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 2021; following the audit, the independent third party issued an unqualified Report of Assurance (ISAE 3000 - Limited assurance) on 26 July 2021.

Based on these procedures, the average *Total Paid For Circulation* for the period January-June 2021 was 178,332 thousand copies (-0.8% versus the same period of 2020), 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 2021 came to a positive € 7.3 million versus a positive € 3.7 million in the same period of the prior year. The change in EBITDA, amounting to a positive € 3.5 million versus the same period of 2020, is due mainly to the increase in revenue of € 8.6 million (+9.7%), lower operating income of € 2.6 million and an increase in costs totaling € 2.4 million. Net of non-recurring expense and income, EBITDA in first half 2021 closed at a positive € 6.6 million versus a positive EBITDA of € 2.1 million in first half 2020, improving by € 4.5 million.

Personnel expense, amounting to € 40.2 million, decreased by € 0.6 million (-1.4%) versus € 40.8 million in first half 2020. After non-recurring restructuring costs of € 0.6 million, personnel expense decreased by € 1.1 million (-2.8%). The average headcount, amounting to 832 units, decreased by 46 units (regarding mainly graphic designers and printers) versus 878 units in the prior year. Lower personnel expense is the result mainly of the reduction in average headcount versus first half 2020, following redundancies resulting from the optimization measures taken. Additionally, in order to reduce the effects of the Covid-19 health emergency on business performance, the Group resorted to the work support measures provided by law. With particular regard to printers and graphic designers, the ordinary wage subsidies treatment has been in effect since 18 January 2021 for "Covid-19" reasons for the maximum period allowed by law; regarding journalists, agreements were signed on the use of the redundancy fund in derogation for "Covid-19” reasons, with different starting dates for the various titles and expiring on 30 June 2021. Additionally, as from 15 March 2021, following the termination of printing activities at the Group's printing facilities, an agreement was reached with the trade unions on the management of surplus printers and graphic designers.

Service costs, amounting to € 42.7 million, increased by € 2.4 million (+5.9%) versus first half 2020. The main changes refer to higher commissions and other sales expenses (€ +0.9 million), higher printing costs (€ +1.3 million) related to the new production setup, higher promotional and marketing expenses (€ +1.3 million), relating primarily to the launch of the new Daily and higher IT and software services (€ +0.1 million), and distribution costs down by € 0.5 million (-5.0% from € 9.4 to € 8.9 million). The cost of administrative services (€ -0.2 million) and other consulting fees (€ -0.5 million) decreased versus first half 2020.

EBIT in first half 2021 came to € -1.1 million, improving by € 3.4 million versus € -4.5 million in first half 2020. Amortization and depreciation amounted to € 7.7 million versus € 8.3 million in first half 2020. During the period, intangible assets were written down for a total of € 0.7 million, relating to advancements to software no longer in use. Net of non-recurring expense and income, the negative EBIT of € -1.1 million improved by € 5.0 million versus € -6.1 million in the same period of the prior year.

The **result before tax** came to € -2.5 million versus € -5.4 million at 30 June 2020. The result was affected by net financial expense of € -1.5 million (€ -1.0 million in first half 2020).

In first half 2021, **income tax** incorporates the reversal of deferred tax assets on taxed temporary differences of € 0.9 million.

The **loss attributable to the owners of the parent** came to € -3.3 million, improving by € 2.0 million versus € -5.3 million in the same period of 2020. The loss attributable to the owners of the parent, net of non-recurring expense and income, amounted to € -3.4 million, improving by € 3.6 million versus the net loss of € -7.0 million in first half 2020.

Statement of Financial Position

The **net financial position** stands at € -57.4 million at 30 June 2021 versus € -50.9 million at 31 December 2020, deteriorating by € 6.5 million. The change in the net financial position is attributable mainly to cash flows from investing activities and payment of non-recurring expense related to voluntary redundancies settled during the period.

Non-current financial debt includes bank payables from the signing on 20 July 2020 of a medium/long-term SACE-backed loan pursuant to Decree Law no. 23 of 8 April 2020, the so-called "Liquidity Decree", with a nominal value of € 37.5 million and a duration of 6 years, and financial payables from the present value of lease payments for headquarters, transmission systems and cars totaling € 36.9 million (€ 37.9 million at 31 December 2020) under IFRS 16. It should be noted that on 29 July 2021, Il Sole 24 ORE S.p.A. issued an unsecured and non-convertible bond for a principal amount of € 45 million with a duration of seven years; this bond allowed for the voluntary early repayment of the loan for € 37.5 million

The Group's current net financial position stands at a positive € 22.3 million versus a positive € 30.9 million at 31 December 2020. Current financial receivables include € 16.2 million from Education Acquisitions Limited referring to the present value of the deferred component of the sale of the investment in Business School24 S.p.A., and current financial receivables under IFRS 16 for € 0.1 million. Current financial payables from the present value of lease payments under IFRS 16 amounted to € 2.9 million.

Equity amounted to € 32.0 million, or € 3.3 million lower than € 35.3 million at 31 December 2020, due to the result for first half 2021 of € -3.3 million, and the actuarial assessment of post-employment benefits, which had a positive impact of € 23 thousand.

Business outlook

April 2021 witnessed the first signs of a market recovery, which reflect positively on the performance of advertising sales. Specifically, the improved pandemic context and an increased confidence in the recovery are driving the market as a whole.

In Italy, April 2021 marked the start of the initial easing of anti-Covid-19 restrictions; most recent ISTAT forecasts for Italy indicate sustained GDP growth in both 2021 (+4.7%) and 2022 (+4.4% - *ISTAT press release - Italian economic outlook 2021-2022 - 4 June 2021)*.

The current uncertainty from a possible continued spread of Covid-19 and its variants requires a certain degree of caution over the positive forecasts of the macroeconomic scenario. In light of the health emergency situation, publishing, the advertising market in particular, and the activities revolving around exhibition and event organization, remain dominated by uncertainty over the possible effects of the ongoing Covid-19 pandemic.

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

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

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

Consolidated financial statements at 30 June 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
€ millions	30.06.2021	31.12.2020
ASSETS		
Non-current assets		
Property. plant and equipment	58.3	59.6
Goodwill	22.0	22.0
Intangible assets	39.5	40.9
Non-current financial assets	0.7	0.7
Other non-current assets	0.2	0.8
Deferred tax assets	21.7	22.6
Total	**142.4**	**146.7**
Current assets		
Inventories	1.6	1.9
Trade receivables	62.3	58.9
Other receivables	5.7	5.2
Other current financial assets	16.2	16.0
Other current assets	7.5	4.8
Cash and cash equivalents	28.8	40.9
Total	**122.1**	**127.7**
Assets held for sale	-	-
TOTAL ASSETS	**264.5**	**274.4**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

€ millions	30.06.2021	31.12.2020
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	0.6	0.6
Equity reserves	19.5	19.5
Post-employment benefits Reserve - IAS adjustment	(4.8)	(4.8)
Retained earnings	20.1	21.1
Profit (loss) attributable to owners of the parent	(3.3)	(1.0)
Total equity	**32.0**	**35.3**
Non-current liabilities		
Non-current financial liabilities	79.8	81.8
Employee benefit obligations	15.2	15.8
Deferred tax liabilities	5.6	5.6
Provisions for risks and charges	10.3	9.6
Other non-current liabilities	0.0	0.1
Total	**110.8**	**112.9**
Current liabilities		
Bank overdrafts and loans - due within one year	15.3	17.2
Other financial liabilietes	7.4	8.8
Trade payables	79.9	79.1
Other current liabilities	0.0	0.4
Other payables	19.1	20.6
Total	**121.7**	**126.1**
Liabilities held for sale	-	-
Total liabilities	**232.5**	**239.1**
TOTAL EQUITY AND LIABILITIES	**264.5**	**274.4**

CONSOLIDATED INCOME STATEMENT

€ millions	1H 2021	1H 2020
1) Continuing operations		
Revenue	**96.8**	**88.2**
Other operating income	2.1	4.8
Personnel expenses	(40.2)	(40.8)
Change in inventories	(0.3)	(0.9)
Purchase of raw materials and consumables	(1.8)	(1.9)
Services	(42.7)	(40.3)
Use of third party assets	(3.2)	(2.6)
Other operating costs	(1.3)	(1.5)
Provisions	(1.3)	(0.4)
Provisions for bad debts	(0.8)	(0.7)
Gross operating profit	**7.3**	**3.7**
Amortisation of intangible assets	(3.3)	(2.9)
Depreciation of property, plant and equipment	(4.4)	(5.4)
Impairment losses on property, plant and equipment and intangible assets	(0.7)	0.0
Net gains on disposal of non-current assets	0.1	0.0
Operating profit	**(1.1)**	**(4.5)**
Financial income	0.3	0.4
Financial expenses	(1.8)	(1.4)
Total Financial income (expenses)	**(1.5)**	**(1.0)**
Other income from investment assests and liabilities	0.0	0.1
Net profit (loss) before tax	**(2.5)**	**(5.4)**
Income tax	(0.8)	0.1
Net profit (loss) from continuing operations	**(3.3)**	**(5.3)**
2) Discontinued operations		**-**
Profit (loss) from discontinued operations	**-**	**-**
Profit (loss)	**(3.3)**	**(5.3)**
Profit (loss) attributable to minorities	**-**	**-**
Profit (loss) attributable to the shareholders of the parent company	**(3.3)**	**(5.3)**

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CONSOLIDATED STATEMENT OF CASH FLOWS

€ millions	1H 2021	1H 2020
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	(2.5)	(5.4)
Adjustments for [b]	**11.6**	**8.1**
Amortization/Depreciation	7.7	8.3
(Gains) losses	(0.1)	(0.0)
Effect of valuation of investments	(0.0)	(0.0)
Gain on disposal of minority investments	-	(0.1)
Allocation and (release) of provisions for risks and charges	1.2	(1.2)
Restructuring expenses	0.6	-
Provision for employee benefits	0.1	0.1
Impairment of tangible and intangible assets	0.7	-
Financial income and expenses	1.5	1.0
Changes in net working capital [c]	**(8.6)**	**(0.2)**
Increase (decrease) in inventories	0.3	0.9
Increase (decrease) in trade receivables	(3.4)	0.6
Increase (decrease) in trade payables	0.8	9.5
Other changes in net working capital	(6.4)	(11.2)
Total cash flow used in operating activities [d=a+b+c]	**0.5**	**2.5**
Cash flow from investing activities [e]	**(5.2)**	**(3.7)**
Investments in intangible assets and property plant and equipment	(5.3)	(4.4)
Fees collected from sale of minority investments	-	0.1
Other changes in investing activities	0.1	0.7
Cash flow from investing activities [e]	**(7.4)**	**(5.7)**
Net financial interest paid	(1.4)	(1.0)
Repayment of medium/long term bank loans	(0.3)	(0.3)
Changes in short-term bank loans	(1.9)	0.6
Change in other financial receivables and payables	(3.0)	(0.9)
Other changes in financial assets and liabilities	-	0.0
Change in payables form IFRS16	(0.8)	(4.1)
Change in financial resources =d+e+f]	**(12.1)**	**(6.9)**
Opening cash and cash equivalents at the beginning of the period	**40.2**	**15.1**
Closing cash and cash equivalents at the end of the periodo	**28.1**	**8.3**
Increase(decrease) for the period	**(12.1)**	**(6.9)**

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

Updated at 30 June 2021

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

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF THE 24 ORE GROUP

Euro thousands	30.06.2021	31.12.2020
A. Cash	60	47
B. Cash equivalents	28,721	40,842
C. Other current financial assets	16,244	16,004
D. Liquidity (A + B + C)	**45,025**	**56,893**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(8,020)	(9,445)
G. Current financial debt (E + F)	**(22,683)**	**(25,991)**
H. Current net financial position (G + D)	**22,341**	**30,902**
I. Non-current financial payables	(79,788)	(81,799)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(79,788)**	**(81,799)**
M. Net financial position (H + L)	**(57,446)**	**(50,897)**

The **net financial position** at 30 June 2021 was a negative Euro 57.4 million and compares with a negative Euro 50.9 million at 31 December 2020, a deterioration of Euro 6.5 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, "Liquidity Decree", with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.9 million (Euro 37.9 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section "Significant events occurring after 30 June 2021" for more information.

The Group's current net financial position was a positive Euro 22.3 million, compared with a positive Euro 30.9 million at 31 December 2020. Current financial receivables include Euro 16.2 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. and current financial receivables in accordance with IFRS 16 for Euro 0.1 million. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.9 million.

Net financial position of the Parent Company

The statement of Net Financial Position incorporates the ESMA guidelines on Disclosure Requirements under the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and Consob Warning Notice no. 5/21 of 29 April 2021. The application of the new scheme has not resulted in any changes with respect to the scheme previously provided.

NET FINANCIAL POSITION OF IL SOLE 24 ORE S.p.A.		
Euro thousands	30.06.2021	31.12.2020
A. Cash	28	29
B. Cash equivalents	24,401	36,595
C. Other current financial assets	16,161	16,328
D. Liquidity (A + B + C)	**40,591**	**52,951**
E. Current financial payable	(14,663)	(16,545)
F. Current portion of the non-current financial payable	(9,885)	(9,780)
G. Current financial debt (E + F)	**(24,548)**	**(26,325)**
H. Current net financial position (G + D)	**16,043**	**26,626**
I. Non-current financial payables	(78,805)	(80,713)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	**(78,805)**	**(80,713)**
M. Net financial position (H + L)	**(62,762)**	**(54,087)**

The **net financial position** at 30 June 2021 was a negative Euro 62.8 million and compares with a negative Euro 54.1 million at 31 December 2020, a deterioration of Euro 8.7 million. The change in net financial position was mainly related to the cash flow from investments and the payment of non-recurring expenses relating to incentive payments made during the period.

Non-current financial debt includes the bank payable resulting from the signing on 20 July 2020 of a medium/long-term loan backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, "Liquidity Decree", with a nominal value of Euro 37.5 million with a duration of 6 years and financial payables arising from the present value of lease payments under contracts for headquarters, broadcasting equipment and cars totalling Euro 36.0 million (Euro 36.8 million at 31 December 2020) in application of IFRS 16. On 29 July 2021 Il Sole 24 ORE S.p.A. issued an unsecured, non-convertible bond with a principal amount of Euro 45 million and a duration of seven years; this bond allowed for the voluntary early repayment of the loan of Euro 37.5 million. Please refer to the section "Significant events occurring after 30 June 2021" for more information.

The Company's current net financial position was a positive Euro 16.0 million, compared with a positive Euro 26.6 million at 31 December 2020. Current financial receivables include Euro 16.2 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. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 2.7 million.

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

Past due debt positions of the 24 ORE Group broken down by type at 30 June 2021

PAST DUE DEBT POSITIONS OF THE 24 ORE GROUP									
values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	574	16	16	10	68	1	604	746	2,035
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	574	**16**	**16**	**10**	**68**	**1**	**604**	**746**	**2,035**

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 30 June 2021

PAST DUE DEBT POSITIONS OF IL SOLE 24 ORE S.p.A.									
values in Euro thousands	Breakdown of payables by days past due								total past due
	0-30	31-60	61-90	91-120	121-150	151-180	181-210	Over 210	
Financial payables	-	-	-	-	-	-	-	-	-
Trade payables	553	13	16	5	55	1	602	581	1,827
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	553	**13**	**16**	**5**	**55**	**1**	**602**	**581**	**1,827**

The past due debt positions of the 24 ORE Group and the parent company Il Sole 24 ORE S.p.A. refer to trade payables.

With regard to past due amounts exceeding 210 days, it is noted that this past due amount includes suppliers blocked for disputed claims that amount to a total of Euro 336 thousand for the Parent Company. With regard to the amounts in dispute, the Parent Company has received an injunction for Euro 51 thousand, which it has opposed. On 29 April 2021, a summons was served to the Court of Milan for the resumption of an injunction, issued in 2018 by the Court of Rome and then, by judgement no. 1547/2021 of 28 January 2021, revoked by the same Court which had declared itself not to have territorial jurisdiction.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of the Half-yearly report at 30 June 2021 there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

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

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 30 JUNE 2021								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	1	-	-	-	25	-	-	-
Total Parent Company	**1**	**-**	**-**	**-**	**25**	**-**	**-**	**-**
Key Executives	-	-	(88)	-	-	(968)	-	-
Board of Directors	-	-	(723)	-	-	(1,144)	-	-
Board of Statutory Auditors	-	-	(110)	-	-	(110)	-	-
Other related parties	61	-	(48)	-	71	(46)	-	-
Total other related parties	**61**	**-**	**(969)**	**-**	**71**	**(2,267)**	**-**	**-**
Total related parties	**62**	**-**	**(969)**	**-**	**97**	**(2,267)**	**-**	**-**

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

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

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

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2021, through specific declaration forms addressed to “Related Parties” as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2021, Key Executives (“DIRS”) are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

On 28 April 2021, the Shareholders' Meeting resolved to appoint as Directors of the Company, pursuant to and in accordance with article 2386, paragraph 1, of the Civil Code and article 19 of the Articles of Association, Mirja Cartia d'Asero and Veronica Diquattro, who were co-opted on 23 July 2020 and 7 October 2020, respectively, to replace Vanja Romano and Marcella Panucci. The Directors thus appointed will remain in office until the expiry of the term of office of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

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

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 30 JUNE 2021								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	1	-	-	-	25	-	-	-
Total Parent Company	**1**	**-**	**-**	**-**	**25**	**-**	**-**	**-**
24 ORE Cultura S.r.l.	312	-	(45)	(1,053)	271	(170)	-	-
Il Sole 24 ORE Eventi S.r.l.	836	-	(537)	(1,016)	479	(1,078)	2	-
Il Sole 24 ORE UK Ltd	-	-	(386)	-	-	(208)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(327)	-	-	(250)	-	-
Total Subsidiaries	**1,148**	**-**	**(1,295)**	**(2,069)**	**750**	**(1,705)**	**2**	**-**
Key Executives	-	-	(88)	-	-	(968)	-	-
Board of Directors	-	-	(723)	-	-	(1,144)		
Board of Statutory Auditors	-	-	(99)	-	-	(99)	-	-
Other related parties	61	-	(48)	-	71	(46)	-	-
Total other related parties	**61**	**-**	**(958)**	**-**	**71**	**(2,256)**	**-**	**-**
Total related parties	**1,209**	**-**	**(2,253)**	**(2,069)**	**847**	**(3,961)**	**2**	**-**

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

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

Trade payables/other payables refer mainly to:

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

Financial payables relate to current account relations with the subsidiary 24 ORE Cultura S.r.l. and the subsidiary Il Sole 24 ORE Eventi S.r.l.

Operating revenues and income mainly refer to:

- sale of newspapers, books and magazines;
- sale of subscription electronic products;
- sale of advertising space in its proprietary publications;
- debit of centralized services to Group companies.

Costs mainly refer to:

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

In accordance with the RPT Regulation and the Consob Regulation, the Company updates the Company's Register of Related Parties at least every six months. In line with the RPT Regulation and the Consob Regulation, the Company lastly identified, on 30 June 2021, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

As at 30 June 2021, Key Executives ("DIRS") are: Paolo Fietta - General Manager Corporate & CFO; Federico Silvestri - General Manager System 24 and General Manager Radio 24; Karen Sylvie Nahum - General Manager Publishing & Digital; Eraldo Minella - General Manager Professional Services; Romeo Marrocchio - Central Director Personnel and Organization.

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

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

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

The maximum total amount that can be financed is Euro 50.0 million; at 30 June 2021, the line of credit for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.7 million.

The securitization contract does not provide for financial covenants but does provide for causes of impediment to the acquisition of the Company's portfolios of receivables, which, if not remedied, could result in the termination of the contract. At 30 June 2021, there were no causes of impediment to purchase and/or material events that would result in contract termination.

On 20 July 2020, the Group signed a new medium/long-term loan agreement with a pool of lending banks, comprising Intesa Sanpaolo (also acting as Financing and 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 Decree Law no. 23 of 8 April 2020, “Liquidity Decree”.

In relation to the SACE guarantee provided by the loan and in accordance with the provisions of the “Liquidity Decree”, the Group has made the following commitments:

a) allocate the loan for the purpose of financing: *(i)* investments; (*ii*) working capital; (*iii*) personnel costs; *(iv*) costs of lease or rent fees of business units, exclusively for production facilities and business activities located in Italy (excluding acquisitions of investments); and: (*i)* to keep the substantial part of production in Italy; *(ii*) to use the proceeds of the loan exclusively in accordance with the purpose envisaged in this contract;

b) comply with the regulations in force from time to time concerning the fight against money laundering, financing of terrorism and corruption;

c) not to approve or execute dividend distributions or share repurchases during 2020 and to ensure that any other company based in Italy that is part of the same group does not approve or execute dividend distributions or share repurchases during 2020;

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

The amount of the loan is Euro 37.5 million and the duration is 6 years with maturity of 30 June 2026 and 24 months of pre-amortization; the amortization plan provides for quarterly instalments with a constant capital quota and the interest margin is equal to 3-month Euribor +1.65%.

The loan is backed by a first demand guarantee issued by SACE pursuant to the “Liquidity Decree”, for a maximum amount equal to 90% of the loan amount; the cost of the guarantee is 50 bps for the first year, 100 bps for the second and third years, 200 bps from the fourth year.

The Company considers that the effective interest rate on this loan (interest rate margin and cost of the SACE guarantee) is in a market range.

There are no collateral or compulsory guarantees, but financial covenants recorded at consolidated level and calculated without giving effect to IFRS 16. The structure of the covenants is described in the following table:

FINANCIAL COVENANTS										
Euro millions	30/06/2021	31/12/2021	30/06/2022	31/12/2022	30/06/2023	31/12/2023	30/06/2024	31/12/2024	30/06/2025	31/12/2025
EBITDA (*) ≥	0	8								
Minimum SE ≥	18	18								
Lev Ratio (NFP/EBITDA (*)) ≤			2.75x	2.0x	2.0x	1.50x	1.50x	1.50x	1.50x	1.50x
Gearing Ratio (NFP/SE) ≤			2.5x	2.0x	1.5x	1.0x	1.0x	1.0x	1.0x	1.0x

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

The contract includes, in addition to the clauses that are standard practice for this type of financing, such as: negative pledge, *pari passu*, cross-default and change of control, and some specific provisions that provide for mandatory partial early repayment upon the occurrence of certain events.

Failure to comply with even one covenant means that all amounts for which the Company has been declared delinquent will be immediately due and payable and the loan will be immediately cancelled. However, the lending banks may be asked to make amendments to the loan agreement, or to waive their rights to early termination, in the event of non-compliance with a covenant.

On 22 July 2020, the loan was disbursed to the Company for a total amount of Euro 37.5 million.

With reference to the last contractual recognition on 30 June 2021, compliance with the covenant is confirmed:

- (rolling 12 month) EBITDA net of the application of IFRS 16 Euro 16.7 million higher than the covenant minimum of Euro 0 million,
- equity net of the application of IFRS 16 of Euro 31.5 million higher than the covenant minimum of Euro 18.0 million.

On 29 July 2021 the Company issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of seven years.; the bonds were placed at an issue price equal to 99% of their face value, with a coupon of 4.950%. This bond allowed for the voluntary early repayment of the loan of Euro 37.5 million, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the "Liquidity Decree".

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

On 25 February 2021, the Company's Board of Directors approved the 2021-2024 Plan, which confirms the strategic direction and medium- to long-term objectives of the previous 2020-

2023 post-Covid Plan approved on 30 June 2020, of which it represents an update, evolution and acceleration.

The estimates of the 2021-2024 Plan reflect the new market trend forecasts and incorporate the updated implementation schedules of the initiatives already envisaged in the post-Covid 2020-2023 Plan, confirming the investment in printed products, primarily the re-launch of the newspaper in the new format, and in innovative digital initiatives.

The actions of the Plan are centred on a “digital first” strategy as an enabling element for 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 progressive improvement of economic and financial indicators, driven by the growth of consolidated revenues and the reduction of costs. Compared to the 2020-2023 post-Covid Plan, updated estimates project a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in subsequent years.

On 16 March 2021, the new format of the Newspaper was introduced. The initiative 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, possible by virtue of the “digital first” strategy. In addition, the new format of the newspaper Il Sole 24 ORE and related initiatives represent an opportunity to strengthen circulation and pursue the engagement of traditional and new targets.

The enrichment of the printed and digital offer in the professional area exploits new publishing and technological platforms for the development of products and services and to create a product system, enhancing the great strength of the brand.

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

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

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

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

The forecasts of the 2021-2024 Plan show a worsening of the 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, to then gradually improve in subsequent years during the Plan period.

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

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

In the first half of 2021 the 24 ORE Group, while still feeling the negative effects of the health emergency linked to the spread of Covid-19 which began in March 2020, began to see the first signs of growth thanks both to the improvement of the pandemic context and increasing confidence in the recovery, which are positively affecting the market as a whole, and to the authoritativeness, the high quality of content, the launch of the new format of the newspaper, the continued development of products in the Tax & Legal area, the acceleration of the Events area and effective commercial policies in all areas.

However, consolidated revenues for the first half of 2021 were lower than expected, particularly with reference to the Culture area, which was only able to reopen Mudec from May 2021, and the slower recovery of revenues on the Radio area.

In terms of EBITDA and EBIT, due to both a different business development and actions to contain direct and operating costs, H1 2021 showed improved results compared to plan.

The Group confirms its expectations of compliance with existing financial covenants.

It should be noted that the forward-looking figures represented in the 2021-2024 Plan are strategic objectives established as part of corporate planning.

The development of the 2021-2024 Plan was based on, among other things: *(i)* general and hypothetical assumptions, as well as discretionary assumptions, and *(ii)* a series of estimates and hypotheses relating to the implementation by the directors of specific actions to be undertaken in the Plan reference time period, or relating to future events that the directors can only partially influence and that may not occur or may vary during the Plan period.

The realization of the objectives and the achievement of the results envisaged by the 2021-2024 Plan depend not only on the actual realization of the volume of revenues indicated, but also on the effectiveness of the actions identified and the timely implementation of these actions, in accordance with the time frame and economic impacts assumed.

If the Group's results were to differ significantly from those forecast in the 2021-2024 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group continues to monitor very carefully both the evolution of the health emergency linked to the Covid-19 virus and the performance of the reference markets with respect to the hypotheses of the Plan, evaluating the actual possibility of rescheduling the planned initiatives, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

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

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