

Press Release

Pursuant to Consob Resolution 11971/99 as amended

Il Sole 24 ORE S.p.A.: the Board of Directors approves the Half-yearly financial report as at 30 June 2023

Results up compared to H1 2022: the margin and net financial position improvement trend that began last year continues

Key consolidated figures of the 24 ORE Group:

- **EBITDA positive at Euro 14.9 million (positive Euro 10.4 million as at 30 June 2022), an improvement of 4.5 million**
- **EBIT positive at Euro 8.5 million (positive Euro 2.3 million as at 30 June 2022), an improvement of 6.2 million**
- **Net profit of Euro 5.4 million (loss of Euro 0.4 million as at 30 June 2022), an improvement of 5.8 million**

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

- **EBITDA positive at Euro 12.4 million (positive Euro 10.0 million as at 30 June 2022), an improvement of 2.4 million**
- **EBIT positive at Euro 4.8 million (positive Euro 1.8 million as at 30 June 2022), an improvement of 3.0 million**
- **Net profit of Euro 1.7 million (loss of Euro 0.8 million as at 30 June 2022), an improvement of 2.6 million**

Consolidated revenues amounted to Euro 104.6 million, in line with 30 June 2022

The net financial position was a negative Euro 29.2 million, an improvement of Euro 14.6 million compared to the negative Euro 43.8 million as at 31 December 2022

Consolidated shareholders' equity of Euro 21.3 million compared to Euro 15.9 million as at 31 December 2022

Milan, 1 August 2023 - The Board of Directors of Il Sole 24 ORE S.p.A. met today under the chairmanship of Edoardo Garrone and approved the Half-yearly financial report as at 30 June 2023 of the 24 ORE Group.

Mirja Cartia d'Asero, CEO of the Company, commented at the close of H1 2023: "After the 2022 financial statements reported a profit once again, the 24 ORE Group's margins continue to show an upward trend, also net of non-recurring income and expenses, further strengthening its net financial position".

Key summary figures of the 24 ORE Group

The 24 ORE Group closed H1 2023 with a positive *EBITDA* of Euro 14.9 million, a positive *EBIT* of Euro 8.5 million and a net profit of Euro 5.4 million. Equity amounted to Euro 21.3 million, an increase of Euro 5.4 million compared to equity in the consolidated financial statements at 31 December 2022, which amounted to Euro 15.9 million.

The following are the 24 ORE Group's key financial figures at 30 June 2023 deriving from the consolidated financial statements:

| KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP | | |
|---|--------------|--------------|
| Euro millions | H1 2023 | H1 2022 |
| Revenues | 104.6 | 104.6 |
| Gross operating margin (EBITDA) | 14.9 | 10.4 |
| Operating profit (loss) (EBIT) | 8.5 | 2.3 |
| Profit (loss) before taxes | 6.1 | 0.4 |
| Net profit (loss) | 5.4 | (0.4) |
| | 30.06.2023 | 31.12.2022 |
| Non-current assets | 105.8 | 114.0 |
| Current assets | 155.3 | 131.7 |
| Assets available for sale | - | - |
| Total assets | 261.1 | 245.8 |
| Group equity | 21.3 | 15.9 |
| Minority interests | - | - |
| Total Equity | 21.3 | 15.9 |
| Non-current liabilities | 107.7 | 107.4 |
| Current liabilities | 132.0 | 122.4 |
| Liabilities available for sale | - | - |
| Total liabilities | 239.7 | 229.8 |
| Total equity and liabilities | 261.1 | 245.8 |

Market context

The macroeconomic and geopolitical scenario is characterized by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp rise in inflation, rising interest rates and rising commodity and energy costs.

Italian GDP is expected to grow in both 2023 (+1.2%) and 2024 (+1.1%), albeit at a slower pace than in 2022 (*source: ISTAT - Italian economy outlook 2023-2024 of 6 June 2023*).

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of -4.4% for the period January-May 2023 compared to the same period of 2022, with a decline in circulation of the print version of -11.2% offset in part by an increase in digital circulation of +9.8% (*source: ADS data processing January - May 2023*).

The most recent listening figures for radio refer to H1 2023 and recorded a total of 36,605,000 listeners on the average day, up 8.8% from the same period of 2022 (*source: RadioTER 2022-2023*).

In the January-May 2023 period, the System reference market closed with +2.8% (net of local newspaper advertising): newspapers closed at -5.3% (net local), magazines at +4.8%, radio at +4.4% and digital at +6.3% (*source: Nielsen January/May 2023 vs 2022*).

The forecasts from the end of the previous year (2022) for the professional publishing sector indicated a recovery in the sector's overall turnover in 2023 thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. Specifically, tax publishing was expected to grow by +4.5% and legal publishing by +2.6% (*source: Rapporto Databank Editoria Professionale - Cerved S.p.A, December 2022*).

In terms of media in 2023, the current trends already in place do not seem to change: overall, electronic publishing is expected to grow by +6.3%, driven by online and digital content (+6.8%), and management software by +5.4%, which will see an increase in the integration of digital publishing content in management software (*source: Rapporto Databank Editoria Professionale - Cerved S.p.A, December 2022*).

Consolidated results as at 30 June 2023

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

Below are the Group's key profit and loss (net of non-recurring income and expenses), financial position and cash flow figures for the first half of 2023:

| KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES | | |
|---|------------|------------|
| Euro millions | H1 2023 | H1 2022 |
| Revenues | 104.6 | 104.6 |
| EBITDA net of non-recurring income and expenses | 12.4 | 10.0 |
| EBIT net of non-recurring income and expenses | 4.8 | 1.8 |
| Profit (loss) before taxes net of non-recurring income and expenses | 2.4 | (0.0) |
| Net profit (loss) net of non-recurring income and expenses | 1.7 | (0.8) |
| | 30.06.2023 | 31.12.2022 |
| Equity | 21.3 | 15.9 |
| Net financial position | (29.2) | (43.8) |

The macroeconomic and geopolitical scenario is characterized by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp rise in inflation, rising interest rates and rising commodity and energy costs. In this context, the 24 ORE Group recorded growth in its results thanks to the effective reorganization policies implemented, the continuous development of products in the Professional Services and Training area, the good performance of the Events area, and product and content credibility, high quality and innovation.

Revenue trend

In H1 2023, the 24 ORE Group reported **consolidated revenues** of Euro 104.6 million (Euro 104.6 million in H1 2022), in line with the same period of 2022. In more detail, advertising revenues amounted to Euro 42.7 million during the period, down by Euro 1.5 million (-3.3% compared to H1 2022); publishing revenues decreased by Euro 0.7 million (-1.4% from Euro 49.7 million in H1 2022 to Euro 49.0 million in 2023): lower revenues generated by the sale of the daily newspaper were largely offset by the growth in digital revenues; other revenues recorded growth of Euro 2.1 million (+19.8% from Euro 10.7 million in H1 2022 to Euro 12.8 million in H1 2023), primarily thanks to higher revenues in the Professional Services and Training area, in connection with the good performance of the most innovative products and the re-entry into the training business.

The main dynamics that characterized consolidated revenues are:

- circulation revenues of the newspaper (print + digital) amounted to Euro 20.2 million, down by Euro 0.9 million (-4.4%) compared to H1 2022. Circulation revenues of the digital newspaper amounted to Euro 10.1 million, down by Euro 0.2 million (-1.6%) compared to 2022. Circulation revenues of the print newspaper amounted to Euro 10.2 million, down Euro 0.8 million (-7.0%) compared to 2022. The Radiocor Plus Agency recorded revenues of Euro 3.9 million, up +7.5%;
- the Group's advertising revenues of Euro 42.7 million were down 3.3% on H1 2022.

The concessionaire broadly covers the market, also thanks to the development of special initiatives, increasingly recognized by companies as an effective vehicle of values and a means of building loyalty with its audience. The performance of advertising sales is influenced by the significant slowdown in advertising investments that has involved companies belonging to the core sectors for the 24 ORE Group's media in recent months (particularly, Finance/Insurance, Professional Services, IT/Photography).

For the first five months of 2023, the reference market showed growth of 2.8% (*source: Nielsen – January/May 2023*).

Revenues from the Events area in H1 2023 amounted to Euro 4.5 million, up 31.2% compared to the same period of 2022, which amounted to Euro 3.5 million, mainly due to the growth in revenues from the 18th edition of the Trento Festival of Economics, held from 25 to 28 May 2023, co-managed by Il Sole 24 ORE and the Province of Trento, with the collaboration of the Municipality and University of Trento. The Festival surpassed the success of the 2022 edition with over 270 scheduled events featuring more than 650 speakers - opinion leaders, experts from the most diverse disciplines and the brightest minds in science, in dialogue with personalities from politics, business and civil society;

- revenues from electronic publishing in the Professional Services and Training area amounted to Euro 19.4 million, up by Euro 0.4 million (+2.1%) vs. H1 2022 by virtue of the renewal of the product portfolio and the sales network launched in previous years. Furthermore, the new Valore 24 software and Partner 24 ORE networking product lines contributed a total of Euro 3.7 million to area revenues (+18.3%; Euro +0.6 million over the same period of the previous year);
- Culture Area revenues of Euro 6.0 million were in line (-0.2%) with H1 2022.

Circulation (paper + digital) of the daily newspaper Il Sole 24 ORE from January to May 2023 totalled 131,546 average copies per day (-6.2% compared to January-May 2022, while the market was down -4.4%). Specifically, the average daily print circulation reported to ADS for the period January-May 2023 is 46,214 copies (-13.2% compared to the same period of 2022). Digital circulation reported to ADS was 85,332 average copies per day (-2.0% compared to the period January-May 2022). News-stand sales for the period January - May 2023 (*source: ADS, Individual print sales*) were down 8.7% compared to the same period of the previous year with the market contracting in the same channel by 10.4%.

Furthermore, the Group asked an independent third-party Company to express an opinion on the effective application of the appropriate procedures adopted for the calculation of the Total Paid For Circulation ("TPFC", i.e. the total number of daily paid sales of Il Sole 24 ORE in all markets through print and digital channels) at 30 June 2023; on conclusion of its checks, the independent third-party Company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 25 July 2023.

Based on these procedures, the average Total Paid For Circulation for the period January-June 2023 was determined to be 173,099 copies (-1.4% compared to 2022), including all multiple digital copies sold, but not reportable as circulated for ADS purposes and therefore not included in the relevant statement.

In H1 2023, the portal www.ilsole24ore.com recorded a daily average of 1.0 million unique browsers, down 15.6% compared to the average of H1 2022, impacted by the growth in volumes linked to the war in Ukraine (*source: Mapp Intelligence, formerly Webtrekk*). The

video component saw an increase in views, reaching a monthly average of 18.3 million in H1 2023 (+6.9% compared to the same period of 2022). Growth continued on social networks, which exceeded 5.2 million total followers in June 2023, with year-on-year increases across all platforms, starting with TikTok (+46.0% in June 2023 compared to June 2022) and LinkedIn (+17.1%). Instagram (+9.0%), Twitter (+7.1%), Facebook (+2.7%) and YouTube (+3.0%) also grew compared to H1 2022 (*sources: LinkedIn Analytics, Facebook Insights, Twitter Analytics, YouTube Analytics, TikTok Analytics, Crowdtangle*). On LinkedIn, where Il Sole 24 ORE holds the record as the top publisher in terms of number of followers, the launch of the first LinkedIn native newsletter, Management24, dedicated to leadership and managerial topics, is being tested.

The focus on multimedia information continued: in H1 2023, the digital offer of Il Sole 24 ORE was enhanced with video productions, with a new daily schedule of live broadcasts on the website and audio productions, with the continuation of the daily and weekly formats of "Start24" and "Market Mover" and the production of new podcasts including Vie d'uscita, Re Carlo, Materie, le Grandi Voci del Festival dell'Economia di Trento, and, for the first time, the first video-podcast entitled Young Finance. The presence on the podcast production front is also reflected in the results achieved: total audio streams in the six-month period from the site, app and platforms exceeded 5.7 million (*sources: Mapp Intelligence, Spreaker, Spotify for Podcasters*).

The drive towards digital and multimedia content also continued for Radio 24, which as of June 2023 saw its audio streams (downloads and on-demand streaming) of podcasts, accessible from the Radio 24 website and app, as well as from the main third-party platforms (Spotify, Google Podcasts and Apple Podcasts) reach 6.9 million. From January to June 2023, 41.5 million podcasts were downloaded (*sources January/June 2023: Audiometrix for the website and App, Spotify Metrix for Spotify, Google Podcast Analytics for Google, Apple Analytics for Apple, Amazon Analytics per Amazon*).

Profit margin trends

EBITDA for H1 2023 was a positive Euro 14.9 million, an improvement of Euro 4.5 million compared to a positive *EBITDA* of Euro 10.4 million in 2022. The change in *EBITDA* is mainly attributable to the higher operating income of Euro 3.2 million, with total costs falling by Euro 1.3 million. There was a reduction in personnel costs during the period, which was partly offset by an increase in direct and operating costs, in particular raw material costs (paper) and service costs. Non-recurring income of Euro 2.5 million was recognized in H1 2023, of which Euro 2.1 million related to the tax credit for the year 2021, provided to newspaper and periodical publishing companies registered with the ROC on expenses incurred in the year 2020 for the distribution of the titles published, pursuant to article 67, paragraph 1, of Decree Law no. 73 of 25 May 2021, converted with amendments by Law no. 106 of 23 July 2021, and Euro 0.4 million relating to the release of the liability recognized in previous years for charges that the Group could have incurred for the disposal of production plants. Net of non-recurring income, *EBITDA* was a positive Euro 12.4 million, an improvement of Euro 2.4 million compared to a positive Euro 10.0 million in H1 2022.

Personnel costs of Euro 36.2 million were down by Euro 3.9 million compared to H1 2022. During the period, there was a lower cost resulting primarily from the reduction in the workforce and turnover trends, as well as the increased use of social shock absorbers and the utilization of the residual holiday provision. The average number of employees, 712,

decreased by 76 (mainly graphic designers and printers) compared with the previous year when it amounted to 788.

Costs for services amounted to Euro 49.4 million, up Euro 2.0 million (+4.2%) compared to 2022. The main changes include higher commissions and other sales expenses (Euro +0.8 million), higher costs for conventions and exhibitions (Euro +0.5 million), higher promotional and marketing expenses (Euro +0.4 million) and higher utility costs (Euro +0.2 million). On the other hand, distribution costs decreased compared to 2022 (Euro -0.7 million).

EBIT for H1 2023 was a positive Euro 8.5 million, an improvement of Euro 6.2 million compared to the positive *EBIT* of Euro 2.3 million in H1 2022. Depreciation and amortization for the period amounted to Euro 7.6 million, down by Euro 0.5 million compared to H1 2022. Capital gains of Euro 1.2 million were recognized in the period, mainly related to the sale of production sites in Carsoli (AQ) and Milan - via Busto Arsizio. Net of non-recurring income and expenses, *EBIT* was a positive Euro 4.8 million, an improvement of Euro 3.0 million compared to a positive Euro 1.8 million in H1 2022.

The **profit before taxes** was Euro 6.1 million and compares with a profit of Euro 0.4 million at 30 June 2022. Negative net financial expenses and income of Euro 2.4 million (negative Euro 1.9 million in 2022) had an impact. In H1 2023, the Group recorded an **income tax** expense of Euro 0.7 million, benefiting from untaxed contributions and charges not deducted in previous years.

The **net profit attributable to shareholders of the parent company** was Euro 5.4 million, an improvement of Euro 5.8 on the loss of Euro 0.4 million in H1 2022. The net profit attributable to the shareholders of the parent company net of non-recurring income and expenses was Euro 1.7 million, an improvement of Euro 2.6 million over the loss of Euro 0.8 million reported in H1 2022.

Statement of financial position

The **net financial position** at 30 June 2023 was a negative Euro 29.2 million and compares with a negative Euro 43.8 million at 31 December 2022, an improvement of Euro 14.6 million. The change in the net financial position is mainly related to cash flows from operating activities and the collection of Euro 6.5 million deriving from the sale of the two production sites located in Milan and Carsoli (AQ).

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 34.6 million (Euro 35.2 million at 31 December 2022) in application of IFRS 16.

The Group's current net financial position at 30 June 2023 was a positive Euro 48.5 million (positive Euro 35.3 million at 31 December 2022) and includes Euro 2.2 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the former Milan – Via Monte Rosa office. Current financial receivables include Euro 0.7 million in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 5.5 million.

Shareholders' equity amounted to Euro 21.3 million, an increase of Euro 5.4 million compared to 31 December 2022, when it amounted to Euro 15.9 million, due to the result for the period, which was a positive Euro 5.4 million.

Outlook

The evolution of the reference context – in particular, the current uncertainty linked to the ongoing conflict in Ukraine, the sharp upturn in inflation, the rise in interest rates and the rise in raw material and energy costs – requires us to continue to maintain a degree of caution with respect to the forecasts of the macroeconomic scenario.

Italian GDP is expected to grow in both 2023 (+1.2%) and 2024 (+1.1%), albeit at a slower pace than in 2022 (*source: ISTAT - Italian economy outlook 2023-2024 of 6 June 2023*).

In this macroeconomic context characterized by uncertainties, the Group's will is to continue to pursue steady and sustainable growth by leveraging innovation, digitisation of products and processes, globalisation, ESG initiatives and continuous brand enhancement. The Group intends to further strengthen its role as a reference media group for the country system in terms of information and tools to support the business community in facing new challenges in national and international markets, including training. A gradual improvement of the main economic and financial indicators is confirmed even in the changed geopolitical, economic and market context.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and any repercussions that may arise from the evolution of the geopolitical and macroeconomic context, and the implementation of the actions set forth in the 2023-2026 Plan, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

Consolidated Financial Statements as at 30 June 2023

(data for which auditing has not been completed)

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | | |
|---|--------------|--------------|
| Euro millions | 30.06.2023 | 31.12.2022 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 39.9 | 45.8 |
| Goodwill | 20.4 | 20.4 |
| Intangible assets | 25.0 | 26.4 |
| Investments in associates and joint ventures | 0.3 | 0.3 |
| Non-current financial assets | 0.8 | 0.8 |
| Other non-current assets | 5.9 | 6.2 |
| Deferred tax assets | 13.5 | 14.1 |
| Total | 105.8 | 114.0 |
| Current assets | | |
| Inventories | 3.3 | 2.9 |
| Trade receivables | 64.3 | 62.6 |
| Other receivables | 4.2 | 1.6 |
| Other current financial assets | 2.9 | 4.3 |
| Other current assets | 9.3 | 6.2 |
| Cash and cash equivalents | 71.3 | 54.1 |
| Total | 155.3 | 131.7 |
| Assets available for sale | - | - |
| TOTAL ASSETS | 261.1 | 245.8 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro millions

30.06.2023

31.12.2022

| EQUITY AND LIABILITIES | | |
|--|--------------|--------------|
| Equity | | |
| Equity attributable to shareholders of the Parent Company | | |
| Share capital | 0.6 | 0.6 |
| Capital reserves | 19.5 | 19.5 |
| Other reserves | (3.1) | (3.8) |
| Profits (losses) carried forward | (1.0) | (0.9) |
| Profit (loss) attributable to shareholders of the Parent Company | 5.4 | 0.5 |
| Total | 21.3 | 15.9 |
| Equity attributable to minority shareholders | | |
| Capital and reserves attributable to minority shareholders | - | - |
| Profit (loss) attributable to minority shareholders | - | - |
| Total | - | - |
| Total equity | 21.3 | 15.9 |
| Non-current liabilities | | |
| Non-current financial liabilities | 77.7 | 79.1 |
| Employee benefits | 9.4 | 10.7 |
| Deferred tax liabilities | 4.1 | 4.3 |
| Provisions for risks and charges | 6.4 | 6.7 |
| Other non-current liabilities | 10.2 | 6.7 |
| Total | 107.7 | 107.4 |
| Current liabilities | | |
| Current bank overdrafts and loans | 15.4 | 14.1 |
| Other current financial liabilities | 10.3 | 8.9 |
| Trade payables | 89.7 | 78.7 |
| Other current liabilities | 0.2 | 0.7 |
| Other payables | 16.4 | 20.0 |
| Total | 132.0 | 122.4 |
| Liabilities available for sale | - | - |
| Total liabilities | 239.7 | 229.8 |
| TOTAL EQUITY AND LIABILITIES | 261.1 | 245.8 |

| CONSOLIDATED STATEMENT OF PROFIT (LOSS) | | |
|---|--------------|--------------|
| Euro millions | H1 2023 | H1 2022 |
| 1) Continuing operations | | |
| Revenues | 104.6 | 104.6 |
| Other operating income | 4.9 | 1.6 |
| Personnel costs | (36.2) | (40.2) |
| Change in inventories | 0.3 | 1.0 |
| Purchases of raw and consumable materials | (3.0) | (3.0) |
| Costs for services | (49.4) | (47.5) |
| Costs for rents and leases | (3.6) | (3.3) |
| Other operating expenses | (1.8) | (1.7) |
| Allocations | (0.6) | (0.5) |
| Bad debt | (0.3) | (0.7) |
| Gross operating margin | 14.9 | 10.4 |
| Amortization of intangible assets | (3.7) | (3.9) |
| Depreciation of tangible assets | (3.9) | (4.3) |
| Gain/loss on disposal of non-current assets | 1.2 | 0.0 |
| Operating profit (loss) | 8.5 | 2.3 |
| Financial income | 0.3 | 0.3 |
| Financial expenses | (2.8) | (2.2) |
| Total financial income (expenses) | (2.4) | (1.9) |
| Other income from investment assets and liabilities | 0.1 | 0.0 |
| Profit (loss) before taxes | 6.1 | 0.4 |
| Income taxes | (0.7) | (0.8) |
| Profit (loss) from continuing operations | 5.4 | (0.4) |
| 2) Assets held for sale | | |
| Profit (loss) from assets held for sale | - | - |
| Net profit (loss) | 5.4 | (0.4) |
| Profit (loss) attributable to minority shareholders | - | - |
| Profit (loss) attributable to shareholders of the Parent Company | 5.4 | (0.4) |

| CONSOLIDATED STATEMENT OF CASH FLOWS | | |
|---|--------------|--------------|
| Euro millions | H1 2023 | H1 2022 |
| Statement items | | |
| Profit (loss) before taxes from continuing operations attributable to the Group [a] | 6.1 | 0.4 |
| Adjustments [b] | 9.1 | 10.3 |
| Amortization/Depreciation | 7.6 | 8.2 |
| (Gains) losses | (1.2) | (0.0) |
| Effect of valuation of investments | (0.1) | (0.0) |
| Allocation and (release) of provisions for risks and charges | (0.0) | 0.1 |
| Provision for employee benefits | 0.3 | 0.1 |
| Change in value of tangible and intangible assets | - | 0.0 |
| Financial income and expenses | 2.4 | 1.9 |
| Changes in operating net working capital [c] | 0.7 | 10.8 |
| Change in inventories | (0.3) | (1.0) |
| Change in trade receivables | (1.8) | 3.7 |
| Change in trade payables | 11.0 | 15.4 |
| Income tax payments | (1.2) | (0.5) |
| Other changes in net working capital | (7.0) | (6.7) |
| Total cash flow from operating activities [d=a+b+c] | 15.9 | 21.5 |
| Cash flow from investing activities [e] | 5.2 | (1.7) |
| Investments in intangible and tangible assets | (2.6) | (2.8) |
| Proceeds from the sale of intangible and tangible assets | 6.3 | - |
| Security deposits paid | (0.0) | - |
| Change in receivables guaranteeing financial payables | 1.1 | 1.1 |
| Other changes in investing activities | 0.3 | 0.0 |
| Cash flow from financing activities [f] | (3.9) | (4.3) |
| Net financial interest paid | (1.2) | (0.8) |
| Change in short-term bank loans | 0.2 | (1.1) |
| Changes in other financial payables and receivables | 0.0 | (1.2) |
| Other changes in financial assets and liabilities | - | 0.1 |
| Change in payables IFRS 16 | (2.9) | (1.3) |
| Change in financial resources [g=d+e+f] | 17.2 | 15.5 |
| Cash and cash equivalents at the beginning of the year | 54.1 | 35.7 |
| Cash and cash equivalents at the end of the period | 71.3 | 51.2 |
| Increase (decrease) for the period | 17.2 | 15.5 |

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

Update as at 30 June 2023

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

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

| NET FINANCIAL POSITION OF THE 24 ORE GROUP | | |
|---|-----------------|-----------------|
| Euro thousands | 30.06.2023 | 31.12.2022 |
| A. Cash | 50 | 190 |
| B. Cash equivalents | 71,207 | 53,876 |
| C. Other current financial assets | 2,895 | 4,279 |
| D. Liquidity (A + B + C) | 74,153 | 58,345 |
| E. Current financial payable | (15,355) | (14,081) |
| F. Current portion of the non-current financial payable | (10,343) | (8,929) |
| G. Current financial debt (E + F) | (25,697) | (23,010) |
| H. Current net financial position (G + D) | 48,455 | 35,335 |
| I. Non-current financial payable | (34,585) | (36,197) |
| J. Debt instruments | (43,101) | (42,940) |
| K. Trade payables and other non-current payables | - | - |
| L. Non-current financial debt (I + J + K) | (77,686) | (79,138) |
| M. Net financial position (H + L) | (29,230) | (43,803) |

The **net financial position** at 30 June 2023 was a negative Euro 29.2 million and compares with a negative Euro 43.8 million at 31 December 2022, an improvement of Euro 14.6 million. The change in the net financial position is mainly related to cash flows from operating activities and the collection of Euro 6.5 million deriving from the sale of the two production sites located in Milan and Carsoli (AQ).

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 34.6 million (Euro 35.2 million at 31 December 2022) in application of IFRS 16.

The Group's current net financial position at 30 June 2023 was a positive Euro 48.5 million (positive Euro 35.3 million at 31 December 2022) and includes Euro 2.2 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the former Milan – Via Monte Rosa office. Current financial receivables include Euro 0.7 million in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 5.5 million.

Net financial position of the Parent Company

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

| NET FINANCIAL POSITION OF IL SOLE 24 ORE S.p.A. | | |
|---|-----------------|-----------------|
| Euro thousands | 30.06.2023 | 31.12.2022 |
| A. Cash | 20 | 31 |
| B. Cash equivalents | 66,278 | 47,567 |
| C. Other current financial assets | 2,829 | 3,975 |
| D. Liquidity (A + B + C) | 69,128 | 51,573 |
| E. Current financial payable | (15,355) | (14,081) |
| F. Current portion of the non-current financial payable | (15,247) | (12,585) |
| G. Current financial debt (E + F) | (30,602) | (26,667) |
| H. Current net financial position (G + D) | 38,526 | 24,906 |
| I. Non-current financial payable | (33,908) | (35,477) |
| J. Debt instruments | (43,101) | (42,940) |
| K. Trade payables and other non-current payables | - | - |
| L. Non-current financial debt (I + J + K) | (77,009) | (78,417) |
| M. Net financial position (H + L) | (38,483) | (53,511) |

The **Parent Company's net financial position** at 30 June 2023 was negative by Euro 38.5 million and compares with a negative Euro 53.5 million at 31 December 2022, an improvement of Euro 15.0 million. The change in the net financial position is mainly related to cash flows from operating activities and the collection of Euro 6.5 million deriving from the sale of the two production sites located in Milan and Carsoli (AQ).

Non-current financial debt includes the non-convertible senior unsecured bond with a principal amount of Euro 45 million and a duration of 7 years, intended exclusively for qualified investors, and financial payables arising from the present value of lease payments under contracts for offices, broadcasting equipment and cars totalling Euro 33.9 million (Euro 34.5 million at 31 December 2022) in application of IFRS 16.

The Company's current net financial position at 30 June 2023 was a positive Euro 38.5 million (positive Euro 24.9 million at 31 December 2022) and includes Euro 2.2 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the former Milan – Via Monte Rosa office. Current financial receivables include Euro 0.7 million in application of IFRS 16. Current financial payables deriving from the present value of lease payments in application of IFRS 16 amounted to Euro 5.3 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 2023

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 | 384 | 63 | 23 | 14 | 136 | 2 | 4 | 631 | 1,256 |
| Social security payables | - | - | - | - | - | - | - | - | - |
| Payables to employees | - | - | - | - | - | - | - | - | - |
| Tax payables | - | - | - | - | - | - | - | - | - |
| | 384 | 63 | 23 | 14 | 136 | 2 | 4 | 631 | 1,256 |

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 30 June 2023

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 | 319 | 39 | 18 | 3 | 131 | 1 | 4 | 570 | 1,086 |
| Social security payables | - | - | - | - | - | - | - | - | - |
| Payables to employees | - | - | - | - | - | - | - | - | - |
| Tax payables | - | - | - | - | - | - | - | - | - |
| | 319 | 39 | 18 | 3 | 131 | 1 | 4 | 570 | 1,086 |

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. Past due 0 to 30 days also includes positions that were subject to offsetting or payment in July 2023.

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

On 29 April 2021, a summons was served to the Court of Milan for the resumption of an injunction, issued in 2018 by the Court of Rome and then, by judgement no. 1547/2021 of 28 January 2021, revoked by the same Court which had declared itself not to have territorial jurisdiction. On 25 July 2022, the Court of Milan dismissed the counterparty's claims, awarding the costs of the litigation. On 27 February 2023, the other party served a writ of summons on appeal against the aforementioned judgement of the Court of Milan, setting the first appearance hearing for 22 June 2023 and after the hearing, the panel adjourned the case to 5 December 2023 for closing arguments.

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of the Half-yearly financial report at 30 June 2023 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 2023 | | | | | | | | |
|---|------------------------------|-----------------------|--------------------------------|--------------------|-------------------------------|----------------|------------------|--------------------|
| 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) | 12 | - | - | - | 43 | - | - | - |
| Total Parent Company | 12 | - | - | - | 43 | - | - | - |
| Sole 24 ORE Formazione S.p.A. | 221 | - | - | - | 199 | - | - | - |
| Total associates | 221 | - | - | - | 199 | - | - | - |
| Key Executives | - | - | (541) | - | - | (978) | - | - |
| Board of Directors | - | - | (687) | - | - | (776) | - | - |
| Board of Statutory Auditors | - | - | (107) | - | - | (121) | - | - |
| Other related parties | 149 | - | (125) | - | 282 | (145) | - | - |
| Total other related parties | 149 | - | (1,461) | - | 282 | (2,021) | - | - |
| Total related parties | 381 | - | (1,461) | - | 524 | (2,021) | - | - |

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.

On 7 November 2022, a sublease agreement was signed with the associate company Sole 24 ORE Formazione S.p.A., which provides for the lease of space in the Milan - Viale Sarca office. In terms of IFRS 16, this transaction resulted in the recognition of the relative financial receivable, which at 30 June 2023 totalled Euro 6,337 thousand. During H1 2023, Euro 500 thousand was collected for rent for the period.

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 2023, 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 2023, Key Executives ("DIRS") are: Federico Silvestri – General Manager Media & Business; Karen Sylvie Nahum – General Manager Publishing & Digital; Eraldo Minella – General Manager Professional Services and Training; Romeo Marrocchio – Central Director Personnel and Organization.

On 27 April 2023, the Ordinary Shareholders' Meeting also 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, Roberta Cocco and Gianmario Verona, who were co-opted on 20 December 2022 to replace Chiara Laudanna and Fabio Domenico Vaccarone, respectively, who had resigned effective as of 10 November 2022.

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 2023

| 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) | 12 | - | - | - | 43 | - | - | - |
| Total Parent Company | 12 | - | - | - | 43 | - | - | - |
| 24 ORE Cultura S.r.l. | 1,593 | - | (693) | (2,826) | 495 | (410) | - | (93) |
| Il Sole 24 ORE Eventi S.r.l. | 1,315 | - | (1,774) | (2,289) | 864 | (1,872) | - | (75) |
| Il Sole 24 ORE UK Ltd | - | - | (547) | - | - | (177) | - | - |
| Il Sole 24 ORE U.S.A. Inc | - | - | (322) | - | - | (224) | - | - |
| Total Subsidiaries | 2,908 | - | (3,337) | (5,115) | 1,359 | (2,684) | - | (168) |
| Sole 24 ORE Formazione S.p.A. | 221 | - | - | - | 199 | - | - | - |
| Total associates | 221 | - | - | - | 199 | - | - | - |
| Key Executives | - | - | (541) | - | - | (978) | - | - |
| Board of Directors | - | - | (687) | - | - | (776) | - | - |
| Board of Statutory Auditors | - | - | (99) | - | - | (99) | - | - |
| Other related parties | 149 | - | (88) | - | 282 | (108) | - | - |
| Total other related parties | 149 | - | (1,415) | - | 282 | (1,961) | - | - |
| Total related parties | 3,289 | - | (4,752) | (5,115) | 1,883 | (4,645) | - | (168) |

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 mainly refer 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.

On 7 November 2022, a sublease agreement was signed with the associate company Sole 24 ORE Formazione S.p.A., which provides for the lease of space in the Milan - Viale Sarca office. In terms of IFRS 16, this transaction resulted in the recognition of the relative financial receivable, which at 30 June 2023 totalled Euro 6,337 thousand. During H1 2023, Euro 500 thousand was collected for rent for the period.

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 2023, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

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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 2023, 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 15.4 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 2023, there were no causes of impediment to purchase and/or material events that would result in contract termination.

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

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

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

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

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

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

On 21 February 2023, the Company's Board of Directors approved the 2023-2026 Plan, which confirms the Group's constant and sustainable growth through the digitalization of products and processes, globalization and continuous brand enhancement. The growth in revenues and margins is also confirmed in the changed geopolitical, economic and market context.

The evolution of the reference context has led to a revision of some initiatives included in the previous 2022-2025 Plan and to a rescheduling of the timing of their launch at the same time as the introduction of several new business initiatives.

The 2023-2026 Plan has three basic development pillars:

- ✓ digitisation of products and processes with a further acceleration and drive, from a digital first and platform neutral perspective, towards the creation and production of quality content in the various formats, focusing on the integration of the various business units, innovation and the use of customer base usage data;
- ✓ globalisation in every segment with the strengthening of existing partnerships with some of the leading international news organizations;
- ✓ brand enhancement both in the training business and with the development of new products and services dedicated to professionals in the field of innovation and sustainability.

The 2023-2026 Plan also envisages a further drive on investments enabling the Group's digital transformation and process optimisation, with a time rescheduling compared to the previous 2022-2025 Plan.

In light of the uncertainties of the macroeconomic and geopolitical scenario characterized by the conflict in Ukraine, a sharp upturn in inflation, rising interest rates and the residual effects of Covid-19, the 2023-2026 Plan although reflecting the increase in the incidence of commodity and energy costs and operating costs – with a consequent reduction in expected margins compared to the previous 2022-2025 Plan prepared in a context radically different from the current one – confirms a gradual year-on-year improvement in the main economic and financial indicators, with Euro 250 million in revenues expected in 2026 and a net financial position expected to progressively improve over the Plan period.

The main forecast economic indicators expected in the 2023-2026 Plan are shown below:

| 2023-2026 PLAN | | |
|-----------------------|-----------|-----------|
| Euro millions | Plan 2023 | Plan 2026 |
| Revenues | 220 | 250 |
| EBITDA | 24 | 44 |
| EBIT | 9 | 23 |

Consolidated revenues for H1 2023 did not meet forecasts, mainly due to the drop in advertising revenues and the lower than expected performance of some initiatives, while *EBITDA* and *EBIT* showed a clear improvement compared to the 2023 plan due to both the different development of the business and actions to limit direct, operating and personnel costs.

It should be noted that the forward-looking figures represented in the 2023-2026 Plan are strategic objectives established as part of corporate planning.

The development of the 2023-2026 Plan was based on, among other things: (i) general and hypothetical assumptions, as well as discretionary assumptions, and (ii) a series of estimates and hypotheses relating to the implementation by the directors of specific actions to be undertaken in the reference time period, or relating to future events that the directors can only partially influence and that may not occur or may vary during the plan period.

The realization of the objectives and the achievement of the results envisaged by the 2023-2026 Plan depend not only on the actual realization of the volume of revenues indicated, but also on the effectiveness of the actions identified and the implementation of these actions, in accordance with the time frame and economic impacts assumed.

If the Group's results were to differ significantly from those forecast in the 2023-2026 Plan, there could be adverse effects on the Group's financial position and prospects.

The Group constantly monitors both the performance of the reference markets in relation to the assumptions of the Plan and any repercussions that may arise from the evolution of the geopolitical and macroeconomic context, and the implementation of the actions set forth in the 2023-2026 Plan, while maintaining proactive and constant attention to the containment of all costs and the identification of initiatives that can further mitigate the risk linked to revenues to protect profitability and expected cash flows.

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

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