

2022 Annual Financial Report

GRUPPO  24ORE

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The 2022 Annual Financial Report has been translated into the English language solely for the convenience of international readers and constitutes a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

■ Composition of Corporate Bodies

The Board of Directors and the Board of Statutory Auditors of Il Sole 24 ORE S.p.A. (the “Company”) were elected by the Ordinary Shareholders’ Meeting on 27 April 2022.

The Board of Directors and the Board of Statutory Auditors shall remain in office until the Shareholders’ Meeting called to approve the financial statements for the year 2024.

■ Board of Directors

Chairperson	Edoardo GARRONE
Deputy Chairperson	Claudia PARZANI
Chief Executive Officer	Mirja CARTIA d’ASERO
Directors	Roberta COCCO ¹ Diamante Ortensia D’ALESSIO Veronica DIQUATTRO Marco LIERA Ferruccio RESTA Alexander John ROSS Alessandro TOMMASI Gianmario VERONA ²

■ Control, Risk and Related Parties Committee

Chairperson	Ferruccio RESTA
Members	Veronica DIQUATTRO Claudia PARZANI

■ Appointments and Remuneration Committee

Chairperson	Ferruccio RESTA
Members	Diamante Ortensia D’ALESSIO Veronica DIQUATTRO

¹ Co-option of the Board of Directors on 20 December 2022

² Co-option of the Board of Directors on 20 December 2022

■ Committee on compliance with the 24 ORE Group's Editorial Mission

Chairperson	Roberta COCCO
Members	Veronica DIQUATTRO Alexander John ROSS

■ ESG and Technological Innovation Committee

Chairperson	Claudia PARZANI
Members	Marco LIERA Alexander John ROSS Alessandro TOMMASI

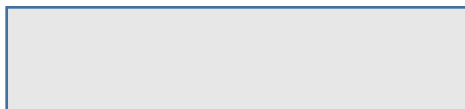
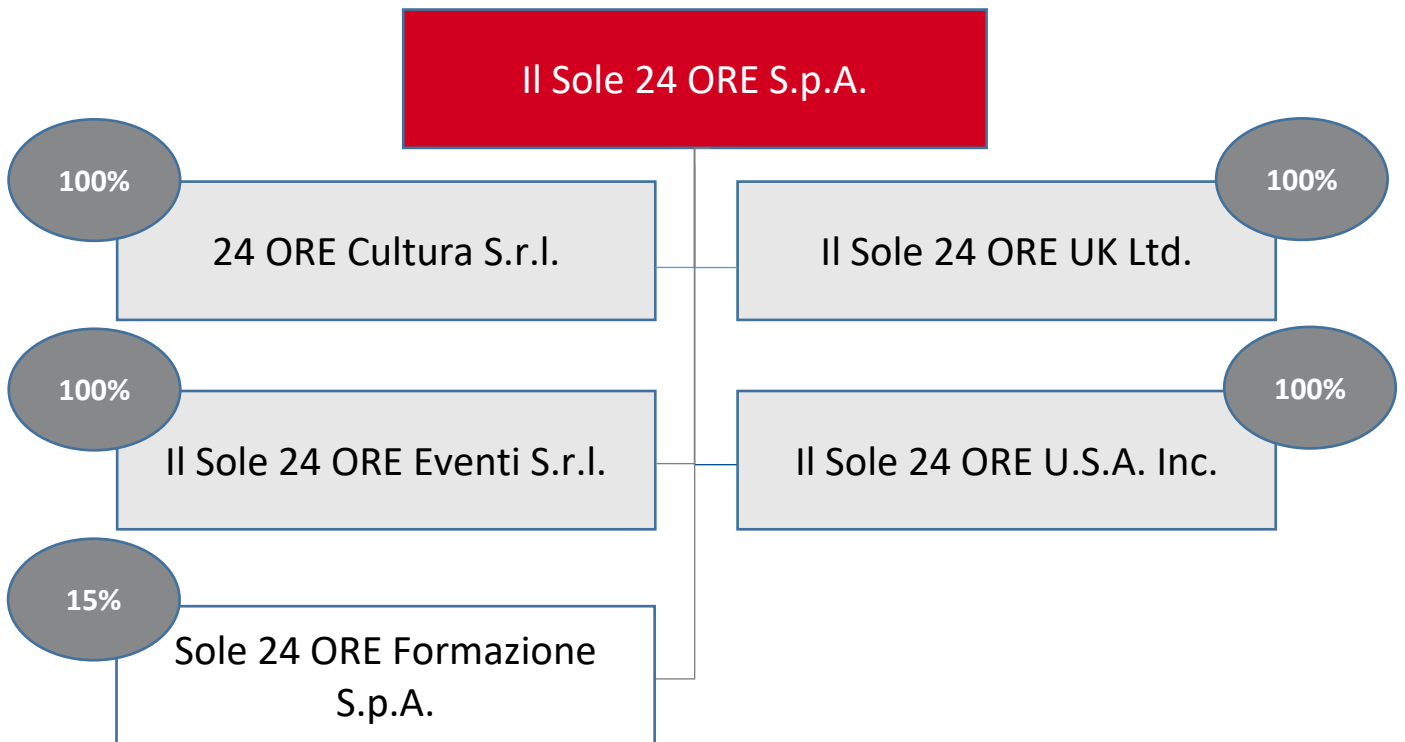
■ Board of Statutory Auditors

Chairperson	Tiziana VALLONE
Standing Auditors	Myriam AMATO Giuseppe CRIPPA
Alternate Auditors	Marianna GIROLOMINI Roberto MENEGAZZI
Common representative of special category shareholders	Marco PEDRETTI
Manager in charge of financial reporting	Emilio BERNACCHI ³
Internal Audit Manager	Katia AONDIO ⁴
Independent Auditors	EY S.p.A.

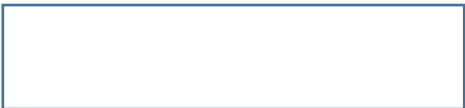
³ Appointed by the Board of Directors on 30 January 2023

⁴ Appointed by the Board of Directors on 1 September 2022

STRUCTURE OF THE 24 ORE GROUP AT 31 DECEMBER 2022



Fully consolidated company



Associate consolidated using the equity method

24 ORE GROUP AT 31 DECEMBER 2022 - SUMMARY FIGURES AND INFORMATION

■ Group Profile

The 24 ORE Group is the main multimedia publishing group active in Italy in the economic-financial, professional and cultural information market, offering its services to the public, professional categories, businesses and financial institutions.

The information offered by Il Sole 24 ORE, the leading daily newspaper in economic, financial and regulatory news, is integrated with the press agency Radiocor Plus (Italian leader in financial information), the portal www.ilsole24ore.com and the news & talk radio station Radio 24.

The Group's reference market for advertising consists of the press (excluding local advertising), radio and digital media.

The Group has a leadership position in services for professionals and businesses, entirely owned in Italy, with an integrated range of publishing products and services aimed at meeting the needs of professionals, businesses and the public administration for updates and in-depth analysis on tax, legal, regulatory and economic-financial issues. The Group is also present on the software market with products focused on professional clients.

The 24 ORE Group also boasts an important presence in the organization of exhibitions and cultural events through the company 24 ORE Cultura S.r.l., one of the main players in the market which, with twenty years of experience and over 200 major exhibitions produced, can boast a consolidated network of relationships with leading institutions in Italy and around the world.

The Group operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events and meetings, also in collaboration with public and private entities through the company Il Sole 24 ORE Eventi S.r.l.

In September 2022, the 24 ORE Group re-entered the training business, in particular through its partnership with the Multiversity Group, through the organization, management, promotion and sale of a quality training proposal in different product types and formats.

■ Key summary figures of the 24 ORE Group

The 24 ORE Group closed 2022 with a positive EBITDA of Euro 32.0 million, a positive EBIT of Euro 11.5 million and a net profit of Euro 0.5 million. Equity amounted to Euro 15.9 million, an increase of Euro 2.1 million compared to equity in the consolidated financial statements at 31 December 2021, which amounted to Euro 13.9 million.

The following are the Group's key financial figures at 31 December 2022 derived from the consolidated financial statements:

KEY CONSOLIDATED FIGURES OF THE 24 ORE GROUP		
Euro thousands	FY 2022	FY 2021
Revenues	211,556	203,545
Gross operating margin (EBITDA)	31,951	11,255
Operating profit (loss) (EBIT)	11,478	(15,279)
Profit (loss) before taxes	7,441	(18,985)
Net profit (loss)	534	(21,029)
	31.12.2022	31.12.2021
Non-current assets	114,032	131,084
Current assets	131,733	117,027
Total assets	245,765	248,112
Group equity	15,925	13,851
Minority interests	-	-
Total Equity	15,925	13,851
Non-current liabilities	107,417	121,325
Current liabilities	122,423	112,936
Total liabilities	229,840	234,261
Total equity and liabilities	245,765	248,112

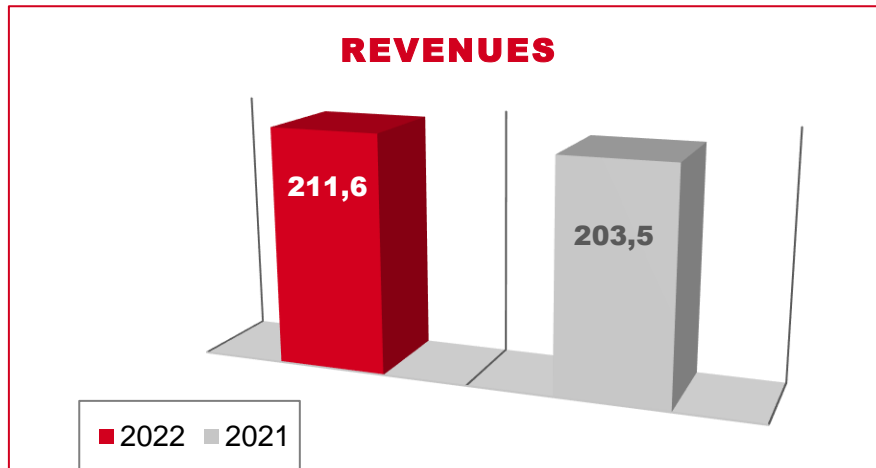
Key summary figures of the 24 ORE Group net of non-recurring income and expenses

Below are the Group's key financial figures for 2022, net of non-recurring income and expenses:

KEY CONSOLIDATED FIGURES NET OF NON-RECURRING INCOME AND EXPENSES		
Euro thousands	FY 2022	FY 2021
Revenues	211,556	203,545
EBITDA net of non-recurring income and expenses	25,102	22,585
EBIT net of non-recurring income and expenses	8,842	5,017
Profit (loss) before taxes net of non-recurring income and expenses	4,804	1,311
Net profit (loss) net of non-recurring income and expenses	1,396	(733)
	31.12.2022	31.12.2021
Equity	15,925	13,851
Net financial position	(43,803)	(63,849)

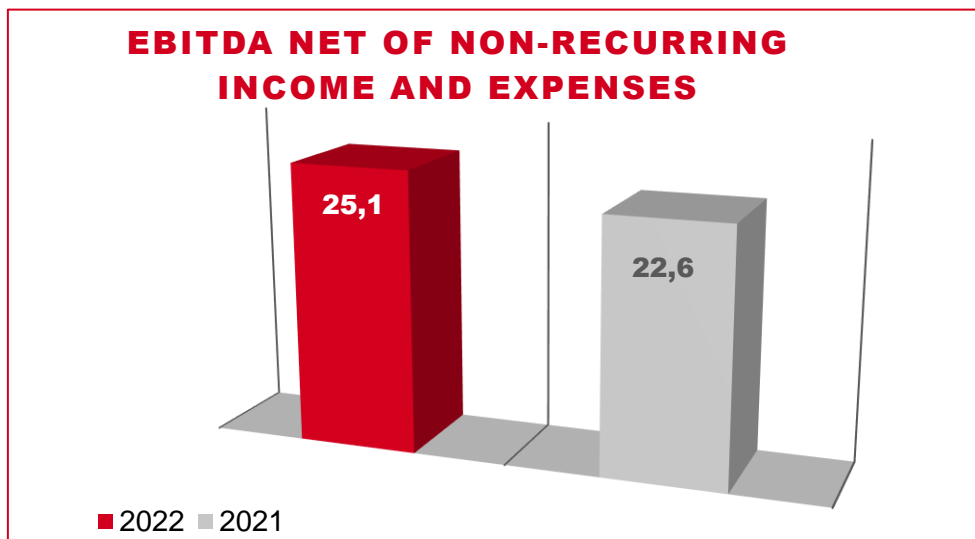
The macroeconomic and geopolitical scenario is characterized by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp upturn in inflation, rising interest rates, the residual effects of Covid-19 and rising commodity and energy costs. In this context, the 24 ORE Group is recording growth thanks to both the improvement in the pandemic situation, also allowing for the resumption of the exhibitions organized by 24 ORE Cultura S.r.l. (the activities of Museo delle Culture - "Mudec" managed by 24 ORE

Cultura S.r.l. were completely closed until the end of April 2021), and authoritativeness, high quality content, good advertising sales performance and continuous product development in the Professional Services and Training area, as well as effective commercial policies across all areas. In 2022, the 24 ORE Group reported **consolidated revenues** of Euro 211.6 million (Euro 203.5 million in 2021), up 3.9% or +Euro 8.0 million compared to 2021.



The **gross operating margin** (EBITDA), net of non-recurring income and expenses at 31 December 2022 was a positive Euro 25.1 million, compared to a positive Euro 22.6 million in 2021. 2022 EBITDA benefited from non-recurring income of Euro 6.8 million from:

- contributions obtained in support of businesses following the health emergency caused by the spread of the Covid-19 virus for Euro 2.4 million (income of Euro 1.4 million had been recognized in 2021);
- approval of the partial settlement of the corporate liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, in execution of which the Company collected a settlement amount of Euro 2.6 million during 2022;
- release of the residual provision for risks of Euro 1.1 million, allocated in the 2016 financial statements for the restatement of contingent liabilities, also tax, related to the outcome of criminal proceedings no. 5783/17 R.G.N.R.;
- partial restatement of the liability recognized in the financial statements for restructuring expenses to personnel, which resulted in the recognition of a gain of Euro 0.6 million;
- release of the provision for social security risks in the amount of Euro 0.1 million (in 2021, a release of Euro 1.1 million had been made).



Below is the breakdown of non-recurring income and expenses:

BREAKDOWN OF CONSOLIDATED NON-RECURRING INCOME AND EXPENSES		
Euro thousands	FY 2022	FY 2021
Gross operating margin (EBITDA)	31,951	11,255
Covid-19 contributions	2,449	1,403
Partial settlement of the liability action	2,600	
Release (allocation) of provision for social security risks	121	1,131
Releases (allocations) for tax risks	1,123	
Recalculation of payable for personnel restructuring expenses	555	(13,864)
Total non-recurring income and expenses with impact on EBITDA	6,848	(11,330)
EBITDA net of non-recurring income and expenses	25,102	22,585
Operating profit (loss) (EBIT)	11,478	(15,279)
Total non-recurring income and expenses with impact on EBITDA	6,848	(11,330)
Write-down of Carsoli property (fair value)	(1,460)	-
Early termination of the lease agreement for the rotary press in Medicina (BO)	-	(188)
Write-down of goodwill (impairment test)	(300)	(1,295)
Write-down of radio frequencies (impairment test)	(3,960)	(5,383)
Effects of contractual changes on lease agreements (Sublease)	1,508	
Write-down of intangible assets		(2,100)
Total non-recurring income and expenses with impact on EBIT	2,636	(20,296)
EBIT net of non-recurring income and expenses	8,842	5,017
Profit (loss) before taxes	7,441	(18,985)
Total non-recurring income and expenses with impact on EBIT	2,636	(20,296)
Total non-recurring income and expenses on profit (loss) before taxes	2,636	(20,296)
Profit (loss) before taxes net of non-recurring income and expenses	4,804	1,311
Net profit (loss)	534	(21,029)
Total non-recurring income and expenses on net profit (loss) before taxes	2,636	(20,296)
Write-down of taxes	(3,498)	
Total non-recurring income and expenses on net profit (loss)	(862)	(20,296)
Net profit (loss) net of non-recurring income and expenses	1,396	(733)

The **net financial position** at 31 December 2022 was a negative Euro 43.8 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 20.0 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 35.2 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group's current net financial position at 31 December 2022 was a positive Euro 35.3 million (positive Euro 18.6 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 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 4.8 million.

■ Significant events in the year 2022

On 2 February 2022, certain changes in the parties to the shareholders' agreements entered into on 22 February 2019 (the "Agreement") between Confindustria and 53 other associations and entities belonging to the Confindustria system ("Adhering Associations") were disclosed, as amended as a result of the events disclosed in communications dated 8 June 2021, 6 August 2021, 10 November 2021, 17 November 2021, 24 November 2021, 1 December 2021, 15 December 2021 and 17 December 2021, which resulted in the reduction of the Adhering Associations from 53 to 20.

In particular, the number of Adhering Associations was further reduced from 20 to 19 as a result of the sale, completed on 28 January 2022, of the investment of Confindustria Friuli-Venezia Giulia in favour of Confindustria, with the consequent exit of said Adhering Association from the Agreement. The total percentage of shares contributed to the Agreement (68.645% of share capital) did not change. As terminations were received from parties holding more than 3% of the Company's share capital in syndicated shares, the Agreement ceased to be effective on 22 February 2022 and was not renewed.

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

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

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

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

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

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

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

The net financial position envisaged in the 2022-2025 Plan was expected to worsen in 2022 due to the acceleration of investments and disbursements related to the early exit of personnel, and then gradually improve in the following years during the Plan period.

On 10 March 2022, the Parent Company waived receivables totalling Euro 1.1 million and made a payment of Euro 1 million to the subsidiary 24 ORE Cultura S.r.l. to cover future losses.

On 27 April 2022, the Company, although the Shareholders' Meeting voted in favour by a majority of the share capital, equal to approximately 70.1%, recorded the vote against by a minority of the share capital

equal to approximately 6.2%, and, therefore, given the provisions of article 2393, paragraph 6 of the Italian Civil Code, it was not able to settle the corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code referred to in the illustrative report published on 28 March 2022, which had been brought, after authorization by the Shareholders' Meeting on 30 April 2019, through the civil suit lodged before the Court of Milan under G.R. no. 30810/2019.

On 27 April 2022, the Shareholders' Meeting of Il Sole 24 ORE S.p.A. ("Shareholders' Meeting"), approved the Company's financial statements for the year ended 31 December 2021 with a net loss of Euro 21.0 million. The same Meeting also resolved to carry forward the loss for the year of the Parent Company Il Sole 24 ORE S.p.A. in the amount of Euro 21,021,083.

The Shareholders' Meeting acknowledged the 2021 Consolidated Non-Financial Statement, contained in the 2021 Annual Financial Report, published on 5 April 2022 and prepared in accordance with Legislative Decree 254 of 30 December 2016.

The Shareholders' Meeting resolved to approve the first section of the Report on Remuneration Policy and Remuneration Paid pursuant to article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance (TUF), containing the illustration of the Company's Policy on the remuneration of the Boards of Directors, Key Executives, Other Executives and, without prejudice to the provisions of article 2402 of the Italian Civil Code, of the members of the Statutory Auditors as well as the procedures used for the adoption and implementation of this policy.

The Shareholders' Meeting also voted in favour of the second section of the Report relating to the remuneration paid during the relevant year pursuant to article 123-ter, paragraph 6, of the Consolidated Law on Finance.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024.

The following were appointed: Edoardo Garrone, Mirja Cartia d'Asero, Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Claudia Parzani, Ferruccio Resta, Alexander John Ross, Fabio Domenico Vaccarone, Alessandro Tommasi (taken from List no. 1 submitted by the majority shareholder Confindustria - Confederazione Generale dell'Industria Italiana, holder at the record date of 43,661,640 shares of the Company, including 9,000,000 ordinary shares and 34,661,640 special category shares, which obtained a number of votes in favour equal to 87.55% of the voting capital) and Marco Liera (taken from List no. 3 submitted by the Shareholder Giornalisti Associati S.r.l, holder at the record date of 1,672,708 special category shares of the Company).

Edoardo Garrone was appointed and confirmed as Chairperson of the Board of Directors.

The Directors Mirja Cartia d'Asero, Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Claudia Parzani, Ferruccio Resta, Alexander John Ross, Fabio Vaccarone and Marco Liera declared that they meet the independence requirements set forth in article 147-ter, paragraph four, and article 148, paragraph three, of Legislative Decree 58/1998, as well as the independence requirements set forth in the Corporate Governance Code promoted by Borsa Italiana S.p.A. and the independence requirements set forth in the Company's Board of Directors Regulation.

The composition of the Board of Directors complies with the Articles of Association and current legislation on gender balance.

The Shareholders' Meeting then set the gross annual remuneration payable to Board Members at Euro 20,000.00 for each member of the Board of Directors.

The Board Member Marco Liera announced that, as of 27 April 2022, he held 121,269 special category shares of the Company.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024.

Tiziana Vallone, Giuseppe Crippa and Myriam Amato were appointed as Standing Auditors and Marianna Girolomini and Roberto Menegazzi as Alternate Auditors.

Tiziana Vallone (appointed Chairperson of the Board of Statutory Auditors) and Roberto Menegazzi were taken from List no. 3 submitted by Shareholder Giornalisti Associati S.r.l. holder at the record date of no. 1,672,708 special category shares of the Company, while Giuseppe Crippa, Myriam Amato and Marianna Girolomini were taken from List no. 1 submitted by the Shareholder Confindustria - Confederazione Generale dell'Industria Italiana, holder at the record date of 43,661,640 shares of the Company, including 9,000,000 ordinary shares and 34,661,640 special category shares, which obtained a number of votes in favour equal to 87.55% of the voting capital.

The composition of the Board of Statutory Auditors complies with the Articles of Association and current legislation on gender balance.

The Meeting thus set the annual remuneration payable to the Chairperson of the Board of Statutory Auditors and each of the other Standing Auditors at Euro 80,000.00 and Euro 55,000.00, respectively, gross per year.

The new Board of Directors of Il Sole 24 ORE S.p.A. appointed by the Shareholders' Meeting and which will remain in office until the Shareholders' Meeting called for the approval of the Financial Statements at 31 December 2024, met on 27 April 2022.

Chairman Edoardo Garrone was delegated the authority for institutional representation of the Company.

The Board of Directors appointed Claudia Parzani as Deputy Chairperson of the Board of Directors.

The Board of Directors appointed Mirja Cartia d'Asero as Chief Executive Officer, vesting her with the relative powers for the office with the exception of those exclusively reserved to the Board, also appointing her as Chief Executive Officer in charge of setting up and maintaining the internal control and risk management system and entrusting her with the duties established by the Corporate Governance Code.

The Board of Directors certified the fulfilment of independence requirements by Directors Diamante Ortensia D'Alessio, Veronica Diquattro, Chiara Laudanna, Marco Liera, Claudia Parzani, Ferruccio Resta, Alexander John Ross and Fabio Vaccarone, as well as acknowledged the fulfilment of independence requirements by the standing members of the Board of Statutory Auditors Tiziana Vallone, Giuseppe Crippa and Myriam Amato, pursuant to the joint provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Legislative Decree 58/1998, the Corporate Governance Code promoted by Borsa Italiana S.p.A. and, as far as the Directors are concerned, also the Company's Board of Directors Regulation.

The Board of Directors has established Board committees and appointed their members and related Chairpersons. Ferruccio Resta was appointed Chairperson and Veronica Diquattro and Chiara Laudanna were appointed as the members of the Control, Risk and Related Parties Committee; all of the members of the Committee as well as its Chairperson meet the independence requirements as set forth in CONSOB Resolution no. 17221 of 12 March 2010 as amended.

For the Appointments and Remuneration Committee, Ferruccio Resta was appointed Chairperson and Diamante Ortensia D'Alessio and Veronica Diquattro as members; all the members of the Committee, including its Chairperson, meet the independence requirements established by current legislation.

Fabio Domenico Vaccarone was appointed as Chairperson and Veronica Diquattro and Alexander John Ross as members of the Committee on Compliance with the 24 ORE Group's Editorial Mission, pursuant to article 29 of the Articles of Association.

Lastly, the ESG and Technological Innovation Committee was formed, with Claudia Parzani appointed as Chairperson and Marco Liera, Alexander John Ross and Alessandro Tommasi as members; members Claudia Parzani, Marco Liera and Alexander John Ross meet the independence requirements established by current regulations.

Furthermore, at its meeting of 27 April 2022, the Board of Directors also appointed the Supervisory Body with Lelio Fornabaio as Chairperson and Loredana Conidi and Giuseppe Crippa as members. The Supervisory Body will remain in office until the approval of the Financial Statements at 31 December 2024.

On 28 July 2022, the Company's Board of Directors approved a medium/long-term "LTI" variable remuneration plan for the 2022-2024 period, in favour of the Chief Executive Officer and certain key executives. The Plan provides for each beneficiary to receive a percentage of his or her gross annual remuneration at the end of the 2024 period, provided that he or she has achieved the objectives set and has not resigned before the end of the Plan.

On 19 September 2022, the Board of Directors of Il Sole 24 ORE S.p.A. resolved to convene the Shareholders' Meeting for 21 October 2022, in order to submit to a proposed partial settlement of the corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code brought, subject to authorization by the Shareholders' Meeting pursuant to article 2393 of the Italian Civil Code on 30 April 2019, through civil action G.R. no. 30810/2019 lodged before the Court of Milan, under the terms specified in the illustrative report that was published in accordance with the law.

On 29 September 2022, Il Sole 24 ORE S.p.A., announced, in view of the failure of the non-competition commitments it had undertaken at the time, its re-entry into the training business, a sector with strong synergies with the Group's other business lines, with the "Sole 24 ORE Formazione" brand.

On 3 October 2022, the Board of Directors approved the signing of a partnership with the Multiversity Group, controlled by CVC Capital Partners and leader in digital education and training, with the universities Pegaso, Mercatorum, San Raffaele Roma and Aulab, Italy's first coding factory.

The aim of the partnership is to establish itself as one of the most relevant players on the executive education scene, positioning itself as a new standard of excellence in the industry, thanks to the extraordinary strength of the two groups.

The training offer will be aimed not only at managers and professionals, but also at Italian companies to continue investing in the upskilling and reskilling of their employees, in line with what a constantly evolving and increasingly competitive labour market demands.

The partnership will leverage, on the one hand, the skills, professionalism and history of the 24 ORE Group, focusing on the added value that characterizes the entire offering of a multimedia group that is unique on the Italian publishing scene in terms of the quality of its information, and, on the other hand, the scientific, academic, technological, digital and commercial strength of the Multiversity Group, initiating a process of profound innovation in post-graduate and executive education, which will become increasingly rich, flexible and accessible.

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A., operating in the training sector, with a 100% shareholding of Euro 50 thousand.

On 21 October 2022, as described in more detail in the paragraph "Risks related to the outcome of the proceedings before the Milan Public Prosecutor's Office crim. proc. no. 5783/17 R.G.N.R.", the Shareholders' Meeting of Il Sole 24 ORE S.p.A. approved the partial settlement of the corporate liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, which does not include Roberto Napoletano as a party, referred to in the illustrative report published on 21 September 2022, which had been brought, subject to authorization by the Shareholders' Meeting on 30 April 2019, through the civil action brought before the Court of Milan under G.R. no. 30810/2019.

On 9 November 2022, Il Sole 24 ORE S.p.A., following the stipulation of the partnership in the training market with the Multiversity Group, dated 3 October 2022, executed the commitments undertaken in the aforementioned agreement by completing the preliminary activities for the start of the collaboration with the Multiversity Group. In the context of these activities, Il Sole 24 ORE S.p.A., retaining a 15% share, transferred to Multiversity S.p.A., in accordance with the aforesaid partnership agreement, a share equal to 85% of the share capital of the company newly incorporated by the 24 ORE Group for the purpose of promoting and conveying the development and marketing of the training offer subject of the aforementioned partnership.

On 10 November 2022, Fabio Domenico Vaccarone resigned from his position as Independent Director of Il Sole 24 ORE S.p.A. and, therefore, also from his position as Chairperson of the Committee on compliance with the 24 ORE Group's Editorial Mission, which he had held since 27 April 2022.

On 10 November 2022, Chiara Laudanna resigned from her position as Independent Director of Il Sole 24 ORE S.p.A. and, therefore, also from her position as member of the Control, Risk and Related Parties Committee, which she held since 27 April 2022.

On 11 November 2022, Paolo Fietta, Corporate General Manager and Chief Financial Officer and Manager in charge of financial reporting pursuant to Article 154-bis of Legislative Decree 58 of 24 February 1998, resigned.

On 20 December 2022, the Board of Directors, at the proposal of the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, co-opted Roberta Cocco as a Non-Independent Non-Executive Director and Gianmario Verona as an Independent Non-Executive Director. Pursuant to Article 2386 of the Italian Civil Code and the Articles of Association in force, the new Directors will hold office until the next Shareholders' Meeting.

Based on the communications made to the Company, Roberta Cocco and Gianmario Verona did not hold, at 20 December 2022, directly and/or indirectly, any ordinary and/or special category shares of the Company.

■ Market context

The macroeconomic and geopolitical scenario is characterized by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp upturn in inflation, rising interest rates, the residual effects of Covid-19 and rising commodity and energy costs. Furthermore, the expected GDP growth rate for 2022 assumed in the last quarter of 2021 was reduced.

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of -6.9% for 2022 compared to 2021, with a decline in circulation of the print version of -11.3% offset in part by an increase in digital circulation of +3.4% (*Source: ADS data processing January - December 2022*).

The most recent listening figures for radio refer to the year 2022 and recorded a total of 33,809,000 listeners on the average day, essentially equal to 2021 (-0.1%. *Source: RadioTER 2021-2022*).

In 2022, the System reference market recorded a decline of -3.1% (net of local newspaper advertising): newspapers closed at -6.9% (net local), magazines at -4.8%, internet at -3.2% and radio at +1.7% (*Source: Nielsen January/December 2022 vs 2021*).

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

The following trends were recorded for 2022: the legal area showed a slight growth of +1.1% compared to 2021; the tax area showed a growth of +3.3% compared to 2021 (*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 contents (+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*).

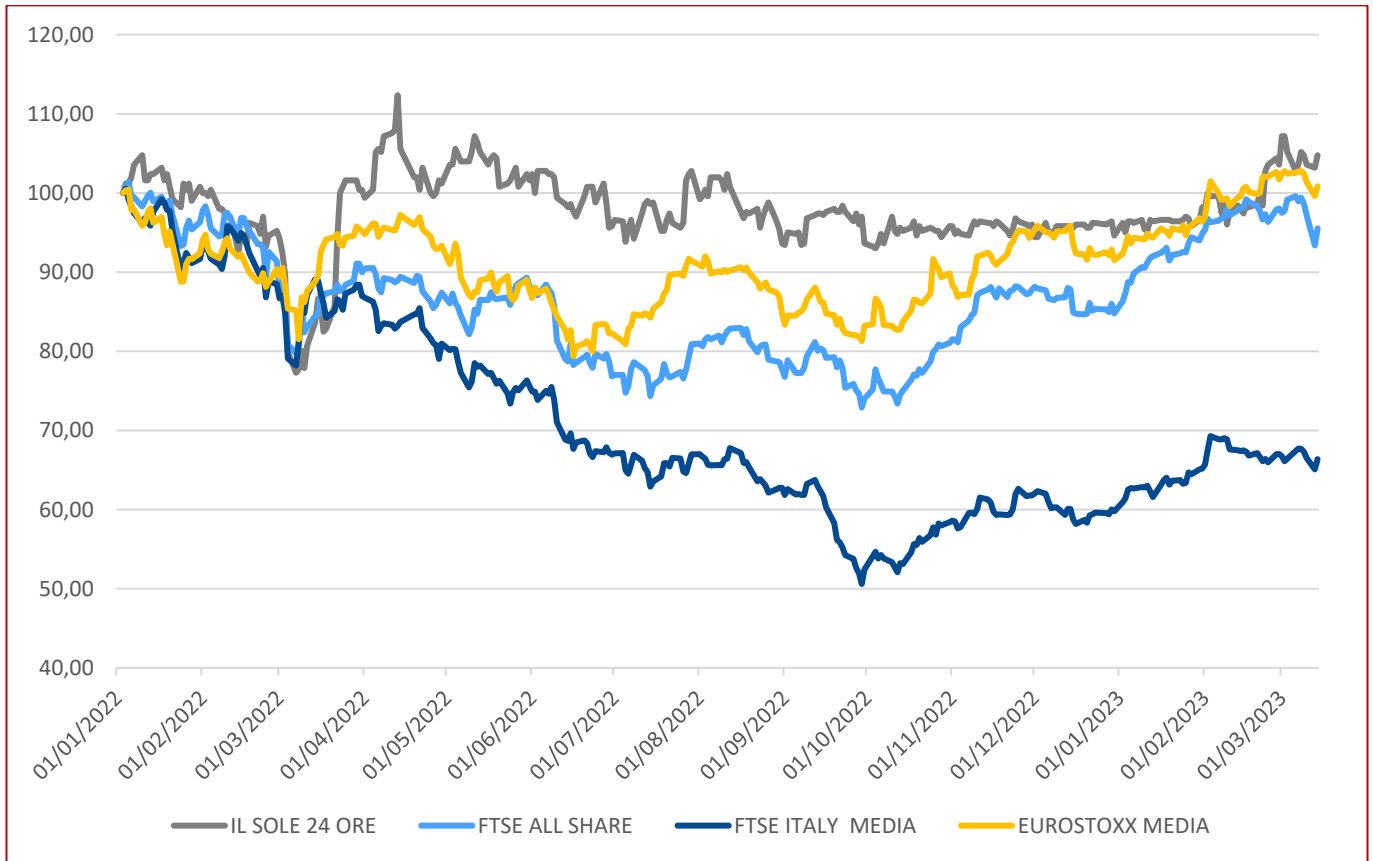
■ Shareholders

Through its Investor Relations department, the Company endeavours to establish a transparent and ongoing dialogue with its shareholders and investors, based on an understanding of their reciprocal roles, by promoting meetings with representatives of the Italian and international financial community, in full compliance with the relevant provisions in force and the rules governing the handling and disclosure of inside information.

In order to provide timely and easy access to information about the Issuer that is important to its shareholders, the Company has set up a dedicated Investor section on its institutional website (www.gruppo24ore.com), where it is possible to find information on the Issuer's economic and financial obligations, price-sensitive press releases and documentation prepared in support of corporate events and presentations.

A separate section of the Company website (www.gruppo24ore.com) is also available, reserved for the Common Representative of special category shareholders, which lists the documents produced by the Representative and the related correspondence with the special category shareholders.

■ Performance of Il Sole 24 ORE share compared to the main indices (03/01/2022 = 100)



THE SOLE 24 ORE SHARE ON THE STOCK EXCHANGE

Indicator	Date	Value
Max price	13/04/2022	Euro 0.564
Min price	07/03/2022	Euro 0.388
Opening price	03/01/2022	Euro 0.508
Closing price	30/12/2022	Euro 0.475
December average price		Euro 0.480
Annual average price		Euro 0.491
Max volumes ('000)		no. 704.7
Min volumes ('000)		no. 0.0
Annual average volumes ('000)		no. 52.3
One-off capitalization (*)	30/12/2022	Euro M 31.0
Current price	14/03/2023	Euro 0.53

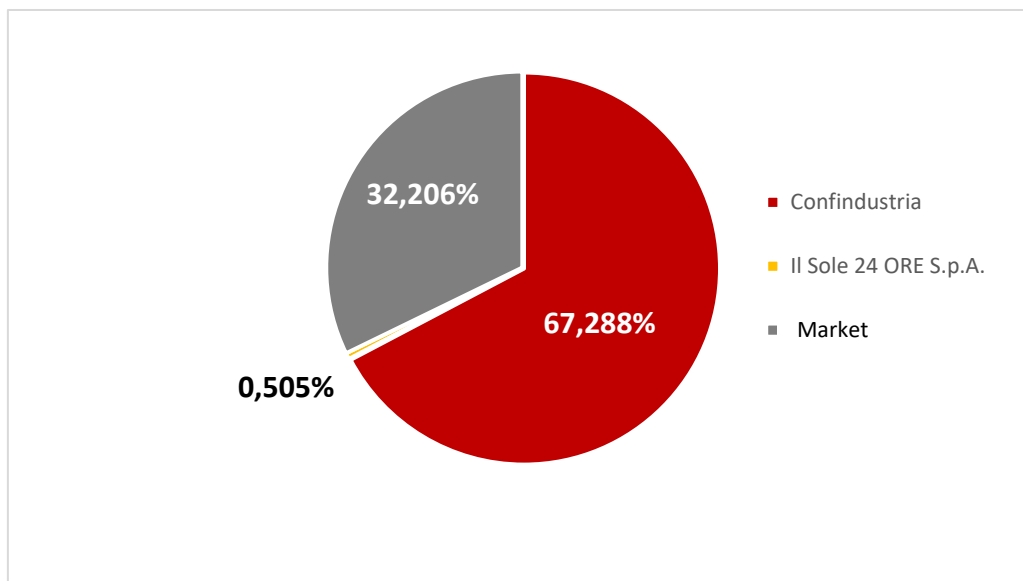
(*) calculated including the 9 million unlisted ordinary shares held by Confindustria

Source: Refinitiv for prices and volumes

■ Shareholding structure at 31 December 2022

SHAREHOLDING STRUCTURE				
Shareholders	no. ordinary shares	no. special shares	Total shares	%
Confindustria	9,000,000	34,970,040	43,970,040	67.288%
Il Sole 24 ORE S.p.A.	-	330,202	330,202	0.505%
Market	-	20,045,555	20,045,555	32.206%
Total shares	9,000,000	56,345,797	65,345,797	100.000%

SHAREHOLDING STRUCTURE



As of the date of this Annual Report, the Company is aware, pursuant to art. 122 of the Consolidated Law on Finance, that the “Shareholders’ Agreement” between Confindustria - Confederazione Generale dell’Industria Italiana (General Confederation of Italian Industry) and the 53 other associations and entities belonging to the Confindustria system stipulated on 22 February 2019 expired on 22 February 2022 and has not been renewed. There are no other shareholders’ agreements known to the Company.

REPORT ON PERFORMANCE OF BUSINESS AREAS

The following table shows the Group's key financial figures broken down by area of activity, highlighting EBITDA and EBIT as described in the following paragraphs.

INCOME STATEMENT BY BUSINESS AREA

SECTOR	Revenues from third parties	Intersegment revenues	Total Revenues	EBITDA	Amortization/Depreciation	Impairment of tangible and intangible assets	Gains/losses	EBIT
PUBLISHING & DIGITAL								
FY 2022	52,593	45,076	97,669	12,399	(4,155)	(1,460)	81	6,865
FY 2021	55,404	48,533	103,937	6,528	(4,850)	(720)	66	1,024
PROFESSIONAL SERVICES AND TRAINING								
FY 2022	56,359	281	56,640	16,510	(1,305)	-	0	15,205
FY 2021	54,166	244	54,411	14,200	(1,166)	(307)	0	12,727
RADIO								
FY 2022	260	18,559	18,819	4,778	(2,796)	(3,960)	1	(1,976)
FY 2021	236	16,137	16,373	1,805	(3,225)	(5,386)	22	(6,785)
SYSTEM								
FY 2022	87,320	(2,860)	84,460	1,073	(29)	-	-	1,045
FY 2021	84,849	(1,700)	83,148	(250)	(28)	-	-	(278)
EVENTS								
FY 2022	4,142	3,078	7,219	1,652	(18)	(300)	-	1,334
FY 2021	4,007	2,388	6,394	1,878	(7)	(1,295)	-	577
CULTURE								
FY 2022	10,881	1,057	11,939	425	(463)	-	-	(38)
FY 2021	4,883	603	5,486	(2,584)	(429)	-	0	(3,013)
CORPORATE AND CENTRALIZED SERVICES								
FY 2022	1	-	1	(4,888)	(7,580)	1,508	2	(10,957)
FY 2021	1	-	1	(10,321)	(7,958)	(1,258)	7	(19,531)
CONSOLIDATED								
FY 2022	211,556	-	211,556	31,951	(16,345)	(4,212)	85	11,478
FY 2021	203,545	-	203,545	11,255	(17,664)	(8,966)	95	(15,279)

As of the 2022 Financial Statements, following the Group's re-entry into the training business, and consistent with the management approach, the "Professional Services and Training" operating segment was expanded to include the training business.

■ Publishing & Digital

Publishing & Digital is the business area that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, products attached to the newspaper, magazines, add-ons and the website.

RESULTS OF THE PUBLISHING & DIGITAL AREA

Euro thousands	FY 2022	FY 2021	change %
Circulation revenues/other	53,149	55,839	-4.8%
Advertising revenues	44,520	48,098	-7.4%
Revenues	97,669	103,937	-6.0%
Gross operating margin (EBITDA)	12,399	6,528	89.9%
EBITDA Margin %	12.7%	6.3%	6.4 p.p.
Operating profit (loss) (EBIT)	6,865	1,024	>100.0%

Products, customers and operations

The editorial offices of the daily newspaper Il Sole 24 ORE are organized by thematic sections and are located in the two main offices of Milan and Rome and in five other Italian offices (Genoa, Turin, Naples, Venice and Palermo). The Newspaper, in particular, has international coverage through correspondents posted in two foreign offices (Brussels and Frankfurt). Overall, the newspaper's editorial structure includes 188 employed journalists, who also contribute to the content of the *www.ilsole24ore.com* portal and the titles *How To Spend It* and *24Hours*.

The printing process of the newspaper in 2022 is carried out in third-party plants in Erbusco, Rome, Messina and Cagliari. The total of 27.1 million copies printed in 2022 was printed at third-party plants.

Market performance

ADS data for major national newspapers indicate a decline in total circulation of print copies added to digital copies of -6.9% for the period January-December 2022 compared to 2021, with a decline in circulation of the print version of -11.3% offset in part by an increase in digital circulation of +3.4% (Source: ADS data processing January - December 2022).

Area performance

The **Publishing & Digital** area closed 2022 with revenues of Euro 97.7 million, down -6.0% compared to the previous year.

Circulation and other revenues totalled 53.1 million, down Euro 2.7 million (-4.8% compared to 2021), mainly as a result of the drop in revenues generated by the sale of the print newspaper. Circulation figures and copies sold of Il Sole 24 ORE are reported in the section "Economic performance" below.

Advertising revenues amounted to Euro 44.5 million, down Euro 3.6 million (-7.4% compared to 2021).

The newspaper's circulation revenues (print + digital) were down by Euro 2.8 million (-6.1%) compared to 2021, when they were Euro 45.1 million. Circulation revenues of the print newspaper amounted to Euro 21.8 million (-10.0% compared to the previous year). Circulation revenues of the digital newspaper amounted to Euro 20.5 million, down (-1.7%) compared to 2021.

EBITDA in the Publishing & Digital area was positive at Euro 12.4 million and compares with positive EBITDA of Euro 6.5 million in 2021.

The main changes in 2022 compared to 2021, in addition to the decrease in revenues, relate to:

- personnel costs of Euro 37.3 million were down by Euro 12.1 million (-24.5% compared to 2021, which amounted to Euro 49.4 million and included Euro 9.2 million of restructuring expenses);
- direct costs increased by Euro 1 million (+2.7%), in particular, the change is mainly attributable to: higher production costs for Euro 1.0 million, related to the new production structure (+11%); higher raw material costs of Euro 0.5 million (+13.5%) following the increase in the average purchase price of paper, albeit substantially offset by the contraction in volumes; lower distribution costs of Euro 0.8 million (-5.3%);
- advertising and promotional costs, down Euro 0.5 million;
- property management costs down Euro 0.7 million.

During 2022 the newspaper's editorial offer for readers was enriched with numerous initiatives and appointments at news-stands:

- the items with focus of *Norme e Tributi*, for a total of thirty titles, with in-depth analysis of the most important regulatory news explained by the editorial staff of Norme & Tributi;
- *Instant* guides, for a total of thirty-three titles, dedicated to regulatory, financial and educational issues.

In addition, the need to offer specialized content that is always up-to-date has led to the continuation of the "Le sintesi del Sole" format, to provide in-depth, timely and concise information on the most important issues that are subject to continuous amendments in laws and decrees.

The range of information offered by Il Sole 24 ORE is completed by Local Reports (North-west, North-east, Lombardy, Central and South) which, every Friday, report on the economy of the area through investigations, business stories and interviews with the protagonists and the publication, and by Enigmistica24.

In addition, to strengthen print/digital synergies, two guides were published in digital-only format. The first one, dedicated to scenarios for 2022 by 24+, the premium section of the website ilsole24ore.com; the second #hodettono on the occasion of 8 March by signature AlleyOop, the multi-author blog of ilsole24ore.com dedicated to themes of women empowerment.

Many initiatives also on the line of books and add-ons, which sees books published by Il Sole 24 ORE written by journalists and contributors, with a distribution through news-stands, book stores and digital stores, alongside proposals selected by third-party publishers with a view to expanding the target audience intended only for the news-stand channel.

The initiatives are divided into:

- twenty-nine issues for books published by Il Sole 24 ORE, including in particular: "Varsavia 1944" by Paolo Colombo on the occasion of Remembrance Day; "Commercialista 4.0" by Massimiliano Allievi on the occasion of Telefisco; "Papà Stories" with the journalists and presenters of Radio 24 on the occasion of Father's Day; and the instant book on the Ukrainian conflict "Ucraina 24.02.2022" edited by Marco Alfieri and Francesca Barbieri; "Young Finance" financial education explained to young people; "CEO Factor" launched on the occasion of the Turin Book Fair; "I 300 migliori fondi" and "Strategicamente" by Giuseppe Alfredo Iannocari and Nicoletta Carbone on the subject of mental training; and the novelty "Agenda 2023", an editorial agenda with contributions by Mauro Meazza and Debora Rosciani dedicated to money-saving advice, which was offered at newsstands and bookshops and in combination with the newspaper subscription offer;
- twenty-five releases for books in collaboration with third-party publishers, including "La Stella che non brilla", a proposal for children on the occasion of Holocaust Remembrance Day; "Storie di donne coraggiose" on the occasion of Women's Day; "Il teorema del pappagallo" and "La matematica si impara giocando" both on the theme of mathematics, much appreciated by the target audience,

and “Pazzi per la geografia” proposed for children on the occasion of International Night of Geography and “Quanto manca al Natale?” for the same target; “Ti racconto i campioni” with a double Milan and Inter release dedicated to the championship derby, , “La grammatica del vino” and “La grammatica dei profumi”.

Lastly, the publication of eight series for a total of thirty-seven volumes began in 2022: “Instant” as of 1 February 2022: 5 releases; “Wow!” dedicated to STEM subjects for young people, as of 11 February 2022: 5 releases, on the occasion of World STEM Day; “Montessori”, as of 29 March 2022: 7 releases dedicated to children and with a similar format and editorial treatment as the 2021 series “Pazzi per la matematica”; the latter continued in 2022 with 3 dedicated releases; “Quid”, 8 releases dedicated to the development of childhood skills, from English to art to coding; “In 5 minuti” instant guide series 4 releases; “Esercizi per adulti”, 2 releases; 3 releases for the book series of Paolo Borzacchiello.

Closing the list of publications in conjunction with Il Sole 24 ORE is *Aspenia*, the quarterly publication of Aspen Institute Italia.

The lively publishing pace on the book front is also expressed through new local events:

- From 18 to 25 May 2022, Il Sole 24 ORE was back in the limelight at the Turin Book Fair with an exhibition area featuring the areas of the 24 ORE Group: Radio 24, 24 ORE Professionale and 24 ORE Cultura; a rich schedule of presentations on the official calendar, meetings with authors at the stand and events during Salone Off; the presence of Domenica with dedicated meetings.
- On 3 June 2022, as part of the Trento Festival of Economics, Il Sole 24 ORE launched its first Economic and Social Non-Fiction Literary Award. The award is dedicated to unpublished works on topics from macroeconomics to finance to sustainability, social cohesion, labour, leadership, open innovation and business. Also in Trento, there were a number of presentations of books published by the publishing house.
- On 15 June 2022, Il Sole 24 ORE brought the “Strega Tour”, the presentation of the finalists of the Strega Prize, back to Milan. It was held at Mudec during an evening hosted by Marco Carminati, editor-in-chief of Domenica.

The customary historic event with the readers of Il Sole 24 ORE took place on 27 January 2022. For the second year in a row, the Telefisco event, which has reached its 31st edition and is dedicated to all the regulatory news of the tax package, aimed at accountants and spread throughout the country, was entirely realized in digital format, with a mode of access designed to meet all the needs of users through three formulas: basic, with free live broadcasting and training credits, plus, with deferred and digital handout and advanced, with additional webinars included of continuing education from March to December 2022 and additional content. On 15 June 2022, the special summer edition of Telefisco took place, dedicated to the latest news of the tax package.

The Alto Rendimento Award, the recognition given by Il Sole 24 ORE to Management Companies and Mutual Funds that have best combined the risk/return ratio, now in its 24th edition, again rewarded the winners in a Digital Edition with a round table and video contributions from the winners on the website ilsole24ore.com/altorendimento.

In December 2022, the publication of the traditional Quality of Life ranking took place, accompanied by a rich infographic and interactive special within Lab24, the visual area of the website ilsole24ore.com, by a live broadcast in collaboration with Sky in the presence of guests and experts, and a supporting social schedule enriched by the collaboration with young influencers, who also participated in the live broadcast bringing their point of view on the survey.

A series of specific initiatives continued in order to strengthen penetration and engagement with young people and women. In particular, on the occasion of 8 March, Il Sole 24 ORE proposed an integrated editorial programme for the community of female readers and users of Il Sole 24 ORE with a four-page folder

entitled “Le sfide delle donne” and a reserved subscription offer, which was replicated for the male target group on Father’s Day. Il Sole 24 ORE’s commitment to gender and inclusion issues was honoured at the Diversity Media Awards, on 25 May 2022, with an article on combating violence against women published in the newspaper on 8 March 2022. On the social front, the collaboration continues with Factanza, one of the largest social communities on Instagram, for the joint production of posts to bring a younger target audience closer to the content offered by Il Sole 24 ORE, and a collaboration has begun with Cose non Cose, another social community, with “Jobbing”, a co-published column dedicated to youth employment issues.

Taking a multimedia programming approach, significant attention was focused on NRRP coverage, with the launch of the NRRP Observatory: a special page in the newspaper every Thursday and an online dossier enhanced with tables and infographics, which provides daily updates on all news and insights.

In addition, following the changes in the geopolitical scenario with the outbreak of the conflict in Ukraine, a series of editorial coverage initiatives was launched in the daily newspaper, on 24+, the premium section of the *ilsole24ore.com* website, which was supported on this occasion by a subscription offer campaign providing one free month, on the Lab with a dedicated project and through an instant book. Il Sole 24 ORE also supported the Italian Red Cross by promoting its fundraising with dedicated spaces providing it with visibility.

Lastly, on the occasion of the 25 September 2022 general election, Il Sole 24 ORE produced special coverage in the daily newspaper and online with a series of special summaries, live broadcasts and the consultation of real-time data on the results.

Revenues from Group magazines (*How to Spend It*, and *24 Hours*) closed 2022 with a 14.2% growth.

How To Spend It, the monthly magazine dedicated to luxury in collaboration with Financial Times, had twelve issues in 2022, with the March issue dedicated to fashion in the special edition “A Passion For Fashion” and the June issue focused on design with “Superior Interiors”, which was also involved in a street amplification activity with a branded van roaming the streets during the Milan Furniture Fair. The February issue represents the 100th issue of the Italian edition of the magazine and was celebrated with a series of highly visible and significant publishing initiatives: the issue included a series of ad hoc content, from the #100characters social creativity contest in collaboration with Fornasetti, to a capsule collection with the Sandretto Re Rebaudengo Foundation, to a new special edition NFT and a round table with famous centennial voices. On 17 February 2022, 24 hours after the release of this issue-collection of *How to Spend it*, an exclusive “HTSI Metaverso Experience” evening was held to celebrate this special date with the partners through a digital journey into the worlds explored by the magazine. An immersive meta-event in the phygital universe of *How to Spend it*. In addition, in September 2022, the HTSI issue was distributed during the Milan Women’s Fashion Shows together with the newspaper’s Fashion Special.

In 2022, the portal *www.ilsole24ore.com* recorded a daily average of 1.1 million unique browsers, down 18.2% compared to the 2021 average, which was still heavily influenced by Covid-19 health emergency-related information requests (Source: *Mapp Intelligence, formerly Webtrekk*). The video component had an average view per month of 15.8 million in 2022, down 6.7% from the 2021 figure. Indicators of growth on social media, in particular LinkedIn closed the year 2022 at +15.2% compared to 31 December 2021, where Il Sole 24 ORE was confirmed as the leading publisher with over 1.1 million followers. Also up year-on-year were Instagram +14%, Twitter +11.6% and Facebook +3.1% compared to 31 December 2021 (Source: *Facebook Insights, LinkedIn Analytics, Crowdtangle and Twitter Analytics*).

In March 2022, a number of new features were introduced to the site to enhance navigation, stimulate user engagement and evolve the platform towards a cross-device approach: the new Topics section that organizes articles by tag, now optimized for mobile devices and enhanced for search engines; new blogs with platform updates; the new Newsletter section with a more intuitive subscription method and the enhancement of the 24+ Recap, Scuola+, Real Estate+ and FinTech+ premium newsletters.

In May 2022, the new Finanza home page was launched: a new destination hub from which, in a single main access point, users can access a single view of the world of finance from the editorial offices of the daily newspaper, market data, real-time information from the Radiocor agency, personal finance trends and tips from the editorial staff of Plus24, the weekly Saturday insert of Il Sole 24 ORE dedicated to personal finance. The launch of Finanza was accompanied by an expansion of the premium information offer: the subscription to Mercati+, the innovative multi-function service of Il Sole-24 ORE dedicated to Private Investors, which includes all of the financial information with real-time market data, all the tools for personal portfolio management, indexes and alerts, and exclusive and additional market insights, e.g. with the blogs “The insider” and “Bankers & Co”. Plus a subscription formula that includes the entire Mercati+ and the Saturday edition of the daily newspaper Il Sole 24 ORE with the weekly Plus24.

In December 2022, readers were also offered a selection of premium articles with unlocked access in a promotional logic with subscription invitation and dedicated user experience.

In September 2022, the Young Finance School Tour officially kicked off, after the video series and the publication of the book. Sole 24 ORE’s financial education project for young people goes live with the editorial staff and creators talking to children in classes who have registered to take part in the programme by sending their applications to the dedicated website ilsole24ore.com/schooltour.

Finally, Lab24, the visual area of the website www.ilsole24ore.com, won a new award with the work ‘Trees’, which was awarded at the Glocal Festival for data journalism.

During the last quarter of 2022, the development of the new version of the Il Sole 24 ORE App was finalized and officially released in stores on 16 January 2023. New features include a new showcase highlighting the newspaper with all its inserts and up-to-date news in article and podcast format, and a new Discovery area presenting a customized feed of content designed for the user thanks to artificial intelligence algorithms.

The digital offer of Il Sole 24 ORE in 2022 was enhanced by video productions, with new web series and live events on the website and social networks, including Lavoro24; Imparare a decidere; and the new season of “CEO Confidential”; and audio productions, with the continuation of the daily and weekly Start24 and Market Mover formats and new podcasts including “Disco & Pride” and “Note prima degli esami”, and “NarCovid”, offered exclusively on Apple Podcast, “Le grandi voci del Festival dell’Economia” co-produced Il Sole 24 ORE - Radio 24 to share the 2022 edition of the Festival also in podcast format.

Finally, the daily newspaper and the website also participated in the Trento Festival of Economics through special coverage in the form of a series of newspaper inserts, an extensive online dossier with exclusive content and videos, amplification on social channels and special local publicity initiatives.

■ Professional Services and Training

The Professional Services Area develops integrated product systems, with technical, regulatory and networking content, aimed at the world of professionals, companies and public administration. The specific market segments covered are Tax, Labour, Law, Construction and Public Administration. For each of them, integrated specialized information tools are created, capable of satisfying all the information, operational and networking needs of the reference targets: databases, vertical newspapers, magazines, books, internet services, software solutions, visibility platforms. In addition, the Radiocor Plus press agency and the Training area fall under the responsibility of this business area.

RESULTS OF THE PROFESSIONAL SERVICES AND TRAINING AREA

Euro thousands	FY 2022	FY 2021	change %
Circulation revenues/other	56,359	54,166	4.0%
Advertising revenues	281	244	15.0%
Revenues	56,640	54,411	4.1%
Gross operating margin (EBITDA)	16,510	14,200	16.3%
EBITDA Margin %	29.1%	26.1%	3.1 p.p.
Operating profit (loss)	15,205	12,727	19.5%

Products, customers and operations

The professional publishing offering at 31 December 2022 includes a product portfolio consisting of: 40 databases and online services, 9 magazines/periodicals (specialized titles in print and digital versions), 5 vertical thematic daily newspapers (Tax; Labour; Law; Condominium; Local authorities & Construction), 21 software packages and over 100 instant books and books sold at news-stands, book stores and through e-commerce. Periodicals are primarily sold by subscription through mail order and e-commerce.

The news agency Il Sole 24 ORE Radiocor follows in real time the performance of financial markets, news about the Italian and international economy, the activities of Parliament and the Government. The schedule offers news and insights into the real economy sectors (Healthcare, Agro-industry, Real Estate, Infrastructure), with particular attention to the issue of sustainability and European funding. The Agency employs 43 journalists, the main products created by the Agency are: the economic-financial news Radiocor Finanza, the Radiocor Plus news, the ESG news, the Breaking News, the tabular data on macroeconomic and financial indicators and finally a wide range of personalized editorial products (newsletters, articles, video interviews) for participation in European, national and regional calls for tenders. The agency also oversees thematic information platforms (MyJournal24) that provide users with industry information, databases and profiled and personalized multimedia content.

As far as the training offer is concerned, the Company has developed the first training courses internally, which are scheduled to be delivered in the first quarter of 2023, in particular with the launch of the “Telefisco Master”.

Market performance

For 2022, the forecasts from the end of 2021 for the professional publishing sector indicated a recovery in the sector’s overall turnover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. In particular, tax publishing was expected to grow by 5.3% and legal publishing by 3.8% (Source: “Rapporto Data-bank Editoria Professionale” - Cerved S.p.A. December 2022).

These forecasts, in light of the pandemic which has not yet come to an end, economic and geopolitical instability due to the conflict under way in Ukraine, the rising cost of raw materials and energy, and the resurgence of inflation, should be viewed with caution. Furthermore, the expected GDP growth rate for 2022 assumed in the last quarter of 2021 was reduced. In 2022, the Italian economy grew strongly (+3.7%), but less than in 2021. The full estimate of the quarterly economic accounts confirms, after seven consecutive quarters, the slight reduction of manufacturing activity in Q4 2022. On the other hand, the recovery in trend terms continued for the eighth consecutive quarter, albeit at a gradually slower pace. Acquired growth for 2023 is positive at 0.4% (Source: Istat - GDP and General Government Debt - Year 2022 - 1 March 2023 and Press Release Quarterly Economic Accounts - Q4 2022 - 3 March 2023).

Different performance was recorded by the individual areas:

- legal area: this area, the largest in the sectoral panorama (47.6% of the market developed for over 83% by the judicial-legal area), highlights a slight growth (+1.1% compared to 2021), which sees a preference for the migration of the market towards digital solutions (especially legal databases and online portals) compared to traditional paper-related sectors. On the legal front, among the topics that enlivened the editorial production in 2022, are the Cartabia Reform in the area of justice, the entry into force of the new Corporate Crisis Code, and in the area of construction law, topics related to the Ecobonus;
- taxation area: this area (27.7% of sector turnover) grew by 3.3% year-on-year (6% growth in 2021 compared to 2020). The area's performance was mainly driven by the continued development of software in the tax area. Net of software, the segment is estimated to have recorded substantial stability. The topics that characterized this area were above all tax breaks with tax credits, the Superbonus and the Tax Litigation Reform (*Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2022*).

The effects of the health emergency triggered in early 2020 have also had repercussions for professional groups.

The *6th report on liberal professions*, edited by the Confprofessioni Observatory, indicates that in 2020, 154,000 self-employed jobs were lost and of these 38,000 are freelancers (-2.7%). The contraction, for freelancers, comes at the end of a decade of strong growth, with over 250 thousand entries. However, even for freelancers, the negative outcome with the pandemic crisis cannot be read as a simple oversight in the path. Instead, it is a sign of weakness in the industry.

With respect on the other hand to the press agency sector in which Radiocor is categorized, the market remained stable or even contracted in some segments.

Area performance

The revenues of the Professional Services and Training area in 2022 amounted to Euro 56.6 million, an increase of Euro 2.2 million (+4.1%) compared to 2021 thanks to the results of the innovative product lines: the Partner24ORE networking project, the Valore 24 software line and digital publishing (databases and the line NT+ new vertical newspapers), partially offset by the decline in traditional paper products. Also contributing to the area's revenue growth compared to 2021 was the new Licensing Line, characterized by a series of agreements made for brand licensing on innovative projects in finance and procurement.

The Radiocor Plus agency shows revenues of Euro 7.6 million in 2022, an increase of Euro 0.5 million (+6.4%) compared to 2021. Training revenues amounted to Euro 0.2 million.

Revenues from electronic publishing amounted to Euro 44.1 million, up by Euro 0.9 million (+2.0%) vs. 2021 in particular thanks to the development of revenue from databases.

The new Valore24 software and Partner 24 ORE networking product lines contributed a total of Euro 6.7 million to area revenues (Euro +1.6 million over the previous year).

Traditional paper products, such as books and magazines, amounted to a total of Euro 3.4 million, a fall of 19.8% compared with 2021, which amounted to Euro 4.3 million (revenues from the sale of books -5.1% and revenues from the sale of magazines, down by Euro 0.8 million, -22.8%).

Analysing revenues by main market segment, Tax and Labour products achieved revenues of Euro 26.9 million, down 2.3% compared to 2021; Law products recorded revenues of Euro 6.5 million, down (-4.1%)

compared to 2021; Construction and PA products achieved revenues of Euro 4.9 million, up 16.8% compared to the previous year.

During 2022, work continued on the development and innovation of the offer. In 2022, new products and initiatives were launched to support professionals, companies and Public Administration:

- expansion of the *Modulo24* series: thematic modules, which offer in a single area, the updating of a newspaper, the in-depth analysis of a professional magazine, the specialist coverage of a manual and the operational indications of a practical guide;
- the implementation of the project dedicated to local Public Administration through the creation of new products in order to respond in a complete and flexible manner to the needs of the market, combined with the strengthening of the dedicated sales network;
- “24Suite Aziende” the new platform, dedicated to companies, a unique solution that, thanks to the diverse skills of the 24 ORE Group, offers both the timely and authoritative information from the daily newspaper *Il Sole 24 ORE*, the website www.ilsole24ore.com, the Radiocor Plus press agency and 24 ORE Ricerche e Studi for essential updates on economic indicators; and operational solutions, documentation, answers from the Experts and software for the needs of all corporate functions (Administration, Finance and Control, Human Resources, Legal and Health, Safety & Environment);
- “24Suite Aziende Energia”, the first vertical dedicated to energy companies with all of the news, insights, reports and agency launches to find out about economic data, forecasts and trends;
- expansion of the “Norme & Tributi Plus” line, the online information with all the news and operational insights on topics of interest in the areas of tax, law, labour, condominium, construction and local authorities;
- *Telefisco 2022*: two annual events with tax experts. The second edition in June 2022 was held in stream only mode. Compared to free participation in the 27 January 2022 event, for this one customers could choose to purchase the Plus or Advanced version, with the possibility of exploring additional content and in-depth webinars for continuous updating;
- expansion of the catalogue *Valore 24 Software*, reflecting the increasing development of the area with solutions mostly in the cloud dedicated to professionals in all areas and to companies;
- the extension of the *Partner 24 ORE* format to the Technical Professions, where through the accreditation of skills, a path of networking and continuous interaction with other professionals and with the experts of *Il Sole 24 ORE*, engineers, architects and surveyors can acquire new skills at a time of great change - from the effects of NRRP to the energy and ecological transition;
- the new *Esperto Risponde*: *Il Sole 24 ORE*'s traditional question answering service has been revamped to offer its users new services and functions, with the aim of improving its usefulness and reliability. With the new *Esperto Risponde*, there is now a free section for sending queries and the possibility of purchasing query packages with a guaranteed answer within 72 hours or subscriptions to the entire archive or portions of the archive organized by topic, choosing from 9 subject areas;
- licensing projects such as *Procurement 24 ORE*, a simple and intuitive platform with software solutions and procurement support and advisory services dedicated to SMEs and professionals;
- “Agevolazioni 24ORE” the subsidised finance platform realized in partnership with *Finservice Group*;
- “*Report Studi di Settore*”, realized by the Research and Studies area of *Il Sole 24 ORE* with an in-depth and punctual analysis of the pharmaceutical, information technology, cosmetics and energy markets;
- “*Qualità24ORE*”, the new *Il Sole 24 ORE* service that certifies the ability of professional firms to deliver quality services in line with growing market expectations. The Service is now aimed at all

Italian accountants and is carried out in cooperation with Cepas, a company of the Bureau Veritas Group;

- *Rassegna tributaria*: the quarterly in-depth academic journal on tax law. Edited by a high-profile scientific committee, each issue offers in-depth coverage of the most important issues in domestic and international taxation.

On 3 October 2022, the Company's Board of Directors approved the conclusion of a partnership with Multiversity Group, controlled by CVC Capital Partners. The aim of the partnership is to establish itself as one of the most relevant players on the executive education scene, positioning itself as a new standard of excellence in the training sector, thanks to the extraordinary strength of the two groups.

The training offer will be aimed not only at managers and professionals, but also at Italian companies to continue investing in the upskilling and reskilling of their employees, in line with what a constantly evolving and increasingly competitive labour market demands.

The partnership will leverage, on the one hand, the skills, professionalism and history of the 24 ORE Group, focusing on the added value that characterizes the entire offering of a multimedia group that is unique on the Italian publishing scene in terms of the quality of its information, and, on the other hand, the scientific, academic, technological, digital and commercial strength of the Multiversity Group, initiating a process of profound innovation in post-graduate and executive education, which will become increasingly rich, flexible and accessible.

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A., operating in the training sector, with a 100% shareholding. Subsequently, in November 2022, Il Sole 24 ORE S.p.A., retaining a 15% share, transferred to Multiversity S.p.A. a share equal to 85% of the share capital of the company newly incorporated, for the purpose of promoting and conveying the development and marketing of the training offer subject of the aforementioned partnership.

EBITDA was Euro 16.5 million, an improvement compared to 2021, when it was Euro 14.2 million (+16.3%).

■ Radio

The Radio Area manages the national radio station Radio 24, News & Talk with an editorial format that alternates radio news with information and entertainment programmes.

RESULTS OF THE RADIO AREA

Euro thousands	FY 2022	FY 2021	change %
Circulation revenues/other	469	405	15.6%
Advertising revenues	18,350	15,967	14.9%
Revenues	18,819	16,373	14.9%
Gross operating margin (EBITDA)	4,778	1,805	>100.0%
EBITDA Margin %	25.4%	11.0%	14.4 p.p.
Operating profit (loss)	(1,976)	(6,785)	70.9%

Market performance

The most recent listening figures for radio refer to the year 2022 and recorded a total of 33,809,000 listeners on the average day, essentially equal to 2021 (-0.1%. *Source: RadioTER 2021-2022*).

After two years conditioned by the spread of the pandemic, in 2022, the advertising market found itself facing new critical issues related to the ongoing conflict in Ukraine, rising inflation and the increase in the

cost of raw materials and energy. In spite of this uncertain context, the radio market in 2022 shows a revenue growth of 1.7% compared to the previous year (*Source: FCP January/December; turnover*) and, in terms of space, +4% compared to 2021 (*Source: Nielsen January/December; analysis by seconds*).

In the radio market, the Distribution sector (+2.9% compared to 2021), which accounts for a quarter of advertising sales by no. of seconds, and Home (+31.3%) consolidated their positive trend. On the other hand, the negative trend of the Automotive sector is confirmed (-26.5%), which in the last year, has further lost share in the radio market (going from 15% in 2021 to 11% in 2022, while in 2019, it weighed 25%). Of note is the significant growth of core sectors for Radio 24 such as Finance/insurance, Professional services, IT/photography and Industry/construction/activities, which together recorded +7.7% (*Source: Nielsen January/December 2022 vs. 2021; analysis by seconds*).

Area performance

In 2022, Radio 24 reached 2,261,000 listeners on the average day (+0.9% compared to 2021). A consolidated audience of over 2.2 million listeners confirms the position of Radio 24 as an authoritative broadcaster with original, quality content (*Source: RadioTER 2021-2022*).

The Radio area closed 2022 with revenues of Euro 18.8 million and compares to revenues of Euro 16.4 million in 2021 (+14.9%).

Advertising revenues in 2022 in the Radio area, including sales on radio stations and the website www.radio24.it, amounted to Euro 18.4 million, an increase of +14.9% on the previous year.

This result can be attributed to the high editorial value of the radio station, as well as to communication solutions capable of meeting ever-changing market needs; one example is the Digital Round Tables moderated by Radio 24 presenters, set up over the last two years to cope with the impossibility of holding face-to-face events and which have now become successful appointments highly appreciated by companies and the participating public. Also of note is the resumption of local activities after they were suspended for almost two years.

In terms of advertising space, in 2022, Radio 24 recorded +11.1% compared to 2021 (*Source: Nielsen January/December 2022 vs. 2021; analysis by seconds*).

In the broadcaster's advertising sales, the core Finance/Insurance, Industry/Construction/Activities, IT/Photography and Professional Services sectors together accounted for +22.8% compared to 2021. The significant growth in these four segments compensates for the persistent decline in the Automotive sector, which currently accounts for 10% of advertising sales (compared to 24% in 2019): these five sectors, which account for 55% of Radio 24's advertising sales in seconds, together recorded +16.2% (*Source: Nielsen January/December 2022 vs. 2021; analysis by seconds*).

The Radio 24 share in seconds of the total radio market is 8.9% (*Source: Nielsen - January/December 2022; no. seconds*).

In the period January/December 2022, the Radio 24 website recorded an average of 2 million page views per month. The number of single users of the website www.radio24.it reaches a monthly average of 508 thousand (*Source: Mapp Intelligence, formerly Webtrekk January/December 2022*).

The profound strategic transformation launched in October 2019, which saw the Radio 24 website transformed from a news site to a digital audio hub (from which to listen to live radio and, on demand, podcasts of all broadcasts that have aired and original podcasts created *ad hoc*), was also confirmed in 2022 as part of the Group's Audio Content Strategy.

At December 2022, the audio streams (downloads and on-demand streaming) of podcasts, accessible from the Radio 24 website and app, but also from the main third-party platforms such as Spotify, Google Podcasts

and Apple Podcasts, Amazon Music totalled 6.7 million. From January to December 2022, 79 million podcasts were downloaded, for a monthly average of about 6.6 million (*Sources January/December 2022: Audiometrix for the site and App, Spotify Metrix for Spotify, Google Podcast Analytics for Google, Apple Analytics for Apple, Amazon Analytics for Amazon - as of July 2022*).

The **gross operating margin (EBITDA)** was a positive Euro 4.8 million, compared with a positive Euro 1.8 million in 2021.

EBIT was negative by Euro 2.0 million compared to a negative EBIT of Euro 6.8 million in 2021. The value of concessions and radio frequencies recorded in the 2022 financial statements was Euro 15.2 million and compares with a value at 31 December 2021 that was Euro 20.7 million. The change is due to amortization of Euro 1.5 million for the year and recognition of an impairment loss on radio frequencies based on the results of the impairment test carried out to determine the recoverable amount of the Radio CGU, details of which are provided in the notes to the financial statements. The impairment recognized in 2022 was Euro 4.0 million (Euro 5.4 million in 2021).

■ System - Advertising revenues

System is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media.

RESULTS OF THE 24ORE SYSTEM AREA

Euro thousands	FY 2022	FY 2021	change %
Group revenues	80,717	80,280	0.5%
Revenues from third parties	3,742	2,870	30.4%
Revenues	84,460	83,149	1.6%
Gross operating margin (EBITDA)	1,073	(250)	>100.0%
EBITDA Margin %	1.3%	-0.3%	1.6 p.p.
Operating profit (loss)	1,045	(278)	>100.0%

Products, customers and operations - System Area

In Italy, the concessionaire System has a matrix organization: territorial and by product/type/means. The territorial offices are present in the territory with seven sales branches.

The overall sales structure in Italy at 31 December 2022 consists of 14 employees and 79 agents. Outside Italy, sales are entrusted to the Foreign Advertising Department, present with a network of local representatives in all major countries. The subsidiary Il Sole 24 ORE UK Ltd. is responsible for the sale of advertising space in the United Kingdom and internationally. The range of specific communication projects carried out in collaboration with the marketing department was also consolidated.

Market performance

In 2022, the System reference market recorded a decline of -3.1% (net of local newspaper advertising): newspapers closed at -6.9% (net local), magazines at -4.8%, radio at +1.7% and internet at -3.2% (*Source: Nielsen January/December 2022 vs 2021*).

Area performance

System closed 2022 with revenues of Euro 84.5 million, up +1.6% on 2021.

After two years which were significantly affected by the spread of Covid-19, in 2022 the ongoing conflict in Ukraine, rising commodity and energy costs, and the resurgence of inflation led to a continuation of the uncertain context in which the advertising market was operating. Companies had to review their business strategies on several fronts, and consequently to adapt their communications. In the advertising area, the concessionaire System has consolidated its presence on the market also thanks to the development of special initiatives, increasingly recognized by companies as an effective vehicle of value and a tool for retaining their audience.

Compared to a reference market that in 2022 recorded -6.9% (total newspapers, net local. *Source: Nielsen January/December 2022 vs 2021*), Il Sole 24 ORE (daily newspaper + supplements) closed 2022 with -3.8% compared to 2021. Particularly influencing the performance of the medium is the type of service (-8.8% of the market, *source: FCP Assoquotidiani*; -9.3% Il Sole 24 ORE), penalized by a stalemate in the court market and the lack of extraordinary financial and legal transactions. Despite the fact that the Group's daily newspaper suffers more from this negative sign, in consideration of the higher weight of this typology with respect to the total advertising collection (one-third for Il Sole 24 ORE compared to one-fifth for the market), Il Sole 24 ORE better limited this decrease, thanks to a collection figure of the commercial typology that was substantially stable with respect to the previous year (-1.1% Il Sole 24 ORE; -5.5% of the market, *source: FCP Assoquotidiani*).

In terms of space, while the sectors Industry/Construction/Activities and Personal Items showed growth in daily newspapers (+8% and +1.9% respectively), the sectors Finance/Insurance (-4.7%) and Professional Services (-5.7%) declined. These four sectors account for 58% of total advertising sales in the newspaper Il Sole 24 ORE (*Source: Nielsen - January/December 2022 vs 2021; no. pages*).

Magazines in the area closed 2022 at +19.6%, compared to -4.8% recorded by the market (*source: Nielsen January/December 2022*). The release of the 100th issue of How to Spend it (HTSI) on 18 February 2022 had a particularly positive impact on the Group's magazine sales, which also widely resonated thanks to all of the cross-media initiatives developed surrounding this event.

In the magazine market, the Personal Items (+14.5%) and Clothing (+4.8%) sectors showed growth, while the Home sector (+0.1%, no. of pages) was in line with 2021. These three segments are of considerable importance in the monthly HTSI magazine, with a 70% share of advertising sales in terms of space (*Source: Nielsen - January/December 2022 vs 2021; no. pages*).

Radio 24 performed well, closing 2022 with growth of +14.8%, compared with a market that recorded +1.7% (*Source: Nielsen January/December 2022 vs. 2021*): double-digit growth on which the resumption of local activities certainly had an influence, after they were suspended for almost two years due to the Covid-19 pandemic.

In the radio market, the Distribution sector (+2.9% compared to 2021), which accounts for a quarter of advertising sales by no. of seconds, and Home (+31.3%) consolidated their positive performance. On the other hand, the persistent decline in the Automotive sector (-26.5%) is confirmed, which in the last year, has further lost share in the radio market (from 15% in 2021 to 11% in 2022). Of note is the significant growth of Finance/insurance, Professional services, IT/photography and Industry/construction/activities, which together registered +7.7%; these four sectors account for 45% of Radio 24's advertising sales in seconds (*Source: Nielsen January/December 2022 vs. 2021; analysis by seconds*).

Online sales in 2022 (net of funds and sales on foreign titles) closed at +0.2% compared to a digital market that recorded -3.2% in 2022 (*Source: Nielsen January/December 2022 vs 2021*). Group sites (net of funds) in 2022, realized -8.2% compared to the previous year.

In the digital market, the Entities/institutions (+22.8%), Media/publishing (+10.1%) and Industry/construction/activities (+2.7%) sectors recorded a positive trend; Finance/insurance (-1.5%) shows a slight decrease, while one of the most important sectors in terms of investments, i.e. Automotive, recorded a significant

decrease (-25.9%) (Source: FCP January/December 2022 vs. 2021; turnover). These five sectors together account for 60% of the Group's total advertising sales (net of funds).

The **Gross operating margin (EBITDA)** was positive for Euro 1.1 million and compares with negative EBITDA of Euro 0.3 million in 2021.

■ Culture

The Culture Area operates in the management and enhancement of museums (Mudec), in the production and sale of exhibitions and related services (bookshop, ticketing, events) as well as in the design and publication of books and merchandising. These activities are carried out through the subsidiary 24 ORE Cultura S.r.l..

RESULTS OF THE CULTURE AREA

Euro thousands	FY 2022	FY 2021	change %
Circulation revenues/other	11,939	5,486	>100.0%
Revenues	11,939	5,486	>100.0%
Gross operating margin (EBITDA)	425	(2,584)	>100.0%
EBITDA Margin %	3.6%	-47.1%	50.7 p.p.
Operating profit (loss)	(38)	(3,013)	98.7%

Market performance

The market for exhibitions and cultural services is still in a slow post-pandemic recovery phase.

Despite the new-found normality and the acceleration in the enjoyment of live events and shows seen in summer 2022, cultural consumption is still far from pre-Covid levels and is slowly rising.

The economic uncertainty related to the evolution of the macroeconomic and geopolitical context, rising commodity and energy costs, and the sharp upturn in inflation, has had a significant impact on cultural consumption during 2022, and the recovery forecasts for the coming months are likely to worsen.

The numbers of visitors to the exhibitions show an increase in the second half of the year, especially in the autumn period between October and November, where we see a growth that seems to finally give hope for an upturn. Despite this, the total expenditure in accrual terms authorized by the 2023-2025 budget bill shows a decrease in absolute terms of Euro 63.5 million. This is a further reduction of the percentage share designated to the cultural sphere, which drops from 0.5% in 2022 to 0.4% of the final state budget expenditure in 2023. Although the quotas for archives and museums increase, the quota allocated to "Support, valorisation and protection of the performing arts sector" decreases by Euro 51.8 million and the already limited allocation for "Protection and promotion of contemporary art and architecture and urban peripheries" (<https://www.micromega.net/povera-cultura-ancora-tagli-sugli-investimenti/>) decreases by Euro 1.9 million.

The scenario that is consolidating is one in which an increasingly smaller segment of the population has access to cultural services and consumption, compared to a majority that does not read books, does not go to the theatre, does not go to the cinema, does not go to museums or, if it does, it does so only against incentives and special initiatives. (<https://www.tribune.com/professionisti-e-professionisti/politica-e-pubblica-amministrazione/2022/12/consumi-culturali-italia/>).

Area performance

In 2022, the government eased safety measures for admission to museums, allowing spaces to be reopened to the public more easily, although the Covid-19 infection situation has not yet fully stabilized.

The Culture area recorded revenues of Euro 11.9 million in 2022, up from the previous year, which recorded revenues of Euro 5.5 million following the mandatory closure of all museums and exhibition venues during the lockdown period.

The 2022 **gross operating margin (EBITDA)** of the Culture area was a positive Euro 0.4 million and compares to a negative EBITDA of Euro 2.6 million in 2021.

As a result of the effects resulting from the Covid-19 virus health emergency and the consequent MD no. 227 of 28 June 2021 and Decree of the Directorate General for Museums no. 614, dated 17 June 2022, the company 24 ORE Cultura S.r.l. benefited in 2022 from a refund from the Ministry of Culture and Tourism amounting to Euro 2.15 million intended for operators in the art exhibition sector, in proportion to the value of 80% of the amount of the lower revenues in the period between 1 March 2020 and 31 December 2020 compared to the average revenues in the years 2018 and 2019 net of the contributions pursuant to Ministerial Decrees no. 372 of 3 August 2020, and no. 527 of 18 November 2020, and a non-repayable contribution pursuant to Article 1 of Decree Law “Sostegni-bis” no. 73/2021 in the amount of Euro 300 thousand. Also in 2021, the company 24 ORE Cultura S.r.l. had received Euro 1.4 million in compensation for the loss of revenues from the production of exhibitions in the differential between the year 2019 and the year 2020 (1 August - 30 November).

The pandemic situation, further aggravated by the ongoing conflict in Ukraine, continues to have a major impact on the area's results. At Mudec, the exhibitions open for the first three months of 2022 with a schedule that has seen the tail end of the 2021 exhibitions are: *Disney. L'arte di raccontare storie senza tempo (The Art of Timeless Storytelling)*, closed on 13 February 2022, *Piet Mondrian. From Figuration to Abstraction* closed on 27 March 2022 and *TvBoy* closed on 9 January 2022. In addition, the following exhibitions were opened: *Cartier Bresson. China 1948-49/1958* on 18 February 2022 at Mudec Photo, *Marc Chagall. A Tale of Two Worlds* opened on 16 March 2022 in the Mudec spaces and *David La Chapelle* opened on 22 April 2022. It should be remembered that the concession with the City of Milan provides for a commitment by the subsidiary 24 ORE Cultura S.r.l. to organize at least two exhibitions per year.

In the Mudec premises from 5 to 18 September 2022, the free-entry trade exhibition *Brembo. The Art of breaking* was opened, a project in collaboration with Balich Wonder Studio and Brembo to celebrate the 60th anniversary of the world's most famous design manufacturer. On 8 September 2022, Mudec Photo inaugurated the commercial exhibition *The Artist(s) of the Year*, an annual international exhibition dedicated to mid-career artists honoured by Deutsche Bank as the best artists of the year. The exhibition in cooperation with the bank closed on 23 October 2022. Together, these two exhibitions recorded 13,522 visitors.

Mudec's Permanent Collection has always been open and, in 2022, recorded 76,923 non-paying visitors.

In 2022, the exhibitions realized by 24 ORE Cultura at Mudec recorded a total of 348,449 visitors, 239,011 of whom were paying visitors. In 2021, due to the pandemic situation, the exhibitions at Mudec reopened only in May 2021.

In 2022, the four exhibitions in the partner venues of 24 ORE Cultura in Turin, Milan, Genoa and Rome closed. On 20 March 2022, at the GAM in Turin, the exhibition dedicated to *Giovanni Fattori* was closed; on 27 February 2022, at Palazzo Reale in Milan, the *Magic Realism* exhibition was closed; finally, on 20 March 2022 at Palazzo Morando, Museum of Fashion, Costume and Image in Milan, the *Wonder Woman* exhibition was closed; on 9 October 2022, the *Tina Modotti. Donne, Messico e Libertà (Women, Mexico and Freedom)* exhibition at the Palazzo Ducale in Genoa was closed; finally, on 25 September 2022 the

second stage of the *Disney. L'arte di raccontare storie senza tempo (The Art of Timeless Storytelling)* exhibition, at the National Gallery of Palazzo Barberini in Rome was closed.

Also at the partner venues of 24 ORE Cultura, opened to the public were the *Bosch e un altro rinascimento* exhibition at the Palazzo Reale in Milan on 9 November 2022 and the third stage of the *Disney. L'Arte di raccontare storie senza tempo (The Art of Timeless Storytelling)* exhibition at the Palazzo Ducale in Genoa on 14 October 2022.

Abroad, the exhibition *The Discovery of the Pharaoh's Tomb - Amenhotep II and his time* at the National Museum of Fine Art in Budapest closed on 9 January 2022. A touring exhibition project on Banksy and Street Art in Japan was also inaugurated in March 2022. The tour took place in 5 venues in 5 cities: Sagawa Art Museum, Moryiama, opened on 12 March 2022 and closed on 12 June 2022; Huis Ten Bosch, Nagasaki, opened on 9 July 2022 and closed on 5 September 2022; Urasoe Art Museum, Okinawa, opened on 17 September 2022 and closed on 10 October 2022; Seibu art gallery, Tokyo, opened on 20 October 2022 and closed on 15 November 2022; Isetan gallery, Niigata, opened on 10 December 2022.

Furthermore, following the relaxation of safety measures and space restrictions, the promotion of the sale of physical events in the Mudec spaces resumed, by activating important collaborations with companies and brands in various sectors.

In the publishing area, the production of books in paper format (under the 24 ORE Cultura brand and the Libri Scheiwiller brand) continued, to be sold in both the bookshop channel and at exhibition bookshops. On 9 September 2022, the distribution of art&design24 branded merchandising items was also launched in bookshops. November 2022 also saw the launch of a new sales outlet managed by 24 ORE Cultura, the Quboutique, located inside the Teatro degli Arcimboldi in Milan.

■ Events

The Events Area operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events and meetings, also in collaboration with public and private entities. These activities are carried out through the company Il Sole 24 ORE Eventi S.r.l. ("24 ORE Eventi")

RESULTS OF THE EVENTS AREA

Euro thousands	FY 2022	FY 2021	change %
Circulation revenues/other	37	195	-81.2%
Advertising revenues	7,183	6,200	15.9%
Revenues	7,219	6,394	12.9%
Gross operating margin (EBITDA)	1,652	1,878	-12.0%
EBITDA Margin %	22.9%	29.4%	-6.5 p.p.
Operating profit (loss)	1,334	577	>100.0%

Market performance

The year 2022 marked an important recovery for the industry, both compared to 2020, which was certainly the most complicated year due to the spread of the Covid-19 pandemic, and to 2021, still characterized by an uncertain situation. The 18th edition of the "Monitor sul Mercato degli Eventi e della Live Communication in Italia", carried out annually by AstraRicerche for AdcGroup on a sample of around 300 companies, estimated a market size of Euro 678 million in 2022, a clear increase compared to the previous year (+39.5%), although still far from the pre-pandemic levels (900 million in 2019). *Source: "XVIII Monitor on the Events and Live Communication Market in Italy", AstraRicerche).*

From the beginning of the Covid-19 pandemic to date, the event sector has experienced drastic changes that continue to be evident and significant. Certainly, digital events have constituted the largest transformation in the industry. Born as a necessary alternative to physical events, interaction and meeting solutions on digital platforms have brought advantages from several points of view: broadening audience reach, using technology to stimulate participation, more effective monitoring of attendance, longer content lifecycle, and greater flexibility in being able to involve authoritative speakers (who can also connect remotely).

In 2022, characterized by increased easing of anti-Covid restrictions, the trend was to favour digital or in-person events depending on the season (live events in spring and summer, digital and hybrid events for the October to April period). The physical event organized in the manner typical of the “pre-Covid” period remains the highest aspiration, but in general we can speak of an increasing awareness that the future of events is hybrid (physical/digital *Source: “Event Industry nella fase del Covid-19” - sixth edition, AstraRicerca*). In addition to not wanting to give up the above-mentioned advantages, digital solutions allow for cost containment, the importance of which should not be underestimated.

The study conducted by the Research Institute for Exhibition and Live-Communication and commissioned by *Fwd*, a member of the pan-European LiveCom Alliance, showed how the events industry was also affected by inflation: depending on the format and size of the event/trade show, an average of 45% more budget had to be made available in 2022 than for a comparable production in 2019. Many factors influence price increases: higher demand, but only concentrated in certain months of the year, anti-Covid hygiene procedures, general increase in labour costs (caused by a shortage of qualified personnel), raw materials and transport costs (*source: “Cost Inflation Trends Events / Exhibitions / Trade Fairs 2022”, by the Research Institute for Exhibition and Live-Communication*).

In conclusion, although the demand for in-person events and exhibitions is constantly growing, the digital or hybrid event is destined to consolidate its presence within the sector.

Area performance

The Events area closed 2022 with revenues of Euro 7.2 million and compares to revenues of Euro 6.4 million in the previous year, up +12.9%.

The 24 ORE Eventi offer suggests different format types: from full digital initiatives (Interactive 24 and Live Streaming 24) to in-person events (Live Event), as well as hybrid solutions (Live & Digital) where the physicality of the traditional event is combined with the virtual nature of the online event.

Among the successful initiatives of the period January-December 2022, the following are worth mentioning:

- “Welfare & Hr Summit” in February, now in its third edition;
- “Italian Hydrogen Strategy” and “Sustainability Hub” in March;
- the fourth edition of the “Innovation Days” roadshow organized in cooperation with Confindustria, which resumed in April from the Milan leg;
- “Real Estate Summit” in May;
- the second edition of the “Merger & Acquisition Summit” on the topic of Extraordinary Finance, the first of the events planned and realized with the editorial staff of “Finanza & Mercati” and “Norme & Tributi” of Il Sole 24 ORE;
- “Stati Generali della Cultura - Le nuove frontiere” in July. The event, organized in hybrid mode, involved the City of Turin, the Fondazione per la Cultura di Torino and the Museo del Risorgimento, which hosted the event;
- the first edition of “Economia del Mare”, an event dedicated to the maritime industry, a strategic sector for the entire national economy, realized in July 2022. The event was broadcast live from three cities simultaneously: Genoa, Trieste and Naples;

- the 22nd edition of the “Italian Energy Summit” in September, which has become a landmark event for the sector, with the active participation of 25 sponsoring companies;
- “Made in Italy Summit”, the fourth edition of the three-day event in collaboration with Financial Times and Sky TG 24;
- “Forum Sustainability”, the second edition of the event with the collaboration of the Holy See. This edition saw the launch of the “Premio Impresa Sostenibile” (Sustainable Enterprise Award), dedicated to the SMEs most active in environmental, digital, social and resilience sustainability issues;
- “Automotive Business Summit”, with the participation of leading industry players;
- 4 stages of the “Innovation Days” roadshow;
- 2 vertical appointments dedicated to Fintech and Cybersecurity;
- “Investing in Milan” and “Investing in Rome”;
- “Insurance Summit”, now in its 24th year;
- “Healthcare Summit”, an annual meeting on the health and healthcare system.

In 2022, worthy of mention was the 17th edition of the “Trento Festival of Economics”, held from 2 to 5 June 2022, for the first time co-managed by Il Sole 24 ORE and the Province of Trento (through Trentino Marketing S.r.l.), with the collaboration of the Municipality and University of Trento.

The festival was a particular success thanks to 228 scheduled events, which were attended by over 600 speakers, nationally and internationally renowned opinion leaders and prominent personalities (including 10 Ministers, 7 Nobel Prize winners, 36 international speakers, more than 75 speakers from the academic world and 30 managers and entrepreneurs). This dynamic and innovative programme schedule met with significant market recognition, with 27 partners involved, as well as widespread public success, with more than 100,000 registered users between live streaming and video on demand and 25,000 gross contacts in person.

EBITDA in the Events area was a positive Euro 1.7 million and compares with a positive EBITDA of Euro 1.9 million in 2021.

EBIT, which was a positive Euro 1.3 million, compares with a positive EBIT of Euro 0.6 million in 2021 and includes, following the results of the impairment test, the write-down of Euro 0.3 million of the net book value of goodwill at 31 December 2022, allocated to the Events CGU (Euro 1.3 million in 2021). The facts and circumstances that led to this impairment loss are attributable to the increase in interest rates, which reduces the expected cash flows in the 2023-2026 Plan compared to the previous 2022-2025 Plan.

COMMENTS ON THE ECONOMIC AND FINANCIAL RESULTS**■ 24 ORE Group****Economic performance**

The following table shows the Group's key figures.

SUMMARY CONSOLIDATED INCOME STATEMENT		
Euro thousands	FY 2022	FY 2021
Revenues	211,556	203,545
Other operating income	10,153	5,215
Personnel costs	(74,762)	(90,414)
Change in inventories	1,277	(234)
Purchases of raw and consumable materials	(5,824)	(3,665)
Costs for services	(95,972)	(89,564)
Other operating costs	(10,308)	(8,869)
Provisions and bad debts	(4,170)	(4,758)
Gross operating margin	31,951	11,255
Amortization, depreciation and write-downs	(20,557)	(26,630)
Gains/losses on intangible and tangible assets	85	95
Operating profit (loss)	11,478	(15,279)
Financial income (expenses)	(4,079)	(3,733)
Gains (losses) on investments	42	28
Profit (loss) before taxes	7,441	(18,985)
Income taxes	(6,907)	(2,044)
Net profit (loss) from continuing operations	534	(21,029)
Profit (loss) from assets held for sale	-	-
Net profit (loss)	534	(21,029)
Profit (loss) attributable to minority shareholders	-	-
Net profit (loss) attributable to shareholders of the parent company	534	(21,029)

The macroeconomic and geopolitical scenario is characterized by elements of uncertainty such as: the ongoing conflict in Ukraine, a sharp upturn in inflation, rising interest rates, the residual effects of Covid-19 and rising commodity and energy costs. In this context, the 24 ORE Group is recording growth thanks to both the improvement in the pandemic situation, allowing for the resumption of the exhibitions organized by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until the end of April 2021), and authoritativeness, high quality content, good advertising sales performance and product development in the Professional Services area, as well as effective commercial policies across all areas. In 2022, the 24 ORE Group reported **consolidated revenues** of Euro 211.6 million (Euro 203.5 million in 2021), up 3.9% or +Euro 8.0 million compared to 2021.

In particular, in 2022 advertising revenues were up by Euro 2.6 million (+2.9% compared to the previous year) to Euro 90.8 million; publishing revenues were down by Euro 2.3 million (-2.3% from Euro 100.9 million in 2021 to Euro 98.6 million in 2022) mainly due to the drop in revenues generated by the sale of the paper products; other revenues grew by Euro 7.7 million (+53.4% from Euro 14.4 million in 2021 to Euro 22.1 million in 2022), primarily due to higher revenues in the Culture area and more innovative products in the Professional Services and Training area.

The main dynamics that characterized consolidated revenues are:

- circulation revenues of the newspaper (print + digital) amounted to Euro 42.3 million, down by Euro 2.8 million (-6.1%) compared to 2021. Circulation revenues of the print newspaper amounted to Euro 21.8 million, down Euro 2.4 million (-10.0%) compared to 2021. Circulation revenues of the digital newspaper amounted to Euro 20.5 million, down by Euro 0.4 million (-1.7%) compared to 2021;
- the Group's advertising revenues of Euro 90.8 million were up 2.9% on 2021. The concessionaire is maintaining its position, consolidating its market share thanks to the development of special initiatives, increasingly recognized by companies as an effective vehicle of values and a means of building loyalty with its audience. The Group's advertising revenues outperformed the reference market, down by -3.1% (*Source: Nielsen - January/December 2022*), despite the uncertain environment linked to the consequences of the ongoing conflict in Ukraine.
24 ORE Eventi offers several formats: full digital (Interactive 24 and Live Streaming 24), live events, and hybrid solutions (Live&Digital) where the physicality of the traditional event is combined with the virtuality of the online event. Revenues in 2022 amounted to Euro 7.2 million (Euro 6.4 million in 2021), up +12.9% on last year thanks also to the contribution of the 17th edition of the "Trento Festival of Economics", held from 2 to 5 June 2022, for the first time co-managed by Il Sole 24 ORE and the Province of Trento, with the collaboration of the Municipality and University of Trento;
- revenues from electronic publishing in the Professional Services and Training Area amounted to Euro 44.1 million, up by Euro 0.9 million (+2.0%) vs 2021 by virtue of the renewal of the product portfolio and the sales network launched in previous years;
- revenues from the Culture Area, amounting to Euro 11.9 million, were up by Euro 6.5 million compared to 2021, which was penalized by the Covid-19 emergency, following the compulsory closure of all museums and exhibition venues during the lockdown period.

Circulation (paper + digital) of the daily newspaper Il Sole 24 ORE from January to December 2022 totalled 135,792 average copies per day (-4.4% compared to January-December 2021, outperforming the market, which declined -6.9%). Specifically, the average daily print circulation reported to ADS for the period January-December 2022 was 47,911 copies (-10.5% compared to the same period of 2021). Digital circulation reported to ADS was 87,881 average copies per day (-0.7% compared to the period January-December 2021). Newsstand sales for January-December 2022 (*Source: ADS, Individual print copy sales*) were down 22.8% compared to the same period of the previous year, with the market contracting in the same channel by 11.4%.

The data refer to what the Publisher declared to ADS, considering that the ADS Regulation provides for the possibility of declaration of multiple and promotional digital copies in the presence of adoption.

A new ADS Regulation was released on 1 January 2021, which updates and unifies the reporting rules for both the print and digital daily newspaper. These rules apply from the declaration for January 2021 and provide for new data publication schedules that aggregate in a different way the declaration items already present in the previous version. Among the innovations with the greatest impact for Il Sole 24 ORE is the possibility to declare also the copies adopted in gracing if renewed within the deadline of the monthly accounting statement.

In February 2019, the 24 ORE Group had opened a discussion table with ADS to clarify some critical issues inherent in the requirements requested by ADS itself for the verification and certification of digital copies for the year 2017 and concerning in particular the adoption process of multiple and promotional digital copies; based on these critical issues, the auditing company in charge of certifying the annual data had adjusted the copies declared by the Publisher in these categories for the year 2017.

For the same reasons, although many of the critical issues noted by the auditor were corrected by the Publisher and overcome as early as the end of 2018, the ADS Board, at its 25 May 2020 meeting, issued the 2018 certification, also in this case accepting the corrections indicated by the auditor.

Thanks to these corrective actions, which resolved most of the critical issues raised in 2019 and 2020, the ADS Board issued the certificate for the year 2019 (on 5 May 2021) and for the year 2020 (on 6 April 2022) without making any changes to the data declared by the Publisher. Likewise, at the end of 2022, the verification of the annual data declared by the Publisher to ADS for the year 2021 was also completed, which led the appointed auditor to issue a report, dated 6 December 2022, with findings substantially similar to those of the previous year. On 8 March 2023, the ADS Board issued the certification for the year 2021 without making any changes to the data declared by the Publisher.

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 31 December 2022; on conclusion of its checks, the independent third-party Company issued an unqualified Assurance Report (ISAE 3000 - Limited assurance) on 28 February 2023.

Based on these procedures, the average Total Paid For Circulation in 2022 was determined to be 174,716 copies (-4.4% compared to 2021), including all multiple digital copies sold, but not reportable as circulated for ADS purposes and therefore not included in the relevant statement.

The 2022 **gross operating margin (EBITDA)** was a positive Euro 32.0 million and compares to a positive EBITDA of Euro 11.3 million in 2021, making for an improvement of Euro 20.7 million. The change in EBITDA is mainly attributable to the growth in revenues of Euro 8.0 million (+3.9%), higher operating income of Euro 4.9 million and an increase in costs totalling Euro 7.7 million. Net of non-recurring income and expenses, EBITDA was a positive Euro 25.1 million, an improvement of Euro 2.5 million compared to a positive Euro 22.6 million in 2021.

Personnel costs of Euro 74.8 million were down by Euro 15.7 million compared with 2021, when they included Euro 13.9 million for non-recurring restructuring expenses. After non-recurring income and expenses, personnel costs were down Euro 1.2 million. In 2022, there was a lower cost resulting from the reduction in the workforce and the increased use of social shock absorbers, partly offset by a lower utilisation of the residual holiday fund. The average number of employees, 769, decreased by 52 (mainly graphic designers and printers) compared with the previous year when it amounted to 821.

Costs for services amounted to Euro 96.0 million, up Euro 6.4 million (+7.2%) compared to 2021. The main changes are attributable to:

- commissions and other sales expenses up by Euro 1.9 million (10.7% from Euro 18.1 to 20.0 million);
- printing costs up Euro 0.9 million (+17.3% from Euro 5.3 to 6.2 million) correlated to the production structure;
- costs for conferences and exhibitions up Euro 2.6 million (from Euro 4.1 to 6.8 million), partly due to the resumption of exhibitions by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021);
- promotional and commercial expenses up Euro 0.7 million (+6.9% from Euro 9.6 to 10.2 million), mainly due to the resumption of exhibitions by 24 ORE Cultura S.r.l.;
- distribution costs down Euro 1.1 million (-6.8% from Euro 16.9 to 15.7 million).

Operating profit (EBIT) was positive by Euro 11.5 million in 2022 and compares with a negative EBIT of Euro 15.3 million in 2021, an improvement of Euro 26.8 million. Depreciation and amortization for the year amounted to Euro 16.3 million compared to Euro 17.7 million in 2021. In 2022, write-downs of Euro

4.3 million were recorded as a result of impairment testing, including Euro 4.0 million relating to radio frequencies (Euro 5.4 million in 2021) and Euro 0.3 million relating to Events CGU goodwill (Euro 1.3 million in 2021). EBIT included the write-down of the Carsoli property, the value of which was aligned with the irrevocable purchase proposal signed by the Group on 1 March 2023, therefore an impairment loss of Euro 1.5 million was recognized. Income of Euro 1.5 million was also recorded following the takeover of the sublease of two floors of the Milan office. Net of non-recurring income and expenses, EBIT was a positive Euro 8.8 million, an improvement of Euro 3.8 million compared to a negative Euro 5.0 million in 2021.

The **profit before taxes** was Euro 7.4 million and compares with a loss of Euro 19.0 million at 31 December 2021. Negative net financial expenses and income of Euro 4.1 million (negative Euro 3.7 million in 2021) had an impact. During the year, **income taxes** amounted to Euro 6.9 million, of which Euro 0.9 million for IRAP, Euro 0.5 million for IRES, Euro 0.1 million for foreign and prior-year taxes, Euro 2.8 million for the cancellation of deferred tax assets recognized on prior-year losses against the positive result and temporary differences, and Euro 0.9 million for the cancellation of deferred tax liabilities. However, compared to the previous year and in view of the greater uncertainty of the economic scenario and also the manner (partnership) in which the re-entry into the training sector was made, a more prudential reduction of the forecast taxable income was made for this subsequent period than that used in previous years. Thus, for the period 2027-2029 the reduction was 60% and beyond 2029 the reduction was 100%. The update of this estimate resulted in a reduction of deferred tax assets on prior-year losses by an additional Euro 3.5 million.

The **net result attributable to shareholders of the Parent Company** was positive for Euro 0.5 million, an improvement of Euro 21.6 million on the negative result of Euro 21.0 million in 2021. Net of non-recurring income and expenses, the net profit attributable to shareholders of the Parent Company was Euro 1.4 million, an improvement of Euro 2.1 million over the loss of Euro 0.7 million reported in 2021.

Alternative Performance Measures

In order to facilitate the understanding of the economic and financial performance of the 24 ORE Group, the directors have identified in the preceding paragraphs some Alternative Performance Measures (APM).

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

- these indicators are based exclusively on the Group's historical data and are not indicative of the Group's future performance;
- APMs are not required by international accounting standards (IFRS) and, although they are derived from the Group's consolidated financial statements, they are not subject to audit;
- APMs should not be considered as a substitute for the indicators provided for by the reference accounting standards (IFRS);
- the reading of said APMs must be carried out together with the Group's financial information taken from the consolidated financial statements of the 24 ORE Group;
- the definitions of the indicators used by the Group, insofar as they do not derive from the reference accounting standards, may not be consistent with those adopted by other groups/companies and therefore comparable with them;
- the APMs used by the Group are elaborated with continuity and uniformity of definition and representation for all the periods for which financial information is included in these financial statements.

The APMs shown below have been selected and represented in the Report on Operations as the Group believes that:

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

Statement of financial position

SUMMARY STATEMENT OF FINANCIAL POSITION		
Euro thousands	31.12.2022	31.12.2021
Non-current assets	114,032	131,084
Current assets	131,733	117,027
Total assets	245,765	248,112
Group equity	15,925	13,851
Total Equity	15,925	13,851
Non-current liabilities	107,417	121,325
Current liabilities	122,423	112,936
Total liabilities	229,840	234,261
Total equity and liabilities	245,765	248,112

Non-current assets amounted to Euro 114.0 million compared to Euro 131.1 million at 31 December 2021, a decrease of Euro 17.1 million. In particular:

- deferred tax assets amounted to Euro 14.1 million, a decrease of Euro 6.4 million compared to 31 December 2021, of which Euro 13.1 million related to tax assets recognized on tax losses that can be carried forward and Euro one million related to assets recognized on other temporary differences. It should be noted that no new deferred tax assets have been recognized on losses since 2013 and no tax assets have been recognized on new deductible temporary differences since 2019, pending the Group's return to recording stable positive taxable income. The additional theoretical tax asset on losses - determined on the basis of the last tax return filed that the Group did not recognize, amounted to Euro 77 million;
- intangible assets amounted to Euro 26.4 million, of which Euro 15.2 million related to radio frequencies and Euro 11.2 million related to licences and software, including projects in progress. Investments amounted to Euro 6.5 million and depreciation and amortization to Euro 7.8 million. The write-downs recognized in 2022 amounted to Euro 4.0 million and related to concessions and radio frequencies;
- goodwill amounted to Euro 20.4 million, down by Euro 0.3 million compared to the previous year, following the write-down of the Events CGU goodwill;
- property, plant and equipment amounted to Euro 45.8 million, including Euro 29.4 million for rights of use under IFRS 16. In 2022, rights of use increased by the present value of new contracts of Euro 0.6 million and by Euro 3.0 million for the adjustment of the duration of the broadcasting facilities to the plan duration and due to the ISTAT revaluation. The depreciation of rights of use amounted to Euro 5.7 million. In 2022, there was also a Euro 5.1 million decrease in real estate rights of use, following the signing of a sublease agreement for two floors of the Milan office. Other property, plant and equipment amounted to Euro 16.4 million, and was depreciated by

- Euro 2.8 million. Investments in 2022 totalled Euro 1.2 million. Moreover, the Carsoli property value was aligned with the irrevocable purchase proposal signed by the Group on 1 March 2023, therefore an impairment loss of Euro 1.5 million was recognized;
- investments in associates and joint ventures increased by Euro 0.3 million. This change is attributable to the recognition of the remaining 15% interest in 24 ORE Formazione S.p.A., which was valued at cost at the time of the loss of control and was subsequently valued using the equity method;
 - other non-current assets amounted to Euro 6.2 million (Euro 1.3 million at 31 December 2021) and mainly refer to medium-term financial receivables arising from the application of IFRS 16 equal to the present value of collections due under the sublease agreements. Trade receivable the recoverability of which was expected beyond twelve months amounting to Euro 1 million recognized in the previous year was completely written off.

Current assets amounted to Euro 131.7 million compared to Euro 117.0 million at 31 December 2021, an increase of Euro 14.7 million. The change is mainly attributable to the increase in cash and cash equivalents by Euro 18.3 million (Euro 35.7 million at 31 December 2021) partly offset by the decrease in trade receivables for Euro 3.2 million.

Equity amounted to Euro 15.9 million, an increase of Euro 2.1 million compared to 31 December 2021, when it amounted to Euro 13.9 million, due to the result for the year, which was positive by Euro 0.5 million, and the actuarial valuation of employee severance indemnity (TFR), which resulted in a positive effect of Euro 1.5 million.

Non-current liabilities amounted to Euro 107.4 million and compare with a value of Euro 121.3 million at 31 December 2021, a decrease of Euro 13.9 million.

Non-current financial liabilities amounted to Euro 79.1 million (Euro 82.5 million at 31 December 2021) and include the senior unsecured and non-convertible bond with a principal amount of Euro 45 million and a duration of 7 years, repayable in one instalment (bullet repayment) only to qualified investors. 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 initial measurement of the financial liability was carried out at fair value, net of transaction costs that are directly attributable to the transaction. After initial recognition, the financial liability is measured using the amortized cost method, applying the effective interest rate.

Non-current financial liabilities also include Euro 35.2 million for financial debt arising from lease agreements relating to the Group's offices, liabilities related to car rentals and rentals of space held for the positioning of radio broadcasting equipment owned by the Group. In addition, the item includes the financial payable due beyond 12 months amounting to Euro 1 million attributable to the present value at 31 December 2022 (Euro 3.0 million at 31 December 2021) of the deferred component, relating to the indemnity deriving from the settlement agreement for the early termination of the lease agreement for the Milan - Via Monte Rosa office.

Deferred tax liabilities amounted to Euro 4.3 million (Euro 5.2 million at 31 December 2021) and derive from the recognition of the value of concessions and radio frequencies, with definite useful life, at a book value higher than their tax value, as well as the residual value of deferred taxes on temporary differences deriving from the application of IFRS 16 on sublease agreements.

Provisions for risks and charges amounted to Euro 6.7 million, down Euro 2.2 million from the previous year, when they amounted to Euro 8.8 million. Provisions of Euro 1.7 million, uses of Euro 1.7 million, releases of Euro 1.7 million, and decreases due to the effect of discounting the provision for agents' termination indemnity of Euro 0.4 million were made.

Other non-current liabilities amounted to Euro 6.7 million, a decrease of Euro 2.8 million compared to the previous year, and included Euro 6.6 million for the medium-term portion of the liability recognized for restructuring expenses allocated in 2021.

Current liabilities amounted to Euro 122.4 million, up Euro 10.0 million from Euro 112.9 million at 31 December 2021. Trade payables amounted to Euro 78.7 million, an increase of Euro 9.5 million compared to 31 December 2021. Current liabilities include liabilities for restructuring expenses of Euro 5.6 million (Euro 7.2 million at 31 December 2021), down Euro 1.5 million, of which disbursements in the year of Euro 3.8 million and the reclassification of short-term payables of Euro 2.8 million. In addition, during the year, based on the reorganization of the Group's structure, this debt was restated, resulting in the recognition of a gain of Euro 0.6 million. Current financial liabilities relating to contracts under IFRS 16 amounted to Euro 4.8 million, up Euro 1.8 million.

Statement of cash flows

Total cash flow for the year was positive at Euro 18.3 million and compares with negative cash flow of Euro 4.5 million in 2021.

Below is a summary of the financial figures:

SUMMARY CONSOLIDATED FINANCIAL FIGURES		
	FY 2022	FY 2021
Profit (loss) before taxes from continuing operations attributable to the Group	7,441	(18,985)
Adjustments	24,133	44,740
Changes in net working capital	3,796	(22,770)
Total cash flow from operating activities	35,370	2,985
Investments	(7,488)	(10,883)
Other changes	1,762	11,091
Cash flow from investing activities	(5,727)	207
Free cash flow	29,642	3,193
Cash flow from financing activities	(11,320)	(7,696)
Change in cash and cash equivalents	18,322	(4,502)
Cash and cash equivalents:		
At the beginning of the year	35,744	40,246
At the end of the year	54,066	35,744
Change in cash and cash equivalents	18,322	(4,502)

Cash flow from operating activities was a positive Euro 35.4 million, compared to a positive Euro 3.0 million in 2021, and is attributable to operating performance.

Cash flow from investing activities was a negative Euro 5.8 million, relating to operating investments during the year.

Cash flow from financing activities was a negative Euro 11.3 million, compared with a negative Euro 7.7 million in 2021. On 29 July 2022, the first annual coupon of the non-secured, non-convertible bond loan of Euro 2.2 million was paid.

Net financial position

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	31.12.2022	31.12.2021
A. Cash	190	102
B. Cash equivalents	53,876	35,642
C. Other current financial assets	4,279	5,641
D. Liquidity (A + B + C)	58,345	41,385
E. Current financial payable	(14,081)	(15,779)
F. Current portion of the non-current financial payable	(8,929)	(6,991)
G. Current financial debt (E + F)	(23,010)	(22,771)
H. Current net financial position (G + D)	35,335	18,614
I. Non-current financial payable	(36,197)	(39,828)
J. Debt instruments	(42,940)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(79,138)	(82,464)
M. Net financial position (H + L)	(43,803)	(63,849)

The **net financial position** at 31 December 2022 was a negative Euro 43.8 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 20.0 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 35.2 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group’s current net financial position at 31 December 2022 was a positive Euro 35.3 million (positive Euro 18.6 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 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 4.8 million.

■ II Sole 24 ORE S.p.A.

Economic performance

SUMMARY INCOME STATEMENT OF THE PARENT COMPANY		
Euro thousands	FY 2022	FY 2021
Revenues	194,084	193,298
Other operating income	8,806	5,029
Personnel costs	(71,890)	(87,966)
Change in inventories	761	(702)
Purchases of raw and consumable materials	(5,228)	(3,292)
Costs for services	(84,749)	(82,618)
Other operating costs	(8,066)	(7,635)
Provisions and bad debts	(4,142)	(4,648)
Gross operating margin	29,574	11,466
Amortization, depreciation and write-downs	(19,734)	(24,857)
Gains/losses on intangible and tangible assets	85	95
Operating profit (loss)	9,925	(13,296)
Financial income (expenses)	(4,209)	(3,721)
Gains (losses) on investments	1,384	(2,583)
Profit (loss) before taxes	7,100	(19,600)
Income taxes	(6,477)	(1,421)
Net profit (loss) from continuing operations	623	(21,021)
Profit (loss) from assets held for sale	-	-
Net profit (loss)	623	(21,021)

The Parent Company closed 2022 with revenues of Euro 194.1 million, which compares with a value of Euro 193.3 million (Euro +0.8 million; equal to +0.4%) the previous year. This change is due in particular to growth in advertising revenues of Euro 1.4 million (+1.7%) and the increase in other revenues of Euro 2.1 million (+18.6%), partly offset by a decrease in publishing revenues of Euro 2.7 million (-2.8%).

Costs for services amounted to Euro 84.7 million, up Euro 2.1 million (+2.6%) compared to 2021. The main changes are:

- commissions and other sales expenses up by Euro 1.9 million (10.3% from Euro 18.5 to 20.5 million);
- printing costs up Euro 0.9 million (+17.5% from Euro 5.3 to 6.2 million) correlated to the new production structure;
- editorial costs up Euro 0.4 million (+5.5% from Euro 6.7 to 7.1 million);
- distribution costs down Euro 1.3 million (-7.9% from Euro 16.4 to 15.1 million);
- costs for utilities down Euro 0.6 million (-35.2% from Euro 1.7 to 1.1 million).

Personnel costs of Euro 71.9 million were down by Euro 16.1 million compared with 2021, when they included Euro 13.9 million for non-recurring restructuring expenses. After non-recurring income and expenses, personnel costs were down Euro 1.7 million. In 2022, there was a lower cost resulting from the reduction in the workforce and the increased use of social shock absorbers, partly offset by a lower utilisation of the residual holiday fund. The average number of employees, 720, decreased by 57 (mainly graphic designers and printers) compared with the previous year when it amounted to 777.

EBITDA was positive at Euro 29.6 million and compares with a positive value of Euro 11.5 million in 2021.

The **Operating profit (EBIT)** was Euro 9.9 million and compares with a negative EBIT of Euro 13.3 million in 2021.

Amortization, depreciation and write-downs amounted to Euro 19.7 million compared to Euro 24.9 million in 2021. In 2022, write-downs of Euro 4.0 million were recorded in relation to concessions and radio frequencies following the results of the impairment test.

The **profit before taxes** was Euro 7.1 million and compares with a loss of Euro 19.6 million in 2021. This item was impacted by negative net financial expenses and income of Euro 4.2 million (negative Euro 3.7 million in 2021) and the valuation of investments at equity, which resulted in total income of Euro 1.4 million and includes expense of Euro 0.3 million relating to the write-down of the investment in the subsidiary Il Sole 24 ORE Eventi S.r.l., following the results of the impairment test. In 2022, **income taxes** include the reversal of deferred tax assets recognized on past losses against the positive result and temporary differences for the reversal of deferred tax liabilities, in addition to the effect of current taxes.

The **net result** was positive for Euro 0.6 million and compared to a negative result of Euro 21.0 million in 2021.

BREAKDOWN OF NON-RECURRING INCOME AND EXPENSES IL SOLE 24 ORE S.p.A.

Euro thousands	FY 2022	FY 2021
Gross operating margin (EBITDA)	29,574	11,466
Partial settlement of the liability action	2,600	-
Releases (allocations) for tax risks	1,123	-
Release of provision for social security risks	121	1,131
Recalculation of payable for personnel restructuring expenses	555	(13,864)
Total non-recurring income and expenses with impact on EBITDA	4,399	(12,734)
EBITDA net of non-recurring income and expenses	25,175	24,199
Operating profit (loss) (EBIT)	9,925	(13,296)
Total non-recurring income and expenses with impact on EBITDA	4,399	(12,734)
Write-down of Carsoli property (fair value)	(1,460)	-
Write-down of radio frequencies (impairment test)	(3,960)	(5,383)
Effects of contractual changes on lease agreements (Sublease)	1,508	-
Early termination of the lease agreement for the rotary press in Medicina (BO)	-	(188)
Write-down of intangible assets	-	(2,100)
Total non-recurring income and expenses with impact on EBIT	487	(20,404)
EBIT net of non-recurring income and expenses	9,438	7,108
Profit (loss) before taxes	7,100	(19,600)
Total non-recurring income and expenses with impact on EBIT	487	(20,404)
Write-down of equity investment Eventi (Impairment test)	(300)	(1,295)
Total non-recurring income and expenses on profit (loss) before taxes	187	(21,699)
Profit (loss) before taxes net of non-recurring income and expenses	6,913	2,099
Write-down of Taxes	(2,960)	-
Net profit (loss)	623	(21,021)
Total non-recurring income and expenses	(2,773)	(21,699)
Net profit (loss) net of non-recurring income and expenses	3,396	678

Statement of financial position

Il Sole 24 ORE S.p.A. closed 2022 with a profit of Euro 0.6 million and had **Equity of Euro 15.9 million**, up Euro 2.1 million from equity of Euro 13.9 million at 31 December 2021 due to the following effects:

- actuarial valuation of the TFR, which results in a positive effect of Euro 1.5 million;
- profit for the year of Euro 0.6 million

SUMMARY STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY		
Euro thousands	31.12.2022	31.12.2021
Non-current assets	119,489	132,057
Current assets	123,060	109,620
Assets available for sale	-	-
Total assets	242,550	241,676
Total Equity	15,925	13,851
Non-current liabilities	106,042	119,305
Current liabilities	120,582	108,521
Liabilities available for sale	-	-
Total liabilities	226,624	227,826
Total equity and liabilities	242,550	241,676

Statement of cash flows

SUMMARY FINANCIAL FIGURES OF THE PARENT COMPANY		
	FY 2022	FY 2021
Profit (loss) before taxes	7,100	(19,600)
Adjustments	19,973	45,500
Changes in net working capital	6,182	(27,478)
Total cash flow from operating activities	33,255	(1,578)
Investments	(7,439)	(10,720)
Proceeds from disposal of investments	-	-
Other changes	1,906	11,071
Cash flow from investing activities	(5,534)	351
Free cash flow	27,721	(1,227)
Cash flow from financing activities	(10,740)	(4,137)
Change in cash and cash equivalents	16,981	(5,364)
Cash and cash equivalents:		
At the beginning of the year	30,616	35,981
At the end of the year	47,598	30,616
Change in cash and cash equivalents	16,981	(5,364)

Net financial position

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	31.12.2022	31.12.2021
A. Cash	31	26
B. Cash equivalents	47,567	30,590
C. Other current financial assets	3,975	5,501
D. Liquidity (A + B + C)	51,573	36,117
E. Current financial payable	(14,081)	(15,779)
F. Current portion of the non-current financial payable	(12,585)	(10,196)
G. Current financial debt (E + F)	(26,667)	(25,976)
H. Current net financial position (G + D)	24,906	10,141
I. Non-current financial payable	(35,477)	(38,952)
J. Debt instruments	(42,940)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(78,417)	(81,587)
M. Net financial position (H + L)	(53,511)	(71,446)

The **Parent Company's net financial position** at 31 December 2022 was negative by Euro 53.5 million and compares with a negative Euro 71.4 million at 31 December 2021, an improvement of Euro 17.9 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 34.5 million (Euro 36.0 million at 31 December 2021) in application of IFRS 16.

The Company's current net financial position at 31 December 2022 was a positive Euro 24.9 million (positive Euro 10.1 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 0.6 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 4.7 million.

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
(ARTICLE 123-BIS OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998)**

Il Sole 24 ORE S.p.A., with a resolution of the Shareholders' Meeting of 20 August 2007, adhered for the first time to the Corporate Governance Code for listed companies. Adherence was confirmed by subsequent resolutions of the Board of Directors in relation to the individual amendments approved from time to time to the Corporate Governance Code by the Corporate Governance Committee.

In accordance with the provisions of the Corporate Governance Code, the Company communicated from time to time any exceptions to the individual principles of the Code.

Subsequently, by resolution of the Board of Directors of 25 February 2021, Il Sole 24 ORE S.p.A. adhered to the Corporate Governance Code, in continuity with its previous adherence to the Corporate Governance Code.

The primary objective of the corporate governance system adopted by the Company is sustainable success, which means the creation of long-term value to the benefit of the Shareholders, taking into account the interests of the other stakeholders of relevance to the Company, in the awareness of the importance of transparency in the choices and formation of corporate decisions, as well as the need to set up an effective internal control and risk management system.

In order to illustrate the Company's corporate governance system, pursuant to article 123-*bis* of the Consolidated Law on Finance, a Corporate Governance Report was recently prepared for 2022 which, in addition to providing a description of the corporate governance system adopted by the Group, contains information on the ownership structure, adherence to the Corporate Governance Code and compliance with the related recommendations.

In compliance with applicable regulations, the Report on Corporate Governance and Ownership Structure approved each year by the Company's Board of Directors illustrated the Corporate Governance system of Il Sole 24 ORE S.p.A. and indicated the concrete ways in which the Company has implemented the recommendations of the Corporate Governance Code, the text of which is available on the website of Borsa Italiana at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

MAIN RISKS AND UNCERTAINTIES

In the context of the activity carried out, the 24 ORE Group is exposed to a series of risks that could limit or prevent the achievement of the objectives defined. The Chief Executive Officer, also in the capacity as Director in charge of overseeing the internal control and risk management system, is responsible for identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Parent Company and its subsidiaries, and periodically submits them to the Board of Directors for examination.

Below is a representation of the main risks for the 24 ORE Group.

■ Strategic/market risks

Risks related to the non-implementation of the 2023-2026 Plan

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 digitisation of products and processes, globalisation 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, and with a net financial position expected to progressively improve over the Plan period. 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 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 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.

Impact of general economic conditions on the Company's business sector

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

The uncertain economic and financial context of markets, as a result of the ongoing conflict in Ukraine that could be reflected more significantly in the publishing market because of its negative impact on consumption and investments in communication by companies, is currently undoubtedly an element of risk for the Group.

In 2022, the Italian economy grew strongly (+3.7%), but less than in 2021. The full estimate of the quarterly economic accounts confirms, after seven consecutive quarters, the slight reduction of manufacturing activity in Q4 2022. On the other hand, the recovery in trend terms continued for the eighth consecutive quarter, albeit at a gradually slower pace. Acquired growth for 2023 is positive at 0.4% (Source: *Istat - GDP and General Government Debt - Year 2022 - 1 March 2023 and Press Release Quarterly Economic Accounts - Q4 2022 - 3 March 2023*).

The current uncertainty related to the ongoing conflict in Ukraine, a sharp recovery in inflation, the increase in interest rates, the residual effects of Covid-19 and the increase in the costs of raw materials and energy requires continuing to maintain a certain degree of caution with respect to the forecasts of the macroeconomic scenario and there could in any case be a contraction in turnover for the Company and the other companies in the Group, with possible negative effects, including of a significant degree, on their economic, equity and/or financial position. In addition, the most relevant direct environmental impacts were also taken into account, which can be traced back to paper consumption, energy consumption, with particular reference to high-frequency antennas, and similar waste related only to office activities. In such cases, the Group's activities, strategies and prospects could also be negatively affected, especially with regard to advertising sales and exhibition and event organization activities.

Although the Group does not currently have significant direct exposure to counterparties from countries currently involved in the conflict (Russia, Belarus and Ukraine), it constantly monitors the trend of the main macroeconomic indicators, as well as any repercussions that may arise from this conflict, in order to anticipate any deviations from the forecasts underlying the Plan assumptions and promptly identify the appropriate corrective and/or mitigating actions.

Impact of current trends and competitiveness in the Italian publishing sector on corporate revenues

The publishing sector in Italy is characterized by a trend of progressive decline in sales through traditional channels (news-stands, book stores, subscriptions, etc.). This trend, accentuated by the economic crisis that

has also hit Italy, is amplified by the gradual spread of digital media that are both a threat to the paper media, as they replace traditional reading, and an opportunity, as they add a new channel of circulation of the traditional product in a new digital form. Throughout Western societies, the younger generation has less and less of a habit of reading newspapers, as well as little inclination to pay for news online. However, there is no clear evidence, even in more developed markets, of the final impact of this trend on the traditional publishing sector.

The above scenario was further adversely affected by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp upturn in inflation, rising interest rates, the residual effects of Covid-19, and rising commodity and energy costs, factors that lead to uncertainty in the sector and make it necessary to remain cautious about forecasts of recovery in the market as a whole.

The Group will require increasingly leverage on its specificities in the Italian publishing (and advertising) market. Should the level of direct and above all indirect competition in the sectors in which the Group operates intensify, it cannot be ruled out that this could have a negative impact on its competitive positioning, with consequent negative effects on the Group's economic and financial situation and prospects.

The Group constantly monitors the performance of the Italian publishing sector and the conduct of its main competitors with a view to anticipating possible divergences from the assumptions underlying the Plan and identifying in a timely manner appropriate corrective and/or mitigating action.

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

The Group generates a considerable part of its revenues through advertising sales on its own media (the daily newspaper Il Sole 24 ORE, magazines, radio, websites and apps) and on the media of third-party publishers. System is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media.

The advertising market, especially the national one, is characterized by a close relationship with the performance of the economy and the macroeconomic context in general, in crisis since 2008. In particular, after two years significantly affected by the spread of the Covid-19 virus, 2022 was marked by the repercussions of the ongoing conflict in Ukraine, rising commodity and energy costs, and the recovery of inflation.

In 2022, the System reference market recorded a decline of -3.1% (net of local newspaper advertising): newspapers closed at -6.9% (net local), magazines at -4.8%, radio at +1.7% and internet at -3.2% (*Source: Nielsen January/December 2022 vs 2021*).

While at the beginning of the year the sector's forecasts suggested that the most critical phase related to the pandemic had passed (with growth estimates of around 4-5% for 2022), the aforementioned headwinds of the current year, in particular the ongoing conflict in Ukraine, have adversely affected the performance of the advertising market.

The continuation of this uncertain context weighing on the macroeconomic scenario and, consequently, on the advertising market could have further consequences in the medium to long term, with consequent negative effects on the Group's economic, equity and/or financial situation.

The Group constantly monitors the performance of the main macroeconomic indicators in order to anticipate any deviations from the forecasts underlying the Plan assumptions and promptly identify the appropriate corrective and/or mitigating actions.

Risks related to the contraction of circulation revenues

The Group generates a significant part of its revenues from the sale of publishing products. Publishing & Digital is the business area that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, vertical newspapers, products attached to the newspaper, magazines, add-ons and the website.

The market in which the Group operates has been characterized in recent years by an ongoing crisis affecting the circulation of newspapers and other publishing initiatives. In fact, ADS data for major national newspapers indicate for the period January-December 2022 a decline in total circulation of print copies added to digital copies of -6.9% compared to the previous year attributable to the decline in circulation of the print version of -11.3%, offset in part by the increase in digital circulation of +3.4% (*Source: ADS data processing January - December 2022*).

The trend in revenues from the circulation of the Company's publications, like the market trend, has been declining in recent years. This deterioration is associated with a radical change in consumption habits due to the rapid emergence of digital media, however, not yet sufficient to offset the negative trend of traditional media, also because strongly dominated by a few international operators also defined for this reason OTT (Over the Top).

The Company implemented a series of actions aimed at enhancing the circulation of its newspaper: in the period, a number of products were included in compulsory (focus of Norme e Tributi, monthly Instant Book, in-depth analysis of regulations on specific issues) and optional (books published by Il Sole 24 ORE and third-party publishers) supplements.

The possible continuation of the crisis in the circulation of newspapers and the economic and social crisis resulting from the spread of the Covid-19 virus, international tensions linked to the war under way in Ukraine, rising commodity and energy costs and the resurgence of inflation could lead to a contraction in revenues from the circulation of editorial products with consequent negative effects on the Group's economic, equity and financial situation.

The Group has identified a series of commercial actions and the development of new segments deemed appropriate to ensure that circulation figures at least follow the sector trend. The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risks related to the contraction of advertising revenues due to lower circulation figures

In general terms, in the publishing market, the reduction in advertising revenues can be associated not only with the trend of the reference market but also with the simultaneous contraction of circulation figures. In this respect, however, it is necessary to take into account that there is no immediate cause/effect correlation between the circulation trend and advertising revenues (in the sense that a decrease or an increase in the number of copies does not correspond to an immediate and equal change in advertising revenues). In fact, advertising investment decisions are influenced only in part by the "audience" (i.e. the number of readers) of a publication, being based above all on other factors including, in particular, the credibility of the publication (understood as its reputation and prestige) and the quality of its target audience (i.e. the socio-demographic profile of the reader, to which its spending power is normally correlated). These factors, with reference to the Group, are at high levels and prevail over those relating simply to the number of copies distributed.

Variations in the number of copies circulated could in theory produce effects on advertising sales only in the long term and in any case not in a proportional way, since the advertising market could be impacted, albeit slowly and late, by the variations in the number of copies sold.

The trend in circulation figures is expected to continue in the coming years. In this case, should the Company not be able to achieve circulation results in contrast with the market, there could be a further decline in the circulation of the Group's publications. This circumstance could be taken into account by advertisers in the context of their investment choices, along with the other factors mentioned above. This could affect the Group's equity, economic result and financial position.

The Group has identified a series of commercial actions and the development of new segments deemed appropriate to ensure that circulation figures follow the sector trend. The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risks related to the contraction of revenues from database sales

The Company sells databases to professionals (accountants, lawyers, labour consultants, technical professions), companies and the public administration that can be used on PCs, tablets or smartphones. The databases consist of digital platforms that allow the search and consultation of regulatory and academic content, articles and operational tools such as forms, calculation and simulation tools, e-learning courses, enriched with numerous features (such as alerts, notifications, personalized information, creation of dossiers, newsletters). Access to the databases is by means of an activation code that the user receives by e-mail after signing the subscription contract. The databases are sold primarily on an annual or multi-year subscription basis by the Company's sales network.

For 2022, the forecasts from the end of 2021 for the professional publishing sector indicated a recovery in the sector's overall turnover thanks to the expected reforms, the new boost to digitalization involving professionals and companies, the investments established in the National Recovery and Resilience Plan for companies and Public Administration and indirectly for professionals in their role as consultants. Specifically, tax publishing was expected to grow by 5.3% and legal publishing by 3.8%, while the following trends were recorded:

- legal area: this area, the largest in the sector (47.6% of the market developed for more than 83% by the law-legal area), shows a slight growth of +1.1% compared to 2021;
- tax area: this subject area (27.7% of the sector's turnover) grew by +3.3% year-on-year (6% growth in 2021 to 2020 - Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2022).

Moreover, according to ISTAT, GDP increased by 3.7% compared to 2021. For 2023, the expected growth is 0.4% (source: Istat - GDP and General Government Debt - Year 2022 - 1 March 2023 and Press Release Quarterly Economic Accounts - Q4 2022 - 3 March 2023). In terms of media, in 2023, the current trends do not seem to change: overall, electronic publishing will continue to grow (+6.3%), driven by online and digital content (+6.8%), while offline publishing will continue its strong contraction trend (-33%). On the other hand, the growth of management software will continue (+5.4%), which will see the growing integration of digital editorial content within management software. (Source: "Rapporto Databank Editoria Professionale" - Cerved S.p.A, December 2022).

The Group has identified a series of commercial actions and the development of new products and services, aimed at different targets, to respond effectively to the evolution of professional needs. The implementation of these actions is continuously monitored by the work group set up for this purpose.

Risk related to the improper use of reproduction rights of newspapers and magazines by press review companies

As of 1 January 2019, Il Sole 24 ORE S.p.A. ceased to adhere to the collective agreement with the company Promopress, which manages the reproduction rights of daily newspapers and magazines of publishers belonging to the Promopress repertory itself, aimed at regulating the licensing of reproduction rights by press review companies. This termination was decided by the Company both because of the economic irrelevance and inadequacy of the Promopress agreement to protect the copyright and investments of the Company and for the peculiarity of its publishing product and business model, which are not adequately protected by this agreement.

The change in the content licensing policy towards press review companies entails risks for the entire publishing sector and in particular for Il Sole 24 ORE because of its business model. The risk shared with the entire publishing industry is the uncertainty surrounding the management of reproduction rights. In this context of uncertainty and transition, in the absence of contractual regulation, the major press review companies continue to reproduce newspaper content on the basis of past practice without considering themselves obliged to pay adequate royalties to publishers. For Il Sole 24 ORE, in particular, this risk is accentuated by the fact that its offer model significantly includes digital subscriptions for companies, which usually also use the press review services, and therefore might not subscribe to the newspaper and use only the press review. Should this phase of uncertainty continue, the Company may find it more difficult both to achieve its subscription growth targets and to obtain the rights to which it is entitled from the press review companies.

In order to mitigate this risk, the Company has prepared a new license agreement; starting from 2020, several contracts have already been signed and subsequently renewed for 2021 and 2022.

On the piracy front, i.e. the unlawful distribution of editorial content, including press reviews or the entire newspaper, in mid-April 2020, FIEG asked AGCOM for a measure to combat the phenomenon of piracy on the Telegram platform, on the basis of a detailed analysis of the trend of the phenomenon during the pandemic, which has reached intolerable levels of spread: Telegram channels have recorded, during the Covid-19 health emergency, +46% of subscribers to the channels and +88% of illegally distributed newspapers. The estimate of losses incurred by publishing companies, in a highly conservative hypothesis, is Euro 670 thousand per day, about Euro 250 million per year (*Source: FIEG press release 14 April 2020*).

The Bari Public Prosecutor's Office and the Finance Police (Guardia di Finanza) working together on a complaint by the FIEG, ordered the closure, in February 2021, of 329 Telegram channels and the shutdown of ten websites, through which articles protected by copyright were illegally made available to the public free of charge. (*Source: FIEG Press Release of 24 February 2021*).

The results of the investigation of the Bari Public Prosecutor's Office led to the indictment of nine administrators of as many Telegram channels and dozens of chats that illicitly spread entire newspapers and magazines, now investigated for violation of copyright law (*Source: FIEG Press Release of 8 September 2021*).

On 24 March 2022, the Rome Public Prosecutor's Office - on the basis of the investigations carried out by the Special Goods and Services Unit of the Guardia di Finanza, under the command of General Renzo Nisi - ordered the seizure of 32 Telegram, Facebook, Instagram and Twitter channels and websites that illegally published Italian and foreign newspapers and magazines. The seizure order was adopted as a result of an in-depth investigation initiated in December 2021, with the active participation of FIEG and its member publishing companies (*Source: FIEG Press Release of 24 March 2022*).

With regard to the aforementioned risk in relation to press reviews, it should be noted that on 5 May 2020, with Resolution no. 169/20/CONS, AGCOM - accepting the Company's request in this regard - ordered the company L'Eco della Stampa, one of the largest Italian providers of press reviews, to remove, within two days of notification of the measure, the articles of the newspaper Il Sole 24 ORE bearing the wording "confidential reproduction" from its service, including the archives, deeming the operator's conduct to be in violation of copyright law.

With the removal order, AGCOM reiterated that the legislation in force requires providers of press review services to obtain the consent of the publisher for the reproduction of "confidential reproduction" articles, in line with what has been repeatedly stated by case law. On 14 May 2020, L'Eco della Stampa filed an appeal with the Lazio Regional Administrative Court for the annulment of AGCOM Resolution no. 169/20/CONS of 5 May 2020, requesting, as precautionary measure and also as a matter of urgency, the suspension of the measure.

On 16 May 2020, the request for suspension made by L'Eco della Stampa was rejected with presidential decree that set the Council Chamber for the collegial precautionary hearing on 3 June 2020.

At the hearing of 3 June 2020, the Lazio Regional Administrative Court (TAR) rejected the request for suspension made by L'Eco della Stampa, also on a collegial basis.

Respectively on 26 and 27 June 2020, L'Eco della Stampa:

- notified additional grounds in the appeal on the merits before the Lazio Regional Administrative Court signed by new defence counsel;
- lodged a precautionary appeal with the Council of State against the order of the Lazio Regional Administrative Court referred to above with a request for a presidential injunction.

With decree no. 3797/2020 published on 30 June 2020, the President of the Sixth Section of the Council of State granted the L'Eco della Stampa request for a single-judge precautionary measure and suspended the deeds challenged in first instance, setting the hearing for discussion in chambers for 16 July 2020.

On 6 July 2020, L'Eco della Stampa served further additional grounds in the appeal on the merits before the Lazio Regional Administrative Court.

On 17 July 2020, the Council of State filed Order no. 4289/2020, referring the case back to the Lazio Regional Administrative Court for the setting of the hearing on the merits; the Council of State therefore accepted the precautionary appeal of L'Eco della Stampa only for the part relating to the setting of the hearing on the merits, essentially reconfirming both the validity of the AGCOM resolution of 5 May 2002, and the Lazio Regional Administrative Court's precautionary order of 3 June 2020.

On 22 July 2020, L'Eco della Stampa notified the Company of a further appeal before the Council of State to obtain the revocation of collegial order no. 4289/2020, of the sixth section of the same Council of State, which upheld the precautionary appeal proposed by L'Eco della Stampa only "for the purposes of promptly setting the hearing on the merits", pursuant to article 55, paragraph 10, of the Administrative Procedure Code.

Also on 22 July 2020, the Company filed its brief in the appeal proceedings.

On 24 July 2020, the President of the Sixth Section of the Council of State rejected by decree no. 4416/2020 the application for the grant of the single-judge precautionary measures requested by L'Eco della Stampa in its appeal for revocation of collegial order no. 4289/2020 and also set the hearing in the chambers of 27 August 2020 for the discussion of the case.

By order no. 4933/2020 of the Council of State published on 28 August 2020, the appeal for revision was also dismissed in its entirety for inadmissibility.

On 4 November 2020, AGCOM notified the Company of Resolution no. 565/20/CONS concerning the dismissal for settlement of the proceedings initiated against L'Eco della Stampa for non-compliance with the order set out in Resolution no. 169/20/CONS of 5 May 2020.

Finally, with sentence no. 4260/2021 published on 12 April 2021, the TAR of Lazio rejected the appeal and the additional grounds of L'Eco della Stampa, fully confirming the validity of the AGCOM measure of 5 May 2020.

On 28 June 2021, L'Eco della Stampa notified the Company of its appeal to the Council of State, for the annulment and/or overturning of the aforementioned Judgment no. 4260/2021, formulating a request for single-judge precautionary protection, until the date of discussion of the application for suspension.

By presidential decree no. 3574/2021 published on 1 July 2021, L'Eco della Stampa's precautionary petition was granted and, as a result, both the appealed Judgment no. 4260/2021 and AGCOM Resolution no. 169/20/CONS of 5 May 2020 had been suspended and the case adjourned to the Council Chamber of 29 July 2021. With precautionary order no. 4350/2021 published on 3 August 2021, L'Eco della Stampa request for a suspension was granted, but "subject to security by means of a bank or insurance guarantee in favour of the appellants, AGCOM and Il Sole 24 ORE, and for an amount equal to three months of the price

of the fixed-term subscription referred to in the so-called “bridge contract” (already entered into on 20 November between EDS and Promopress S.p.A., and amounting to Euro 165 thousand) and without any further charges (including those for negotiations) to be borne by EDS. This guarantee was provided by L'Eco della Stampa on 12 August 2021. On 3 December 2021 and 10 December 2021, the Company filed final and reply briefs, respectively, in the appeal proceedings before the State Council. At the public hearing on 21 December 2021, the case was retained for decision. With judgment no. 7707/2022 published on 5 September 2022, the Council of State finally dismissed the appeal with G.R. no. 6004/2021 filed by L'Eco della Stampa for the reform of the Lazio Regional Administrative Court's judgment no. 4260/2021, deeming the reasons expressed by the Lazio Regional Administrative Court in the aforementioned judgment to be free from defects, and thus, fully confirming the validity of the AGCOM measure of 5 May 2020.

On 30 November 2022, L'Eco della Stampa notified the Company of its appeal to the Court of Cassation in relation to the aforementioned Council of State ruling no. 7707/2022 of 5 September 2022.

The Company entered an appearance by way of defence on 9 January 2023. The setting of the hearing is pending.

On 15 December 2022, the Company sent to the bank Intesa San Paolo S.p.A. a formal request to enforce the surety issued by Intesa San Paolo in favour of AGCOM and the Company, mentioned above. It is worth mentioning that with the surety, Intesa San Paolo acted as guarantor of L'Eco della Stampa, up to the amount of Euro 165 thousand. In addition, under the terms of the surety bond, Intesa San Paolo irrevocably undertook, all exceptions removed, to pay the sum, within a maximum term of thirty days from receipt of the request for payment, to the requesting party, upon the latter's simple written request and in the event of rejection of the appeal brought by L'Eco della Stampa. The Council of State, Sect. Sixth, by judgment G.R. no. 7707/2022 of 5 September 2022 has - precisely - rejected appeal G.R. no. 6004/2021 proposed by L'Eco della Stampa. Intesa San Paolo requested some clarifications on the payment request.

It should also be noted that on 7 August 2020, Data Stampa S.r.l. - another important press review operator - notified the Company (and FIEG) of a writ of summons before the Court of Milan seeking to ascertain the right to use in press reviews articles, news and information, including those bearing the “confidential reproduction” clause, published in the titles of Il Sole 24 ORE and, conversely, that Il Sole 24 ORE is not entitled to receive any remuneration for the inclusion of articles, including those bearing the “*confidential reproduction*” clause, included in press reviews prepared by reviewers for their clients.

This summons was followed on 28 September 2020 by a similar summons from Intelligence 2020 - Waypress Agency and, on 2 October 2020, from L'Eco della Stampa.

All three summonses are before the Court of Milan.

The first hearing of the judgement brought by Data Stampa (G.R. no. 30679/2020) was held on 24 February 2021 and the Judge granted the terms pursuant to article 183 paragraph 6 of the Code of Civil Procedure for the filing of preliminary statements, and set the hearing for the taking of evidence for 25 May 2021. At this hearing, the Judge deemed the case ready for a decision on the merits and continued the case to the hearing of 9 June 2022 for entry of conclusions, reserving the right to reopen the evidentiary procedure for the *quantum* at a later date. At the hearing of 9 June 2022 held in written form, the Judge - noting that the parties had proceeded within the allotted time limit to file their respective briefs - referred the case to the panel for decision, assigning the parties the maximum time limits allowed by law to file their closing briefs, by 8 September 2022, and their replies, by 28 September 2022. The ruling of the Board is awaited.

The first hearing of the judgement brought by L'Eco della Stampa (G.R. no. 35260/2020) was held on 2 March 2021 and the Judge granted the terms pursuant to article 183 paragraph 6 of the Code of Civil Procedure for the filing of preliminary statements, and set the hearing for the taking of evidence for 8 June 2021. At this hearing, the Judge deemed the case ready for a decision on the merits and continued the case to the hearing of 21 July 2022 for entry of conclusions, reserving the right to reopen the evidentiary procedure for the *quantum* at a later date. At the hearing on 21 July 2022, the Judge - after the parties had specified

their respective conclusions by referring to the documents already filed - referred the case to the panel for decision, assigning the parties the maximum time limits allowed by law to file their closing briefs, by 20 October 2022, and their replies, by 9 November 2022. The ruling of the Board is awaited.

The first hearing of the case brought by Intelligence 2020 - Waypress Agency (G.R. no. 34139/2020) - initially scheduled for 25 May 2021 - was then postponed ex officio to 10 November 2021. At this hearing the Judge granted the time limits for the pleadings pursuant to art. 183, paragraph 6 of the Code of Civil Procedure. The hearing pursuant to art. 184 of the Code of Civil Procedure for the assumption of any evidence that may be admitted has been set for 29 March 2022. At that hearing, the Judge, who did not call for a discussion, considered it appropriate for the case to be remitted to the panel, and therefore adjourned the case to 11 July 2023 for the hearing for the entry of conclusions.

■ Legal/regulatory risks

Risks related to the outcome of the proceedings before the Milan Public Prosecutor's Office crim. proc. no. 5783/17 R.G.N.R.

On 15 February 2019, the Milan Public Prosecutor's Office requested the committal for trial of the Company in relation to the administrative offences under articles 25 *ter* and 25 *sexies* of Legislative Decree no. 231 of 2001 articles 5 paragraph 1, letter a), 6, 25 *ter* paragraph 1, letter b) of Legislative Decree no. 231/2001 and articles 5 paragraph 1 letter a), 6, 25 *sexies* of Legislative Decree no. 231/2001 and of Benito Benedini, Roberto Napoletano and Donatella Treu - the former Chairman of the Board of Directors, former Editorial Director and former Chief Executive Officer of the Company, respectively, in relation to the offences pursuant to articles 2621 of the Italian Civil Code and 185 of the Consolidated Law on Finance.

More specifically, the aforementioned former directors and executives have been charged with the crime of false corporate communications for having, "in order to ensure an unjust profit for themselves and third parties", disclosed material facts that were not true about the Company's economic, equity and financial situation in the Half-Year Financial Report at 30 June 2015, the Interim Report at 30 September 2015, as well as in the financial statements at 31 December 2015.

This false representation focused "on the performance of the newspaper Il Sole 24 ORE on the sales of digital and print copies and related revenues"; this was achieved with a representation always tending to overstate the operating results of the most significant asset of the company - the newspaper Il Sole 24 ORE - in particular, the general revenues from the sale of copies and market penetration, also camouflaging the losses accrued through the aggregation of different business areas".

The aforementioned persons were also charged with information manipulation of the market for having, by means of press releases issued between 2014 and 2016, provided the market with false information concretely capable of causing a significant alteration in the share price and relating to the performance of the circulation figures of the newspaper Il Sole 24 ORE S.p.A. and the related revenues.

In the context of the preliminary hearing before the preliminary hearing judge (GUP) at the Court of Milan, Ms Mannoci, on 12 September 2019 Consob, Confindustria, the Common Representative of Holders of Special Category Shares, Marco Pedretti, and the shareholders Angelo Mincuzzi, Roberto Galullo, Alessandro Di Cagno, Leonardo Sergio Cosmai, Nicola Alessio Borzi and Vincenza Loddo joined the proceedings as civil plaintiffs against the defendants Benito Benedini, Roberto Napoletano and Donatella Treu. At the same hearing, the defendants Benito Benedini and Donatella Treu entered a plea bargain, having previously obtained the consent of the Public Prosecutor.

On 24 September 2019, Il Sole 24 ORE S.p.A. also filed a plea bargaining application with the preliminary hearing judge, indicating the consent already given by the Public Prosecutor in relation to a pecuniary administrative sanction of Euro 50,310.00. In this context, the defendants' counsel, Benito Benedini and Donatella Treu, also delivered to the counsel for Il Sole 24 ORE S.p.A. two checks for Euro 100 thousand

and Euro 300 thousand, respectively, which the Company's counsel received as a mere down payment for the greater damages suffered.

On 29 October 2019, the Court of Milan, with ruling no. 19/2880, accepted the plea bargain request submitted by the Company on 24 September 2019, ordering the infliction of a pecuniary sanction for a reduced amount of Euro 50,310.00 and at the same time acknowledging the suitability of the remedial measures adopted by the Company to strengthen and optimize its integrity and reliability. In particular, the reduction of the pecuniary administrative fine was granted - as mentioned in the same sentence - in consideration of the preparation of an organizational model suitable to prevent the commission of similar crimes and of the tenor of the communication of the dismissal order issued by Consob against the entity. The fine was paid on 4 November 2021.

At the same hearing, the former Chairperson Benito Benedini and the former Chief Executive Officer Donatella Treu made plea bargains and were sentenced to 1 year, 5 months and 20 days imprisonment and 1 year and 8 months imprisonment, respectively, and to pay the costs of the civil parties. The aforementioned defendants were also granted a suspended sentence. The judge also ordered the committal for trial of Roberto Napoletano before the Court of Milan.

On 16 January 2020, the trial of Roberto Napoletano, former editor-in-chief of Il Sole 24 ORE and other newspapers of the 24 ORE Group, opened before the judges of the second criminal section of the Court of Milan.

At the hearing on 21 May 2020, Consob, a plaintiff in a civil action, filed a motion requesting that the Company be held civilly liable.

At the hearing held on 28 May 2020, the Court granted the request to hold the Company civilly liable in accordance with the Consob motion.

On 24 June 2020, through the Company's defence attorneys, the deed of incorporation and witness list were therefore filed in the interest of the Company as civilly liable party.

Following the conclusion of the preliminary hearing phase, a hearing was held on 7 April 2022 for the discussion by the Public Prosecutor and the civil parties. On 14 April 2022, a hearing was held for the discussion by the defence counsel of the civilly liable party and the defendant. After the Public Prosecutor's replies, illustrated at the hearing on 17 May 2022, at the hearing of 31 May 2022, the Court handed down its ruling by reading aloud the operative part and, recognizing the criminal liability of Mr Napoletano both for false accounting (with the exclusion of the conduct relating to the rotary press) and for market manipulation, sentenced him to 2 years and 6 months' imprisonment, in addition to the payment of a fine of Euro 50,000.00.

As a result, the Court ordered the Company, jointly and severally with Mr Napoletano, to provide compensation for damages only to the civil plaintiffs Consob, Ms Zodda and Mr Bava, to be settled in separate civil proceedings, as well as to pay the costs of the proceedings. The Court filed its justifications on 28 June 2022. At present, the aforementioned civil parties have not taken any civil action.

By document filed on 13 September 2022, the Company appealed against the judgment of the Court of Milan. A similar appeal was lodged by the defence of Mr. Napoletano on 14 September 2022. The appeal hearing before the Milan Court of Appeal, Criminal Section II, has been set for 7 April 2023.

Following the commencement of the proceedings before the Milan Public Prosecutor's Office with a view to full transparency and although it did not affect the Company's possession of the requirements under article 80 of Legislative Decree no. 50/2016 (Public Contracts Code), the Company had prudently taken steps to declare in the public evidence tender documents its status as a legal entity under investigation pursuant to Legislative Decree 231 of 2001, given that this information had also been the subject of official communications by the Company, as well as widely circulated in the press.

This being said, the fact that the Company has been subjected to the pecuniary sanction pursuant to Legislative Decree no. 231/2001 constitutes a circumstance that must be declared when participating in procedures for the award of public contracts. The sanction does not have any automatic exclusionary effect on the Company's participation in the awarding procedures, but it must in any case be submitted to the individual contracting stations for the purpose of assessing the possible consideration of "a serious professional misconduct", i.e. the cause of exclusion "of a discretionary nature" provided for by article 80 paragraph 5 letter c) of Legislative Decree no. 50/2016). In particular, in order to be able to order exclusion from the procedure, the contracting station should, following an adversarial procedure with the Company, identify the existence of a situation that is likely to undermine the integrity/reliability of the Company for the purposes of carrying out the specific contract. In this regard, it should however be considered that, in order to demonstrate its integrity and reliability in the performance of the services covered by the contract, in the declarations that are submitted as part of the awarding procedures, the Company is already providing evidence of the self-cleaning measures that have been adopted.

In relation to these measures, it should be noted - inter alia - that in 2019, the Board of Directors resolved to entrust external lawyers and technical consultants with the task of assessing the existence of the circumstances for proposing to the ordinary shareholders' meeting to resolve to initiate liability actions, based on the findings.

On 12 March 2019, the Board of Directors resolved to submit to the Shareholders' Meeting called for 30 April 2019 a proposal for a corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code against Benito Benedini, Donatella Treu and Roberto Napoletano, under the terms specified in the illustrative report published pursuant to law.

On 30 April 2019, the Shareholders' Meeting resolved to approve the proposal of the Board of Directors concerning the aforementioned corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code against Benito Benedini, Donatella Treu and Roberto Napoletano, under the terms specified in the illustrative report published pursuant to law.

Accordingly, on 18 June and 24 June 2019, the Company served summonses on the following persons:

- a) Benito Benedini, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to the Business Media Transaction (as defined in the illustrative report pursuant to article 125-ter, Legislative Decree no. 58 of 24 February 1998 published on 29 March 2019), currently quantifiable in no less than Euro 4,328,280.00, jointly with Donatella Treu.
- b) Donatella Treu, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to:
 - (i) commercial and reporting practices aimed at artificially increasing the circulation figures of the Newspaper, currently quantifiable in no less than Euro 7,548,043.31, jointly with Roberto Napoletano and KPMG S.p.A., which is also a defendant in the action;
 - (ii) the Business Media Transaction, currently quantifiable in no less than Euro 4,328,280.00, jointly with Benito Benedini;
 - (iii) the Stampa Quotidiana Transaction (as defined in the illustrative report pursuant to article 125-ter, legislative decree no. 58 of 24 February 1998 published on 29 March 2019), currently quantifiable in no less than Euro 665,560.00, an order to be made jointly with KPMG S.p.A..
- c) Roberto Napoletano, in his capacity (deemed to exist by both the Public Prosecutor and CONSOB) as de facto Director of the Company, against whom a claim has been made for compensation for all damages suffered and to be suffered by Il Sole 24 ORE S.p.A. in relation to commercial and reporting practices aimed at artificially increasing the circulation figures of the Newspaper, currently quantifiable in no less than Euro 7,548,043.31, jointly with Donatella Treu and KPMG S.p.A..

The lawsuit was entered in the register of the Civil Court of Milan with G.R. 30810/2019 on 20 June 2019, and was subsequently assigned to the Investigations Judge (G.I.) Guido Vannicelli.

By order of 2 March 2020, the Investigations Judge postponed the date of the first hearing to 17 November 2020, in order to allow the defendants to sue the insurance companies. Subsequently, with a decree issued on 21 May 2020, the Judge, in order to reschedule the hearing due to the problems caused by the Covid-19 emergency, postponed the first hearing to 9 February 2021.

At the hearing on 9 February 2021 the Judge asked the parties to consider a possible settlement, adjourning the hearing. At the hearing of 18 May 2021, having ascertained that no amicable agreement had been reached, the Judge granted the terms for filing the briefs pursuant to art. 183, paragraph 6 of the Code of Civil Procedure and set the hearing for the discussion of the preliminary motions for 14 December 2021. On the basis of the information provided by the parties' legal counsel, the Judge - having ascertained the possibility of an out-of-court settlement of the dispute - postponed the hearing until 16 February 2022 and, then, until 10 May 2022. In the meantime, the defendants in the action and the third-party companies called in have formalized and addressed to the Company a proposal for settlement of the corporate liability action in question, which, with the favourable opinion of the Board of Directors, was submitted to the Company's Shareholders' Meeting called for 27 April 2022 for the necessary approval pursuant to art. 2393, paragraph 6, of the Italian Civil Code. In this regard, reference should be made to the separate report prepared to illustrate the related item on the agenda of this meeting. The Company, although the Shareholders' Meeting voted in favour by a majority of the share capital, equal to approximately 70.1%, recorded the vote against by a minority of the share capital equal to approximately 6.2%, and, therefore, given the provisions of article 2393, paragraph 6 of the Italian Civil Code, it was not able to settle the corporate liability action pursuant to articles 2392 and 2393 of the Italian Civil Code referred to in the illustrative report published on 28 March 2022. At the hearing on 10 May 2022 for the admission of evidence, the Judge reserved his decision. By order dated 8 June 2022, the Judge lifted the reservation and granted the Parties time to file briefs for the production of the minutes of the testimonies given in criminal proceedings not already produced (in addition to the criminal sentence handed down by the Court of Milan and referred to above) and the appropriate comments. Finally, the Judge scheduled the hearing for 25 October 2022 for the final discussion of the preliminary motions.

At this hearing, the Company acknowledged that on 21 October 2022, it entered into a partial settlement agreement with Ms. Treu, Mr. Benedini, KPMG S.p.A. and the insurance companies named in the lawsuit, and with the exclusion of Mr. Napoletano and related internal share of liability, pursuant to which the Company collected a settlement amount of Euro 3 million (see in this regard, the explanatory report pursuant to Article 125-ter of the TUF published on 21 September 2022 and the press release issued following the approval by the shareholders' meeting pursuant to article 2393, paragraph 6, of the Italian Civil Code on 21 October 2022, available in the relevant section of the Company's institutional website). Also at that hearing, the Company also amended its conclusions accordingly and insisted, if necessary, on the acceptance of the preliminary investigation requests formulated in order to confirm the charges against Mr. Napoletano, with which the case is continuing. A wide-ranging debate ensued, as a result of which, in view of certain exceptions and objections raised by Mr. Napoletano with reference to the partial settlement agreement and its effects on the judgment, terms were granted for pleadings devoted to a more in-depth discussion of the issues discussed at the hearing. The hearing was adjourned to 14 March 2023, at which the new investigating judge Nicola Fascilla held the case in reserve.

With an order dated 22 March 2023, the Judge decided to proceed with the preliminary investigation requested by the Company, accepting in particular the request for a CTU (court expert) to ascertain the damage caused by negative margins in the relationship with intermediaries for so-called "co-marketing". The hearing for the swearing in of the appointed consultant, Luca Francesco Franceschi, has been set for 16 May 2023. In addition, a hearing for closing arguments has already been set for 18 June 2024.

Risks associated with Consob inspections

The events described above were also the subject of the following proceedings by Consob.

On 3 August 2018, the Company was notified by Consob of certain objections pursuant to article 187-*septies* of the Consolidated Law on Finance (prot. no. 0291113/18 and proceedings no. 84400/2018). In particular, the aforementioned objections concerned the case referred to in article 187-*ter* of the Consolidated Law on Finance (market manipulation), in the version applicable *ratione temporis*, and were directed both against 5 individuals no longer part of the Company (Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli) and against the Company, as the party jointly liable, pursuant to article 6 of Law 689/1981.

The company was also charged with the offence envisaged by article 187-*quinquies*, paragraph 1, letter a), of the Consolidated Law on Finance (liability of the entity), for violation of article 187-*ter*, paragraph 1, of the Consolidated Law on Finance committed, in the opinion of Consob, in the interest of Il Sole 24 ORE S.p.A. by a former company representative no longer in office (Donatella Treu).

More specifically, the conduct alleged by Consob concerned the procedures for detecting and communicating to the company Accertamenti Diffusione Stampa S.r.l. (ADS) circulation data. Consob contested that the Company, in the period between 2012 and 2016, allegedly implemented unfair commercial and reporting practices aimed at artificially increasing the newspaper's circulation figures and providing an altered representation of the newspaper's circulation; all "*in a context of inadequate information systems and deficiencies in procedures and operational control mechanisms*".

On 8 November 2018, the Company submitted its written counter-claims to the Consob Administrative Sanctions office regarding the objections pursuant to article 187-*septies* of Legislative Decree no. 58/1998.

On 22 February 2019, the Consob Administrative Sanctions Office submitted the "Report for the Commission" with which it proposed the application of pecuniary administrative sanctions for the violation of article 187-*ter*, paragraph 1, of Legislative Decree 58/1998 against Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for a total of Euro 1,050 thousand. The Administrative Sanctions Office also proposed the application of a fine of Euro 140 thousand against Il Sole 24 ORE S.p.A. pursuant to article 187-*quinquies* of Legislative Decree no. 58/1998.

With reference to the penalty proposed against Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli for a total of Euro 1,050 thousand and for which Il Sole 24 ORE S.p.A. is obliged to pay, by way of joint liability, the level of risk has been assessed as possible, but not probable, and therefore no provision for risks has been set up.

On 11 September 2019, the aforementioned administrative sanctioning proceedings no. 84400/2018 were therefore concluded. In particular, Consob, having assessed the results of the preliminary investigation, did not consider that the conditions existed for the adoption of any sanctioning measure against the Company and, therefore, ordered the closure of the proceedings by means of a communication notified on 11 September 2019. In this regard, Consob did not find any orientation on the part of the Company aimed at achieving the unlawful purpose which, pursuant to current regulations, would make it administratively liable and, consequently, subject to sanctions against it. Moreover, Consob decided not to formulate any judgement of reprehensibility towards the Company itself, since it had taken steps to prepare organizational models capable of preventing offences of the kind that occurred.

However, the Company remains jointly liable, pursuant to article 6, paragraph 3 of Law 689 of 1981, for payment of the penalties applied to the individuals (no longer present in the company) Donatella Treu, Roberto Napoletano, Anna Matteo, Alberto Biella and Massimo Arioli, for violation of article 187-*ter*, paragraph 1, of Legislative Decree 58/1998, amounting to a total of Euro 1,050 thousand, without prejudice, in any event, to the right of recourse. Following an appeal by some of these individuals, the amount of the fines was reduced to Euro 870 thousand. In addition, on 21 May 2021, following the decision of the Rome

Court of Appeal which upheld Napoletano's appeal against the penalty of Euro 280 thousand against him, overturning it (the cassation judgment is currently pending), the total amount of the penalties was further reduced. In addition, it should be noted that on 13 April 2022 the Company received confirmation from the Revenue Agency - Collections that the payment notice relating to the penalty of Euro 150 thousand payable by Alberto Biella - also notified to the Company on 17 January 2022 as a jointly liable party - had been extinguished following payment by the obligated party. Moreover, with regard to Ms Treu, the latter, within the framework of the above-mentioned partial settlement agreement, undertook to hold the Company harmless and indemnified in respect of any claim for payment arising from the aforesaid penalties issued against it.

Therefore, on the basis of the information available at the moment, the Company remains jointly and severally liable for the payment of the fines of Donatella Treu, Anna Matteo and Massimo Arioli, which amount to Euro 440 thousand, without prejudice to the right of recourse.

In view of the intervening closure of the proceedings before Consob, in the context of the procedures for the award of public contracts, the Company is not required to provide any statement in relation to the outcome of the proceedings themselves, since this is an irrelevant circumstance as it is not likely to affect the Company's possession of the requirements set out in article 80 of Legislative Decree no. 50/2016.

On 19 December 2019, Consob adopted an order notifying the Company that it was replacing the monthly supplemental periodic reporting requirements established in an order adopted on 14 December 2016 with quarterly reporting requirements.

Therefore, the yearly and half-yearly financial reports and the interim management reports for the first and third quarters of the financial year published by the Company on a voluntary basis, starting with the Annual Financial Report at 31 December 2019, as well as, where relevant, press releases concerning the approval of the aforementioned accounting documents, were supplemented with the additional information required by Consob.

Risks related to the use of social shock absorbers

In the second quarter of 2017, the Company engaged a leading consulting firm to perform an assessment with respect to the management and application of social shock absorbers. The findings of this assignment showed that, in the period from May 2013 to April 2016, at the maintenance area of the Milan plant, additional work was provided for by union agreement during the period of application of the defensive solidarity contract, to the extent of 12 hours/month per person, for which an indemnity was paid that was not offset against the wage supplement.

This constitutes an irregularity that exposes the Company to the obligation of repaying to the Paying Institution an amount corresponding to the wage integration allowance recognized and not due, in relation to the working hours actually not reduced with respect to the solidarity contract, in addition to the increases provided for administrative sanctions and interest on arrears that will be determined, within the limits of the law, by the same Institute and subsequently communicated to the Company.

The request for spontaneous regularization to INPS was activated and was granted. On 21 October 2019, the Company paid the regularization expense.

Although the assessment carried out did not reveal any further critical issues, the Company cannot rule out the possibility that the anomalies found have also occurred in other areas of the Group.

As of the date of this Annual Financial Report, the Company has released the provision for contingent liabilities recognized at 31 December 2021 for a residual value of Euro 121 thousand, as the residual criticalities described above have been eliminated.

Risks related to pending litigation

The Group is a party in civil, criminal, administrative, tax and labour law proceedings.

The Company monitors the development of these disputes, also with the help of external consultants, and proceeds to set aside the sums necessary to deal with existing disputes in relation to the varying degree of probability of losing the case, proceeding - in compliance with accounting principles - to allocate provisions for risks in cases where the occurrence of a liability is considered probable and, vice versa, highlighting exclusively in the notes to the financial statements the potential liabilities the occurrence of which is, on the other hand, considered possible and which must, in any case, be taken into consideration and highlighted as not being remote.

In particular, to cover the risk deriving from proceedings underway, a provision for risks is recognized, which at 31 December 2022 amounted to Euro 4,194 thousand (provision for litigation and provision for sundry risks). The provision includes accruals for risks relating primarily to libel suits against the newspaper and radio station, labour litigation, expected legal fees and contingent liabilities, including tax liabilities.

The Company believes that the amounts allocated to the risk provision are adequate in light of the circumstances existing at 31 December 2022, in accordance with IFRS accounting standards.

In particular, the Company is exposed, as are other operators in the sector, to the risk of legal action, with particular reference to disputes concerning claims for damages based on hypotheses of defamation in the press.

At 31 December 2022, the number of lawsuits related to claims against the 24 ORE Group was 57.

With reference to such disputes involving press defamation, it should be noted that, on the basis of the Group's experience, in those cases in which the Company is found not to have lost the case, the outcome is usually an award of damages amounting to a minimal sum compared with the original claim.

Moreover, for litigation initiated before 2010, the Company has insurance policies in place to cover financial losses caused involuntarily and directly to third parties as a result of unintentional breaches of obligations deriving from the law in the publishing of its publications, including libel suits, up to a maximum coverage of Euro 516 thousand per claim.

Risks related to the protection of intellectual property

The protection of intellectual property, including copyright and industrial property rights, is fundamental to the traditional business model of a publishing company. In addition to copyright on editorial content, the Group owns numerous Internet domains and national, international and EU trademarks used to identify products and services in the product categories of interest of the Group. The Company therefore relies on the legal protection of copyrights, its own industrial property rights arising from the registration thereof, as well as the intellectual property rights of third parties granted to the Company under licence for use.

The Company regularly protects its industrial property rights through the filing of applications for the registration of trademarks relating to its print and online publications, as well as the titles of radio broadcasts by Radio 24 and software products. However, even if trademark registrations are obtained, the related rights, given also the limited distinctiveness resulting from the use of the numeral 24, could: *(i)* not prevent competitors from developing products identified by similar signs, and in any case, *(ii)* prove ineffective in preventing acts of unfair competition by third parties. Moreover, the granting of regular registrations does not prevent the rights granted therein from being challenged by third parties.

Despite the fact that the Company has devised and launched an articulated enforcement strategy to protect its copyright on its own editorial content, it cannot exclude the occurrence of phenomena of unlawful exploitation of such rights by third parties, with consequent negative effects on the Group's operations and its economic and financial situation and prospects.

In this context, reference is made to the dispute with certain journalists, for which reference should be made to the paragraph entitled “Risk related to the improper use of reproduction rights of newspapers and magazines by press review companies”.

Risks related to the failure to adopt EU Regulation 2016/679 on network access and personal data protection (GDPR)

On 25 May 2018, the new General Data Protection Regulation (GDPR - EU Regulation 2016/679) came into force across the European Community, with which the European Commission intended to strengthen and make more homogeneous the protection of personal data of EU citizens, both within and outside its borders. The GDPR stems from a clear need for legal certainty, harmonization and greater simplicity of the rules regarding the transfer of personal data from the EU to other parts of the world.

The GDPR applies to the wholly or partly automated processing of personal data and to the non-automated processing of personal data held in or intended to be held in a filing system. The GDPR applies to data of EU residents and also to companies and entities, organizations in general, with registered offices outside the EU that process personal data of EU residents.

Companies were therefore obliged to adopt a system of data processing according to the principle of privacy by design and by default. In other words, the Data Controller has been called upon to implement appropriate technical and organizational measures to ensure that only the personal data necessary for each specific purpose of processing is processed by default. This obligation applies to the quantity and quality of personal data collected, the period of storage and related accessibility by the parties concerned. The GDPR has therefore imposed interventions on various levels: from governance to processes, from physical and logical security to information modes.

A breach of the rules set out in the GDPR could expose the Company to the payment of administrative fines.

In fact, article 83 of the GDPR introduces specific administrative pecuniary sanctions against the Data Controller or the external Data Processor that does not comply with its provisions. Penalties for violations of the new rule consist of fines of up to 4% of turnover and up to a maximum of Euro 20.0 million. In addition to administrative pecuniary sanctions, each Member State shall, in accordance with article 84, lay down the rules on other sanctions for infringements of the Regulation, in particular for infringements not subject to administrative pecuniary sanctions under article 83, and shall take all measures necessary to ensure that they are implemented. Such penalties shall be effective, proportionate and dissuasive. In addition to the direct damage resulting from the penalties introduced by the Legislator, it is necessary not to overlook the damage to image and reputation that could result from non-compliance with the rules introduced by the GDPR.

Il Sole 24 ORE S.p.A. in order to ensure that the processing of personal data is carried out in accordance with the GDPR has initially set up a working group (consisting of personnel experienced in legal issues, IT, organization and marketing and assisted by a leading consulting firm) that has conducted a project of corporate compliance with the GDPR. As a result of this activity, the Company appointed a Data Protection Officer and adopted an Organization Model for the respect of privacy and the processing of personal data (GDPR Policy) in order to define the rules and security measures used in the processing and protection of the personal data of each individual with whom it comes into contact. The Company has also adopted monitoring systems useful for verifying the correct application of policies/procedures during the phases of each project that foresees the collection of personal data with a view to privacy by design and by default and has assigned internal and external privacy roles.

Risks related to the regulatory framework in the Group's business sectors

In the context of the Group's business, it is subject to detailed regulations at both national and EU level regarding publishing, printing and broadcasting. Amendments in the current regulatory framework could have negative effects on the Group's activities and economic, equity and financial situation.

Moreover, the Group companies, like any other operators in these sectors, are subject to controls, including periodic controls, by the competent regulatory authority (AGCOM), aimed at ascertaining that they comply with sector regulations and that they continue to meet the conditions necessary to maintain the authorizations provided for by the applicable legislation.

More specifically, the Group's activities are regulated:

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

Regulatory amendments could require particular and additional burdens on Group companies not foreseen to date or cause slowdowns and interruptions to the Group's business, with possible negative repercussions on the Group's business and economic, equity and financial situation.

Following the Covid-19 emergency, a number of measures have been adopted to deal with the consequences in the publishing sector although not always applicable to the Group, including the further extension of tax benefits for the retail sale of newspapers, magazines and periodicals, the introduction of an extraordinary scheme for access to tax credits for advertising investments, simplifications for access to direct contributions and for payments by publishing companies, tax credits for the purchase of paper and digital services, and contributions for newsgatherers.

The specific measures implemented to deal with the consequences in the publishing sector of the epidemic emergency, aimed, in particular, at safeguarding the publishing industry and limiting the impact of losses for the economic operators involved, especially through the instrument of tax credits, were carried out through a series of regulations, which, in turn, in some cases, also introduced new provisions aimed at encouraging the recovery and revitalization of the sector.

On 31 December 2021, Law no. 234 of 30 December 2021 was published, entitled "State budget for the financial year 2022 and multi-year budget for the three-year period 2022-2024".

The law includes a number of specific measures in support of journalistic publishing. Specifically, it provides:

1. the setting up of an Extraordinary fund for interventions in support of publishing with an endowment of Euro 90 million for 2022 and Euro 140 million in 2023 intended to encourage investments by publishing companies oriented:
 - a) to technological innovation and digital transition;
 - b) to the entry of qualified young professionals in the field of new media;
 - c) to support corporate restructuring and social shock absorbers;
 - d) to support the demand for information;
2. the extension for two years (2022 and 2023) and enhancement of the tax credit for the purchase of newsprint. Specifically, the credit, currently being implemented for expenses incurred in 2019 and 2020, is extended to expenses incurred in 2021 and 2022 and is increased for the next two years from 10% to 30% with an increase in the related funding from Euro 30 to 60 million annually;
3. reconfirmation and stabilization of App 18, which may be used by 18-year-olds to purchase, among other things, subscriptions to newspapers and magazines, including in digital format.

Law no. 15/2022 extended from 31 December 2021 until 31 December 2022 the duration of contracts for the purchase of journalistic and information services entered into with press agencies which were in force on 1 March 2020.

On 27 April 2022, the orders approving the lists of beneficiaries of the tax credit for the purchase of paper for the years 2020 and 2021, relating to expenses incurred in 2019 and 2020, respectively, were published.

The Decree of the Head of the Department of Information and Publishing of 2 August 2022 set the deadlines for the submission of applications for the tax credit for expenses incurred in the year 2020 for the distribution of published titles. The application for this credit can be submitted from 14 October 2022 to 14 November 2022. The tax credit is granted to publishers of newspapers and periodicals to the extent of 30% of the actual expenditure incurred in the year 2020 for the distribution and transport of the published newspapers, net of the discount percentage for the sales network of the cover price, and subject to an expenditure limit of Euro 60 million.

On 28 September 2022, the Undersecretary for Publishing issued the Prime Ministerial Decree (DPCM) for the allocation of the resources of the Euro 90 million Extraordinary Publishing Fund for 2022, a measure agreed with the Ministry of Labour, the Ministry of Economic Development and the Ministry of the Economy.

The DPCM includes measures to support newspaper and periodical publishing companies, including: newspaper and periodical publishing companies, with at least three journalists employed pursuant to Article 1 of the CCNL for journalism and in good standing with the fulfilment of contribution and social security obligations, Euro 28 million are allocated with an extraordinary contribution of 5 cents for each print copy sold in 2021, including by subscription, against payment at newsstands or non-exclusive sales outlets, excluding print copies sold in bulk.

In addition, publishers of newspapers, periodicals and news agencies and companies are allocated Euro 35 million in non-repayable grants for investments in innovative technologies in 2022. In particular, Euro 7.5 million are allocated for publishing companies of newspapers, periodicals and news agencies.

The Department for Information and Publishing of the Presidency of the Council of Ministers issued on 6 December 2022, the circular containing the implementing provisions regarding the procedures for accessing

the tax credit for the expenses for the purchase of paper used for the printing of published titles incurred during 2021 and 2022 by companies publishing newspapers and periodicals registered with the Roc.

The effects of the measures introduced at regional and national level listed above could also have an impact on the Group's business and on economic, equity and financial position.

■ Financial risks

Financial risks related to existing credit lines and loans

The Company has a securitization transaction in place, created by the vehicle company Monterosa SPV S.r.l. and structured by Banca IMI S.p.A. as arranger, whose maximum total amount that can be financed is Euro 50.0 million.

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

At 31 December 2022, the credit line for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.1 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. It should also be noted that the contract provides for the possibility for both parties to conclude transactions at the end of each calendar quarter.

Any termination of the securitization transaction would impact the Group's financial operations if the Company is unable to fund itself through commercial net working capital leverage, or unable to raise additional capital and credit resources.

On 20 July 2020, the Company signed the addendum with Monterosa SPV regarding the extension of the securitization programme for an additional six years, extending the maturity date to December 2026, and also modifying the option for both parties to terminate transactions at the end of each calendar half year.

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 Company ensures continuous monitoring of the performance indicators which could, if not met, trigger the causes of impediment envisaged in the securitization contract, also for the purpose of taking all appropriate action in a timely manner to avoid such eventuality.

■ Tax risks

Tax risks related to the ability to recover deferred tax assets

At 31 December 2022, the Group recorded deferred tax assets of Euro 14.1 million, including Euro 13.1 million related to prior-year losses.

The recovery of this asset is subject to the availability over the next few years of a flow of taxable income sufficient to generate a theoretical tax expense to absorb past losses.

In this regard, article 23, paragraph 9 of Decree Law no. 98 of 6 July 2011 allows the recovery of tax losses without a time limit and a ceiling for their use in each year equal to 80% of taxable income. No indication of the length of the recovery period can be found in the relevant Accounting Standard.

During the year, the tax result was positive, allowing for the absorption of deferred tax assets on the use of prior losses for a total of Euro 2,063 thousand. In addition, Euro 820 thousand in temporary differences were written off.

As in previous years, the valuation of deferred tax assets on past losses was performed using recovery forecasts consistent with the new 2023-2026 Business Plan, and extending these forecasts to the subsequent period. However, compared to the previous year and in view of the greater uncertainty of the economic scenario and also the manner (partnership) in which the re-entry into the training sector was made, a more prudential reduction of the forecast taxable income was made for this subsequent period than that used in previous years. Thus, for the period 2027-2029 the reduction was 60% and beyond 2029 the reduction was 100%. The update of this estimate resulted in a further reduction of deferred tax assets on previous losses by Euro 3,498 thousand.

If there are negative differences between the forecasts contained in the Plan and the actual figures available, the relevant accounting item will have to be written down. Under no circumstances will the Group recognize new deferred tax assets on prior losses before it has returned to positive stable taxable income. Similarly, the Group, pending said conditions, does not recognize deferred tax assets on new deductible temporary differences arising from the 2019 financial year.

Tax risk related to the Di Source Ltd affair

With reference to commercial relationships with Di Source Ltd, and in part Edifreepress S.r.l., Johnsons Holding S.r.l., Johnsons Inflight News Italia S.r.l., and P Publishing S.r.l., a risk profile of a fiscal nature was reported in the previous year. In particular, invoices received by the Companies could have been considered irregular, with consequent recovery of taxes and related penalties.

In order to address the tax risk profile, a specific provision for risks was recorded in the annual and consolidated financial statements at 31 December 2016, and then partially utilized for voluntary disbursements

and adjustments, to cover the risk related to taxes and related penalties, the residual amount of which is Euro 1,123 thousand.

This residual provision was fully utilised in the financial year 2022 as a result of the lapse of the power of taxation on the years covered by the aforementioned risk, generating income of the same amount.

■ Operational risks

Risks related to the valuation of goodwill, intangible assets and tangible assets (impairment test)

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

At 31 December 2022, goodwill recognized in the consolidated financial statements amounted to Euro 20,424 thousand, intangible assets amounted to Euro 26,403 thousand and tangible assets, including rights of use recognized in accordance with IFRS 16, amounted to Euro 45,761 thousand, representing 8.3%, 10.7% and 18.6% of total consolidated assets, respectively. In total, at 31 December 2022, goodwill, intangible assets and tangible assets totalled Euro 92,588 thousand, or 37.7% of total consolidated assets, compared to consolidated equity of Euro 15,925 thousand.

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 digitisation of products and processes, globalisation and continuous brand enhancement. 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 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 underway 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 - was the basis of the impairment test. The results of the impairment test were determined on the basis of the impairment test procedure adopted by the Group, which was approved by the Board of Directors of Il Sole 24 ORE S.p.A. on 21 February 2023.

The assumptions made for the purpose of determining the value in use of the individual cash-generating units, which support these asset values, by their very nature incorporate an element of uncertainty connected with all forecasts; therefore, they could lead to future adjustments to the book values depending on the actual realization of the assumptions underlying the estimates made by the directors.

Any additional future impairment of goodwill, intangible assets and tangible assets tested for impairment could result in a reduction in the Company's and the Group's assets and equity under IFRS, which would have a material adverse effect on the Company's and the Group's business and economic, equity and financial situation and going concern.

Risks related to the internal control and risk management system

Between November 2016 and January 2017, the need emerged to review and analyse the operational processes adopted by the Company deemed most significant in order to identify any critical issues and possible solutions.

The need to do so arose from specific circumstances, namely: the start of inspections by the Supervisory Authority; news that investigations were pending (at the time against unknown persons) by the Judicial

Authorities; the results of the audit entrusted to an external consultant on the circulation and sale of copies of the newspaper; and the remarks made by the newly established Supervisory Body and the independent auditors. Following a resolution of the Board of Directors of Il Sole 24 ORE S.p.A., on 16 March 2017, the Company awarded a series of assignments to a leading consulting firm, all aimed at: (i) the identification of any shortcomings and/or significant areas for improvement in the design of the internal control and risk management system (hereinafter also “SCIGR”) and of the control processes with respect to the existing Guidelines and Procedures, to the best reference practices and to the requirements of current legislation; (ii) the assessment of the operation and effectiveness of the controls in place. In particular, the audits focused on the following company areas: (i) purchasing area, (ii) commercial area, (iii) expense reimbursement, (iv) circulation and distribution of the newspaper, (v) environment, (vi) health and safety.

These audits were followed by other audits carried out by the Internal Audit Department - in accordance with the annual audit plans approved by the Board of Directors - and by other third-party auditors.

The recommendations made as a result of the aforementioned audits and aimed at strengthening the internal control and risk management system are monitored by the Internal Audit Department, which verifies their actual implementation. The outcome of these follow-up actions is punctually transmitted to the Chief Executive Officer in charge of the internal control and risk management system, the Control, Risk and Related Parties Committee and the Chairperson of the Board of Directors.

In addition, work continued on monitoring administrative and accounting processes in accordance with Law no. 262/2005, assessing the risks to which the Company is exposed (ERM) and updating the internal regulatory system with the issuance of new policies, guidelines and operating procedures and the resulting training/information for Company employees.

In this last regard, it should be noted that in February 2023, the Board of Directors approved the latest version of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (CFR - Risk Organization and control model pursuant to Legislative Decree 231, 8 June 2001) and the Code of Ethics of the 24 ORE Group.

Should the SCIGR be inadequate for the nature and size of the company, inefficiencies or dysfunctions could arise with consequent economic, equity and financial losses for the Company and the Group.

Risk of interruption of printing activity at plants

The printing of the daily newspaper “Il Sole 24 ORE” and other publishing products is completely contracted out to third-party suppliers and is carried out in plants currently located in Erbusco (Brescia), Rome, Cagliari and Messina.

Any interruptions or delays in the delivery of products, which could also arise as a result of the emergency caused by the spread of the Covid-19 virus and the indirect effects of the conflict under way in Ukraine (increase in commodity and energy costs) could have an adverse effect on the Group’s economic, equity and financial position.

With all of its printing activities contracted out to third parties, the Group is exposed, in particular with regard to its newspapers, to the possibility that the contracting companies may not abide by the terms agreed upon. It is also exposed to the operational risks of the plants of these companies. For this reason, the Company believes there is dependence on third-party printers. Contractual clauses have therefore been included to guarantee coverage of damage to the Group’s activities due to any non-compliance by contractors.

In order to minimize the operational risks, audits are carried out on a quarterly basis to check product quality and the efficiency, functionality and maintenance of the machinery present at external printers. In addition, third-party printers in Erbusco and Rome, which supply 94% of copies produced, were requested a further contractual guarantee that provides for the availability, albeit partial and with limitations, of other rotary

presses at the same plants or others owned by them, for the printing of Group products in case the rotary presses included in the contract should become inoperative.

Risk related to the availability of the raw material “coloured paper” in the supply market

The European paper market is characterized by an increasingly small number of reliable and stable suppliers. The last two years have seen the closure of a number of paper mills and the concentration of production in a smaller number of production sites, due to the decrease in overall volumes and the reduction in profit margins for paper suppliers. In this last period, the difficulty of finding recycled paper has generated a strong increase in the prices of the raw material needed for paper manufacturing. This, together with the increase in the prices of energy, oil and related derivatives, has led to plant stoppages for some producers, while others have converted their plants to the manufacture of cardboard, paperboard and packaging material (the only material that has seen an increase in demand).

The decrease in production volumes was such that the paper mills had to reschedule their deliveries. The scenario just described resulted in a major increase in the cost of coloured paper.

Faced with this uncertain and critical period for the supply of paper, the 24 ORE Group has signed a series of framework agreements also for the year 2023, with the main players in the supply of coloured paper in Europe, reducing the risk of non-supply and ensuring a favourable purchase price. Unfortunately, in addition to what is described above in this period, due to the ongoing conflict in Ukraine, at the date of this Annual Financial Report, there is also the risk that the European Union may suspend or interrupt gas and oil supply relationships with Russia or have them interrupted, resulting in a further sharp increase in the price of energy and/or possibly even its unavailability; the Group therefore also has to deal with the variability of oil and electricity prices, which heavily affect the production of coloured paper and, despite the contractual agreements in place at the time, in order to guarantee the volumes necessary to print the newspaper, the Group has to negotiate continuous requests for adjustments to the price of coloured paper from contracted suppliers.

The Group cannot rule out the possibility that any difficulties in the procurement, or the unavailability, even temporary, of these raw materials and/or energy, as well as further price increases, could have a negative impact on its profit and loss, financial and asset situation. The Group is constantly monitoring the development of the situation in anticipation of a hoped-for slowdown in the growth of coloured paper prices, applying careful management of paper consumption in production.

Risk related to dependence on a single supplier for the distribution of publishing products in Italy and abroad

On 29 June 2006, the Company signed with M-Dis Distribuzione Media S.p.A. (hereinafter, “M-DIS”) an agreement for the exclusive distribution and marketing in Italy and abroad (France and Switzerland) of newspapers, add-ons and periodicals published by the Group (hereinafter, the “Contract”). During the first half of 2021 M-DIS changed its corporate structure, becoming a 100% subsidiary of RCS.

The decision to turn to M-DIS as the main supplier is consistent with the search for and selection of a better condition for the Group, in terms of reliability and proven ability of the counterparty to manage this activity. Despite the situation of dependence on the contractual relationship with M-DIS, the Company believes that the contents and conditions of the same are currently in line with market practice.

Since M-DIS is the exclusive distributor of the Group’s entire distribution service, any suspension and/or interruption of the relationship between the parties could entail the need to identify new operators that can satisfy the Group’s needs in a similar manner, both domestically and abroad. During this possible transition phase, the Group may incur higher costs.

It is not possible to exclude that the gradual concentration of distributors of publishing products could generate monopolies and/or territorial oligopolies for certain operators, resulting in a significant increase in the distribution costs borne by the Group, with a consequent negative impact on the Group's business and on its economic, equity and/or financial situation.

On 17 May 2022, the Tender Contract, which had been extended over the years through various addenda to 31 December 2022, was terminated with effect from 1 January 2023, and a tender was called, after which the Company signed a new contract on 28 December 2022 to entrust distribution services to M-DIS until 31 December 2025.

The new agreement provides for the possibility for the Group to withdraw from the contract for reasons related to the Group's autonomous decision to:

- i.* cease publication and distribution of even one of the Editorial Products;
- ii.* terminate even one of the Services;
- iii.* totally or partially cease distribution in Italy or abroad.

The Group constantly monitors developments in the distribution of editorial products in Italy, also with a view to identifying possible alternative solutions in the event of potential interruptions to activities (even for limited periods).

Risks related to possible escalation of conflict with workers

In accordance with the 2021-2024 Business Plan approved by the Board of Directors on 25 February 2021, the Company is pursuing the action of reducing the overall cost of labour, through a structural reduction of the workforce (of all the categories journalists, managers, printers, graphic designers and radio operators) with benefits for the cost structure of the Group. In this context, during the month of October 2021, a discussion with the trade unions was started in order to communicate an overall reorganization of the structure and the presence on the territory with a view to simplifying and rationalizing the corporate organizational structure, aimed at making the business sustainable through a stringent reduction in fixed costs, which will involve the closure of the Carsoli (AQ) site and the reorganization of the Rome office with centralization of the activities and the related personnel at the Milan office. In addition, the Company announced the need to continue its efforts to reduce overall labour costs, via a structural reduction in the workforce of all categories of journalists, managers, graphic designers and radio operators, in order to make the business sustainable.

During negotiations with the labour unions, agreements were signed regarding the pursuit of a policy to encourage voluntary redundancy, the use of the Extraordinary Wage Guarantee Fund, also aimed at early retirement in the sector, and the use of past leave not taken in order to avoid the use of traumatic instruments.

On 4 March 2022, an agreement was signed at the Ministry of Labour and Social Policies for the procedure for recourse to the extraordinary temporary lay-off scheme (CIGS), also aimed at early retirement, for the three publications "*Il Sole 24 ORE*", "*Radiocor Plus*" and "*Radio24*", for the 7 March 2022 - 31 July 2023 period with the reason "*Company reorganization in the presence of crisis*".

On 1 June 2022, an agreement was signed at the Ministry of Labour and Social Policies for the procedure for recourse to CIGS, also aimed at early retirement, for the graphic designers and printers, for the 8 June 2022 - 7 March 2023 period with the reason "*Company reorganization in the presence of crisis*". The plan ended on 7 March 2023, completing the planned objectives.

In this context, even though union discussions have come to an end with the signing of agreements, the possibility of an escalation of conflict with workers cannot be excluded.

Given that the Group's activities mainly include publishing and journalism activities, work stoppages or other forms of conflict by certain categories of workers (in particular journalists and printers, given the rapidity of the economic cycle of the product) could lead to interruptions and, if prolonged, to inefficiencies that could affect the Group's economic results.

OWNERSHIP STRUCTURE AND TREASURY SHARES

At 31 December 2022, the share capital of Il Sole 24 ORE S.p.A., fully subscribed and paid in, amounted to Euro 570,124.76, divided into 9,000,000 ordinary shares (representing 13.77% of the share capital) and 56,345,797 special category shares listed on the Mercato Telematico Azionario - MTA organized and managed by Borsa Italiana S.p.A. (representing 86.23% of the share capital), including 330,202 treasury shares, all without indication of nominal value.

At 31 December 2022, Confindustria holds all of the ordinary shares of Il Sole 24 ORE S.p.A. and 34,970,040 special category shares, the latter having the rights referred to in article 7 of the Articles of Association, including the right to vote at the Company's general, ordinary and extraordinary shareholders' meetings.

The ordinary shares and special category shares held by Confindustria represent a total of 67.288% of the share capital.

All the shares issued by Il Sole 24 ORE S.p.A., currently owned by Confindustria - Confederazione Generale dell'Industria Italiana, are held in trust for Carlo Bonomi as Chairperson. All further shares that may be acquired in the future by Confindustria will be registered in the name of the *pro tempore* Chairperson.

By a resolution of the Shareholders' Meeting on 28 June 2017, the limits on share ownership of special category shares already in the Articles of Association were abolished.

Pursuant to article 7 of the Articles of Association, the distribution of interim dividends may be resolved in favour of special category shares within the limits and in the manner provided for by law. Pursuant to article 37 of the Articles of Association, they are attributed a preferential dividend of 5%, equal to Euro 2.60 or, if higher, to the share implicit par value, which may not be accumulated from one financial year to the next. In the event of dissolution of the Company, they shall have a right of preference in the distribution of the Company's assets up to the share implicit par value.

At the date of the Board of Directors' meeting to approve this Annual financial report at 31 December 2022, based on the results of the Shareholders' Register and taking into account the communications received pursuant to article 120 of the Consolidated Law on Finance, the following parties held, directly or indirectly, shares in the Company equal to or greater than 5% of the share capital:

PARTIES THAT DIRECTLY OR INDIRECTLY OWN 5% OR MORE OF THE COMPANY'S SHARE CAPITAL

Declaring Party	Direct Shareholder	% of share capital	% of voting capital
Ordinary shares			
Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	13.773%	13.843%
Special category shares			
Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	Confindustria - Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	53.515%	53.787%

It should be noted that pursuant to paragraph 7 of article 119-bis of the Issuers' Regulation, management companies and qualified entities that have acquired, as part of the management activities referred to in article 116-terdecies, paragraph 1, letters e) and f) respectively, of the Issuers' Regulation, managed investments of more than 3% and less than 5%, are not required to comply with the disclosure obligations provided for in article 117 of the aforementioned Regulations.

There are no authorizations by the Shareholders' Meeting to purchase treasury shares pursuant to article 2357 and following of the Italian Civil Code. However, the Board of Directors was authorized by the Shareholders' Meeting of 28 April 2009 to dispose of the treasury shares held in portfolio, pursuant to article 2357-ter of the Italian Civil Code, without time limits, in accordance with the terms and conditions set out in the share incentive plans approved by the Company from time to time. At the date of this document, Il Sole 24 ORE holds 330,202 treasury shares, equal to 0.58% of the special category shares and 0.51% of the entire share capital, for which voting rights are suspended.

At the date of this Annual Report at 31 December 2022, the Shareholders' Meeting had not granted any powers to the Board of Directors to increase share capital pursuant to article 2443 of the Italian Civil Code or to issue equity instruments.

ORGANIZATION AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231, 8 JUNE 2001

Legislative Decree no. 231 of 8 June 2001 introduced into Italian law the administrative liability of entities arising from the commission of crimes in the interest or to the advantage of the entity itself.

Also for the purpose of preventing conduct that could result in the perpetration of the offences listed in the Decree, Il Sole 24 ORE S.p.A. adopted for the first time on 28 July 2005 specific internal rules and regulations formalized in the Organization, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter the "231 Model") in accordance with the requirements of the Decree and the guidelines issued by Confindustria.

The Company's Board of Directors therefore approved the 231 Model and appointed the Supervisory Body, which is responsible for overseeing the functioning of and compliance with the Model, as well as for periodically checking its effectiveness and updating it.

The Supervisory Body currently in office was appointed on 27 April 2022 and is composed of Lelio Fornabaio (Chairperson), Loredana Conidi and Giuseppe Crippa.

The Body promptly verifies the state of updating and adequacy of the 231 Model in force, both with reference to the organizational and legislative framework of reference, promoting, where deemed appropriate or necessary, its timely updating. The 231 Model was therefore updated by resolution of the Board of Directors on 30 July 2020, in order to incorporate, in particular, the updating of sensitive activities in light of the expansion of the catalogue of so-called predicate offences. At the same time as updating the 231 Model, the Board of Directors also approved the updating of the Code of Ethics of the 24 ORE Group.

Subsequently, with a resolution of the Board of Directors of 25 February 2021, the 231 Model was updated again in consideration of the issue of Legislative Decree 75/2020 of 14 July, implementing the PIF Directive "on the fight against fraud to the Union's financial interests by means of criminal law" (Directive (EU) 2017/1371).

Most recently, the 231 Model received a further update, approved by resolution of the Board of Directors on 25 February 2022 following the issue of Legislative Decree no. 184 of 8 November 2021, implementing Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment, which introduced a new article, article 25-octies.1, entitled "Offences relating to non-cash payment instruments", and Legislative Decree no. 195 of 8 November 2021, implementing Directive (EU) 2018/1673, which modified the offences regarding receiving stolen goods and money laundering by extending the offences from which they arise also to fines and unintentional offences.

Lastly, during 2022, activities were started to update the 231 Model with reference to Law no. 22 of 9 March 2022 concerning "Provisions on offences against cultural heritage", which included, in the new Title VIII-bis of the Criminal Code, under the heading "*Of offences against cultural heritage*", a set of offences, ranging from theft, money laundering, destruction and counterfeiting of cultural goods and works of art,

introducing two new administrative offences in the list of predicate offences under Legislative Decree 231/2001 (art. 25-*septiesdecies* - “Offences against cultural heritage” and art. 25-*duodevicies* - “Laundering of cultural assets and devastation and looting of cultural and landscape assets”). This activity, which was associated with the need to implement further organizational changes that had occurred in the meantime, was concluded at the beginning of 2023, with the approval by the Board of Directors on 21 February 2023 of the latest version of the 231 Model and, also, of the 24 ORE Group’s Code of Ethics.

The 231 Model currently applicable thus defines the rules of conduct and the control principles aimed at preventing the following predicate offences:

- A. Offences committed to the detriment of the Public Administration;
- B. IT offences;
- C. Organized Crime offences;
- D. Corporate offences;
- E. Offences against the individual personality;
- F. Financial offences or market abuse;
- G. Offences of manslaughter and serious or very serious culpable injuries, committed in violation of accident prevention rules and on the protection of workplace health and safety;
- H. Offences of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering;
- I. Offences of copyright infringement;
- L. Inducement not to make statements or to make false statements to the Supervisory Authority;
- M. Environmental offences;
- N. Employment of illegally staying third-country nationals;
- O. Racism and Xenophobia;
- P. Tax offences;
- Q. Offences relating to non-cash payment instruments.

On the basis of the analysis carried out, the commission of the other types of offence provided for by the Decree was considered remote or only abstractly and not concretely possible.

The 231 Model also defines the internal disciplinary system aimed at sanctioning any failure to comply with its provisions.

The 231 Model of the Company, general part, and the Code of Ethics of the 24 ORE Group are available on the website of the Company at www.gruppo24ore.ilsole24ore.com in the Governance section.

In order to ensure greater effectiveness in the application of the rules adopted, the Company has promoted the knowledge and dissemination of the 231 Model and the Code of Ethics of the 24 ORE Group. Specific training on the Decree extended to all personnel was therefore carried out in 2020. A new training session was launched in July 2021, again aimed at all personnel and with a precise focus on the principles of control and conduct provided for in the Special Parts of the 231 Model.

The Company continues to monitor regulatory sources in order to promptly make any further updates to the 231 Model.

During 2022, the subject matter was affected by a number of legislative amendments including:

- on 26 February 2022, Decree Law 13/2022 entered into force, on “Urgent measures to combat fraud and for safety in the workplace in the field of construction, as well as on electricity produced by plants using renewable sources” (Funds Decree), which broadens the scope of the offences set out in articles 316-*bis* (now named “Embezzlement of public funds”), 316-*ter* (now named “Undue receipt of public funds”) and 640-*bis* of the Criminal Code (“Aggravated fraud to obtain public funds”), referred to in art. 24 of Legislative Decree 231/2001, which was subsequently not converted

into Law, however without prejudice to the effects due to art. 1, paragraph 2 of Law no. 25 of 28 March 2022, converting, with amendments, Decree Law 4/2022, “*containing urgent measures in support of businesses and economic operators, employment, health and local services, connected to the Covid-19 emergency, as well as to limit the effects of price increases in the electricity sector*”, which repealed in its entirety Decree Law 13/2022, providing for the survival of the acts and measures adopted as well as the effects produced and the legal relations arising on the basis of the repealed provisions of Decree Law 13/2022. In converting Decree Law 4/2022, Law no. 25 of 28 March 2022 also inserted article 28-*bis*, which reaffirms the aforementioned amendments;

- on 22 March 2022, as previously mentioned, Law no. 22 of 9 March 2022, containing “Provisions on offences against cultural heritage” (which came into force on 23 March 2022) was published in the Official Gazette, the amendment of which was implemented with the update to the 231 Model approved by the Board of Directors on 21 February 2023.

TRANSACTIONS WITH RELATED PARTIES

With reference to transactions with related parties, it should be noted that all transactions carried out with related parties are limited in substance to commercial transactions with related parties and commercial, administrative and financial services with subsidiaries and associates. These transactions are part of normal business operations, within the scope of the typical activity of each party involved, and are regulated at market conditions.

The Company observes its own internal procedure “Regulation of Transactions with Related Parties”, adopted on 12 November 2010 by resolution of the Board of Directors (the “Regulation”), in implementation of the Regulation approved by CONSOB resolution no. 17221 of 12 March 2010, and subsequently amended by resolution no. 17389 of 23 June 2010 (the “CONSOB Regulation”). The above Regulation was updated by resolution of the Board of Directors on 19 December 2018. It was subsequently revised, in order to update certain references contained therein, by resolution of the Board of Directors of 19 December 2019, updated, in compliance with Consob Resolution no. 21624 of 10 December 2020, by resolution of the Board of Directors of 30 June 2021, and lastly updated, in compliance with the new allocation of Board competences on related party transactions, assigned as of 27 April 2022 to the Control, Risk and Related Party Committee, by resolution of the Board of Directors of 28 July 2022.

Information on transactions with related parties is provided in paragraph 13.1 Transactions with related parties in the notes to the financial statements.

Related parties consist of parties entered in the Register of Related Parties established by the Company. The Regulation is available on the website www.gruppo24ore.ilsole24ore.com, Governance section.

RECONCILIATION OF CONSOLIDATED AND PARENT COMPANY PROFIT (LOSS) AND EQUITY

The reconciliation schedules between consolidated and Parent Company profit (loss) and equity are shown in the consolidated financial statements in paragraph 11 - note 19 relating to the Notes to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER 31 DECEMBER 2022

On 30 January 2023, the Board of Directors resolved, subject to the favourable opinion of the Board of Statutory Auditors, to appoint Emilio Bernacchi *ad interim* as Manager in charge of financial reporting.

On 31 January 2023, the Group's first ESG Plan was approved and Gionata Tedeschi was appointed General Manager Innovation and Sustainability of the 24 ORE Group.

On 21 February 2023, the Board of Directors approved the 2023-2026 Plan, which confirms the Group's constant and sustainable growth through the digitisation of products and processes, globalisation 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.

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, the residual effects of Covid-19 and the rise in commodity and energy costs; requires us to continue to maintain a degree of caution with respect to the forecasts of the macroeconomic scenario.

In 2022, the Italian economy grew strongly (+3.7%), but less than in 2021. The full estimate of the quarterly economic accounts confirms, after seven consecutive quarters, the slight reduction of manufacturing activity in Q4 2022. On the other hand, the recovery in trend terms continued for the eighth consecutive quarter, albeit at a gradually slower pace. Acquired growth for 2023 is positive at 0.4% (Source: *Istat - GDP and General Government Debt - Year 2022 - 1 March 2023 and Press Release Quarterly Economic Accounts - Q4 2022 - 3 March 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.

PROPOSED ALLOCATION OF THE PROFIT (LOSS) OF FY 2022

Shareholders,

We submit to your approval the financial statements of Il Sole 24 ORE S.p.A. for the year ended 31 December 2022, which showed a profit of Euro 623,172. With regard to the allocation of the result for the year, it should be noted that, for the reasons that will be outlined below, it cannot be distributed, nor can it be subject to preferential distribution, pursuant to article 37 of the Articles of Association, to shareholders holding special category shares. In fact, it is recalled that pursuant to the aforementioned art. 37 of the Articles of Association *“The fraction required by law to be allocated to the legal reserve is taken from the net profit for each year, until it reaches one-fifth of the share capital. The remainder is allocated as follows: the special category shares indicated in article 7 of these Articles of Association are attributed a preferential dividend of five percent equal to Euro 2.60 or, where higher, the implied accounting par value of the share itself, which cannot be combined from one financial year to the next;”*.

However, it should be noted that this profit, in accordance with both article 2426, no. 4), third paragraph, of the Italian Civil Code and article 6, paragraphs 1 and 2, of Legislative Decree 38/2005, is not distributable as it is the result of the revaluation of investments in the subsidiaries of Il Sole 24 ORE S.p.A. through the application of the equity criterion, i.e. it is the result of the incorporation of the results produced by its subsidiaries at 31 December 2022 (equal to Euro 1,342,350).

Therefore, it is proposed that the result for the year 2022 for the reasons stated above be allocated as follows:

- Euro 114,025 to the “Legal Reserve”, so that the latter is equal to one-fifth of the share capital, pursuant to Article 2430 of the Italian Civil Code; and
- Euro 509,147 to the “Non-distributable revaluation reserve of equity-accounted investments”.

Milan, 23 March 2023

The Chairperson of the Board of Directors
Edoardo GARRONE

2022 Consolidated Non-Financial Statement

[Omitted]

CONSOLIDATED FINANCIAL STATEMENTS**■ Statement of Financial Position**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Euro thousands	Notes (*)	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	45,761	55,930
Goodwill	(2)	20,424	20,724
Intangible assets	(3)	26,403	31,868
Investments in associates and joint ventures	(4)	300	-
Non-current financial assets	(5)	772	731
Other non-current assets	(6)	6,224	1,302
Deferred tax assets	(7)	14,148	20,529
Total		114,032	131,084
Current assets			
Inventories	(8)	2,936	1,659
Trade receivables	(9)	62,588	65,835
Other receivables	(10)	1,633	2,588
Other current financial assets	(11)	4,279	5,641
Other current assets	(12)	6,231	5,561
Cash and cash equivalents	(13)	54,066	35,744
Total		131,733	117,027
Assets available for sale		-	-
TOTAL ASSETS		245,765	248,112

(*) Section 8 of the Notes to the Financial Statements

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.1.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	Notes (*)	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity	(14)		
Equity attributable to shareholders of the Parent Company			
Share capital	(15)	570	570
Capital reserves	(16)	19,452	19,452
Employee severance indemnity (TFR) reserve - IAS adjustment	(17)	(3,756)	(5,294)
Profits (losses) carried forward	(18)	(875)	20,151
Profit (loss) attributable to shareholders of the Parent Company	(19)	534	(21,029)
Total		15,925	13,851
Equity attributable to minority shareholders			
Capital and reserves attributable to minority shareholders		-	-
Profit (loss) attributable to minority shareholders		-	-
Total		-	-
Total equity		15,925	13,851
Non-current liabilities			
Non-current financial liabilities	(20)	79,138	82,464
Employee benefits	(21)	10,681	15,329
Deferred tax liabilities	(7)	4,268	5,216
Provisions for risks and charges	(22)	6,658	8,819
Other non-current liabilities	(23)	6,673	9,498
Total		107,417	121,325
Current liabilities			
Current bank overdrafts and loans	(24)	14,081	15,779
Other current financial liabilities	(25)	8,929	6,991
Trade payables	(26)	78,686	68,658
Other current liabilities	(27)	730	217
Other payables	(28)	19,997	21,290
Total		122,423	112,936
Liabilities available for sale		-	-
Total liabilities		229,840	234,261
TOTAL EQUITY AND LIABILITIES		245,765	248,112

(*) Section 8 of the Notes to the Financial Statements

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.1.

Statement of profit (loss)

CONSOLIDATED STATEMENT OF PROFIT (LOSS)			
Euro thousands	Notes (*)	FY 2022	FY 2021
1) Continuing operations			
Revenues	(29)	211,556	203,545
Other operating income	(30)	10,153	5,215
Personnel costs	(31)	(74,762)	(90,414)
Change in inventories	(8)	1,277	(234)
Purchases of raw and consumable materials	(32)	(5,824)	(3,665)
Costs for services	(33)	(95,972)	(89,564)
Costs for rents and leases	(34)	(7,120)	(5,779)
Other operating expenses	(35)	(3,188)	(3,090)
Allocations	(22)	(1,733)	(2,368)
Bad debt	(9.5)	(2,437)	(2,390)
Gross operating margin		31,951	11,255
Amortization of intangible assets	(3)	(7,758)	(8,432)
Depreciation of tangible assets	(1)	(8,587)	(9,232)
Changes in value of tangible and intangible assets	(36)	(4,212)	(8,966)
Gain/loss on disposal of non-current assets	(37)	85	95
Operating profit (loss)		11,478	(15,279)
Financial income	(38)	622	697
Financial expenses	(38)	(4,701)	(4,431)
Total financial income (expenses)		(4,079)	(3,733)
Other income from investment assets and liabilities	(4)	42	28
Profit (loss) before taxes		7,441	(18,985)
Income taxes	(39)	(6,907)	(2,044)
Profit (loss) from continuing operations		534	(21,029)
2) Assets held for sale			
Profit (loss) from assets held for sale		-	-
Net profit (loss)	(19)	534	(21,029)
Profit (loss) attributable to minority shareholders	-	-	-
Profit (loss) attributable to shareholders of the Parent Company	(19)	534	(21,029)
Basic earnings (loss) per share in Euro	(19)	0.01	(0.32)
Diluted earnings (loss) per share in Euro	(19)	0.01	(0.32)

(*) Section 8 of the Notes to the Financial Statements.

■ Statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Euro thousands	FY 2022	FY 2021
Net profit (loss)	534	(21,029)
Other components of comprehensive income		
Other components of comprehensive income that can be reclassified to the income statement	-	-
Other non-reclassifiable components of the statement of comprehensive income	1,538	(472)
Actuarial gains (losses) on defined-benefit plans	1,538	(472)
Total comprehensive income (expense)	2,072	(21,501)
Attributable to:		
Minority shareholders	-	-
Shareholders of the parent company	2,072	(21,501)
TOTAL COMPREHENSIVE INCOME (EXPENSE)	2,072	(21,501)

(*) Section 8 of the Notes to the Financial Statements

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 13.1.

Income components arising from non-recurring events or transactions, i.e. transactions or events that do not recur frequently, are also reported in point 13.1.

Statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS			
Euro thousands	Notes (*)	FY 2022	FY 2021
Statement items			
Profit (loss) before taxes from continuing operations attributable to the Group [a]		7,441	(18,985)
Adjustments [b]		24,133	44,740
Amortization/Depreciation	(1.3)	16,345	17,664
(Gains) losses	(37)	(85)	(95)
Effect of valuation of investments	(5)	(41)	(28)
Allocation and (release) of provisions for risks and charges	(22)	(9)	500
Restructuring expenses	(31)	(555)	13,864
Provision for employee benefits	(21)	187	135
Change in value of tangible and intangible assets	(36)	4,212	8,967
Financial income and expenses	(38)	4,079	3,733
Changes in operating net working capital [c]		3,796	(22,770)
Change in inventories	(7)	(1,277)	234
Change in trade receivables	(8)	3,247	(6,948)
Change in trade payables	(25)	10,027	(10,445)
Income tax payments		(493)	-
Other changes in net working capital		(7,708)	(5,611)
Total cash flow from operating activities [d=a+b+c]		35,370	2,985
Cash flow from investing activities [e]		(5,727)	207
Investments in intangible and tangible assets	(1.3)	(7,488)	(10,883)
Proceeds from the sale of intangible and tangible assets		86	-
Increase in investments in associates	(2)	(300)	-
Security deposits paid	(6)	8	-
Change in receivables guaranteeing financial payables		2,171	(5,429)
Collection of deferred receivable from sale of BS24 investment		-	16,500
Other changes in investing activities		(203)	19
Cash flow from financing activities [f]		(11,320)	(7,696)
Net financial interest paid	(38)	(4,010)	(2,333)
SACE guaranteed financing		-	(37,532)
Non-convertible senior unsecured bond		-	42,513
Change in medium/long-term bank loans		-	(3,731)
Change in short-term bank loans	(23)	(3,870)	(766)
Changes in other financial payables and receivables		(3)	(3,478)
Other changes in financial assets and liabilities		142	(44)
Change in payables IFRS 16		(3,579)	(2,325)
Change in financial resources [g=d+e+f]		18,322	(4,502)
Cash and cash equivalents at the beginning of the year		35,744	40,246
Cash and cash equivalents at the end of the year		54,066	35,744
Increase (decrease) for the year		18,322	(4,502)

(*) Section 8 of the Notes to the Financial Statements

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions or positions with related parties on the statement of financial position, statement of comprehensive income and statement of cash flows of the 24 ORE Group are reported in point 10.1.

■ Statement of changes in Equity

24 ORE GROUP - STATEMENT OF CHANGES IN EQUITY								
Euro thousands	Share capital	Capital reserves	Employee severance indemnity (TFR) reserve - IAS adjustment	Profits (losses) carried forward	Profit (loss) for the period	Equity of parent company shareholders	Equity of minority shareholders	Total equity
	(15)	(16)	(17)	(18)	(19)	(14)		(14)
Balance at 31 December 2020	570	19,452	(4,822)	21,108	(989)	35,320	-	35,320
Actuarial adjustment TFR			(472)			(472)		(472)
Net result for the year	-	-			(21,029)	(21,029)		(21,029)
Total income/expenses	-	-	(472)	-	(21,029)	(21,501)	-	(21,501)
Other changes				32		32		32
Change in profit (loss) 2020				(989)	989	-		-
Balance at 31 December 2021	570	19,452	(5,294)	20,151	(21,029)	13,851	-	13,851
Balance at 31 December 2021	570	19,452	(5,294)	20,151	(21,029)	13,851	-	13,851
Actuarial adjustment TFR			1,538			1,538		1,538
Net profit (loss) for the period	-	-			534	534		534
Total income/expenses	-	-	1,538	-	534	2,072	-	2,072
Other changes				3		3		3
Change in profit (loss) 2021				(21,029)	21,029	-		-
Balance at 31 December 2022	570	19,452	(3,756)	(875)	534	15,925	-	15,925

(*) Section 8 of the Notes to the Financial Statements

Milan, 23 March 2023

The Chairperson of the Board of Directors
Edoardo GARRONE

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The 24 ORE Group operates in a leadership position in the economic-financial information market, offering its services to the public, professional categories, businesses and financial institutions.

The composition of the Group and the scope of consolidation at 31 December 2022, with changes compared to 31 December 2021, is provided in paragraph 7, Scope of consolidation.

The companies included in the Group's scope of consolidation at 31 December 2022 are:

- **Il Sole 24 ORE S.p.A.**, the Parent Company, which acts both as a holding company, holding the controlling investments in the Group companies, and as an operating company, through the exercise of the core businesses (general, financial and professional information, news agency, etc.);
- **Il Sole 24 ORE UK Ltd.**, a wholly-owned subsidiary, which is responsible for the intermediation in the sale of advertising space in the United Kingdom and internationally;
- **24 ORE Cultura S.r.l.**, a wholly-owned subsidiary specialized in products dedicated to art and photography, and the organization of exhibitions and events;
- **Il Sole 24 ORE U.S.A. Inc.**, wholly-owned subsidiary operating in the sector of political-economic and financial information in the United States;
- **Il Sole 24 ORE Eventi S.r.l.**, wholly-owned subsidiary operating, both in Italy and abroad, in the sector of organization, management, promotion and sale of conferences, events, meetings and forums, which can also be attended remotely and aimed at professionals, companies, public and private entities;
- **Sole 24 ORE Formazione S.p.A.**, an associate with a 15% shareholding operating in the training sector. The company was incorporated on 12 October 2022 and subsequently 85% of the share capital was transferred to them on 9 November 2022 following the conclusion of a partnership with the Multiversity Group. The company is consolidated using the equity method.

The registered and administrative office of the Parent Company is in Milan, Viale Sarca 223. Confindustria holds control of the Parent Company.

The share capital of the Parent Company amounts to Euro 570,124.76, represented by 65,345,797 shares. At 31 December 2022, the total shares are broken down as follows:

- 9,000,000 ordinary shares held by Confindustria, equal to 13.77% of the total number of shares;
- 56,345,797 special category shares listed on the MTA Standard Segment (Class 1) of Borsa Italiana S.p.A., equal to 86.23% of the total number of shares, of which 34,970,040 held by Confindustria, equal to 67.288% of the share capital, 21,045,555 held by other shareholders and 330,202 treasury shares.

The special category shares of Il Sole 24 ORE S.p.A. are currently listed on the MTA in the Standard Segment (Class 1) of Borsa Italiana S.p.A..

SHARE IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN Code	IT0005283111
Reuters Code	S24.MI
Bloomberg Code	S24: IM

On 23 July 2021, Il Sole 24 ORE S.p.A. signed the agreements functional to the issuance of an unsecured, non-convertible bond for a principal amount of Euro 45 million and a duration of 7 years, 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 bond is currently listed on the following multilateral trading facilities:

- Euro MTF of the Luxembourg Stock Exchange;
- ExtraMOT PRO of Borsa Italiana S.p.A..

BOND LOAN IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN Code	XS2355600110
Refinitiv LU Code	XS2355600110=LU
Refinitiv MI Code	XS235560011=MI

The 2022 annual financial report, including the Group's annual consolidated financial statements for the year ended 31 December 2022, the draft financial statements, the report on operations and the certification required by article 154-bis, paragraph 5 of Legislative Decree 58/1998 Consolidated Law on Finance (T.U.F.), in accordance with the provisions of article 154-ter, paragraph 1 of Legislative Decree 58/1998 (T.U.F.), was authorized for publication by the Board of Directors on 23 March 2023.

2. Form, content and international accounting standards

These consolidated financial statements at 31 December 2022 have been prepared on a going concern basis and in accordance with the recognition and measurement criteria established by the International Accounting Standards (IAS and International Financial Reporting Standards - IFRS), as integrated by the relevant interpretations (Standing Interpretations Committee - SIC and IFRS Interpretations Committee - IFRIC), approved and published by the International Accounting Standards Board - and endorsed by Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions.

Regulation (EC) no. 1126/2008 of the European Commission and subsequent amendments and additions adopts international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, implemented by Legislative Decree no. 38 of 28 February 2005 "Exercise of the options provided for by article 5 of Regulation (EC) no. 1606/2002 on international accounting standards" (Legislative Decree 38/2005).

The international accounting standards applied to the financial statements for the year ended 31 December 2022 and comparative figures for the year ended 31 December 2021 are those endorsed by the European Commission at the reporting date.

The currency used for presentation of these consolidated financial statements is the Euro and the amounts are expressed in thousands of Euro, except where expressly indicated.

3. Financial Statements

The Group has prepared a Statement of financial position that classifies current and non-current assets and current and non-current liabilities separately.

For each asset and liability item that includes both amounts due within twelve months of the reporting date and amounts due beyond twelve months, the amount expected to be recovered or settled beyond twelve months has been indicated.

All revenue and expense items recognized in the period, including financial expenses, share of profit or loss of associates and joint ventures accounted for using the equity method, tax expense, and a single amount relating to total discontinued operations, are presented in the Statement of Profit (Loss) for the year, which immediately precedes the Statement of Comprehensive Income.

The Statement of comprehensive income begins with the profit or loss for the year, presents the other comprehensive income section and the total other comprehensive income. The result of the Statement of comprehensive income is the total of the profit (loss) for the year and other comprehensive income.

The Statement of Profit (Loss) for the year presents the allocation of profit (loss) for the year attributable to shareholders of the parent entity and profit (loss) for the year attributable to minority interests.

The Statement of comprehensive income presents a breakdown of comprehensive income for the period attributable to the shareholders of the parent entity and comprehensive income attributable to minority interests.

Items that are recognized outside profit (loss) for the current year on specific provision of certain IAS/IFRS are presented in the Other Comprehensive Income section of the Statement of Comprehensive Income.

The other comprehensive income section presents the items relating to the amounts of other comprehensive income for the year, classified by nature (including the portion of other comprehensive income attributable to associates and joint ventures accounted for using the equity method) and grouped into those which, in accordance with the provisions of other IAS/IFRS:

- will not be reclassified subsequently to profit (loss) for the year;
- will subsequently be reclassified to profit (loss) when certain conditions are met.

Other comprehensive income components that may be reclassified to profit (loss) for the year are:

- gains and losses arising from the translation of the financial statements of a foreign operation;
- the effective portion of gains and losses on hedging instruments in a cash flow hedge;
- gains and losses on the restatement of assets available for sale.

Other comprehensive income components that cannot be reclassified to profit (loss) for the year are actuarial gains and losses from defined benefit plans.

Items in the Other Comprehensive Income section of the Statement of Comprehensive Income are presented gross of the related tax effects, with a single figure relating to the aggregate amount of tax relating to those items. The tax is allocated between items that could be subsequently reclassified to profit (loss) and those that will not be subsequently reclassified to profit (loss) for the year.

It should be noted that in these consolidated financial statements, unless otherwise specified, the term Income Statement refers to the Statement of Profit (Loss) for the year.

Information on cash flows is provided in the Statement of Cash Flows, which is an integral part of these consolidated financial statements.

The method used to present cash flows is the indirect method, whereby the result for the period is adjusted for effects of:

- changes in inventories, receivables and payables generated by operating activities;
- non-monetary transactions;
- all other items the monetary effects of which are cash flows from investing or financing activities.

The statement in which the net financial position is presented has been prepared in accordance with the guidelines on disclosure requirements under the Prospectus Regulation (ESMA 32-382-1138 dated 4 March 2021).

The statement of changes in equity shows:

- income and expenses recognized directly in equity and included in the Statement of Comprehensive Income for the year, with separate indication of the total amounts attributable to shareholders of the parent company and those attributable to minority investments;
- for each Equity item, any effects of retrospective application or retrospective restatement recognized in accordance with *IAS 8 Accounting Standards, Changes in Accounting Estimates and Errors*;

for each Equity item, a reconciliation between the book value at the beginning and end of the year, showing separately the changes resulting from:

- profit or loss;
- other components of comprehensive income;
- any transactions with shareholders, with separate indication of contributions from shareholders, distributions of equity to shareholders and changes in interests in subsidiaries without loss of control.

For each component of equity, the statement of changes in equity also presented an analysis of other comprehensive income by element.

The Group has also prepared a reconciliation between the consolidated equity and the profit (loss) for the year in the consolidated financial statements and the corresponding figures in the financial statements of the Parent Company.

At the end of the Statement of Financial Position, the Statement of Profit (Loss) for the year, the Statement of Comprehensive Income and the Statement of Cash Flows, reference is made to a specific paragraph where, in a table, the sub-items relating to the amounts of positions or transactions with related parties are presented, indicating the effects on the Group's financial position, profit or loss for the year and cash flows.

The sub-items relating to any income components deriving from events or transactions the occurrence of which is not recurring are indicated separately in the cost or revenue items to which they refer, with an indication of the effects on the Group's financial position, income statement and cash flows, and are reported in the format drafted pursuant to Consob Resolution 15519 of 27 July 2006.

A specific table, which is an integral part of these consolidated financial statements, lists the Group companies, indicating their name, registered office, capital, shares held directly or indirectly, by the parent company and by each of the subsidiaries, the method of consolidation, as well as the list of investments accounted for using the equity method.

The Notes are presented in a systematic manner. In the Statement of Financial Position, the Statement of Profit (Loss) for the year, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity, reference is made to the detailed disclosures in the Notes to the Consolidated Financial Statements.

Comparative information from the prior year is provided for all amounts shown in these consolidated financial statements for the current year. Comparative information is also provided in the notes, if this is relevant to an understanding of the consolidated financial statements for the current year.

The presentation and classification of items in the consolidated financial statements are maintained from one year to the next except as noted in paragraph 6, Changes in accounting standards, errors and changes in estimates.

Where the presentation or classification of items in the consolidated financial statements has changed, the comparative amounts have been restated accordingly, indicating the nature, amount and reasons for the reclassification.

4. Principles of consolidation

The consolidated financial statements include the financial statements of Il Sole 24 ORE S.p.A. and its subsidiaries at 31 December 2022.

Control is obtained when the Group is exposed or entitled to variable returns, deriving from its relationship with the investee and, at the same time, has the ability to impact these returns by exercising its power over such entity.

Specifically, in accordance with IFRS 10, the Group controls an investee if, and only if, the Group has:

- power over the investee (or holds valid rights that give it the current ability to manage the relevant activities of the investee);
- exposure or rights to variable returns arising from the relation with the entity of the investment;
- ability to exercise its power on the entity of the investment to affect the amount of its returns.

Generally, there is a presumption that the majority of voting rights entails control. In support of this presumption and when the Group holds less than the majority of voting rights (or similar rights), the Group considers all the relevant facts and circumstances to determine whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights deriving from contractual agreements;
- voting rights and potential voting rights of the Group.

In preparing these consolidated financial statements, the Parent Company has fully consolidated its own financial statements and the financial statements of its subsidiaries as if they were the financial statements of a single economic entity.

The Parent Company's financial statements and those of its subsidiaries, used in the preparation of the consolidated financial statements, have all been prepared at 31 December 2022.

The financial statements of foreign subsidiaries expressed in currencies other than the presentation currency are translated into Euro using the following procedures:

- the assets and liabilities in each reported Statement of Financial Position (including comparative figures) shall be translated at the closing rate at the date of the statement of financial position;
- the income and expenses of each Statement of Comprehensive Income and each Statement of Profit (Loss) for the year presented (including comparative figures) shall be translated at the exchange rates at the dates of the transactions;
- all resulting exchange rate differences shall be recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

Exchange rate differences at the reporting date of the consolidated financial statements are recorded in a separate component of equity called the Hedging and Translation Reserve.

The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the Consolidated Financial Statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The book value of the investments held by the Parent Company and other Group companies in each subsidiary included in the scope of consolidation is derecognized against the related equity.

For a detailed discussion of the measurement criteria applied to goodwill, refer to Goodwill and Business Combinations in paragraph 5, Measurement Criteria.

The profit (loss) for the year and each of the other components of the Comprehensive Income Statement are attributed to the shareholders of the parent company and minority holdings, even if this implies that the minority holdings have a negative balance. When necessary, appropriate adjustments are made to the Financial Statements of the subsidiaries, in order to ensure compliance with the Group's accounting standards.

All assets and liabilities, equity, revenues, costs and intra-group financial flows relating to transactions between Group entities are derecognized completely during the consolidation phase. Unrealized gains and losses arising from transactions between consolidated Group companies, if any, are also derecognized. Dividends distributed by consolidated companies are also derecognized from the income statement and added to the profits of previous years, if and to the extent that they have been withdrawn from them.

Changes in the investment in a subsidiary that do not involve the loss of control are recognized in equity.

If the Group loses control of a subsidiary, it must derecognize the related assets (including goodwill), liabilities, minority interests and other components of equity, while any profit or loss is recognized in the Income Statement. Any retained portion of investment must be recognized at fair value.

5. Measurement criteria

The consolidated financial statements of the 24 ORE Group were prepared in accordance with international accounting standards and in application of the provisions of Legislative Decree 38/2005.

This section provides a summary of significant international accounting standards applied, indicating the basic recognition and measurement criteria adopted in the preparation of the consolidated financial statements and other international accounting standards used that are significant for understanding the consolidated financial statements.

Non-current assets

Property, plant and equipment

Tangible assets relate to property, plant and equipment held for use in production, for the supply of goods and services and for administrative purposes, which are expected to be used for more than one financial year. Only items that are likely to generate future economic benefits and the cost of which can be reliably determined are recognized as such. Spare parts that meet the definition of property, plant and equipment are also recognized as such.

Tangible assets are initially recognized at cost, which is the amount of cash or cash equivalents paid or the fair value of other consideration given at the time of purchase.

The cost includes the purchase or manufacturing price, ancillary expenses and any directly attributable costs to bring the asset to the location and condition necessary for operation.

After initial recognition, the cost method was adopted, under which tangible assets are recognized in the financial statements at cost less accumulated depreciation and impairment losses.

The cost of each item of property, plant and equipment, having a residual value of zero, is depreciated on a systematic basis over its useful life. Depreciation begins when the asset is available for use.

Land has an unlimited useful life and therefore is not depreciated.

Tangible assets not yet available for use are not depreciated.

Depreciation ends on the later of the date on which the tangible asset is classified as held for sale (see Non-current assets classified as held for sale) and the date on which the asset is derecognized.

Depreciation does not cease when the tangible asset remains unused.

A tangible asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal.

The period and method of depreciation of each item of tangible assets are reviewed at the end of each reporting year.

At each reporting date, it is verified whether there is an indicator that tangible assets may have been impaired. If there is any such indication, the recoverable amount of the tangible asset is estimated.

The impairment test is carried out by comparing the book value of the tangible asset with its recoverable amount.

The recoverable amount is the higher of the fair value of the tangible asset, less costs to sell, and its value in use.

Fair value is the price that would be received to sell the asset in a regular transaction between market participants at the measurement date.

The value in use is calculated by discounting to present value the expected cash flows to be derived from the tangible asset subject to impairment test.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the asset is estimated.

The reversal of an impairment loss on a tangible asset that was impaired in previous years is made only if there is a change in the valuations used to determine the recoverable amount of the asset. In this case, the book value is increased to the recoverable amount. This recoverable amount may not exceed the net book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses of tangible assets are recognized in the income statement.

Rights of use are not shown separately in the statement of financial position, but in the same line item in which the corresponding underlying assets would be shown if they were owned; therefore, they are included in the item Property, plant and equipment. In particular, rights of use were recognized relating to the rental of hardware and cars, the lease of space and areas for the positioning of radio broadcasting equipment owned by the Group.

The Group assesses when entering into a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract, it is necessary to verify the existence or otherwise of a lease through the following steps:

- identification of the asset;
- verification of the economic benefits from the use of the asset;
- control - use of the asset.

The Group will also make use of the exceptions proposed by the standard on lease agreements for which the terms of the lease agreement expire within 12 months from the date of initial application and on lease agreements for which the underlying asset has a value less than as required by the new standard (USD 5 thousand).

The Group recognizes right-of-use assets on the start date of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the start of the lease, net of any incentives received. Following initial recognition, the right of use is depreciated over the duration of the contract or, if shorter, over the useful life of the asset.

The cost of the right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset under the terms and conditions of the lease, unless such costs are incurred in producing inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a given period. The Group's leases do not contain an obligation to dismantle, remove the underlying asset or an obligation to restore the site where the asset is located or restore it to a specified condition.

Right-of-use assets are subject to impairment testing.

Government contributions

Government contributions, including non-monetary contributions at fair value, are not recognized until there is reasonable assurance that the conditions for obtaining them will be met and that they will actually be received.

Government contributions obtained in relation to tangible assets are recognized as deferred revenues (deferred income) and recorded in the income statement under other operating income on a systematic and rational basis that allocates them appropriately over the useful life of the asset.

Government contributions to compensate for costs or losses already incurred or collectible to provide immediate financial support, without related future costs, are recognized in the income statement as income in the period in which they become receivable.

The benefits from a government loan with a below-market interest rate have been recognized as government contributions, in accordance with the principles specified above. These benefits were determined by measuring the difference between the initial book value of the loan, calculated using the amortized cost method, and the consideration received.

Business Combinations and Goodwill

Business combinations

All business combinations, included in the scope of application of IFRS 3 Business Combinations, are accounted for by applying the acquisition method.

The excess of the fair value of the consideration transferred, including the fair value of any contingent consideration and the proportionate share of any minority interest in the acquiree to which the existing equity instruments entitle, over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed, is recognized as goodwill.

Costs incurred to effect the business combination are recognized as expenses in the periods in which they are incurred, except for costs related to the issuance of debt securities, which are recognized as an increase in the fair value of those debt securities, and costs related to the issuance of equity securities, which are recognized as a decrease in equity.

The contingent consideration, if any, is an obligation for the acquirer to transfer additional assets or interests to the former owners of the acquiree as part of the business combination agreement if specified future events occur or specified conditions are met. If the contingent consideration is classified as equity, it shall not be recalculated and its subsequent settlement shall be accounted for in equity. If, on the other hand, it is classified as a liability, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss for the year.

For business combinations with an acquisition date up to 31 December 2009, the excess of the cost of the business combination over the interest acquired in the net fair value of identifiable and recognizable assets, liabilities and contingent liabilities is recognized as goodwill.

Costs incurred for the business combination are included in the cost of the business combination itself, except for costs related to the issuance of debt securities, which are recognized as an increase in the fair value of those debt securities, and costs related to the issuance of equity securities, which are recognized as a decrease in equity.

Contingent consideration arising from business combinations with an acquisition date up to 31 December 2009 has not been subsequently adjusted. For such combinations, any expected adjustments to the cost of the combination contingent on future events were included in the cost of the combination at the acquisition date only if the adjustments were probable and could be measured reliably.

Goodwill

Goodwill recognized in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the individual cash-generating units or groups of units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill is allocated represent the lowest level within the company at which goodwill is monitored on a management basis, and is never greater than an operating segment, as identified in paragraph 12 Segment Reporting, prior to aggregation.

The cash-generating units to which goodwill has been allocated are tested annually for impairment and, if there is an indication of impairment, their book value is compared with their recoverable amount.

If specific events or changed circumstances indicate that goodwill may be impaired, tests are performed more frequently. If goodwill is initially recognized in the current year, the impairment test is performed before the end of the current year.

The recoverable amount is the greater of fair value less costs to sell and value in use, calculated by discounting to present value the expected cash flows to be generated by the cash-generating unit subject to impairment testing.

If the recoverable amount of the cash-generating unit is less than its book value, an impairment loss is recognized.

An impairment loss recognized for goodwill cannot be reversed in subsequent years.

If the amount relating to the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date exceeds the amount of the consideration transferred, as defined under *Business Combinations*, the gain resulting from the purchase at advantageous prices is recognized in the Statement of Profit (Loss) for the year at the acquisition date. This profit is attributed to the parent company.

Temporary differences arising from the difference between the net fair value of the identifiable assets acquired and the identifiable liabilities assumed at the date of acquisition and their value recognized for tax purposes give rise to the recognition of the relevant deferred tax assets and/or liabilities, if the conditions are met.

Intangible assets

Recognized intangible assets are non-monetary assets without physical substance:

- identifiable, i.e. separable or arising from contractual or other legal rights;
- controlled as a result of past events;
- from which future economic benefits are expected for the company;
- the cost of which can be reliably measured.

The initial measurement criterion is cost.

The cost includes the purchase price and any direct costs to prepare the activity for use.

For internally generated intangible assets, the formation process distinguishes between the research and development phases. No intangible assets arising from the research phase are recognized. Intangible assets arising from the development phase are recognized if they meet the criteria for recognition as specified above.

Internally generated trademarks, newspapers and publishing rights are not recognized under intangible assets.

The cost of internally generated intangible assets is represented by the sum of expenses incurred since the date on which the intangible asset first meets the criteria for recognition.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in accordance with management's intentions. The directly attributable costs attributed to internally generated intangible assets are essentially the costs of materials and services used or consumed in generating the intangible asset and the personnel costs arising from the generation of the intangible asset.

After initial recognition, the cost method is adopted.

Intangible assets with finite useful life are recognized at cost less accumulated amortization and impairment losses.

The cost of intangible assets with finite useful life, assuming their residual value to be zero, is amortized on a systematic basis over their useful life. Amortization begins when the asset is available for use.

Intangible assets with finite useful life that are not yet available for use are not amortized.

The period and method of amortization of intangible assets with finite useful life are reviewed at the end of each reporting year.

Amortization ends on the later of the date on which the intangible asset is classified as held for sale (see Non-current assets classified as held for sale) and the date on which the asset is derecognized.

An intangible asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal.

Intangible assets with indefinite useful life are not amortized.

An intangible asset has an indefinite useful life when, based on certain determinants, there is no foreseeable limit to the year until which the asset is expected to generate net cash inflows.

Relevant factors that played a significant role in determining the indefinite useful life included:

- the expected use of the asset;
- the typical product life cycles of the asset, also referring to public domain information on estimated useful lives of similarly used asset types;
- technical, technological or any other kind of obsolescence;
- the stability of the economic sector in which the asset operates and changes in demand for the products or services generated by the asset;
- the actions allegedly carried out by competitors;
- the level of maintenance costs necessary to obtain the expected future economic benefits of the asset;
- the period of control over the activity and the legal limits on its use;
- the dependence of the useful life of the asset on the useful life of other assets.

The useful lives of unamortized intangible assets are reviewed at each financial year-end to ascertain whether the above determinants continue to support an indefinite useful life determination.

At each reporting date, it is verified whether there is an indicator that intangible assets may have been impaired.

For intangible assets with indefinite useful life and for those not yet available for use, regardless of whether there are any indications of impairment, there is an annual impairment test.

The impairment test is carried out by comparing the book value of the intangible asset with its recoverable amount.

The recoverable amount is determined with reference to the higher of fair value less costs to sell and value in use, calculated by discounting to present value the expected cash flows to be generated by the intangible asset subject to impairment testing.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. This recoverable amount is then compared with the book value of the same.

If the recoverable amount of an individual intangible asset or cash-generating unit is lower than its book value, an impairment loss is recognized.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the asset is estimated.

The reversal of an impairment loss on an intangible asset that was impaired in previous years is made only if there is a change in the valuations used to determine the recoverable amount of the asset. In this case, the

book value is increased to the recoverable amount. This recoverable amount may not exceed the book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses of intangible assets are recognized in the income statement.

Investments in associates and joint ventures

Associates are those over which a significant influence is exercised, although without having control.

A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control is the sharing, on a contractual basis, of control of an arrangement, whereby decisions about significant activities require the unanimous consent of all parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method, with the exception of those classified as held for sale, for which reference is made to Non-current assets classified as held for sale.

With the equity method, the investment is initially recognized at cost. Subsequently, the book value is increased or decreased to recognize the investor's share of the investee's profits or losses realized after the acquisition date. The investor's share of the investee company's results for the year is recognized in the investee company's income statement, together with any effects of amortization/depreciation and/or impairment allocated at the time of acquisition and included in the cost value of the investment.

Dividends received from the investee reduce the book value of the investment.

The investor's share of the profits and losses of the associate arising from transactions between the two companies is derecognized.

If the share of losses exceeds the book value of the investment, the investor recognizes the additional losses in a provision as a liability only to the extent that it has incurred legal or constructive obligations on behalf of the associate or joint venture.

Subsequent to the application of the equity method, it is determined at each reporting date whether there is any objective evidence that each related investment is impaired.

If there is an indication of possible impairment, the entire value of the investment is subjected to an impairment test, by comparing its recoverable amount with its book value. The recoverable amount, i.e. the higher of value in use and fair value less costs to sell, is determined for each investment in an associate.

Fair value is the price that would be received to sell the investment in a regular transaction between market participants at the measurement date.

Value in use is calculated by estimating the investor's share of the discounted cash flows expected to be generated by the associate or joint venture, including cash flows from its operating activities and the consideration from the ultimate disposal of the investment.

If the recoverable amount of the associate or joint venture is less than its book value, an impairment loss is recognized.

Impairment losses are recognized immediately in the income statement.

For impairment losses already recognized, at each reporting date, it is verified whether there is an indication that such losses no longer exist or should be reduced. If there is such an indication, the recoverable amount of the investment is estimated.

A reversal of an impairment loss on an investment in an associate or joint venture that was impaired in prior years is made only if there is a change in the valuations used to determine the recoverable amount of the

investment. In this case, the book value is increased to the recoverable amount. This recoverable amount may not exceed the book value that would have been determined had no impairment loss been recognized in prior years.

Reversals of impairment losses on investments in associates are recognized in the income statement.

Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e. amortized cost, fair value through OCI and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied a practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied a practical expedient are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (solely payments of principal and interest - SPPI). This measurement is referred to as the SPPI test and is performed at the instrument level.

The Group's business model for the management of financial assets refers to the way in which it manages its financial assets in order to generate financial flows. The business model determines whether the cash flows will arise from the collection of contractual cash flows, the sale of financial assets or both.

The purchase or sale of a financial asset that requires delivery within a period of time generally established by regulations or market conventions (standardized sale or regular way trade) is recognized on the trade date, i.e. the date on which the Group undertakes to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

1. Financial assets at amortized cost (debt instruments)

This category is the most significant for the Group. The Group measures financial assets at amortized cost if both of the following requirements are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

Financial assets at amortized cost are subsequently measured using the effective interest criterion and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or revalued.

The Group's financial assets at amortized cost include trade receivables, other non-current assets and security deposits.

2. Financial assets at fair value through OCI (Debt instruments)

The Group measures assets from debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest determined on the amount of principal to be repaid.

For assets from debt instruments at fair value through OCI, interest income, changes in exchange rates and impairment losses, together with reversals, are recognized in the income statement and are calculated in the same way as for financial assets at amortized cost. The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in fair value recognized in OCI is reclassified to the income statement.

At 31 December 2022, the Group did not hold any instruments classified in this category.

3. Investments in equity instruments

On initial recognition, the Group may irrevocably choose to classify its equity investments as equity instruments recognized at fair value through profit or loss when they meet the definition of equity instruments pursuant to IAS 32 "Financial instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument.

Gains and losses on these financial assets are never reclassified to the income statement. Dividends are recognized as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such profits are recognized in OCI. Equity instruments recognized at fair value through OCI are not subject to impairment testing.

At 31 December 2022, the Group did not hold any instruments classified in this category.

4. Financial assets at fair value through profit or loss

This category includes assets held for trading, assets designated at the time of initial recognition as financial assets at fair value with changes recognized in the Income Statement, or financial assets that must be measured at fair value. Assets held for trading are all those assets acquired for sale or repurchase in the short term. Derivatives, including those separated, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not represented solely by principal and interest payments are classified and measured at fair value in the Income Statement, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be recognized at fair value in the Income Statement upon initial recognition if this results in the derecognition or significant reduction of an accounting mismatch.

Financial instruments at fair value with changes recognized in the income statement are recognized in the statement of financial position at fair value and net changes in fair value are recognized in profit or loss.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably chosen to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit/(loss) for the year when the right to payment is established.

Non-current financial assets

This category includes investments in other companies over which neither control nor significant influence is exercised.

These investments are initially measured at fair value at the trade date (identifiable with the acquisition cost) net of transaction costs that are directly attributable to the acquisition.

After initial recognition, minority investments are recognized at fair value through profit/(loss) for the year (FVTPL). Therefore, they are measured at fair value, approximated by the value of the Group's share of the investee's equity. The effects of subsequent measurements at fair value are recognized in the income statement.

Dividends from investments in other companies are recognized in *Other income (expenses) from investment assets and liabilities* when the shareholders' right to receive payment is established.

Other non-current assets

The following are classified in this category:

- security deposits;
- tax credits awaiting refund;
- receivables with a maturity of more than 12 months.

The initial measurement of tax credits awaiting refund and security deposits is carried out at fair value on the date of trading, net of directly attributable transaction costs.

After initial recognition, both tax credits awaiting refund and security deposits are measured at amortized cost, using the effective interest method, calculated as indicated in the item *Other non-current financial assets*.

It is determined at each reporting date whether there is any objective evidence that each of the other non-current assets is impaired.

If there is objective evidence of an impairment loss, the amount of the loss is determined.

The amount of the impairment loss is measured as the difference between the book value and the present value of estimated future cash flows discounted at the original effective interest rate of the non-current asset in question.

The amount of the loss is recognized in the income statement.

If, in a subsequent year, the amount of the impairment loss decreases and this decrease is related to an event occurring after the impairment was recognized, the impairment loss is reversed and the related reversal is recognized in the income statement.

Deferred tax assets

Deferred tax assets, or deferred tax liabilities, are portions of income taxes recoverable in future periods relating to:

- deductible temporary differences;
- carry-forward of unused tax losses;
- carry-forward of unused tax credits.

Deductible temporary differences are differences between the book value of an asset or liability recognized in the statement of financial position and its tax base which, in determining taxable profit for future years, will result in deductible amounts when the book value of the asset or liability is realized or settled.

Deferred tax assets are recognized for all deductible temporary differences, tax losses and unused tax credits carried forward, if it is probable that in future years, taxable income will be generated against which such deductible temporary differences can be used.

Deferred tax assets are measured at the tax rates that are expected to apply in the year in which the tax asset is expected to be realized, with reference to the measures in force at the reporting date.

Deferred tax assets are not discounted.

Taxes for deferred tax assets are recognized in the Income Statement, unless the tax arises from a transaction or event recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income or directly in equity, or from a business combination.

Deferred tax assets relating to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Taxes for deferred tax assets relating to items credited or debited directly to equity are also credited or debited directly to equity.

In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used elsewhere in the financial statements and other reports on operations, which, among other things, reflect the potential impact of climate-related developments on the business, such as increased production costs as a result of measures to reduce carbon emissions.

Current assets

Inventories

They include goods for sale, such as goods purchased for resale and company products, and goods produced in the ordinary course of business, such as semi-finished or finished products, raw and consumable materials.

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories includes all acquisition costs, the transformation costs and other costs incurred to take inventories to their current location and state.

The purchase cost is determined on the basis of the price actually incurred, including directly attributable ancillary expenses such as transport and customs duties, net of any trade discounts.

For products already obtained or in the process of being obtained from the manufacturing process, the cost adopted is the manufacturing cost. In determining the manufacturing cost, account is taken of the purchase cost, as stated above, plus production or processing costs, i.e. direct and indirect costs, for the portion reasonably attributable to the product relating to the manufacturing period.

Raw materials and ancillary or consumable materials are measured using the weighted average cost method for the period, which takes into account the value of opening inventories.

If it is no longer possible to measure at cost, determined using the above criteria, due to lower sale prices, deteriorated, obsolete or slow-moving assets, the net realizable value inferred from market trends is used for goods, finished products, semi-finished products and work in progress, and replacement cost for raw, consumable and ancillary materials and semi-finished products.

Net realizable value represents the sale price in the normal course of business, less the costs of completion and direct selling expenses that can reasonably be expected.

Replacement cost represents the cost at which, under normal operating conditions, a particular inventory item can be repurchased or reproduced.

Raw materials are adjusted directly to replacement cost, while finished goods are adjusted to net realizable value through a specific provision for inventory write-downs, which is deducted directly from the nominal value recognized under assets.

Trade receivables

Trade receivables include receivables from customers and advances to suppliers.

Trade receivables are initially measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

After initial recognition, trade receivables are shown at their estimated realizable value. The adjustment of the initial value to the presumed realizable value is obtained by means of a specific bad debt provision, directly deducted from trade receivables.

The adjustment to the estimated realizable value is obtained by adjusting the nominal value of the receivables, taking into account losses due to uncollectability, returns and invoicing adjustments, discounts and allowances not accrued and other causes of reduced realization. Invoicing adjustments also include estimated provisions for books and newspaper copies that will be returned in future years.

If receivables are disposed of definitively (without recourse), they are removed from the financial statements and the gain (or loss) is recognized for the difference between the value received and the value at which they were recognized in the financial statements.

Advances to suppliers refer to advance payments for tangible assets that have not yet been accessed and for services not yet received. The right of access to tangible assets arises when becoming the owner or when the supplier makes them available according to the agreed terms. Services shall be deemed to have been received when they have been performed by the supplier in accordance with a service contract.

Other receivables

Other receivables include the following types:

- Italian and EU VAT credits for which reimbursement has been requested, as well as tax credits for publishing and advance tax payments on employee severance indemnity (TFR);
- prepayments and advances to personnel;
- receivables from others, arising from other transactions that do not generate revenues. This group also includes advances to suppliers for the purchase of tangible and intangible assets.

Other receivables are measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

Current tax assets are also shown in this category if the amount already paid for the current and prior years exceeds the amount due.

Other current assets

Other current assets include accrued income and prepaid expenses.

Accrued income and prepaid expenses relate to portions of income or costs common to two or more years. These measure income and expenses that are recognized in advance or in arrears with respect to the monetary event that gave rise to their recognition. A prerequisite for their recognition is that the amount of such portions of costs or income common to several periods varies over time.

Cash and cash equivalents

They include bank and postal deposits, and cash and cash equivalents.

Bank and postal deposits, cash and cash equivalents in national currency are measured at their nominal value.

The accounts opened for cash and cash equivalents include all changes in figures before the reporting date. Interest and ancillary expenses accrued and due at the reporting date are included even if received after that date.

Remittances of cash received after the end of the year are not taken into account, even if their value date is before that date.

Remittances of cash paid out or arranged after the reporting date are not taken into account.

Non-current assets classified as held for sale and discontinued operations

All non-current assets and disposal groups classified as held for sale are classified separately from other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

The book value of non-current assets and disposal groups classified as held for sale will be recovered primarily through a sale transaction rather than through continuing use.

The book value is considered to be recovered primarily through a sale transaction when management has committed to a programme to dispose of the asset.

Non-current assets classified as held for sale are measured at the lower of book value and fair value less costs to sell. These assets are not depreciated.

Non-current assets classified as held for sale that represent an autonomous branch or geographical area of activity or that are investments in subsidiaries acquired exclusively for the purpose of being sold are defined as discontinued operations.

A section identified as relating to discontinued operations is presented in the Statement of Profit (Loss) for the year. Gains or losses from discontinued operations and gains and losses, recognized as a result of measuring discontinued operations at fair value, net of costs to sell, are presented as a single, separate amount in that section of the Statement of Profit (Loss) for the year.

All gains and losses arising from non-current assets classified as held for sale, other than discontinued operations, are included in profit or loss from continuing operations.

Equity

This represents the difference between all asset and liability items, determined in accordance with the recognition and measurement criteria applied.

Equity is divided between the portion attributable to shareholders of the parent company and the portion attributable to minority shareholders.

Equity includes the items listed below.

Capital, i.e., the nominal value of the contributions provided by shareholders upon the Company's incorporation or during subsequent capital increases and the value of reserves allocated to share capital over time, net of the nominal value of receivables from shareholders for subscribed and uncalled capital and for called-up and unpaid capital.

Capital Reserves, which include:

- *capital contributions*, i.e., capital reserves that receive the value of new contributions by shareholders;
- the *share premium reserve*, i.e. the excess of the issue price of the shares over their nominal value;
- *costs relating to capital transactions*, i.e. all costs relating to the acquisition or issue of new shares, including costs arising from listing procedures on regulated markets, incurred by the Parent Company during the current year.

Hedging and Translation Reserves, which include:

- the Translation reserve, which holds the exchange rate differences that arise from the translation into the presentation currency of the financial statements of foreign subsidiaries included in the consolidated financial statements that prepare their financial statements in a currency other than the Euro;
- the Cash flow hedge reserve, relating to the portion of the gain or loss on cash flow hedging instruments that is determined to be an effective hedge.

The Hedging reserve, set up following changes in the fair value of cash flow hedging instruments, is unavailable pursuant to article 6, paragraphs 1 and 4 of Legislative Decree 38/2005.

Other Reserves, which include:

- the Legal reserve, i.e., the reserve required by article 2430 of the Italian Civil Code, which states that at least one-twentieth of annual net profits must be set aside until reaching one-fifth of the share capital. Up to this limit, the Reserve is unavailable;
- the Merger surplus reserve. This is an adjustment to equity due to the incorporation of companies in previous years;
- Employee severance indemnity (TFR) reserve - IAS adjustment refers to the recognition of actuarial gains and losses relating to employee severance indemnities in the Other Comprehensive Income section of the statement of comprehensive income. This item represents the changes that the present value of the obligation undergoes as a result of an actual evolution of the programme, different from as foreseen in the actuarial valuations carried out;
- the IAS opening reserve, consisting of adjustments deriving from the transition to IAS/IFRS, relating to the value of treasury shares. This Reserve is offset by an equal amount in the *Unavailable reserve for the purchase of treasury shares*. Other adjustments relating to the transition to IAS/IFRS have been reclassified under *Profits carried forward*;
- the Statutory reserve and Other optional reserves include any reserves provided for in the Articles of Association or approved by the Ordinary Shareholders' Meeting;
- the Unavailable reserve consisting of the profits for the year recognized in the income statement to the extent of the gains, net of the related tax expense, resulting from the application of the equity method, pursuant to article 6, paragraphs 1 and 2, of Legislative Decree 38/2005.

Profits (Losses) carried forward, i.e., income from prior years that has not been distributed or allocated to other reserves and losses from prior years that have not been otherwise offset. All amounts relating to the transition to IAS/IFRS have also been reclassified under this item, with the exception of amounts relating to treasury shares.

The Profit (Loss) for the year as shown in the corresponding item in the Statement of Profit (Loss) for the year.

Equity is presented showing separately the portion attributable to the shareholders of the parent company, divided into the items indicated above, and the portion attributable to minority investments, divided between:

- the portion attributable to minority investments of the value of the profit or loss for the year of consolidated subsidiaries, separately identified;
- the portion of capital and reserves attributable to minority investments in consolidated subsidiaries, consisting of the value of minority interests at the date of acquisition of the investment and the portion attributable to minority interests of changes in equity since the date of acquisition.

Non-current liabilities

Financial liabilities

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as mortgages and loans, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognized at fair value plus, in the case of mortgages, loans, bonds and payables, the directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bonds and loans, including current account overdrafts.

Non-current financial liabilities

This category essentially includes payables to banks for medium/long-term loans, bonds and liabilities deriving from lease agreements at the present value of future fees, in application of IFRS 16. In particular, lease agreements relating to Group offices, capital goods (rental of hardware and cars) and lease of space and areas held for the positioning of radio broadcasting equipment owned by the Group.

The liability is gradually repaid with the payment of the lease fees and interest will be recognized on the same. In determining the liability, only the fixed component of the lease payments under the contract and any inflation-linked component are taken into account, but not any variable components. Future payments, thus determined, will be discounted using the contractual rate or the interest rate of the lessee's marginal loan, over the period that the contract is deemed non-cancellable.

Non-current financial liabilities are initially measured at fair value at the trade date, net of transaction costs that are directly attributable to the acquisition.

After initial recognition, non-current financial liabilities are measured at amortized cost, using the effective interest method.

Employee benefits

This item of the financial statements includes the liability for employee severance indemnities of all contractual categories of employees accrued at the reporting date, taking into account what is specified below.

Following the changes made to the rules for employee severance indemnities by the Supplementary Pension Scheme Reform introduced by Legislative Decree no. 252 of 5 December 2005 - Regulations for supplementary pension schemes, and subsequent amendments and additions, the Group has adopted the following accounting treatment:

- the employee severance indemnity (TFR) accrued at 31 December 2006 is considered a defined benefit plan, consistently with the recognition and classification made in previous years. Guaranteed employee benefits, in the form of employee severance indemnity, paid out on termination of employment, are recognized in the period in which the right accrues;
- the relative net defined benefit liability is determined by reliably estimating, through the use of the actuarial technique of the projected unit credit method, the final cost for the amount of benefits accrued by employees in exchange for their service in the current and previous years;
- the application of the actuarial technique of the projected unit credit method, entrusted to professional actuaries, allows the determination of the present value of the defined benefit obligation and of the cost relating to employment services, considering demographic variables, such as employee turnover and mortality, and financial variables, such as medical care costs and the discount rate. In particular, the discount rate used to discount the defined benefit obligations, calculated with reference to market yields at the end of the reporting period, determines the net interest on the net defined benefit liability. In view of the provisions introduced by the Supplementary pensions reform, the variable linked to expected future salary increases has been excluded from the discounting calculation as from 1 January 2007;
- current service cost, past service cost, gains and losses determined on settlement and net interest on the net defined benefit liability are recognized in profit or loss for the year;
- actuarial gains and losses are recognized in the Employee severance indemnity reserve - IAS adjustment classified in *Other reserves*, as indicated in the equity items, and recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

For the Employee severance indemnity accruing from 1 January 2007, reference is made to the item Other Payables.

Deferred tax liabilities

Deferred tax liabilities are portions of income taxes due in future years relating to taxable temporary differences.

Taxable temporary differences are differences between the book value of an asset or liability recognized in the statement of financial position and its tax base which, in determining taxable profit for future periods, will result in taxable amounts when the book value of the asset or liability is realized or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except where this liability arises:

- from the initial recognition of goodwill; or
- from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor tax profit, at the date of the transaction.

Deferred tax liabilities are also recognized for taxable temporary differences arising from investments in associates, except where the Parent Company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the tax liability is expected to be settled, based on tax rates established by regulations in force at the reporting date.

Deferred tax liabilities are not discounted.

Taxes for deferred tax liabilities are recognized in the Income Statement, unless the tax arises from a transaction or event recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income or directly in equity, or from a business combination.

Deferred tax liabilities relating to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Taxes for deferred tax liabilities relating to items credited or debited directly to equity are also credited or debited directly to equity.

Deferred tax liabilities are offset against deferred tax assets only if the two items refer to the same tax.

Provisions for risks and charges

This category includes provisions for risks and charges.

These provisions are made to cover liabilities with uncertain maturity or amount, originating from legal or implicit obligations, existing at the reporting date as a result of a past event.

Such obligations, whether arising from contractual, regulatory or legal provisions, established patterns of business practice or public assumptions of responsibility, mean that the company has no realistic alternative to settlement.

Obligations arising from a past event the settlement of which is likely to require the use of economic and financial resources and the amount of which can be reliably estimated are recognized.

Provisions are measured at the value representing the best estimate of the amount required to settle the obligation or to transfer it to third parties at the reporting date.

Where the effect of discounting money is a material issue as a result of the timing of settlement of the obligation, the amount of the provision is equal to the present value of the expenditure expected to be required to settle the obligation.

The financial component of discounted provisions is recognized in the income statement under financial expenses.

The current portions of provisions for risks and charges are reclassified under the item *Short-term portion of provisions for risks and charges*.

Contingent liabilities

Contingent liabilities are obligations that arise from past events and the existence of which will be confirmed by future events that are not wholly within the Group's control, or obligations for the settlement of which it is not probable that economic or financial resources will be required, or the amount of which cannot be estimated with sufficient reliability.

Contingent liabilities are not recognized, but are described in detail in the notes to the financial statements.

Other non-current liabilities

This category includes security deposits payable and payables due beyond twelve months after the reporting date.

The initial measurement of security deposits and payables due beyond twelve months is carried out at fair value on the trade date, net of directly attributable transaction costs.

After initial recognition, other non-current liabilities are measured at amortized cost, using the effective interest method.

Current liabilities

Bank overdrafts and loans

Bank current accounts with a debit balance are classified here, as are the current portions of payables to banks for medium/long-term loans, the expected settlement date of which is within twelve months of the reporting date.

Other current financial liabilities

This category includes:

- short-term financial payables;
- short-term payables in application of IFRS 16;
- accrued liabilities for financial expenses.

Short-term payables are measured at fair value on the trade date, i.e. at the value of the consideration due, net of directly attributable transaction costs.

Accrued liabilities for financial expenses are recognized by applying the method illustrated for other accruals under the item *Other current liabilities*.

This item also includes hedging instruments for which designated hedging has been established with the hedged item.

Hedging instruments are designated derivatives the cash flows of which are expected to offset changes in the cash flows of a designated hedged item. The designated hedges established are cash flow hedges, i.e. hedges against exposure to cash flow variability that is attributable to a particular risk associated with a recognized asset or liability and that could impact the income statement. A designated hedge qualifies as such when there is formal documentation to support the risk management and strategy in undertaking the hedge and when the effectiveness of the hedge, which is reliably assessed, is highly effective.

Derivatives designated as hedging instruments are initially measured at fair value on the date of initial recognition, i.e. at the transaction price of the consideration given or received.

After initial recognition, hedge accounting entails the symmetrical and opposite recognition of the effects on the income statement deriving from changes in the fair value of the hedging instrument and the hedged item.

In designated cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity and disclosed in the Other Comprehensive Income section of the Statement of Comprehensive Income. The ineffective portion of the gain or loss on the hedging instrument is recognized in the Statement of Profit (Loss) for the year.

Trade payables

The category of trade payables includes payables to suppliers, liabilities to be paid for goods and services received and invoiced, advances received from customers for goods or services not yet delivered and deferred income relating to revenues from products sold under subscription.

Trade payables and customer advances are recognized at fair value at the trade date, i.e. at the value of the consideration formally agreed with the counterparty, net of trade discounts and adjusted for returns or other changes in invoicing.

Deferred income relating to revenues from products sold under subscription are recognized by applying the method illustrated for other deferred income in the item *Other current liabilities*.

When payment of trade payables is deferred and the transaction in fact is a financial transaction, after initial recognition, measurement is carried out at amortized cost, using the effective interest method.

Other current liabilities

Other current liabilities include accrued liabilities, other than those relating to financial expenses, classified under *Other current financial liabilities*, and deferred income, other than those relating to revenues from products sold under subscription, classified under *Trade payables*.

As already explained for accrued income and prepaid expenses, accrued liabilities and deferred income relate to portions of expenses or income common to two or more years.

This category also includes current and prior year direct taxes, to the extent that they have not already been paid.

The amount shown in the financial statements is net of advances for taxes already paid, withholding taxes and tax credits, unless a refund has been requested.

Current direct taxes are measured at the amount expected to be paid to the tax authorities, applying tax rates and tax regulations that have been enacted or substantively enacted at the reporting date.

Current taxes are recognized as an expense in the Income Statement, except for taxes that arise from transactions or events recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income, or that are credited or charged directly to equity.

Current tax liabilities that relate to items recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income are also recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income. Current tax liabilities that refer to items credited or debited directly to equity are also credited or debited directly to equity.

Other payables

The category of other payables includes:

- payables to social security institutions, relating to social security and pension contributions;
- tax payables other than direct taxes classified under *Other current liabilities*, such as payables for taxes due on the basis of assessments or disputes that have been settled, for withholdings made as withholding agent and for taxes of any kind that have become payable. The amount shown in the financial statements is net of tax advances already paid, withholding taxes and tax credits, unless a refund has been requested;
- payables to employees for wages and salaries, expenses to be paid, accrued holidays and additional monthly payments;
- dividends payable to shareholders;
- other payables not classifiable under other items of Current liabilities.

Other payables are initially measured at fair value on the trade date, i.e. at the value of the consideration agreed with the counterparty, net of directly attributable transaction costs.

Other payables, precisely because of their nature and duration, do not have a pre-established discount rate. After initial recognition, these payables are measured at their original value, given the immateriality of the effect of discounting.

This item also includes benefits due to employees on termination of employment.

Termination benefits arise from the Group's decision to terminate the employment relationship or from an employee's decision to accept an offer of benefits from the Group in exchange for termination of employment. Termination benefits do not include employee benefits resulting from termination of employment at the employee's request, without an offer of benefits by the Group, or as a result of mandatory retirement requirements.

The liability and cost relating to termination benefits are recognized on the most immediate of the following dates:

- the moment in which the Group can no longer withdraw the offer of such benefits; and
- the moment in which the Group recognizes the costs of a restructuring that falls within the scope of *IAS 37 Provisions, contingent liabilities and contingent assets* and involves the payment of termination benefits.

When termination benefits are an enhancement to post-employment benefits, the provisions for post-employment benefits are applied for measurement, using the actuarial valuation method outlined in the item *Employee benefits*. Otherwise:

- if it is expected that the benefits due on termination of employment will be paid in full within twelve months of the end of the period in which these benefits are recognized, the non-discounted cost is recognized;
- if it is not expected that the benefits due on termination of employment will be fully settled within twelve months of the end of the year, the discounted cost is recognized with actuarial gains (losses) recognized in the Statement of Profit (Loss) for the year.

Starting with the financial statements for the year beginning 1 January 2007, this category also includes:

- payables to supplementary pension funds, relating to employee severance indemnities accrued but not yet paid;
- payables to the Treasury Fund set up at the INPS (National Social Security Institute), relating to employee severance indemnities accrued but not yet paid.

Pursuant to the social security reform mentioned above under *Employee benefits*, the portions of employee severance indemnities accrued from 1 January 2007 onwards have been, at the employee's discretion:

- allocated to supplementary pension schemes;
- retained in the company, which transferred the portions of the employee severance indemnity to the Treasury Fund set up at the INPS.

Both the portions of employee severance indemnities allocated from 1 January 2007 to supplementary pension schemes and those allocated from the same date to the Treasury Fund set up by the INPS are recognized as post-employment benefits and accounted for in the same way as defined contribution plans.

Contributions to be paid to a defined-contribution plan are recorded on an accruals basis as payables to supplementary pension funds and/or the Treasury Fund set up at the INPS, in relation to work performed by employees. In particular, the liability for the amounts to be paid to the Treasury Fund set up at the INPS does not include the revaluation expense, incurred by INPS.

Effects of changes in foreign currency exchange rates

At each reporting date, all monetary foreign currency items, i.e. all assets and liabilities that will be received or paid in a fixed or determinable number of currency units, are translated at the spot rate at the reporting date.

Exchange rate differences arising from the translation of monetary items at a rate different from that used at the time of initial recognition during the year or in previous financial statements are recognized in the income statement for the year in which they arise, except for exchange rate differences arising on a monetary item that forms part of an investment in a foreign associate.

Exchange rate differences arising on a monetary item that forms part of an investment in a foreign associate are, in fact, recognized in an Equity Reserve, until the investment is disposed of, and shown in the Other Comprehensive Income section of the Statement of Comprehensive Income. The total amount of exchange rate differences suspended in the appropriate Equity Reserve is recognized in the Statement of Profit (Loss) for the year when the gain or loss relating to the disposal is recognized.

At each reporting date, all non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All non-monetary items expressed in a foreign currency and measured at fair value are translated at the exchange rate at the date the fair value was determined.

When the book value of a non-monetary item denominated in a foreign currency is determined, in accordance with GAAP, by comparing two or more amounts, the exchange rate applied to the amounts used for comparison with the original book value is that at the time the comparison is made, which is the closing rate at the reporting date.

This implies that if the book value to be recognized is that of one of the compared amounts, any emerging exchange rate differences are recognized in the Income Statement, when the item to which they relate is recognized in the Income Statement, or in the Other Comprehensive Income section of the Statement of Comprehensive Income, when the item to which they relate is recognized in the Other Comprehensive Income section of the Statement of Comprehensive Income.

If a designated fair value hedge has been established between a hedging instrument and a hedged item in foreign currency, the treatment for hedging instruments indicated in the item *Other current financial assets* applies.

Revenues

The recognition of revenues in the income statement follows the following five steps:

- identification of the contract with the customer;
- identification of contractual obligations;
- determination of the transaction price;
- allocation of the transaction price to the individual contractual obligations;
- recognition of revenue upon fulfilment of contractual obligations.

Revenues from contracts with customers are recognized when control of the goods and services is transferred to the customer for an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

The Group has generally concluded that it acts as Principal for most of the agreements from which revenues arise, with the exception of the following services in which it acts as Agent, as it usually controls the goods and services before transferring them to the customer.

In particular:

- revenues from the sale of goods are considered to have been earned when the company transfers control of the goods to the purchaser, which conventionally coincides with the dispatch of both daily newspapers and magazines sold individually, as well as book publications sold on an outright basis. Revenue is measured according to the amount of consideration received or receivable, net of reasonably estimated returns, allowances, trade discounts and volume reductions;
- revenues from the sale of subscription newspapers and magazines are recognized over the term of the subscription. It is industry practice to continue to provide the service for a certain period of time following the expiry of the subscription until the customer renews the subscription (gracing period). Revenues relating to gracing subscriptions at the end of the year are recorded on the basis of a historical estimate of the renewal rate for such subscriptions;
- publishing revenues from the sale of newspapers, magazines and books at news-stands and book stores are recognized on the basis of the price paid by the final purchaser gross of all premiums paid, including the share paid to newsagents. Distribution activities are in fact carried out by companies outside the Group's perimeter, acting as agents, whose premiums are recognized in the costs for services;
- revenues from the sale of advertising space are recorded on the basis of the date of publication of the insert or advertising message. The recognition of such revenues on an accrual basis presents elements of complexity due to the need to monitor punctually the publication of press releases in the various media of the Group (newspapers, magazines, Internet, radio, events, etc.) or of third parties for which the Group operates as concessionaire. To this end, the Group uses IT systems that link advertising contracts entered into with customers with the actual publication of the relevant press releases;
- advertising revenues deriving from the sale of advertising space on the media of third-party publishers are reported differently depending on whether the Group operates as principal or agent. The principal versus agent valuation is carried out on a contract-by-contract basis, taking into account certain indicators such as: the party with primary responsibility for meeting performance obligations, business risk and discretion in setting the sale price. Where the Group operates as an agent, revenues are recorded in the financial statements net of advertising revenues due to third-party publishers. If the Group operates as a principal, revenues are recorded gross of advertising fees due to third-party publishers, which are in this case recorded under costs for services. Based on the valuations performed for the contracts currently in place, the Group always operates as an agent;
- revenues from the provision of services with a contractual duration, such as IT services and subscriptions to databases, are recognized over the duration of the contract as the customer simultaneously receives and consumes the benefits provided by the Group. In particular, database subscriptions often include free periods at the end of the contract period. In these cases, revenue is recognized over the actual duration of the service period, including the complimentary period;
- revenues from software sales are recognized over the life of the contract as the customer simultaneously receives and consumes the benefits provided by the Group. Despite the fact that the contracts in question are legally configured as sub-licences of third-party software and do not expose the Group to inventory risk, the Group has analysed the contracts included in the above stream from the customer's point of view and has decided to act as principal, having considered, in this specific case, that the customizations made, the exclusive right on the marketing of these products and the direct management by the Group of relations with customers (including the independent setting of the sale price), represent indicators of the Group's control over these goods and services before they are transferred to the customer.

Costs

Costs are recognized in the income statement when there is a decrease in future economic benefits resulting in a decrease in assets or an increase in liabilities that can be reliably measured.

Specifically, an expense is recognized immediately in the income statement when and to the extent that:

- an expense produces no future economic benefit;
- the future economic benefits do not qualify, or cease to qualify, for recognition as an asset in the Statement of Financial Position;
- a liability is incurred without the recognition of an asset.

When cost components are material, their nature and amount are disclosed separately.

Earnings per share

Basic earnings per share, shown in the Statement of Profit (Loss) for the year for each period presented, have been calculated by dividing the profit or loss attributable to holders of ordinary and special shares of the Parent Company by the weighted average number of shares outstanding during the year. Basic earnings per share from discontinued operations are also presented in the Statement of Profit (Loss) for the year.

Diluted earnings per share, also shown in the Statement of Profit (Loss) for the year for each period presented, have been calculated by adjusting, so as to take into account the effects of all potential dilutive actions, both the profit or loss attributable to holders of ordinary and special shares of the Parent Company and the weighted average number of ordinary and special shares outstanding during the year. Diluted earnings per share from discontinued operations are also presented in the Statement of Profit (Loss) for the year.

The dilutive effects of potential ordinary and special shares are those that produce a reduction in earnings or an increase in loss per share as a result:

- of the conversion into ordinary and special shares of convertible instruments;
- of the exercise of options or warrants on ordinary shares;
- of the issuance of new ordinary shares upon the satisfaction of certain conditions.

Guarantees

The book value of financial assets pledged as collateral for liabilities or contingent liabilities and the related terms and conditions of use are disclosed separately in the Notes to the Financial Statements. If financial assets pledged as collateral can, by contract or custom, be sold or repledged, their book value has been reclassified in the Statement of Financial Position, separately from other assets.

For guarantees received for which it is permitted to sell or repledge the collateral, as well as for collateral received and repledged, the fair value and the clauses and conditions associated with their use have been indicated separately.

Hedging transactions

For each type of hedge, the Notes to the Financial Statements have indicated separately:

- description of the transaction;
- description of the financial instruments designated as hedging instruments and their fair values at the reporting date;
- nature of the risks covered.

For cash flow hedges and fair value hedges, detailed information is also provided in the Notes to the Financial Statements.

Fair value

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants at the measurement date.

The price considered is the price quoted in the main market, or the most advantageous price, unadjusted for transaction costs, at current market conditions (exit price), regardless of whether that price is directly observable or estimated using another valuation technique.

In particular, when fair value is applied to a non-financial asset, it considers the ability of a market participant to generate economic benefits by employing the asset to its highest and best use, or by selling it to another market participant that would employ it to its highest and best use.

According to the fair value measurement approach, the following were determined:

- the particular asset or liability being measured, in a manner consistent with its basis of measurement (unit of account);
- in the case of a non-financial asset, the appropriate valuation assumption for the measurement, consistent with its highest and best use;
- the principal (or most advantageous, if there is no principal) market for the asset or liability;
- the appropriate valuation techniques for measuring fair value, considering the availability of data with which to process the inputs representing the assumptions that market participants would use to determine the price of the asset or liability.

Valuation techniques were used that were appropriate in the circumstances and for which sufficient data was available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In particular, the three main valuation techniques were used, namely:

- the market approach;
- the cost approach;
- the income approach.

IFRS 13 Fair Value Measurement establishes a fair value hierarchy that ranks the inputs to the valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted (unadjusted) prices in active markets for identical assets and liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are directly or indirectly observable inputs for the asset or liability.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy prioritizes the inputs to valuation techniques and not the valuation techniques used to measure fair value. In some cases, the data used to measure the fair value of an asset or liability could be classified in different levels of the fair value hierarchy. In such cases, the fair value measurement was classified entirely in the same level of the fair value hierarchy in which the lowest level of the hierarchy input used for the measurement is classified.

6. Changes in Accounting standards, errors and changes in estimates

The accounting standards adopted are amended from one year to the next only if the change is required by a new standard or if it contributes to providing more reliable and relevant information on the effects of transactions on the entity's financial position, economic result or cash flows.

Changes in accounting standards are accounted for:

- in accordance with the specific transitional provisions, if any, of that standard;
- retrospectively, if the standard does not contain transitional provisions, or if the standard is amended voluntarily, with the effect in opening equity for the earliest of the years presented. Other comparative amounts indicated for each prior year are also adjusted as if the new standard had been applied from inception.

The prospective approach is adopted only when it is impracticable to determine the period-specific effects or the cumulative effect of the amendment for all prior periods.

In the case of material errors, the same treatment applies as for amendments in accounting standards as outlined above. In the case of immaterial errors, they are accounted for in the statement of profit (loss) for the period in which the error is detected.

In periods when an accounting standard is applied retrospectively, is retrospectively restated, or is reclassified and the retrospective application, retrospective restatement, or reclassification has a material impact on the information reported in the statement of financial position at the beginning of the prior year, three statements of financial position are presented:

- at the end of the current year;
- at the end of the previous year;
- at the beginning of the previous year.

Changes in estimates are accounted for prospectively in the statement of profit (loss) for the year in which the change takes place if it impacts only the latter, or in the year in which the change takes place and in subsequent years, if the change also impacts the latter.

New accounting standards, interpretations and amendments adopted by the Group

As of 1 January 2022, no new standards apply with respect to financial statements at 31 December 2021. Other amendments to accounting standards on or after 1 January 2022, but which did not impact the Group's financial statements, are detailed below.

Amendments to IFRS 3 Business combinations

On 24 May 2020, the IASB published amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements, published in 1989, with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the requirements of the standard. The Board also added an exception to the valuation principles of IFRS 3 to avoid the risk of recognizing potential "day one" losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if agreed upon separately. At the same time, the Board decided to clarify that the existing guidance in IFRS 3 for contingent assets will not be impacted by the updated references to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for financial years beginning on 1 January 2022 and apply prospectively. These amendments had no impact on these consolidated financial statements of the Group.

Amendments to IAS 16 Property, Plant and Equipment

On 24 May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold during the period in which that asset is brought to the location or condition necessary for it to be capable of operating in the manner for which it was designed by the management. Instead, an entity accounts for the revenues from the sale of such products, and the costs to produce them, in the income statement. The amendment is effective for annual periods beginning on or after 1 January 2022 and should be applied retrospectively to those items of Property, Plant and Equipment that are available for use at the beginning of or during the period prior to the period in which the entity first applies the amendment. These amendments had no impact on these consolidated financial statements of the Group.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

On 14 May 2020, the IASB published amendments to IAS 37 to specify which costs should be considered by an entity when assessing whether a contract is onerous or loss-making. The amendment provides for the application of a “directly related cost approach”. Costs that are directly related to a contract for the provision of goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party on the basis of the contract. The amendments are effective for financial years beginning on 1 January 2022. These amendments had no impact on these consolidated financial statements of the Group.

Annual Improvements 2018-2020

On 14 May 2020 as part of the IFRS Annual Improvements 2018-2020 process, the IASB published:

- An amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards: this amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts recognized by the parent, taking into account the date of transition to IFRSs by the parent. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.
- An amendment to IFRS 9 Financial Instruments - Fees in the ‘10 per cent’ test for derecognition of financial liabilities: this amendment clarifies the fees an entity includes in determining whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only those paid or received between the debtor and the lender, including fees paid or received by the debtor or the lender on behalf of others. An entity applies this amendment to financial liabilities that are modified or exchanged after the date of the first annual period in which the entity first applies the amendment.
- An amendment to IAS 41 Agriculture: the amendment removes the requirements in paragraph 22 of IAS 41 concerning the exclusion of cash flows for taxes when measuring the fair value of an asset within the scope of IAS 41.

These amendments had no impact on these consolidated financial statements of the Group.

Accounting standards, amendments and interpretations approved or not yet approved by the European Union but not yet in force and not adopted in advance by the Group

The IASB and IFRIC have approved some amendments to the IAS/IFRS already in force and issued new IAS/IFRS and new IFRIC interpretations. As these new documents have a deferred effective date, they have not been adopted for the preparation of these consolidated financial statements, but will be applied from the effective date established as mandatory. Preliminary analyses have shown that the impacts on the Group's consolidated financial statements resulting from the new Standards, Amendments and Interpretations mentioned below are not significant.

The IASB has issued the following new accounting standards and amendments, endorsed or not yet endorsed by the European Union: IFRS 17 Insurance Contracts (issued on 18 May 2017; in force as of 1 January 2023), Amendments to IAS 1 Presentation of Financial Statements classification of liabilities as current or non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021; in force as of 1 January 2023), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021; in force as of 1 January 2023), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021; in force as of 1 January 2023), Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021; in force as of 1 January 2023), and Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued 22 September 2022; effective 1 January 2024).

7. Financial instruments and risk management

With reference to the Group's financial position, economic result and cash flows, additional information is provided to facilitate the assessment of the extent and nature of the related risks.

The risks related to the financial instruments used are:

- market risk, which is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. This risk can be further broken down into:
 - currency risk, i.e. the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates;
 - interest rate risk on fair value, i.e. the risk that the value of a financial instrument or its future cash flows will fluctuate due to changes in market interest rates;
 - price risk, i.e. the risk that the fair value of a financial instrument or its future cash flows fluctuate due to changes in market prices;
- credit risk, i.e. the risk that one party to a financial instrument will fail to discharge an obligation and cause a financial loss to the other party;
- liquidity risk, i.e. the risk of encountering difficulties in meeting obligations relating to financial liabilities settled with cash or another financial asset.

Group financial situation

Available credit lines

In order to cover its short-term financial requirements, at 31 December 2022 the Group has available usable credit lines for a total of Euro 20.0 million relating to credit lines for advances on trade receivables with recourse connected with the securitization transaction described below.

At 31 December 2022, credit lines for advances on trade receivables with recourse were used for a total amount of Euro 14.1 million; the remaining portion of the credit lines and available liquidity total Euro 59.1 million (cash and cash equivalents, lines available with recourse, net of the portion to be relegated on collections of receivables already factored without recourse).

On 20 July 2020, an addendum was signed with Monterosa SPV to extend to December 2026 the trade receivables securitization line described below.

On 29 July 2021 Il Sole 24 ORE S.p.A issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of 7 years; bullet lump-sum repayment on maturity.

Securitization of trade receivables

In 2013, the Company took part in a securitization transaction, carried out by Monterosa SPV S.r.l. (a special purpose vehicle established pursuant to Law 130 of 30 April 1999 and subsequent amendments and additions) and structured by Banca IMI S.p.A. as arranger, through the issue of asset-backed securities to finance the purchase of trade receivables of Il Sole 24 ORE S.p.A. Monterosa SPV S.r.l. is not controlled by the Group and is therefore not included in the scope of consolidation. The 24 ORE Group does not hold any investment in the financial instruments issued by the vehicle.

The transaction provides for the ongoing monthly transfer of portfolios of the Company's trade receivables to Monterosa SPV, either on a definitive non-recourse (i.e., without a guarantee of the transferred debtors' solvency) or on a recourse basis (i.e., with a guarantee of the transferred debtors' solvency).

On 13 November 2017, the Company entered into an agreement with Monterosa SPV to extend the maturity of the transaction until December 2020; however, it should be noted that in this agreement, the contract provided for the option to terminate operations by either party at the end of each calendar quarter.

The maximum total amount that can be financed is Euro 50.0 million; at 31 December 2022, the credit line for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.1 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 31 December 2022, there were no causes of impediment to purchase and/or material events that would result in contract termination. On 20 July 2020, an agreement was signed with Monterosa SPV to extend the maturity of the operation for a further 6 years, thus bringing the new maturity date to December 2026; the agreement also provides for the possibility for both parties to terminate the operation at the end of each calendar half-year.

Bond

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 and from 1 November 2021 also on the multilateral trading system “ExtraMOT PRO” of Borsa Italiana S.p.A. The notes representing the bond have not been assigned a rating.

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.

Financial risk

Financial risks are managed in accordance with the principle of prudence and the minimization of risks associated with financial assets and liabilities; transactions involving the investment of liquidity or the raising of the necessary financial resources are carried out with the primary objective of neutralizing, on the one hand, the risk of loss of capital, avoiding speculative transactions, and, on the other, the risk of fluctuations in interest rates, avoiding exposing the result for the period to any unexpected increases in financial expenses.

The Group constantly monitors the financial risks to which it is exposed, in order to assess any negative impact and take appropriate action to mitigate them. The Board of Directors of the Parent Company has overall responsibility for the creation and supervision of the Group’s risk management system, as well as for the development and control of risk management policies.

The Group’s risk management policies aim to identify and analyse the risks to which the Group is exposed, defining the appropriate limits and systems for monitoring these risks. The policies and related systems are reviewed periodically in consideration of changes in market conditions and the Group’s business.

The financial management of subsidiaries is carried out through specific intercompany current accounts into which any surplus liquidity is deposited or into which the Parent Company transfers the financial resources necessary for the operating management of the same companies, with the aim of optimizing also the impact on the income statement in terms of financial income and expenses accrued on said current accounts.

The terms and conditions applied to intercompany current account agreements at 31 December 2022 are as follows:

- lending rate on stocks of subsidiaries: 1-month Euribor +4.95% (determined considering the nominal rate of the bond);
- borrowing rate on the debt of subsidiaries: 1-month Euribor +4.95% (determined considering the nominal rate of the bond);
- repayment terms within 48 hours of any request by the Parent Company.

Centralized management of Group finance also makes it possible to efficiently control and coordinate the operations of the individual subsidiaries, including through more effective financial planning and control, which can also provide useful indications for optimizing the management of relations with banks and credit institutions of reference, and to systematically monitor the Group's financial risk and treasury performance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, due to changes in interest rates, foreign exchange rates, or the prices of equity instruments. The objective of market risk management is to manage and control the Group's exposure to this risk within appropriate levels, while at the same time optimizing the return on the investments to which this risk is linked.

Exchange rate risk

The Group is marginally exposed to exchange rate risk on purchases denominated in currencies other than the functional currency of the various Group entities.

These transactions mainly refer to the EUR/USD, EUR/GBP and EUR/CHF exchange rates.

It is the Group's policy to fully hedge, where possible, significant exposures arising from receivables and payables denominated in currencies other than the Euro.

Interest rate risk

The Group's results are partially exposed to fluctuations in market interest rates. Following the issue of the unsecured and non-convertible bond loan for a principal amount of Euro 45 million, the interest risk is reduced as the instrument is fixed-rate.

The return on any financial investments, represented by short-term financial investments with maturities not exceeding three months, is not affected by changes in interest rates.

The cost of any financial funding relating to current account overdrafts and short-term hot money lines, which do not have maturities exceeding six months, is therefore not affected by changes in interest rates.

Price risk

The main raw material used by the Group, which could show significant price risks, is paper.

Paper procurement is managed centrally for all the Group's business units through careful planning of purchases and stock management. In line with best market practice, supply agreements are stipulated with leading Italian and foreign counterparts at defined quantity and price conditions for the maximum duration that the market currently allows, i.e. approximately one year.

The Group is not using hedging derivatives such as paper swaps, as these instruments are characterized by limited liquidity in terms of both counterparties and maturities.

Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument will generate a financial loss by failing to meet an obligation.

Within the Group, credit risk mainly relates to trade receivables generated by the sale of products and services by the various business units.

In relation to the type of customers to which the Group's products and services are aimed, it is not considered that there is a high risk in terms of trade receivables, against which, given that there is no evidence of an excessive concentration of risk, it is nevertheless considered appropriate to follow operating procedures that limit sales to customers considered not solvent or unable to provide adequate guarantees.

Credit risk control activities for customers are carried out by grouping them by type and business area, considering whether they are advertising agencies, companies and financial institutions, public entities, professionals and individuals, distributors and book stores, or other customers, also examining their geographical location, sector, age of credit, due date of invoices issued and previous payment behaviour.

A specific bad debt provision has been set up to cover any losses due to non-collectible receivables.

Liquidity risk

Liquidity risk is represented by the risk that the Group may have difficulty in fulfilling the obligations associated with its financial liabilities and, therefore, have difficulty in obtaining, on economic terms, the financial resources necessary for its operations.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that there are always sufficient financial reserves to meet its obligations as they fall due, both in normal conditions and in the event of financial stress.

The main factors that determine the Group's liquidity are represented by the flows generated or absorbed by operating and investment activities, and by the flows linked to the repayment of financial liabilities and the collection of income from financial investments, as well as the trend in market rates.

The Group has launched a series of actions to optimize the management of financial resources and mitigate liquidity risk:

- centralized management of the Group's liquidity through constant withdrawal of the financial surpluses of the subsidiaries and by covering the needs of the same subsidiaries with resources provided by the Parent Company;
- maintaining an adequate reserve of available liquidity;
- availability of adequate short and medium-term credit lines;
- planning of the prospective financial situation also with reference to the incidence of medium/long-term debt on the overall net financial position;
- use of an adequate internal control system to assess available liquidity in relation to the company's operational planning.

Financial income and expenses

FINANCIAL INCOME AND EXPENSES		
Euro thousands	31.12.2022	31.12.2021
Recognized in the income statement		
Interest income from financial assets held to maturity not written down	514	691
Interest income from bank deposits	87	1
Net exchange rate gains	21	6
Financial income	622	697
Interest expense from financial liabilities and other financial expenses	(4,653)	(4,407)
Net exchange rate losses	(49)	(23)
Financial expenses	(4,701)	(4,431)
The financial income and expenses shown above include the following amounts relating to assets (liabilities) not designated at fair value through profit or loss:		
Total interest income on financial assets	622	697
Total interest expense on financial liabilities	(4,701)	(4,431)
Recognized directly in equity		
Effective portion of changes in fair value of cash flow hedges	-	-

Financial assets

FINANCIAL ASSETS		
Euro thousands	31.12.2022	31.12.2021
Non-current financial assets		
Minority investments	772	731
M/L financial receivables and security deposits	91	1,132
M/L financial receivables IFRS16	6,088	95
Current financial assets		
Cash and cash equivalents	54,066	35,744
Current financial receivables	3,612	5,616
S/T financial receivables IFRS16	667	25
Total financial assets	65,296	43,344

Financial liabilities

FINANCIAL LIABILITIES		
Euro thousands	31.12.2022	31.12.2021
Non-current liabilities		
Bond	42,940	42,635
Other financial payables to third parties	971	2,961
M/L financial payables IFRS16	35,226	36,867
Total non-current liabilities	79,138	82,464
Current liabilities		
S/T bond	933	933
Other financial payables to third parties	3,152	3,012
S/T financial payables IFRS16	4,844	3,047
Unsecured current account advances	14,081	15,779
Total current liabilities	23,010	22,771
Total financial liabilities	102,148	105,234

Exposure to credit risk

The book value of financial assets, referring mainly to cash and cash equivalents at banks and receivables from customers, represents the Group's maximum exposure to credit risk. At the end of 2022, this exposure was as follows:

EXPOSURE TO CREDIT RISK		
Euro thousands	31.12.2022	31.12.2021
Minority investments	772	731
M/L financial receivables and security deposits	91	1,132
M/L financial receivables IFRS16	6,088	95
Current financial receivables	3,612	5,616
Receivables from customers (*)	68,066	70,677
Cash and cash equivalents	54,066	35,744
S/T financial receivables IFRS16	667	25
Total	133,362	114,020

(*) Not included: Bad debt provision, Supplier advances, Agents and Copyrights

The Group's exposure at the end of 2022 to credit risk associated with receivables from customers, broken down by geographical region, is as follows:

BREAKDOWN BY GEOGRAPHICAL REGION		
Euro thousands	31.12.2022	31.12.2021
Italy	66,817	68,865
Eurozone countries	528	771
United Kingdom	418	813
Other European countries	97	87
United States	199	54
Other	7	87
Total	68,066	70,677

The Group's exposure at the end of 2022 to credit risk associated with receivables from customers, broken down by customer type, is as follows:

BREAKDOWN BY CUSTOMER TYPE		
Euro thousands	31.12.2022	31.12.2021
Advertising agencies	11,814	14,515
Companies and Financial Institutions	29,080	27,036
Public entities	1,794	1,188
Professionals and individuals	22,021	20,750
Other customers	3,357	7,187
Total	68,066	70,677

Impairment losses on trade receivables

The following table represents the seniority of receivables from customers at the end of 2022:

SENIORITY OF RECEIVABLES FROM CUSTOMERS				
Euro thousands	31.12.2022		31.12.2021	
	Gross	Bad debt provision	Gross	Bad debt provision
Due	60,385	2,447	63,179	1,633
Past due 1 - 30 days	1,460	115	1,590	115
Past due 31 - 120 days	3,197	411	2,513	302
Past due 121 days - 1 year	886	291	840	235
Over 1 year	2,139	1,732	2,554	2,034
Total	68,066	4,997	70,677	4,319

Changes in the bad debt provision for trade receivables in 2022 were as follows:

CHANGES IN BAD DEBT PROVISION		
Euro thousands	31.12.2022	31.12.2021
Balance 1 January	4,319	3,558
Losses for the year	(708)	(939)
Allocations	1,386	1,800
Reclassification of other non-current assets	-	(100)
Total	4,997	4,319

Liquidity risk

The contractual maturities of financial liabilities and trade payables are shown in the table below:

LIQUIDITY RISK							
Euro thousands	31.12.2022						
	Book value	Expected cash flows	up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
Non-derivative financial liabilities							
Other M/L payables to third parties	3,142	(3,257)	(1,086)	(1,086)	(1,086)	-	-
Bond	43,873	(58,395)	-	(2,231)	(2,237)	(6,693)	(47,234)
Unsecured current account advances	14,081	(14,081)	(14,081)	-	-	-	-
Other financial payables to third parties	981	(981)	(981)	-	-	-	-
Trade and other payables	41,301	(41,301)	(41,301)	-	-	-	-
Financial payables IFRS16	39,843	(36,522)	(2,222)	(3,091)	(6,122)	(13,927)	(11,161)
Total	143,221	(154,537)	(59,670)	(6,407)	(9,444)	(20,620)	(58,395)
Euro thousands	31.12.2021						
	Book value	Expected cash flows	up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
Non-derivative financial liabilities							
Other M/L payables to third parties	5,132	(5,429)	(1,086)	(1,086)	(2,171)	(1,086)	-
Bond	43,568	(60,626)	-	(2,231)	(2,231)	(6,699)	(49,465)
Unsecured current account advances	15,779	(15,779)	(15,779)	-	-	-	-
Other financial payables to third parties	840	(840)	(840)	-	-	-	-
Trade and other payables	37,798	(37,798)	(37,798)	-	-	-	-
Financial payables IFRS16	39,914	(45,017)	(2,067)	(2,062)	(5,798)	(17,229)	(17,860)
Total	143,032	(165,489)	(57,571)	(5,379)	(10,201)	(25,014)	(67,324)

Interest rate risk - Profile

The interest rate profile applied to the Group's interest-bearing financial instruments at the 2022 reporting date was as follows:

INTEREST RATE RISK		
Euro thousands	Book value	
	31.12.2022	31.12.2021
Fixed-rate financial instruments		
Financial assets	91	1,132
Total	91	1,132
Floating-rate financial instruments		
Financial assets	64,433	41,480
Financial liabilities	(101,921)	(105,234)
Total	(37,488)	(63,754)

Sensitivity analysis - fair market value of fixed-rate instruments

The Group does not account for any financial instruments at fair value through profit or loss at 31 December 2022.

Sensitivity analysis - fair market value of floating-rate instruments

If interest rates had increased or decreased by 100 bps, at the 2022 reporting date, net profit (loss) would have improved or deteriorated by Euro 470 thousand, respectively, as shown in the following table:

SENSITIVITY ANALYSIS				
Euro thousands	Profit / Loss		Equity	
	Increase 100 bps	Decrease 100 bps	Increase 100 bps	Decrease 100 bps
FY 2022				
Floating-rate financial instruments	(470)	470	(470)	470
Cash flow sensitivity (net)	(544)	544	(470)	470
FY 2021				
Floating-rate financial instruments	(544)	544	(544)	544
Cash flow sensitivity (net)	(544)	544	(544)	544

Criteria for determining fair value

The methods and main assumptions used to determine the fair values of financial instruments are set out below.

Non-derivative financial liabilities

Fair value is calculated on the basis of the present value of estimated future cash flows of principal and interest, discounted using the market interest rate at the reporting date.

Interest rates used to calculate fair value

The interest rates used to discount expected cash flows, where applicable, are based on the yield curve of government securities at the reporting date plus an appropriate credit spread.

Fair value and book value

The following table shows, for each financial asset and liability and for trade receivables and payables, the book value recorded in the balance sheet and the relative fair value:

FAIR VALUE				
Euro thousands	31.12.2022		31.12.2021	
	Book value	Fair Value	Book value	Fair Value
Minority investments	772	772	731	731
M/L financial receivables and security deposits	91	91	1,132	1,132
M/L financial receivables IFRS16	6,088	6,088	95	95
Receivables from customers	68,066	68,066	70,677	70,677
Cash and cash equivalents	54,066	54,066	35,744	35,744
S/T financial receivables IFRS16	667	667	25	25
S/T financial receivables	3,612	3,612	5,616	5,616
M/L financial payables IFRS16	(35,226)	(35,226)	(36,867)	(36,867)
Bond	(43,873)	(42,512)	(43,568)	(43,612)
Other M/L financial payables to third parties	(971)	(971)	(2,961)	(2,961)
Unsecured current account advances	(14,081)	(14,081)	(15,779)	(15,779)
Other financial payables to third parties	(3,152)	(3,152)	(3,012)	(3,012)
S/T financial payables IFRS16	(4,844)	(4,844)	(3,047)	(3,047)
Trade and other payables	(41,301)	(41,301)	(37,798)	(37,798)
Total	(10,086)	(8,725)	(29,012)	(29,056)
(Loss) / Profit not recognized		1,361		(44)

All the Group's financial assets and liabilities are classified in level 3 of fair value, with the exception of bonds, which are valued in level 1 on the basis of their most recent listing on the Euro MTF market of the Luxembourg Stock Exchange.

In measuring fair value, consideration was given to the impact of potential climate-related issues and risks, including applicable regulations, that may affect the measurement of the fair value of assets and liabilities in the financial statements. Such risks in relation to climate-related issues are included as a key assumption where they significantly affect the measure of recoverable amount. These assumptions were also included in the cash flow forecasts for the valuation of values in use. At this time, the impact of climate-related issues is not material to the Group's financial statements.

Guarantees and commitments

At 31 December 2022, the Group has bank and insurance sureties outstanding for a total of Euro 10,676 thousand.

These sureties are summarized below:

- sureties issued by the Parent Company to guarantee lease agreements for Euro 4,349 thousand. In particular, we note the sureties in favour of Finamo for the property located at Piazza Indipendenza 23 in Rome for Euro 238 thousand and in favour of PFO2, as a guarantee of the correct fulfilment of all the obligations of the lease agreement for the property located in Viale Sarca 223 in Milan, for Euro 4,100 thousand;
- guarantee in favour of Selective Core Italy SICAF to guarantee the payment of the instalments relating to the indemnity for the early termination of the lease agreement for the property located at Via Monte Rosa 91 for Euro 3,257 thousand;
- sureties issued by the Parent Company and its subsidiaries mainly in favour of ministries, public entities or municipalities to guarantee calls for tenders, competitions for prizes, contracts for the supply of services, etc., totalling Euro 2,430 thousand;
- sureties issued by the Parent Company to guarantee the commitments of its subsidiaries to private third parties or public entities in relation to tenders, commercial transactions, supply contracts, etc., totalling Euro 640 thousand, granted on the Parent Company's bank credit lines.

It should be noted that, in order to guarantee the issuance of the surety in favour of Selective Core Italy SICAF connected to the payment of the instalments relating to the indemnity for the early termination of the lease of the property located at Via Monte Rosa 91 for residual Euro 3,257 thousand, on 19 December 2019, the Parent Company signed with Banca Intesa Sanpaolo a deed of pledge on the balance of a dedicated current account and a contract for the transfer of receivables as collateral, having as its object the receivable connected to the deferred price portion, amounting to Euro 16,500 thousand, deriving from the disposal of the shares of the company Business School24 S.p.A., the payment of which was collected on the dedicated current account on 23 December 2021. The pledge is effective for a maximum guaranteed residual amount of Euro 3,257 thousand until the obligations connected with the guarantee are fulfilled and in particular, the payment of the instalments of the indemnity indicated above. The amount is recorded under current financial assets.

8. Key sources of estimation uncertainties

Estimates are made primarily in the context of the going concern assumption, the recognition of impairment losses on assets, the calculation of returns to be received for distributed publishing products, the calculation of renewal rates for gracing subscriptions, the determination of write-downs of receivables and inventories, the quantification of amounts to be set aside against probable risks and the assessment of the recoverability of deferred tax assets.

Estimates are also used in actuarial calculations to determine employee severance indemnities and agents' termination indemnities; to measure taxes; to determine the fair value and useful life of assets; to determine the lease term of contracts that contain an extension option and the incremental borrowing rate.

Estimates and assumptions are reviewed at least annually and the effects of any changes are immediately reflected in the determination of values.

In particular, estimates relating to the measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful life are made on the basis of fair value less costs to sell or value in use using the discounted cash flow technique. The valuation techniques and assumptions used are explained in section 8 Notes to the financial statements of the relevant items. The Group also assesses whether climate risks could have a significant impact; these risks in relation to climate-related issues are included as assumptions if they have a significant impact on the estimate of recoverable amount.

Estimates of returns of publishing products are carried out using statistical techniques and updated monthly on the basis of final figures received.

The estimate of legal risks takes into account the nature of the dispute and the probability of losing the case.

9. Scope of consolidation

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ON A LINE-BY-LINE BASIS

Company Name	Business	HQ	Currency	Share Capital fully paid-in	% of consolidation	Held by
24 ORE Cultura S.r.l.	Products dedicated to art	Milan	Euro	120,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE Eventi S.r.l.	Organization, management and sale of events	Milan	Euro	24,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE UK Ltd.	Sale of advertising space	London	Euro	50,000	100.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE U.S.A. INC.	American News Agency	New York	Dollar	2,000	100.0%	Il Sole 24 ORE S.p.A.

SUBSIDIARIES: BREAKDOWN OF SHARES

Company Name	Consolidation: group share	Consolidation: minority share	Voting right: Group share	Voting right: Minority share	Held by
24 ORE Cultura S.r.l.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE UK Ltd	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE Eventi S.r.l.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.
Il Sole 24 ORE U.S.A. INC.	100.0%	0.0%	100.0%	0.0%	Il Sole 24 ORE S.p.A.

ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE EQUITY METHOD

Company Name	Business	HQ	Currency	Share Capital fully paid-in	% ownership	Held by
Sole 24 ORE Formazione S.p.A.	Training services	Milan	Euro	50,000	15.0%	Il Sole 24 ORE S.p.A.

Investments in subsidiaries

At the date of these consolidated financial statements, there were no changes from the Consolidated financial statements for the year ended 31 December 2021.

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A., operating in the training sector, with a 100% shareholding of Euro 50 thousand. Subsequently, on 9 November 2022, Il Sole 24 ORE S.p.A., retaining a 15% share, transferred to Multiversity S.p.A., a share equal to 85% of the share capital of the newly incorporated company of the 24 ORE Group.

Investments in associates and joint ventures

On 9 November 2022, following the conclusion of a partnership with the Multiversity Group, 85% of the share capital, amounting to Euro 50 thousand, of the newly incorporated company Sole 24 ORE Formazione S.p.A. was transferred to them.

As a result of the transaction, the share capital of Sole 24 ORE Formazione S.p.A is currently held by Il Sole 24 ORE S.p.A. for 15% and by Multiversity S.p.A. for 85%. The investment in Sole 24 ORE Formazione S.p.A. has been included in investments in associates and joint ventures. The residual interest in Sole 24 ORE Formazione S.p.A. was recorded with the equity method; the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the investee's profits or losses realized after initial recognition as required in the consolidated financial statements by IAS 28. The company is listed as an equity investment in associates as a result of the signing of governance clauses agreed with the shareholders, which de facto result in "significant influence" over the company.

Minority investments

There were no changes compared to the previous approved financial statements. Details are shown in the notes to the statement of financial position under the corresponding item.

10. Key reclassified figures of the financial statements of subsidiaries, associates and joint ventures

BALANCE SHEET

Company	Notes	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Total equity	Total liabilities and equity
24 ORE Cultura S.r.l.	(1)	1,827	9,606	11,433	1,284	8,041	9,325	2,107	11,433
24 ORE Eventi S.r.l.	(1)	53	5,939	5,992	66	2,410	2,477	3,515	5,992
Il Sole 24 ORE UK Ltd	(1)	-	1,374	1,374	-	55	55	1,319	1,374
Il Sole 24 ORE USA Inc.	(1)	67	536	603	25	116	141	462	603
Total subsidiaries		1,947	17,454	19,402	1,375	10,622	11,997	7,405	19,402
Sole 24 ORE Formazione S.p.A.	(2)	-	-	-	-	-	-	-	-
Total associates		-	-	-	-	-	-	-	-

(1) Statutory data with IAS/IFRS adjustments

(2) 2022 financial statements figures not yet approved

INCOME STATEMENT

Company	Notes	Revenues	Gross operating margin	Operating profit (loss)	Profit (loss) before taxes	Net profit (loss)	Share allocated to minority shareholders
24 ORE Cultura S.r.l.	(1)	11,939	425	(38)	24	113	-
24 ORE Eventi S.r.l.	(1)	7,219	1,657	1,639	1,710	1,249	-
Il Sole 24 ORE UK Ltd	(1)	463	202	202	202	161	-
Il Sole 24 ORE USA Inc.	(1)	545	93	51	46	31	-
Total subsidiaries		20,166	2,377	1,853	1,983	1,553	-
Sole 24 ORE Formazione S.p.A.	(2)	-	-	-	-	-	-
Total associates		-	-	-	-	-	-

(1) Statutory data with IAS/IFRS adjustments

(2) 2022 financial statements figures not yet approved

FINANCIAL FIGURES

Euro thousands	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Increase (decrease) for the year	Group dividends	Third-party dividends
Il Sole 24 ORE Eventi S.r.l.	265	(28)	142	380	-	-
Il Sole 24 ORE Uk Ltd	(22)	-	1	(21)	-	-
24 ORE Cultura S.r.l.	(523)	(13)	1,421	885	-	-
Il Sole 24ORE USA Inc.	150	-	(53)	97	-	-

11. Notes to the financial statements**Introduction**

The results of the impairment test were determined on the basis of the impairment procedure adopted by the Group. The procedure for 2022 was approved by the Board of Directors on 21 February 2023, which confirmed the approach of the impairment test procedure of the previous year.

The impairment test is performed at each reporting date and consists of verifying whether there are any indications that an asset may be impaired. The impairment test is passed if the recoverable amount is equal to or greater than the book value of the asset being measured. In this case, the book values are confirmed.

The recoverable amount of an asset is defined by IAS 36 as the greater of the value that can be obtained through its use (i.e. value in use) and the value that can be obtained from its sale (i.e. fair value net of costs to sell).

In the case of goodwill and intangible assets with indefinite useful life, it shall be verified annually that their recoverable amount is at least equal to their book value.

With reference to assets with finite life, the test is carried out only when necessary, i.e. in the presence of a trigger event (IAS 36 paragraph 9). To this end, the Company, having examined the external sources and internal sources of information indicated in paragraphs 12-14 of IAS 36, considered that taking into account the income results recorded in 2022 and in particular the impacts deriving from the elements of uncertainty characterizing the macroeconomic and geopolitical scenario, such as: the ongoing conflict in Ukraine, the sharp upturn in inflation, the increase in interest rates, the residual effects of Covid-19 and the increase in commodity and energy costs, there could be indications of potential impairment and therefore performed the impairment test also with reference to assets with finite useful life.

The impact on the impairment test of the entry into force of IFRS 16 - Leases from 2019 is also taken into account.

During the preparation of this Annual Report 2022, in relation to the methods for determining the recoverable amount of goodwill and intangible and tangible assets, which may be impacted by a deterioration in the economic outlook, also considered were the possible impacts of the conflict in Ukraine, a sharp recovery in inflation, the increase in interest rates, the residual effects of Covid-19 and the increase in the costs of raw materials and energy. These aspects were adequately assessed by the sensitivity analyses described below. Moreover, these elements were also taken into account in the preparation of the 2023-2026 Plan, approved by the Board of Directors on 21 February 2023. Recent guidelines, useful for the definition of the impairment procedure, published in 2022, were also included.

The Group considers whether climate risks could have a significant impact, such as the introduction of emission reduction regulations that may increase operating costs. These risks in relation to climate-related issues are included as assumptions if they have a significant impact on the estimate of recoverable amount.

It should also be noted that to date, the Group does not currently appear to be particularly exposed, in the short term, to the physical and transitional risks associated with climate change, given the nature of its business and direct activities that are no longer productive, and the geographical location of its sites. The Group will adjust key assumptions used in value in use calculations and sensitivity to changes in assumptions if a change is required.

Assets subject to impairment test

Below are the assets subject to impairment testing for the purpose of preparing these financial statements.

Assets with finite useful life

The Group carried out the valuation of the following assets, with independent and qualified experts, in line with previous years. This determination of fair value is configured as level 3 and was carried out on the following assets:

- Properties owned;
- Rotary printing presses;
- Concessions and radio frequencies.

As for the fair value of the Carsoli property, the value was aligned with the irrevocable purchase proposal signed by the Parent Company on 1 March 2023.

Recoverable amount of CGUs

The CGUs subject to valuation were defined with reference to the segments identified on the basis of the company's operating activities that generate revenues and costs, the results of which are periodically reviewed at the highest operational decision-making level for the purpose of making decisions on resource allocation and performance assessment, and for which separate financial information is available.

As of the 2022 Financial Statements, following the Group's re-entry into the training business, and consistent with the management approach, the "Professional Services and Training" operating segment was expanded to include the training business. The operating segment includes the Professional Services CGU and the Training CGU, which for the purpose of the impairment test are measured separately in terms of results and cash flows, in accordance with IAS 36.

Below is a list of the CGUs subject to impairment testing:

- Publishing & Digital;
- Professional Services;
- Training;
- System;
- Radio;
- Events;
- Culture.

If the difference between the recoverable amount and the respective book value is negative, this would result in an impairment loss attributable proportionally to the assets of the CGU.

The recoverability of goodwill is tested by estimating the recoverable amount of the Professional Services and Events CGUs.

Results of the impairment tests carried out

*Assets with finite and indefinite useful life***Properties owned**

The Group owns two property complexes, used as offices and production facilities, albeit currently no longer operational. These properties are located in Milan and Carsoli (AQ).

For the purposes of determining the fair value, the Group engaged an external, qualified and independent expert. The valuation covered land, buildings, internal fixed installations and external building works.

The value of the properties was determined on the assumption that the properties were vacant (not leased), for sale as a whole (not in portions) and in their current use, and on the assumption of the highest and best use of the property, i.e. considering, among all the technically possible, legally permissible and financially possible uses, only those that could potentially give the property the highest value.

The fair value was determined using the market method, based on a comparison between the assets being analysed and other comparable assets that were recently bought and sold or are currently offered on the same market or in competitive markets. In addition, a valuation was also carried out under the assumption of ready realization.

As for the fair value of the Carsoli property, the value was aligned with the irrevocable purchase proposal signed by the Parent Company on 1 March 2023., net of costs accessory to the sale, and an impairment loss of Euro 1,460 thousand was recognized.

Below is a summary of the valuations carried out:

LAND AND BUILDINGS MILAN AND CARSOLI (AQ)			
Euro thousands	Milan	Carsoli	Total
Land	2,053	359	2,412
Buildings	1,319	712	2,031
Fixed installations of buildings	607	74	681
Total	3,978	1,145	5,123
<i>Fair value</i>	5,590	1,145	6,735

Rotary printing presses

In 2021, with the 16 March edition, the Group implemented the restyling of the Newspaper and its attachments, resulting in the cessation of production at its own plants and the outsourcing of all printing activities to third-party suppliers. It should be noted that the plants in Milan and Carsoli (AQ) and the rotary presses in Milan, Carsoli (AQ) and Medicina (BO) are owned by the Group and were not in use at the date of these financial statements.

Until 15 March 2021, the Group used two *Regioman* model rotary presses from MANROLAND WEB SYSTEMS at its Milan and Carsoli (AQ) plants, purchased at the end of 2004, installed in 2005 and expanded in 2008. The machines can print a 56-page full-colour newspaper. These facilities are attributed to the Publishing & Digital CGU. The Group has a third production plant at its plant in Medicina (BO), also no longer operational, equipped with a rotary press with the same production features as the Milan and Carsoli plants. With a view to the reorganization and optimization of production assets in 2019, production at the production site in Medicina (BO) had been reallocated to the printing centres in Milan and Carsoli.

For the purposes of determining the fair value, the Group engaged an external, qualified and independent expert. The valuation covered the printing equipment, the packaging and shipping machines and the CTP (Computer To Plate), which form an integral part of the production cycle. The fair value was determined

using the market method, based on a comparison between the assets being analysed and other comparable assets.

The analyses and valuations carried out take into account the situation of the publishing market in Italy, and in particular the daily newspapers market, which has seen a steady decline in circulation and in the number of print newspapers for several years and a production capacity of the production plants in Italy that is far greater than that required to meet market demand. The impossibility of reversing this trend has given rise for some years to reorganization processes and production rationalizations that have led publishing companies to outsource printing and to shut down their plants and close printing centres. To date, however, despite the closures, installed production capacity remains far greater than that required to meet market demand.

The main elements for determining fair value are:

1. market survey carried out among resellers of offset rotary presses - used and new - comparable with the assets under appraisal;
2. estimation of removal, dismantling, transport and reassembly costs.

The fair value of individual rotary presses is shown below.

ROTARY PRESSES			
Euro thousands	<i>Fair value</i>	Book value at 31.12.2022	Difference
Production site Milan	187	77	110
Production site Carsoli (AQ)	133	0	133
Production site Medicina (BO)	n.a.	0	-
Total	446	77	369

The book values of the plants have been confirmed.

Concessions and radio frequencies

An impairment test was carried out to determine whether the intangible asset Concessions and radio frequencies was impaired. The impairment test consists of comparing the book value of an intangible asset with its recoverable amount determined with reference to the fair value of the asset, less costs to sell, which in this case were considered to be zero.

In order to estimate the fair value, the Company has, since previous years, made use of an external expert who drew up an appraisal of the economic value of the Ministerial Concession and rights to use radio frequencies and pointed out that the market in which Radio 24 operates “is actually in a situation of inexorable contraction” and is characterized by the following elements:

- the process of flanking and gradually replacing the analogue network with the digital signal (DAB);
- listening to the radio on the move: new cars have a DAB receiver installed as standard;
- the continuation of the extraordinary circumstances generated by the Covid-19 pandemic and rising energy costs;
- the immobility of the frequency market, which sees the purchase and sale of equipment at an all-time low.

The main assumptions used to estimate fair value, in the absence of an active market for trading frequencies, are as follows:

- the population covered, i.e. the number of people reached by the radio signal radiated by the individual broadcasting facilities. This index was determined taking into account ISTAT demographic data and the quality of the signal perceived by the listener, objectively determined through a system of technical measurements of the audio signal received by a common radio receiver;
- the per capita value of the single frequency. This value was determined for each individual frequency and depends on the population density of the area, the average household expenditure of the population covered, the Effective Radiated Power of the plant, the motorway networks and the provincial capitals covered.

The analyses on the assumptions resulted in an economic value of the ministerial concession and the rights to use radio frequencies that decreases from an estimated Euro 25.9 million at 31 December 2021 to Euro 23.0 million at 31 December 2022.

In addition, the appraisal report itself shows, however, that the market for frequencies is in a situation of “constant immobility” and that “purchases and sales of equipment are at an all-time low”. In addition, the values of the limited exchanges of broadcasting equipment between national broadcasters have been steadily declining.

In light of the foregoing, the Group assessed to record an impairment loss on radio frequencies on the basis of the results of the impairment test carried out in order to determine the recoverable value of the Radio CGU, details of which are provided in the following paragraph, having deemed the results of this valuation exercise to be more representative and prevalent with respect to the valuation of the intangible asset in its own right. The reduction in value recorded in 2022 amounts to Euro 3,960 thousand.

As a result, the book value of radio frequencies at 31 December 2022 was reduced to Euro 15,247 thousand.

Recoverable amount of CGUs

The estimate of the recoverable amount of all CGUs was made based on their value in use and is thus determined by discounting the operating cash flows generated by the CGU itself, net of the tax effect, at a discount rate (post-tax) representing the weighted average cost of capital (WACC). The impairment tests were carried out with the support of an external expert.

The discount rate (WACC, weighted average cost of capital) used to calculate the recoverable amount of the CGUs is determined as follows:

- Risk Free Rate equal to 3.9% (yield on ten-year Italian government bonds at 31 December 2022);
- Market Risk Premium of 6.0%;
- Beta Unlevered adj between 0.882 and 1.882;
- Firm Specific Risk Premium additional premium, aimed at reflecting in the assessment the risk of execution of the objectives inherent in the forecasts, with reference also to the way in which the forecasts are formulated within the explicit forecasting period for all CGUs and for the Group equal to 4.0%;
- Target financial structure (debt/equity) fully equity funded.

On the basis of these parameters, the following discount rates (WACC) were arrived at:

CGU SUBJECT TO IMPAIRMENT TEST AND DISCOUNT RATE					
CGU	Impairment test approach	Plan time horizon	Discount rate (pre-tax)	Discount rate (post-tax)	Growth rate in the terminal value
Publishing & Digital	Value in use	2023-2026	17.53%	14.12%	0.00%
Professional Services	Value in use	2023-2026	17.57%	13.19%	0.00%
Training	Value in use	2023-2026	17.53%	13.19%	0.00%
Radio	Value in use	2023-2026	16.89%	13.23%	0.00%
System	Value in use	2023-2026	n.s.	13.46%	0.00%
Culture	Value in use	2023-2026	14.37%	14.12%	0.00%
Events	Value in use	2023-2026	17.97%	13.46%	0.00%

The value in use of each CGU is estimated from the projections in the 2023-2026 business plan approved by the Board of Directors on 21 February 2023.

The results of the impairment test and sensitivity analysis are summarized below:

Publishing & Digital

The book value of net assets allocated to the CGU is Euro 9,505 thousand. The analyses carried out confirm the book values.

Professional Services

The book value of net assets allocated to the CGU is Euro 15,296 thousand. Goodwill of Euro 15,469 thousand is allocated to the Professional Services CGU. The analyses carried out confirm the book values. It should also be noted that the 2023-2026 Business Plan includes some new initiatives that have been included in the Professional Services area. A sensitivity analysis was carried out to exclude the effects of new initiatives. The analysis carried out confirms the book values.

Training

The book value of net assets allocated to the CGU is zero. The analyses carried out confirm the book values.

System

The book value of net assets allocated to the CGU is a negative Euro 1,381 thousand. The analyses carried out confirm the book values.

Radio

The net book value of assets allocated to the CGU is Euro 15,206 thousand compared to an estimated value in use of Euro 11,246 thousand.

The negative difference of Euro 3,960 thousand between the value in use of the overall Radio CGU and the net book value of the CGU was allocated to impairment of the net book value of the radio frequencies at 31 December 2022. In fact, the Group considers this value to be the prevailing reference value for assessing the recoverability of the assets of the Radio CGU.

The facts and circumstances that led to this impairment loss are substantially attributable to the increase in reference interest rates during 2022.

Culture

The net book value of the assets allocated to the CGU is Euro 1,063 thousand. The analyses carried out confirm the book values.

Events

The book value of net assets allocated to the CGU is Euro 5,308 thousand compared to an estimated value in use of Euro 5,008 thousand and refers mainly to the goodwill allocated to the CGU. The negative difference of Euro 300 thousand between the value in use of the Events CGU and the net book value of the CGU was allocated to impairment of the net book value of goodwill at 31 December 2022. The facts and circumstances that led to this impairment loss are attributable to the increase in reference interest rates during 2022.

Sensitivity analysis

The sensitivity analysis did not provide any significant indicators that would lead to a value in use lower than the book values, with the exception of the Radio and Events CGUs, where impairment losses were recognized. The following parameters were used in making this assessment:

- discount rate (WACC, weighted average cost of capital): increase of up to one percentage point;
- growth rate beyond the explicit period (g): negative by up to one percentage point;
- plan free cash flow: deterioration of up to 10%.

The impairment process also included a second-level test carried out at the level of the Group as a whole. The book value of net assets allocated to the Group as a whole, before recognition of the impairment losses, is Euro 57,552 thousand. The analyses carried out, based on value in use, confirm the book values.

For the sake of full disclosure, a sensitivity analysis was also performed to determine the conditions under which, in a disruptive scenario, corporate assets could be impaired. This analysis, based on value in use, shows that up to a reduction of more than 60% (straight line) in all flows over the Plan period and in the final value, there would be no impairment of the Group's assets as a whole.

The stress tests performed, and in particular the worsening of up to 10% of the plan free cash flow, and the identification of the disruptive scenario, are aimed at taking into account potential uncertainties regarding climate change, the ongoing conflict in Ukraine, the current economic environment with particular regard to the increase in interest rates, and the residual effects of the spread of the Covid-19 virus, according to the guidance provided by ESMA.

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment at 31 December 2022 amounted to Euro 45,761 thousand and the breakdown is as follows:

PROPERTY, PLANT AND EQUIPMENT		
Euro thousands	Net value at 31.12.2022	Of which invest- ments
Land	2,412	-
Buildings	2,093	-
Plant and equipment	8,510	591
Industrial and commercial equipment	3,397	641
Rights of use	29,350	1,461
Total	45,761	2,693

Investments in 2022 amounted to Euro 2,693 thousand and mainly relate to:

- plant and equipment amounting to Euro 591 thousand, of which general plant for Euro 266 thousand and broadcasting equipment for Euro 325 thousand;
- industrial and commercial equipment amounting to Euro 641 thousand and referring for Euro 593 thousand to hardware purchases and Euro 48 thousand to furniture and fittings;
- rights of use amounting to Euro 1,461 thousand and referring to the recognition of the present value of future lease payments as an asset (right of use) in relation to rental fees for cars, transmission towers and rental of guest houses. With regard to contracts for the lease of space and areas held for the positioning of radio broadcasting equipment owned by the Group, the useful life of the asset was determined considering their duration equal to the plan period, therefore, the right of use at 31 December 2022 has been increased by one year until 31 December 2026.

The changes are as follows:

PROPERTY, PLANT AND EQUIPMENT								
Euro thousands	Opening Balance	Purchases	Disposals	Depreciation	Contractual changes	Disposal of assets - Write off	Other changes	Closing Balance
Historical Cost:								
Land	2,870	-	-	-	-	(458)	-	2,412
Buildings	29,062	-	-	-	-	(938)	-	28,124
Plant and equipment	90,712	591	(3,420)	-	-	(54)	24	87,852
Industrial and commercial equipment	40,165	641	(522)	-	-	(686)	-	39,599
Rights of use	56,602	1,461	-	-	(5,091)	-	2,082	55,054
Other assets	24	-	-	-	-	-	(24)	1
Total historical cost	219,435	2,693	(3,942)	-	(5,091)	(2,136)	2,082	213,041
Accumulated depreciation:								
Buildings	(25,572)	-	-	(459)	-	-	-	(26,031)
Plant and equipment	(81,365)	-	3,420	(1,397)	-	-	(0)	(79,343)
Industrial and commercial equipment	(36,411)	-	521	(986)	-	674	-	(36,201)
Rights of use	(20,156)	-	-	(5,745)	-	-	197	(25,704)
Other assets	(1)	-	-	-	-	-	-	(1)
Total accumulated depreciation	(163,505)	-	3,941	(8,587)	-	674	197	(167,280)
Tangible assets:								
Land	2,870	-	-	-	-	(458)	-	2,412
Buildings	3,489	-	-	(459)	-	(938)	-	2,093
Plant and equipment	9,346	591	-	(1,397)	-	(54)	24	8,510
Industrial and commercial equipment	3,754	641	(1)	(986)	-	(12)	-	3,397
Rights of use	36,446	1,461	-	(5,745)	(5,091)	-	2,279	29,350
Other assets	24	-	-	-	-	-	(24)	0
Total	55,930	2,693	(1)	(8,587)	(5,091)	(1,462)	2,279	45,761

Depreciation of tangible assets amounted to Euro 8,587 thousand and was determined in relation to the expected useful life. Assets purchased during the year are depreciated from the time they are available for use. The criteria used to determine them did not change from the previous year.

During the year, the assets of the Carsoli site were also written down, the value of which was aligned with the irrevocable purchase proposal signed by the Group on 1 March 2023, therefore, an impairment loss of Euro 1,460 thousand was recognized.

The application of IFRS 16 resulted in the recognition under non-current assets of the right to use the asset covered by the contract, in particular rental of hardware and vehicles, leases of spaces and areas held for the positioning of radio broadcasting equipment owned by the Group. The value of the rights of use thus determined is Euro 29,350 thousand.

Below is the breakdown of the rights of use:

RIGHTS OF USE							
Euro thousands	Opening Bal- ance	Purchases	Disposals	Deprecia- tion	Other changes	contractual changes	Closing Bal- ance
Historical Cost:							
Right of use properties	47,714	285	-	-	2,002	(5,091)	44,910
Right of use broadcasting towers	5,596	839	-	-	227	-	6,662
Right of use cars	3,292	337	-	-	(147)	-	3,482
Total historical cost	56,602	1,461	-	-	2,082	(5,091)	55,054
Accumulated depreciation:							
Right of use properties	(16,111)	-	-	(4,182)	84	-	(20,208)
Right of use broadcasting towers	(2,321)	-	-	(835)	-	-	(3,156)
Right of use cars	(1,724)	-	-	(728)	112	-	(2,339)
Total accumulated depreciation	(20,156)	-	-	(5,745)	197	-	(25,704)
Rights of use							
Right of use properties	31,603	285	-	(4,182)	2,086	(5,091)	24,702
Right of use broadcasting towers	3,274	839	-	(835)	227	-	3,505
Right of use cars	1,568	337	-	(728)	(34)	-	1,143
Total	36,446	1,461	-	(5,745)	2,279	(5,091)	29,350

With reference to the lease agreement for the offices in Milan viale Sarca, it should be noted that this contract provides for a term of ten years, tacitly renewable for a further six years unless one of the parties gives formal notice of termination at least twelve months prior to expiry, in accordance with current legislation. For the purposes of accounting for this lease in accordance with IFRS 16, the Group has considered the initial ten-year period as the term of the contract but has not included the renewal period as, at the date of preparation of the financial statements, it is not reasonably certain that it will exercise this option.

Other changes amounting to Euro 2,279 thousand mainly refer to the Istat revaluation of rental contracts for offices, radio transmission systems and the amendment of certain car contracts. The contractual change of Euro 5,091 thousand refers to the signing of the new sublease agreement for a portion of the Milan Viale Sarca office with the associate Sole 24 ORE Formazione S.p.A..

The following table shows the useful life of the assets included in the categories reported in the financial statements:

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT		
Asset category	Useful Life	Rate
Land	Indefinite	-
Buildings		-
Industrial buildings	30-33 years	3%-3.33%
Lightweight construction	12 years	8.33%
Plant and equipment		-
General plants	10-20 years	5%-10%
Plants (leasehold improvements)	10-12 years	8.33%-10%
Rotary presses	8-15 years	6.5%-12.5%
Finishing machines	5-15 years	6.5%-20%
Electronic photocomposition and photoreproduction systems	5 years	20.00%
Radio broadcasting systems	3-9 years	11.1%-33.33%
Industrial and commercial equipment		
Hardware	5 years	20.00%
Furniture and fittings	5-20 years	5%-20%
Electronic office equipment	5 years	20%
Acclimatization plants	20 years	5.00%
Internal means of transport	10 years	10.00%
Miscellaneous and small equipment	10 years	10%

The right of use is depreciated over the duration of the contract or, if shorter, over the useful life of the asset.

(2) Goodwill

The goodwill recorded in the financial statements amounted to Euro 20,424 thousand, down compared to 31 December 2021 by Euro 300 thousand due to the write-down of the goodwill of the Events CGU based on the results of the impairment test. For further information, reference should be made to the section entitled "Impairment Test".

The book values of goodwill attributed to CGUs (Cash Generating Units) are as follows:

GOODWILL					
values in Euro thousands	Historical values	write-downs previous years	Opening Balances	Decreases	31.12.2022
Professional Services	15,469	-	15,469	-	15,469
Events	6,549	(1,295)	5,254	(300)	4,954
Total	22,018	(1,295)	20,724	(300)	20,424

Goodwill and intangible assets with indefinite useful life are not subject to amortization but to an impairment test of their book value. This test concerns the value of the individual asset or of the related cash-generating unit.

(3) Intangible assets

Intangible assets amounted to Euro 26,403 thousand and the breakdown is as follows:

INTANGIBLE ASSETS		
Euro thousands	Net value at 31.12.2022	Of which invest- ments
Radio frequencies	15,247	-
Licences and software	9,867	5,211
Assets in progress and advances	1,289	1,324
Total	26,403	6,535

Investments in intangible assets amounted to Euro 6,535 thousand and included Euro 364 thousand for the capitalization of internally developed software (at 31 December 2021 they amounted to Euro 877 thousand).

Investments in assets in progress relate to software projects in progress and refer to the development of new products and development of systems for processes.

Investments in licences and software amounting to Euro 5,211 thousand refer to activities related to the development of systems for processes for Euro 2,621 thousand and the development and implementation of products, in particular digital products, for Euro 2,590 thousand.

The following table shows the nature of investments for the year.

INVESTMENTS IN LICENCES AND SOFTWARE	
	Investments 2022
Intangible assets for processes	2,621
Business processes	1,560
Publishing and editorial processes	553
Publishing sales cycle	157
Advertising sales cycle	210
Accounting and management control system	123
Technological infrastructure	11
HR System	7
Intangible assets for product development	2,590
Online product system development	2,590
Total	5,211

Changes in intangible assets in 2022 are as follows:

INTANGIBLE ASSETS							
Euro thousands	Opening Balance	Purchases	Amortization	Other changes	Write off	Change in scope	Closing Balance
Historical cost:							
Newspapers	9,245	-	-	-	-	-	9,245
Trademarks	724	-	-	-	-	-	724
Radio frequencies	99,871	-	-	-	(3,960)	-	95,911
Licences and software	125,619	5,211	-	524	-	(0)	131,354
Assets in progress and advances	771	1,324	-	(524)	(281)	(0)	1,289
Total historical cost	236,230	6,535	-	-	(4,241)	(0)	238,523
Accumulated amortization:							
Newspapers	(9,245)	-	-	-	-	-	(9,245)
Trademarks	(724)	-	-	-	-	-	(724)
Radio frequencies	(79,187)	-	(1,477)	-	-	-	(80,664)
Licences and software	(115,207)	-	(6,281)	-	-	(0)	(121,488)
Total accumulated amortization	(204,362)	-	(7,758)	-	-	(0)	(212,121)
Intangible assets:							
Newspapers	-	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-	-
Radio frequencies	20,684	-	(1,477)	-	(3,960)	-	15,247
Licences and software	10,412	5,211	(6,281)	524	-	(0)	9,867
Assets in progress and advances	771	1,324	-	(524)	(281)	(0)	1,289
Total	31,868	6,535	(7,758)	-	(4,241)	(0)	26,403

Amortization of intangible assets amounted to Euro 7,758 thousand. The criteria for determining amortization of licences and software did not change compared to the previous year.

Impairment losses of Euro 3,960 thousand were recorded on the basis of the results of the impairment test; further information is provided in the specific paragraph (in 2021 impairment losses of Euro 5,383 thousand were recognized). In total, impairment losses recognized on radio frequencies amounted to Euro 9,343 thousand.

The following table shows the useful life of the assets included in the categories reported in the financial statements:

USEFUL LIFE OF INTANGIBLE ASSETS			
Asset category	Useful life	Rate	
Radio frequencies	15 years	6.67%	
Licences and software	3 years	33.33%	

(4) Equity investments in associates

The item at 31 December 2022 consisted of the value of the investment in Sole 24 ORE Formazione S.p.A. and amounted to Euro 300 thousand.

INVESTMENTS IN ASSOCIATES						
Euro thousands	Opening Balances	1st recognition on date of loss of control	capital contribution	Valuation of investment using the equity method	Closing Balances	
Sole 24 ORE Formazione S.p.A.	-	8	293	-	300	

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A., operating in the training sector, with a 100% shareholding of Euro 50 thousand. Subsequently, on 9 November 2022, following the conclusion of a partnership contract with the Multiversity Group, 85% of the share capital, amounting to Euro 50 thousand, of the newly incorporated company Sole 24 ORE Formazione S.p.A. was transferred to them.

As a result of the transaction, the share capital of Sole 24 ORE Formazione S.p.A is currently held by Il Sole 24 ORE S.p.A. for 15% and by Multiversity S.p.A. for 85%. The company is listed as an equity investment in associates as a result of the signing of governance clauses agreed between the shareholders, which de facto result in “significant influence” over the company. The residual interest in Sole 24 ORE Formazione S.p.A. was recorded with the equity method; the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor’s share of the investee’s profits or losses realized after initial recognition as required in the consolidated financial statements by IAS 28.

On 9 November 2022, Il Sole 24 ORE S.p.A. made a capital contribution of Euro 293 thousand.

(5) *Non-current financial assets*

This item relates to minority investments totalling Euro 772 thousand (Euro 731 thousand at 31 December 2021).

Minority investments are measured at fair value (with changes recognized in the income statement), which is considered to be close to the value of the Group’s portion of equity of the investee company.

MINORITY INVESTMENTS			
Euro thousands	31.12.2022	change in fair value	31.12.2021
Ansa Soc. Coop a r.l.	560	18	542
Dab Italia Società consortile per azioni	81	13	68
C.S.I.E.D.	71	(0)	72
Immobiliare Editoriale Giornali S.r.l.	19	(1)	20
S.F.C. Società Consortile per azioni	1	0	1
Player Editore radio S.r.l.	6	1	5
Tavolo Editori Radio S.r.l.	33	10	24
Total minority investments	772	41	731

(6) *Other non-current assets*

Other non-current assets amounted to Euro 6,224 thousand and the breakdown is as follows:

OTHER NON-CURRENT ASSETS			
Euro thousands	31.12.2022	31.12.2021	Changes
Medium/long-term financial receivables IFRS 16	6,088	95	5,993
Other medium/long-term receivables	0	1,034	(1,034)
Security deposits	91	99	(8)
Tax receivables	45	75	(30)
Total	6,224	1,302	4,922

In accordance with IFRS 16, “Medium/long-term financial receivables IFRS 16” were recorded for Euro 6,088 thousand equal to the present value of collections due under sublease agreements, the value of which was Euro 95 thousand at 31 December 2021. 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. This transaction resulted in the recognition of a total receivable of Euro 6,654 thousand, of which Euro 6,013 thousand medium- to long-term.

The item Other medium/long-term receivables was completely reduced to zero compared to the previous year when it amounted to Euro 1,034 thousand. The item refers to the value of advances to suppliers recorded in the financial statements at their estimated realizable value and are therefore shown net of the related bad debt provision. Below are the changes in the relevant provision, which writes down the amount of Other medium/long-term receivables by 100%.

PROVISION FOR WRITE-DOWN OF OTHER NON-CURRENT ASSETS				
Euro thousands	Opening Balance	Allocations	Uses	Closing Balance
Provision for write-down of other non-current assets	(2,418)	(1,050)	-	(3,468)
Total	(2,418)	(1,050)	-	(3,468)

(7) Deferred tax assets and deferred tax liabilities

The items express the effect of deferred tax assets and liabilities calculated, respectively, on deductible and taxable differences temporarily arising between the book values and tax values.

The amounts at 31 December 2022 and 31 December 2021 of deferred tax assets and deferred tax liabilities are shown below:

DEFERRED TAX ASSETS AND LIABILITIES				
	31.12.2022	31.12.2021	Changes	
Deferred tax assets	14,148	20,529	(6,382)	
Deferred tax liabilities	4,268	5,216	(949)	
Net	9,880	15,313	(5,433)	

Deferred tax assets relate to tax assets recognized on tax losses that can be carried forward for Euro 13,149 thousand and to assets recognized on other temporary differences for Euro 999 thousand.

In this regard, it should be noted that article 23, paragraph 9, of Decree Law 98 of 6 July 2011 allows the recovery of tax losses without maturity. However, taking into account the difficulty of estimating taxable profits, the Group has not recognized deferred tax assets since 2013.

During the year, the tax result of the tax consolidation was positive, allowing for the absorption of deferred tax assets on the use of prior losses for a total of Euro 2,063 thousand (80% of the tax result).

Deferred tax assets on other timing differences arise from taxed changes that will be reversed in future years, mainly in relation to taxed provisions and asset impairment. During 2022, these temporary differences were reduced, resulting in the use of deferred tax assets of Euro 820 thousand.

As in previous years, the valuation of deferred tax assets on past losses was performed using recovery forecasts consistent with the new 2023-2026 Business Plan, and extending these forecasts to the subsequent period. However, compared to the previous year and in view of the greater uncertainty of the economic scenario and also the manner (partnership) in which the re-entry into the training sector was made, a more prudential reduction of the forecast taxable income was made for this subsequent period than that used in previous years. Thus, for the period 2027-2029 the reduction was 60% and beyond 2029 the reduction was 100%. The update of this estimate resulted in a further reduction of deferred tax assets on previous losses by Euro 3,498 thousand.

If there are negative differences between the forecasts contained in the Plan and the actual figures available, the relevant accounting item will have to be written down. Under no circumstances will the Group recognize new deferred tax assets on prior losses before it has returned to positive stable taxable income. Similarly,

the Group, pending said conditions, does not recognize deferred tax assets on new deductible temporary differences arising from the 2019 financial year.

The total theoretical tax asset on losses, which the Group waived (determined on the basis of the last tax return filed) amounted to Euro 77 million.

Deferred tax liabilities are recognized on the value of concessions and radio frequencies originally recognized following reorganization operations and following the tax-only amortization of concessions and radio frequencies with indefinite useful life as well as taxable temporary differences on subleases, recognized on the first-time adoption of the new IFRS 16.

During the year, deferred tax liabilities were reduced by:

- Euro 371 thousand in relation to the recognition of non-deductible statutory amortization on frequencies encumbered by deferred tax liabilities;
- Euro 574 thousand for the impairment on frequencies encumbered by deferred tax liabilities;
- Euro 2 thousand due to the cancellation of differences recorded during the period as a result of sublease dynamics.

Details at 31 December 2022 and 2021 of deferred tax assets and deferred tax liabilities are shown in the following table:

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES						
Euro thousands	Assets		Liabilities		Net	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Property, plant and equipment	76	532	(14)	(15)	62	517
Intangible assets	0		(4,254)	(5,201)	(4,254)	(5,201)
Receivables and provisions	924	1,287			924	1,287
Other						
Losses that can be carried forward	13,149	18,711			13,149	18,711
Deferred tax assets (liabilities)	14,148	20,530	(4,268)	(5,216)	9,880	15,313

CHANGES IN DEFERRED TAX ASSETS/LIABILITIES OF THE GROUP

Euro thousands	31.12.2022	31.12.2021	Recognized in the separate income statement
Property, plant and equipment	62	517	(455)
Intangible assets	(4,254)	(5,201)	947
Receivables and provisions	924	1,287	(363)
Losses that can be carried forward	13,149	18,711	(5,562)
Deferred tax assets (liabilities)	9,880	15,313	(5,433)

Current assets**(8) Inventories****INVENTORIES**

Euro thousands	31.12.2022	31.12.2021	Changes
Paper	1,606	844	762
Inks	27	27	-
Photographic material	9	9	-
Raw, ancillary and consumable materials	1,642	880	762
Work in progress and semi-finished products	0	2	(2)
Books	1,288	910	378
Other products	706	694	12
Provision for write-down of finished products	(700)	(827)	127
Finished products	1,294	777	517
Total	2,936	1,659	1,277

Inventories are presented net of provisions for inventory write-downs, which have changed as follows:

PROVISION FOR WRITE-DOWNS OF FINISHED PRODUCTS

Euro thousands	Opening Balance	Allocations	Use of provisions	Closing Balance
Provision for write-down of finished products	(827)	(239)	366	(700)

(9) Trade receivables

Trade receivables derive from normal operations and the breakdown is as follows:

TRADE RECEIVABLES

Euro thousands	31.12.2022	31.12.2021	Changes
Receivables from customers	68,066	70,677	(2,611)
Provision for returns to be received	(482)	(524)	42
Bad debt provision	(4,997)	(4,319)	(678)
Total	62,588	65,835	(3,247)

The Group's trade receivables amounted to Euro 62,588 thousand at 31 December 2022 and are recorded net of securitized receivables sold without recourse for Euro 8,045 thousand.

The Group's trade receivables include securitized receivables assigned with recourse for Euro 14,081 thousand. When the proceeds from the disposal of the receivable are recognized, a balancing entry is recognized in current financial liabilities.

It should also be noted that the balance of trade receivables includes receivables, totalling Euro 6,948 thousand, belonging to customers in the securitization portfolio but not yet sold at 31 December 2022. These receivables, which will soon be sold, amounted to Euro 2,155 thousand, referring to the portfolio of customers transferred without recourse, and to Euro 4,793 thousand, referring to the portfolio of customers transferred with recourse.

SECURITIZED LOANS

Euro thousands	Nominal value receivables assigned at 31 December 2022	Nominal value receivables to be assigned at 31 December 2022
Receivables securitized without recourse	8,045	2,155
Receivables securitized with recourse	14,081	4,793
Total	22,126	6,948

The value of trade receivables is shown net of the provision for returns to be received, amounting to Euro 482 thousand, which will occur in the following year and net of the bad debt provision of Euro 4,997 thousand.

Changes in these provisions were as follows:

PROVISION FOR RETURNS TO BE RECEIVED AND BAD DEBT PROVISION

Euro thousands	Opening Balance	Allocations	Use of provisions and other changes	Closing Balance
Provision for returns to be received	(524)	(456)	498	(482)
Bad debt provision	(4,319)	(1,386)	708	(4,997)
Total	(4,842)	(1,843)	1,207	(5,478)

(10) Other receivables

The item amounted to Euro 1,633 thousand and the breakdown is as follows:

OTHER RECEIVABLES

Euro thousands	31.12.2022	31.12.2021	Change
Ordinary supplier advances	1,074	1,912	(839)
Tax receivables	103	48	55
Current taxes	124	113	11
Receivables relating to personnel	66	63	2
Other receivables	268	453	(185)
Bad debt provision - other receivables	(1)	(1)	(0)
Total	1,633	2,588	(955)

Ordinary supplier advances include advances to agents of Euro 649 thousand.

Other receivables are shown net of the bad debt provision for other receivables.

The bad debt provision, aimed to adjust the value of advances to suppliers recorded in the financial statements to their estimated realizable value was reclassified under other non-current assets.

Tax receivables are broken down as follows:

TAX RECEIVABLES			
Euro thousands	31.12.2022	31.12.2021	Changes
VAT Receivable	61	-	61
Other tax receivables	-	2	(2)
Receivables from foreign tax authorities	42	46	(4)
Total	103	48	55

Receivables from personnel amounting to Euro 66 thousand refer to advances and provisions for employee expenses.

Other receivables, which amounted to Euro 268 thousand, are broken down as follows:

OTHER RECEIVABLES			
Euro thousands	31.12.2022	31.12.2021	Changes
Receivables from Poste Italiane	10	13	(3)
Receivables from social security institutions	145	290	(145)
Receivables for reimbursement of legal fees	61	61	(0)
Other	53	90	(37)
Total	268	453	(185)

(11) Other current financial assets

Other current financial assets amounted to Euro 4,279 thousand.

OTHER CURRENT FINANCIAL ASSETS			
Euro thousands	31.12.2022	31.12.2021	Changes
Financial receivables	3,335	5,429	(2,094)
Short-term financial receivables IFRS 16	667	25	642
Other receivables	277	187	90
Total	4,279	5,641	(1,362)

The item, amounting to Euro 3,335 thousand, mainly refers to financial receivables restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office.

Short-term financial receivables IFRS 16 amounted to Euro 667 thousand and refer to receivables relating to the sublease of properties to third parties. The change is attributable to the signing of the sublease agreement with the associate company Sole 24 ORE Formazione S.p.A., which provides for the lease of space in the Milan - Viale Sarca office. This transaction resulted in the recognition of a total receivable of Euro 6,654 thousand, of which Euro 640 thousand short-term.

(12) Other current assets

Other current assets consist of prepaid expenses and refer to:

PREPAID EXPENSES			
Euro thousands	31.12.2022	31.12.2021	Changes
Agents' commissions	3,986	3,673	313
User licence fees	421	474	(53)
Hardware and software maintenance fees	547	302	245
Provision of IT services	41	53	(12)
Insurance premiums	41	137	(96)
Expenses for the organization of conferences, exhibitions and fairs	500	423	77
Royalties on software fees	326	254	72
Other	369	245	124
Total	6,231	5,561	670

(13) Cash and cash equivalents

Cash and cash equivalents amounted to Euro 54,066 thousand, up Euro 18,322 thousand (Euro 35,744 thousand at the beginning of the year).

Cash and cash equivalents consist of cash on hand, equivalents and demand or short-term deposits with banks that are actually available and readily realizable.

CASH AND CASH EQUIVALENTS			
Euro thousands	31.12.2022	31.12.2021	Change
Cash and cash equivalents	54,066	35,744	18,322

Equity**(14) Equity**

Consolidated equity at 31 December 2022 amounted to Euro 15,925 thousand and compared to a figure of Euro 13,851 thousand at 31 December 2021, increased Euro 2,074 thousand from the previous year mainly due to the following effects:

- profit for the period of Euro 534 thousand;
- actuarial adjustments to employee severance indemnities and income recognized in equity for Euro 1,538 thousand.

(15) Share capital

The share capital, fully subscribed and paid in, amounts to Euro 570,125, divided into 65,345,797 shares, of which 9,000,000 ordinary shares (13.77% share capital) and 56,345,797 special category shares (86.23% share capital), of which 330,202 treasury shares. The book value of treasury shares, amounting to Euro 22,447 thousand, is reduced to zero by an equity item of the same amount.

Special category shares are assigned a preferential dividend of 5%, equal to Euro 2.60 per share or, if higher, to the share implicit par value, which may not be accumulated from one financial year to the next.

(16) Capital reserves

Capital reserves refer to the share premium reserve and amounted to Euro 19,452 thousand, unchanged from 31 December 2021.

(17) Employee severance indemnity (TFR) reserve - IAS adjustment

The item Employee severance indemnity (TFR) reserve - IAS adjustment went from a negative value of Euro 5,294 thousand at 31 December 2021 to a negative value of Euro 3,756 thousand at 31 December 2022 for the actuarial adjustment of the TFR.

(18) Profits (losses) carried forward

Profits (losses) carried forward were negative at Euro 875 thousand (positive at Euro 20,151 thousand at the end of 2021). The change is attributable to the change in the 2021 profit (loss).

(19) Profit (loss) for the year

At 31 December 2022, a profit of Euro 534 thousand was recorded. The profit per share is equal to Euro 0.01 and is determined by the ratio between the result attributable to shareholders of the parent company, positive for Euro 534 thousand, and the weighted average number of shares outstanding during the period, equal to 65,015,595.

The following tables show the reconciliation with the financial statements of the Parent Company:

RECONCILIATION OF NET PROFIT (LOSS) OF THE PARENT COMPANY WITH NET PROFIT (LOSS) OF THE CONSOLIDATED FINANCIAL STATEMENTS

Euro thousands	FY 2022	FY 2021
Net result from annual financial statements Parent Company II Sole 24 ORE S.p.A.	623	(21,021)
Profit (loss) for the year of subsidiaries	1,553	(1,479)
Valuation at equity of subsidiaries on the Parent Company financial statements	(1,342)	2,760
Write-down of goodwill Events	(300)	(1,295)
Other intra-group changes	-	7
Net profit (loss) from consolidated financial statements - 24 ORE Group	534	(21,029)

RECONCILIATION OF PARENT COMPANY AND CONSOLIDATED EQUITY

Euro thousands	31.12.2022	31.12.2021
Equity from annual financial statements - Parent Company II Sole 24 ORE S.p.A.	15,925	13,851
Investments in subsidiaries	(12,359)	(8,949)
Equity and profit (loss) of consolidated companies	7,405	3,694
Goodwill Events	4,955	5,255
Equity from consolidated financial statements - 24 ORE Group	15,925	13,851

STATEMENT OF OTHER COMPREHENSIVE INCOME WITH RELATED TAX EFFECTS

Euro thousands	FY 2022		FY 2021	
	Gross value	Tax effect	Gross value	Tax effect
Other components of comprehensive income				
Actuarial gains (losses) on defined-benefit plans	1,538		(472)	
Total	1,538	-	(472)	-

Non-current liabilities

(20) *Non-current financial liabilities*

Non-current financial liabilities amounted to Euro 79,138 thousand and comprise:

NON-CURRENT FINANCIAL LIABILITIES			
Euro thousands	31.12.2022	31.12.2021	Changes
Financial payables IFRS 16	35,226	36,867	(1,641)
Non-convertible senior unsecured bond	42,940	42,635	305
Other financial payables	971	2,961	(1,990)
Total	79,138	82,464	(3,326)

Non-current financial liabilities include the senior unsecured and non-convertible bond with a principal amount of Euro 45 million and a duration of 7 years, repayable at maturity in one instalment (bullet repayment) only to qualified investors. 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 initial measurement of financial liabilities was carried out at fair value, net of transaction costs that are directly attributable to underwriting (Euro 2,487 thousand). After initial recognition, the financial liability was measured at amortized cost, using the effective interest method.

As a result of the application of IFRS 16, non-current financial payables of Euro 35,226 thousand were recorded at 31 December 2022, deriving from lease agreements relating to the Group's offices, capital goods (rental of hardware and cars) and lease of space and areas held for the positioning of radio broadcasting equipment owned by the Group. The change of Euro 1,641 thousand is mainly attributable to payments for the year, partially offset by the increase in the lease agreements for the Group's offices, radio broadcasting equipment, and new lease agreements for capital goods.

The item other financial payables amounting to Euro 971 thousand is attributable to the present value at 31 December 2022 of the deferred component, relating to the indemnity deriving from the settlement agreement for the early termination of the lease agreement for the Milan - Via Monte Rosa office. The financial payable provides for quarterly payments from January 2021 to April 2024 of a total nominal amount of Euro 7,600 thousand. This payable is discounted at a rate of 4.2%.

(21) *Employee benefits*

Employee benefits amounted to Euro 10,681 thousand and have changed since the beginning of the year as follows:

EMPLOYEE BENEFITS						
Euro thousands	Opening Balance	Labour cost	Financial income and expenses	Actuarial gains and losses	Uses and other changes	Closing Balance
Employee severance indemnity (TFR)	15,329	69	118	(1,538)	(3,296)	10,681

The main actuarial assumptions used to estimate the benefits to be recognized on termination of employment are as follows:

Demographic assumptions:

- for mortality, the IPS55 tables were used;
- the annual probability of a request for advance payment of employee severance indemnities (TFR) was set at 2%, based on the historical data of the Companies included in the valuation.

Economic financial assumptions:

- the discount rate was determined to be 4.0% based on Euro area High Quality Corporate Bonds;
- the inflation rate used was 2.4%;
- the average percentage of accrued severance indemnity (TFR) requested in advance was set at 6.08%, based on historical data.

(22) Provisions for risks and charges

Provisions for risks and charges at 31 December 2022 amounted to Euro 6,658 thousand and changed as follows:

PROVISION FOR RISKS AND CHARGES						
Euro thousands	Opening Balance	Allocations	Use of provisions	Releases	Actuarial change	Closing Balance
Provision for litigation	2,201	1,193	(783)	(400)	-	2,211
Provision for other risks	4,126	36	(888)	(1,291)		1,983
Provision for agents' indemnities	2,491	504	(61)	(50)	(420)	2,464
Total	8,819	1,733	(1,732)	(1,742)	(420)	6,658

The provision for litigation (Euro 2,211 thousand) covers risks known at the date of preparation of these consolidated financial statements. These risks relate primarily to litigation involving personnel and agents (Euro 1,872 thousand), litigation against the newspaper (Euro 219 thousand) and Radio (Euro 112 thousand), and other litigation (Euro 8 thousand).

Uses of the provision for litigation amounted to Euro 783 thousand and consisted primarily of litigation involving the newspaper (Euro 175 thousand), litigation involving personnel and agents (Euro 578 thousand), Radio (Euro 25 thousand) and other litigation (Euro 5 thousand). Releases totalled Euro 400 thousand, of which Euro 289 thousand related to litigation involving personnel and agents, Euro 88 thousand to litigation involving the newspaper and Euro 23 thousand to Radio.

Allocations to the provision for litigation of Euro 1,193 thousand relate to litigation involving personnel and agents for Euro 1,089 thousand, litigation against the newspaper for Euro 98 thousand, Euro 5 thousand Radio and other litigation for Euro 1 thousand.

The provision for other risks amounted to Euro 1,983 thousand and covers the following risks:

- the contingent liability also of a tax nature, amounting to Euro 1,123 thousand in 2021, which could be generated at the conclusion of the criminal proceedings pending before the Court of Milan under no. 5783/17 R.G.N.R.; it was entirely released in the year 2022 as a result of the lapse of the imposition power on the years subject to the aforementioned risk, generating income of the same amount;
- liabilities for expenses that the Group may incur for the disposal of production plants amounting to Euro 720 thousand;
- risks relating to potential critical issues in the application and management of social shock absorbers amounting to Euro 69 thousand. As the residual criticalities were eliminated in 2022, the Group has released part of the provision for contingent liabilities recognized at 31 December 2021 for a value of Euro 121 thousand. The provision was used for Euro 274 thousand;
- risks for terminated agents amounting to Euro 717 thousand. In 2022, there were uses of Euro 79 thousand, releases of Euro 47 thousand and allocations for Euro 27 thousand;
- risks for a claim for contractual damages amounting to Euro 400 thousand, in respect of a dispute underway;

- risks for other litigation totalling Euro 64 thousand set aside during the year to cover Radio contingent liabilities. Provisions of Euro 10 thousand were made in 2022;
- other risks for a total of Euro 14 thousand.

It should also be noted, with reference to the civil proceedings no. G.R. 30810/2019 (see as described in the paragraph “Risks related to the outcome of the proceedings before the Milan Public Prosecutor’s Office crim. proc. no. 5783/17 R.G.N.R.” of the Directors’ Report), the risk was assessed as possible but not probable and therefore no provision was recorded.

At 31 December 2022, the liability recognized at 31 December 2021 relating to risks for disputes of the company 24 ORE Cultura S.r.l. was used for a total of Euro 538 thousand.

The agents’ termination indemnity includes provisions to cover risks arising from early termination of contracts and those relating to the termination of the agency relationship pursuant to article 1751 of the Italian Civil Code. The actuarial valuation of the agents’ termination indemnity is based on the following actuarial assumptions:

- discount rate 4.00%
- mortality tables IPS55
- disability tables INPS
- voluntary turnover rate 6.0%
- corporate turnover rate 5.0%
- retirement current compulsory general insurance requirements.

(23) *Other non-current liabilities*

Other non-current liabilities, totalling Euro 6,673 thousand, include Euro 6,561 thousand relating to the medium-term portion of the liability recognized in relation to restructuring expenses incurred during the year 2021 and Euro 113 thousand for security deposits received for the sublease of properties in Milan, which are unchanged compared to the previous year.

Current liabilities

(24) *Bank overdrafts and loans due within one year*

These amount to Euro 14,081 thousand (Euro 15,779 thousand in the previous year) and refer to the financial payable relating to the securitization of trade receivables with recourse.

CURRENT BANK OVERDRAFTS AND LOANS

Euro thousands	31.12.2022	31.12.2021	Changes
Financial payable for securitization with recourse	14,081	15,779	(1,698)

(25) *Other current financial liabilities*

OTHER CURRENT FINANCIAL LIABILITIES

Euro thousands	31.12.2022	31.12.2021	Changes
Financial payables IFRS 16	4,844	3,047	1,797
Financial payables for non-recourse management and other payables	3,152	3,012	140
Short-term portion of Non-convertible senior unsecured bond	933	933	-
Total	8,929	6,991	1,937

Other current financial liabilities amounted to Euro 8,929 thousand (Euro 6,991 thousand at 31 December 2021) and mainly relate to short-term financial payables arising from the application of IFRS 16, and in

particular short and medium-term financial liabilities arising from the present value of future lease payments of Euro 4,844 thousand. The item other financial payables for non-recourse management and other payables amounting to Euro 3,152 thousand includes: *i)* the financial payable of Euro 858 thousand to Monterosa SPV S.r.l. for the management of the collection of receivables securitized without recourse; *ii)* other financial payables relating to the current portion of the payable for the indemnity deriving from the settlement agreement for the early termination of the lease agreement for the Milan - Via Monte Rosa office.

(26) Trade payables

TRADE PAYABLES			
Euro thousands	31.12.2022	31.12.2021	Changes
Suppliers	35,321	32,037	3,284
Deferred income	37,385	30,860	6,525
Trade payables to associates and minorities	95	8	87
Other trade payables	5,885	5,753	132
Total	78,686	68,658	10,028

Trade payables, amounting to Euro 78,686 thousand, increased by Euro 10,028 thousand compared to the previous year.

Deferred income is broken down as follows:

DEFERRED INCOME			
Euro thousands	31.12.2022	31.12.2021	Changes
Electronic publishing by subscription	26,268	25,620	648
Royalties	4,833	-	4,833
Subscriptions II Sole 24 ORE Newspaper	2,247	2,373	(126)
Services	2,048	1,046	1,002
Subscription software	1,061	940	121
Sale of magazines	646	798	(152)
Other deferred income	282	83	199
Total	37,385	30,860	6,525

The item Royalties amounting to Euro 4,833 thousand refers to the proceeds from the sale of the controlling interest in this business, which was not recognized in full but was deferred over a period of 5 years by virtue of the Group's involvement in the partnership, as provided for in the agreements entered into with the Multiversity Group on 9 November 2022.

Other trade payables amounted to Euro 5,885 thousand, of which Euro 4,547 thousand relate to payables to agents.

(27) Other current liabilities

Other current liabilities amounted to Euro 730 thousand, up by Euro 1,014 thousand compared to 31 December 2021 and consisted of:

OTHER CURRENT LIABILITIES			
Euro thousands	31.12.2022	31.12.2021	Changes
Accrued liabilities	11	10	1
Current tax liabilities	719	207	512
Total	730	217	513

(28) Other payables

Other payables amounted to Euro 19,997 thousand (Euro 21,290 thousand at 31 December 2021) and consisted of the following:

OTHER PAYABLES			
Euro thousands	31.12.2022	31.12.2021	Changes
Payables to personnel for restructuring	5,627	7,157	(1,530)
13th and 14th monthly salaries accrued but not paid	1,293	1,426	(133)
Payables for holidays accrued and not taken and other amounts	3,699	2,490	1,209
Social security institutions	5,287	5,667	(380)
Tax payables	3,528	4,038	(510)
Other payables	562	513	48
Total	19,997	21,290	(1,294)

Payables to personnel for restructuring, amounting to Euro 5,627 thousand, relate to the liability recorded for short-term restructuring expenses. Disbursements for restructuring expenses made in 2022, in accordance with the plans, amounted to Euro 3,799 thousand (Euro 4,763 thousand in 2021). In 2022, the liability recorded in the financial statements for restructuring expenses to personnel was restated, which resulted in the recognition of income of Euro 555 thousand (in 2021, total expense Euro 13,864 thousand, of which Euro 7,157 thousand in the short term).

Tax payables amounted to Euro 3,528 thousand and the breakdown is as follows:

TAX PAYABLES			
Euro thousands	31.12.2022	31.12.2021	Changes
Withholding taxes on employee income	2,721	2,910	(190)
Withholding taxes on self-employment income	251	332	(82)
VAT payable and pro rata	367	580	(213)
Payables to foreign tax authorities	41	127	(86)
Other tax payables	148	88	60
Total	3,528	4,038	(511)

Statement of profit (loss)**(29) Revenues**

REVENUES				
Euro thousands	FY 2022	FY 2021	Change	% change
Publishing revenues	98,626	100,907	(2,281)	-2.3%
Advertising revenues	90,797	88,212	2,585	2.9%
Other revenues	22,134	14,427	7,707	53.4%
Total	211,556	203,545	8,011	3.9%

In 2022, the 24 ORE Group reported **consolidated revenues** of Euro 211,556 thousand, up Euro 8,011 thousand (+3.9%) compared to the previous year.

Publishing revenues amounted to Euro 98,626 thousand, a decrease of Euro 2,281 thousand (-2.3%) compared to the previous year, when they amounted to Euro 100,907 thousand.

Advertising revenues of Euro 90,797 thousand were up Euro 2,585 thousand (+2.9%) compared to 2021.

Other revenues of Euro 22,134 thousand were up by Euro 7,707 thousand compared to 2021, which had been adversely affected by the Covid-19 emergency, following the mandatory closure of all museums and exhibition venues during the lockdown period.

(30) Other operating income

OTHER OPERATING INCOME				
Euro thousands	FY 2022	FY 2021	Change	% change
Contributions	3,517	1,703	1,814	106.5%
Releases of provisions	1,742	1,868	(126)	-6.7%
Recovery of sundry expenses	1,114	1,083	30	2.8%
Contingent assets	3,188	210	2,978	1417.1%
Lease income	153	90	62	68.6%
Other	440	259	181	69.8%
Total	10,153	5,215	4,938	59.9%

The item contributions amounting to Euro 3,517 thousand includes: i) income amounting to Euro 2,461 thousand obtained to support companies following the health emergency caused by the spread of the Covid-19 virus (in 2021, it amounted to Euro 1,403 thousand); ii) income amounting to Euro 651 thousand referring to the tax credit in favour of the publishing companies of newspapers and periodicals registered with the ROC on the expenses incurred, in 2019 and 2020, for the purchase of paper used for printing the titles published.

Releases of provisions amounted to Euro 1,742 thousand and refer to the release of provisions for risks and charges, to which reference should be made (note 22 of the Notes to the financial statements).

The item contingent assets, amounting to Euro 3,188 thousand, includes the amount of Euro 2,600 thousand related to the approval of the partial settlement of the liability action pursuant to articles 2392 and 2393 of the Italian Civil Code, in execution of which the Company collected this amount in 2022.

(31) Personnel costs

PERSONNEL COSTS				
Euro thousands	FY 2022	FY 2021	Change	% change
Wages, salaries and remuneration	52,549	54,355	(1,806)	-3.3%
Contributions and pension fund	17,263	18,251	(988)	-5.4%
Employee severance indemnity (TFR)	3,944	3,926	18	0.5%
Overtime, holidays and other costs and income	1,006	13,882	(12,876)	-92.8%
Total personnel costs	74,762	90,414	(15,652)	-17.3%
of which non-recurring (expenses) and income	555	(13,864)	14,419	n.s.
Total personnel costs net of non-recurring expenses and income	75,317	76,550	(1,233)	-1.6%

Personnel costs of Euro 74,762 thousand decreased by Euro 15,652 thousand compared to 2021, when they amounted to Euro 90,414 thousand. Non-recurring restructuring expenses of Euro 13,864 thousand were recognized in 2021. After non-recurring income and expenses, personnel costs were down Euro 1,233 thousand. In 2022, there was a lower cost resulting from the reduction in the workforce and the increased use of social shock absorbers, partly offset by a lower utilisation of the residual holiday fund. The average number of employees, 769, decreased by 52 (mainly graphic designers and printers) compared with the previous year when it amounted to 821.

In the year, personnel costs of Euro 364 thousand (Euro 877 thousand in 2021) were capitalized for internally developed software. It should also be noted that personnel carried out additional projects aimed at innovation that did not qualify for capitalization.

(32) *Purchases of raw and consumable materials*

PURCHASES OF RAW AND CONSUMABLE MATERIALS				
Euro thousands	FY 2022	FY 2021	Change	% change
Purchase of paper	5,166	2,993	2,173	72.6%
Purchase of goods for resale	586	415	171	41.2%
Purchase of photographic material and ink	-	49	(49)	-100.2%
Purchase of material for plant maintenance	28	63	(35)	-55.8%
Purchase of fuel	28	175	(147)	-84.0%
Other sundry costs	41	48	(7)	-14.5%
Adjustments previous years	(25)	(78)	53	68.4%
Total	5,824	3,665	2,159	58.9%

Purchases of raw and consumable materials amounted to Euro 5,166 thousand, up by Euro 2,173 thousand (+72.6%) compared to 2021 (amounting to Euro 2,993 thousand) and are mainly represented by the purchase of paper, which recorded a price increase in the year.

(33) *Costs for services*

COSTS FOR SERVICES				
Euro thousands	FY 2022	FY 2021	Change	% change
Commissions and other sales expenses	20,007	18,080	1,927	10.7%
Distribution costs	15,722	16,870	(1,148)	-6.8%
IT and Software services	7,635	7,258	377	5.2%
Editorial costs	7,012	6,671	341	5.1%
Promotional and commercial expenses	10,234	9,571	663	6.9%
Costs for conferences and exhibitions	6,773	4,129	2,644	64.0%
Other consultancy costs	4,287	4,057	230	5.7%
Printing costs	6,244	5,321	923	17.3%
Utilities (telephone, energy, water, etc.)	2,004	2,265	(261)	-11.5%
Administrative services	454	532	(78)	-14.7%
Fees for Corporate Bodies and Independent Auditors	1,605	1,480	125	8.4%
Sundry production costs	2,941	2,655	286	10.8%
General services expenses	1,402	1,592	(190)	-11.9%
Maintenance and repair expenses	1,474	1,701	(227)	-13.3%
News agency costs	1,303	1,308	(5)	-0.4%
Insurance expenses	940	983	(43)	-4.4%
Employee services	1,437	1,323	114	8.6%
News purchase costs	1,368	1,359	9	0.7%
Preparation costs	1,112	1,115	(3)	-0.3%
Reimbursement of personnel expenses	495	270	225	83.2%
Bank fees	839	929	(90)	-9.7%
Product storage costs	453	475	(22)	-4.6%
Packaging costs	69	79	(10)	-12.6%
Adjustments previous years	162	(459)	621	>100.0%

Total	95,972	89,564	6,408	7.2%
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Costs for services amounted to Euro 95,972 thousand and were up overall by Euro 6,408 thousand (+7.2%) compared to 2021, when they amounted to Euro 89,564 thousand.

In particular, it should be noted that:

- commissions and other sales expenses up by Euro 1,927 million (10.7% from Euro 18,080 to 20,007 thousand);
- printing costs were up Euro 923 thousand (+17.3% from Euro 5,321 to 6,244 thousand) correlated to the production structure;
- costs for conferences and exhibitions were up Euro 2,644 thousand (from Euro 4,129 to Euro 6,773 thousand), partly due to the resumption of exhibitions by 24 ORE Cultura S.r.l. (Mudec's activities were completely closed until April 2021);
- promotional and commercial expenses increased by Euro 663 thousand (+6.9% from Euro 9,571 to Euro 10,234 thousand), mainly due to the resumption of exhibitions by 24 ORE Cultura S.r.l.; distribution costs were down Euro 1,148 thousand (-6.8% from Euro 16,870 to 15,722 thousand).

(34) *Costs for rents and leases*

COSTS FOR RENTS AND LEASES				
Euro thousands	FY 2022	FY 2021	Change	% change
Royalties	1,870	1,495	376	25.1%
Other fees	2,180	1,904	276	14.5%
Rental fees and ancillary costs for mixed use cars	761	1,025	(264)	-25.8%
Lease expenses and other condominium expenses	699	722	(23)	-3.2%
Copyrights	674	682	(8)	-1.2%
Rental fees and ancillary costs for radio broadcasting systems	416	248	169	68.1%
Hardware rental-lease fees	52	66	(14)	-21.0%
Other sundry costs	119	61	58	95.1%
Adjustments previous years	349	(423)	772	>100.0%
Total	7,120	5,779	1,341	23.2%

Costs for rents and leases amounted to Euro 7,120 thousand and increased by Euro 1,341 thousand compared to 2021. This item includes the costs of rental contracts which, also on the basis of the contractual clauses applied, did not require the recognition of rights of use in accordance with IFRS 16.

(35) *Other operating expenses*

OTHER OPERATING EXPENSES				
Euro thousands	FY 2022	FY 2021	Change	% change
Other taxes and duties	1,768	1,499	268	17.9%
VAT to be paid by the Publisher	616	338	279	82.4%
Entertainment expenses	92	91	0	0.4%
Purchase of newspapers and magazines	264	284	(21)	-7.3%
Expenses for membership fees	297	292	5	1.7%
Other sundry expenses	476	650	(174)	-26.7%
Adjustments previous years	(325)	(65)	(260)	>100.0%
Total	3,188	3,090	98	3.2%

Other operating expenses amounted to Euro 3,188 thousand in 2022, up Euro 98 thousand (Euro 3,090 thousand in 2021).

(36) *Change in value of tangible and intangible assets*

The item “Impairment of tangible and intangible assets”, amounting to Euro 4,212 thousand, primarily refers to write-downs of radio frequencies totalling Euro 3,960 thousand and write-downs of goodwill allocated to the Events area for Euro 300 thousand, arising from impairment testing, for which reference should be made to the specific paragraph.

The item write-down of the Carsoli property refers to the property, the value of which was aligned with the irrevocable purchase proposal signed by the Parent Company on 1 March 2023, therefore an impairment loss of Euro 1,460 thousand was recognized. Income of Euro 1,508 million was also recorded following the takeover of the sublease of two floors of the Milan office.

CHANGE IN VALUE OF TANGIBLE AND INTANGIBLE ASSETS			
Euro thousands		FY 2022	FY 2021
Write-down concessions and radio frequencies		(3,960)	(5,383)
Write-down of goodwill Events		(300)	(1,295)
Write-down Carsoli property		(1,460)	
Impact IFRS 16 <i>sub-lease Sarca property</i>		1,508	-
Write-down of capitalized software		-	(2,100)
Early termination of the lease agreement for the rotary press in Medicina (BO)			(188)
Total impairment losses on assets		(4,212)	(8,966)

(37) *Gain/loss on disposal non-current assets*

Gains of Euro 85 thousand were recorded during 2022 (gains of Euro 95 thousand in 2021).

(38) *Financial income (expenses)*

FINANCIAL INCOME (EXPENSES)				
Euro thousands	FY 2022	FY 2021	Change	% change
Other financial income	601	691	(90)	-13.0%
Exchange rate gains	21	6	15	>100.0%
Total income	622	697	(75)	-10.7%
Exchange rate losses	(42)	(23)	(19)	-80.5%
Financial expenses on short-term payables	(2,228)	(1,295)	(933)	-72.0%
Financial expenses from amortized cost	(307)	(602)	295	49.0%
Other financial expenses	(2,124)	(2,509)	386	15.4%
Total expenses	(4,701)	(4,431)	(271)	-6.1%
Total	(4,079)	(3,734)	(345)	-9.3%

Net financial income and expenses were a negative Euro 4,079 thousand and increased by Euro 345 compared to 2021.

Other financial income includes income from the actuarial valuation of the provision for agents' termination indemnity in accordance with IAS 37 and amounted to Euro 420 thousand.

Financial expenses on short-term payables relate to interest expenses on the unsecured non-convertible bond.

The application of IFRS 16 resulted in the recognition of negative financial income and expenses of Euro 1,176 thousand (Euro 1,223 thousand in 2021).

(39) Income taxes

The main components of income taxes for the years ended 31 December 2022 and 31 December 2021 are as follows:

TAXES			
Euro thousands	FY 2022	FY 2021	Change
IRES	(516)	-	(516)
IRAP	(857)	(525)	(331)
Taxes of previous years	(44)	210	(254)
Foreign taxes	(57)	(54)	(2)
Total current taxes	(1,473)	(370)	(1,104)
Use of provision for deferred taxes	949	401	548
Deferred tax assets/liabilities	(538)	(2,075)	1,537
Deferred tax assets use	(5,844)	-	(5,844)
Deferred tax assets/liabilities	(5,433)	(1,674)	(3,759)
Total	(6,907)	(2,044)	(4,863)

It should be noted that Il Sole 24 ORE S.p.A. and its Italian subsidiaries have adopted the group taxation regime pursuant to article 117 et seq. of Presidential Decree no. 917 of 22 December 1986 (tax consolidation), as a result of which they determine a single overall IRES taxable base.

In 2022, the tax result of all of the Group's companies was positive.

Therefore, the Group recognized a total current IRES expense of Euro 516 thousand by using past losses, and thus, part of the deferred tax assets, against 80% of the tax result, in the amount of Euro 2,064 thousand.

In addition, deferred tax assets on other temporary differences in the amount of Euro 818 thousand as well as additional deferred tax assets for write-downs in the amount of Euro 3,498 thousand were written off in 2022.

In addition, deferred tax liabilities of Euro 949 thousand were written off, of which:

- Euro 371 thousand as a result of non-deductible amortization/depreciation;
- Euro 575 thousand in relation to impairment results on radio frequencies;
- Euro 2 thousand due to the cancellation of differences recorded during the period as a result of sublease dynamics.

Pending a return to continuity of positive tax results, deferred tax assets on newly taxed temporary differences were not recognized.

In addition, the Group recognized an IRAP expense of Euro 857 thousand. During the year, contingent liabilities of Euro 44 thousand were also recognized for taxes related to previous years, as well as Euro 57 thousand in taxes owed by foreign subsidiaries.

The table below shows the reconciliation between the theoretical IRES rate and the effective IRES rate.

RECONCILIATION BETWEEN CURRENT TAX EXPENSE AND THEORETICAL TAX EXPENSE (IRES)				
Euro thousands	31/12/2022	%	31/12/2021	%
Profit (loss) before taxes from continuing operations	7,440		(18,985)	
Theoretical IRES	(1,786)	24.0%	4,557	24%
Tax effect increases/decreases	(794)		(1,650)	
Unrealized losses	-		(2,907)	

Use of previous losses	2,064	(0)
IRES recorded in the financial statements	(516)	6.9%
		- 0.0%

The table below shows the reconciliation between the theoretical IRAP rate and the effective IRAP rate.

RECONCILIATION BETWEEN CURRENT TAX EXPENSE AND THEORETICAL TAX EXPENSE (IRAP)				
Euro thousands	31/12/2022	%	31/12/2021	%
Difference between production value and costs (operating result) aggregate Italian companies	11,442		(15,279)	
Theoretical IRAP	-446	3.9%	596	3.9%
Non-deductible personnel cost	(158)	1.4%	(643)	-4.2%
Write-downs of fixed assets	(211)		(299)	
Bad debt	(95)	0.8%	(93)	-0.6%
Allocations	29	-0.3%	22	0.1%
Other changes	63	-0.5%	(79)	-0.5%
Adjustments for increased rates	(39)	0.3%	(29)	-0.2%
IRAP recorded in the financial statements	(857)	7.5%	(525)	-3.4%

12. Segment reporting

Segment reporting has been prepared in such a way as to provide the information necessary to allow an evaluation of the nature and effects on the financial statements of the activities carried out and the economic context of reference.

Operating segments have been identified on the basis of the company's operating activities that generate revenues and costs, the results of which are periodically reviewed at the highest operational decision-making level for the purpose of making decisions on resource allocation and performance assessment, and for which separate financial information is available.

An operating segment identified in accordance with the qualitative requirements set out above is separately disclosed when the following quantitative limits have been exceeded:

- reported revenues, including both sales to external customers and intersegment sales, represent at least 10% of the total revenues of all operating segments;
- the segment profit or loss represents at least 10% of the greater, in absolute value, between the total profit of all operating segments in profit and the total loss of all operating segments in loss;
- the activities of one segment account for at least 10% of the total activities of all operating segments.

If the quantitative thresholds indicated above are not exceeded, but management has deemed it useful to provide separate disclosure for the purposes of assessing the nature and effects on the financial statements of the related operating activities, the operating segments identified for this purpose have been reported in detail.

As of the 2022 Financial Statements, following the Group's re-entry into the training business, and consistent with the management approach, the "Professional Services and Training" operating segment was expanded to include the training business.

The Group's operating segments, which are indicated separately, are as follows:

- **Publishing & Digital** is the division that includes the daily newspaper Il Sole 24 ORE, digital products linked to the newspaper, products attached to the newspaper, magazines, add-ons and the website;
- **Professional Services and Training** develops integrated product systems, with technical, regulatory and networking content, aimed at the world of professionals, companies and public administration. The specific market segments covered are Tax, Labour, Law, Construction and Public Administration. For each of them, integrated specialized information tools are created, capable of satisfying all the information, operational and networking needs of the reference targets: databases, vertical newspapers, magazines, books, internet services, software solutions, visibility platforms. In addition, the Radiocor Plus news agency and Training fall under the responsibility of this division;
- **Radio** manages the national radio station Radio 24, News & Talk with an editorial format that alternates radio news with information and entertainment programmes;
- **System** is the division that carries out the activity of advertising concessionaire for the Group's main media and some third-party media;
- **Culture** operates in the management and enhancement of museums (Mudec), in the production and sale of exhibitions and related services (bookshop, ticketing, events) as well as in the design and publication of books and merchandising. These activities are carried out through the company 24 ORE Cultura S.r.l.;
- **Events** operates in the management and organization, promotion and sale, both in Italy and abroad, of conferences, events, meetings, also in collaboration with public and private entities. These activities are carried out through the company Il Sole 24 ORE Eventi S.r.l.;
- **Corporate and centralized services** includes the Group's coordination departments and services related to support processes.

For these areas, the following information is provided as it is periodically presented to the highest level of operational decision-making:

- revenues from external customers, for the measurement of segment profit or loss;
- intersegment revenues for the measurement of segment profit or loss;
- write-downs and depreciation/amortization for the measurement of segment profit or loss;
- a measurement of the segment profits and losses, represented by EBITDA (gross operating margin) and EBIT (operating profit/loss);
- the assets for each segment are shown for the purposes of assessing the performance of the segment and relate in particular to property, plant and equipment, intangible assets, goodwill and trade receivables;
- a reconciliation of the total of the reportable segments' measures of profit or loss to the profit or loss reported in the statement of profit or loss for the period before tax expense and gains or losses from discontinued operations.

The Group carries out its activities mainly in Italy and the activities carried out in other countries are not relevant. With regard to information on its customers, it should be noted that there are no external customers with which transactions exceeding 10% of the Group's revenues have been carried out.

INCOME STATEMENT BY BUSINESS AREA

SECTOR	Revenues from third parties	Intersegment revenues	Total Revenues	EBITDA	Amortization/Depreciation	Impairment of tangible and intangible assets	Gains/losses	EBIT
PUBLISHING & DIGITAL								
FY 2022	52,593	45,076	97,669	12,399	(4,155)	(1,460)	81	6,865
FY 2021	55,404	48,533	103,937	6,528	(4,850)	(720)	66	1,024
PROFESSIONAL SERVICES AND TRAINING								
FY 2022	56,359	281	56,640	16,510	(1,305)	-	0	15,205
FY 2021	54,166	244	54,411	14,200	(1,166)	(307)	0	12,727
RADIO								
FY 2022	260	18,559	18,819	4,778	(2,796)	(3,960)	1	(1,976)
FY 2021	236	16,137	16,373	1,805	(3,225)	(5,386)	22	(6,785)
SYSTEM								
FY 2022	87,320	(2,860)	84,460	1,073	(29)	-	-	1,045
FY 2021	84,849	(1,700)	83,148	(250)	(28)	-	-	(278)
EVENTS								
FY 2022	4,142	3,078	7,219	1,652	(18)	(300)	-	1,334
FY 2021	4,007	2,388	6,394	1,878	(7)	(1,295)	-	577
CULTURE								
FY 2022	10,881	1,057	11,939	425	(463)	-	-	(38)
FY 2021	4,883	603	5,486	(2,584)	(429)	-	0	(3,013)
CORPORATE AND CENTRALIZED SERVICES								
FY 2022	1	-	1	(4,888)	(7,580)	1,508	2	(10,957)
FY 2021	1	-	1	(10,321)	(7,958)	(1,258)	7	(19,531)
CONSOLIDATED								
FY 2022	211,556	-	211,556	31,951	(16,345)	(4,212)	85	11,478
FY 2021	203,545	-	203,545	11,255	(17,664)	(8,966)	95	(15,279)

BUSINESS BY SECTOR

SECTOR	Property, plant and equipment	Goodwill	Intangible assets	Trade receivables
PUBLISHING & DIGITAL				
31.12.2022	6,543	-	4,816	4,774
31.12.2021	8,942	-	4,919	4,057
PROFESSIONAL SERVICES AND TRAINING				
31.12.2022	226	15,469	2,020	28,303
31.12.2021	317	15,469	1,891	25,938
RADIO				
31.12.2022	4,874	-	15,283	33
31.12.2021	4,429	-	20,797	14
SYSTEM				
31.12.2022	25	-	-	27,478
31.12.2021	54	-	-	33,228
CULTURE				
31.12.2022	1,795	-	54	391
31.12.2021	2,008	-	77	517
EVENTS				
31.12.2022	4	4,955	49	1,455
31.12.2021	5	5,255	38	1,979
CORPORATE AND CENTRALIZED SERVICES				
31.12.2022	32,294	-	4,181	154
31.12.2021	40,175	-	4,145	102
CONSOLIDATED				
31.12.2022	45,761	20,424	26,403	62,588
31.12.2021	55,930	20,724	31,868	65,835

13. Further information

13.1 Transactions with related parties

A related party is a person or entity related to the Parent Company, identified in accordance with the provisions of *IAS 24 Related Party Disclosures*. The definition of a related party always includes companies controlled by associates and joint ventures of the Parent Company.

For transactions entered into with related parties during the period covered by these Consolidated Financial Statements, the nature of the existing transaction with the related party, the amount of transactions, the amount of outstanding balances, including commitments, contractual terms and conditions, any guarantees received or given have been disclosed. If it had been necessary to make provisions for bad debts or recognize losses on non-collectible receivables, it would have been disclosed.

Transactions between the Parent Company and its subsidiaries are always indicated, regardless of whether transactions have taken place between them.

The information concerning related parties and transactions with them is summarized in the summary table below, with specific evidence of transactions, positions or balances that have an impact on the Group's financial position, economic result and cash flows. Transactions and outstanding balances with intercompany related parties have been derecognized in the preparation of these consolidated financial statements.

Transactions carried out with related parties are essentially limited to commercial, administrative and financial services with subsidiaries and associates. These transactions are part of normal business operations, within the scope of the typical activity of each party involved, and are regulated at market conditions.

The Company observes its own internal procedure "Regulation of Transactions with Related Parties", adopted on 12 November 2010 by resolution of the Board of Directors (the "Regulation"), in implementation of the Regulation approved by CONSOB resolution no. 17221 of 12 March 2010, and subsequently amended by resolution no. 17389 of 23 June 2010 (the "CONSOB Regulation"). The above Regulation was updated by resolution of the Board of Directors on 19 December 2018. It was subsequently revised, in order to update certain references contained therein, by resolution of the Board of Directors of 19 December 2019, updated, in compliance with Consob Resolution no. 21624 of 10 December 2020, by resolution of the Board of Directors of 30 June 2021, and lastly updated, in compliance with the new allocation of Board competences on related party transactions, assigned as of 27 April 2022 to the Control, Risk and Related Party Committee, by resolution of the Board of Directors of 28 July 2022.

Related parties consist of parties entered in the Register of Related Parties established by the Company. The Regulation is available on the website www.gruppo24ore.com, Governance section.

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 31 DECEMBER 2022

Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	-	-	-	-	50	-	-	-
Total Parent Company	-	-	-	-	50	-	-	-
Sole 24 ORE Formazione S.p.A.	-	-	-	-	-	-	-	-
Total associates	-	-	-	-	-	-	-	-
Key Executives	-	-	(582)	-	-	(2,636)	-	-
Board of Directors	-	-	(514)	-	-	(1,388)	-	-
Board of Statutory Auditors	-	-	(149)	-	-	(218)	-	-
Other related parties	108	-	(9)	-	367	(198)	-	-
Total other related parties	108	-	(1,255)	-	367	(4,440)	-	-
Total related parties	108	-	(1,255)	-	417	(4,440)	-	-

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 31 December 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

At 31 December 2022, 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 11 November 2022, Paolo Fietta, Corporate General Manager and Chief Financial Officer and Manager in charge of financial reporting pursuant to Article 154-bis of Legislative Decree 58 of 24 February 1998, resigned.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in 2022".

On 9 November 2022, Il Sole 24 ORE S.p.A., following the stipulation of the partnership in the training market with the Multiversity Group, dated 3 October 2022, executed the commitments undertaken in the aforementioned agreement by completing the preliminary activities for the start of the collaboration with the Multiversity Group. In the context of these activities, the 85% stake in the share capital of the subsidiary Sole 24 ORE Formazione S.p.A., incorporated on 12 October 2022, was sold. The company is listed as an equity investment in associates as a result of the signing of governance clauses agreed with the shareholders, which de facto result in "significant influence" over the company.

On 10 November 2022, Fabio Domenico Vaccarone and Chiara Laudanna resigned from the position as Independent Director of Il Sole 24 ORE S.p.A.

On 20 December 2022, the Board of Directors, at the proposal of the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, co-opted Roberta Cocco as a Non-Independent Non-Executive Director and Gianmario Verona as an Independent Non-Executive Director. Pursuant to Article 2386 of the Italian Civil Code and the Articles of Association in force, the new Directors will hold office until the next Shareholders' Meeting.

There have been no changes in existing contractual relationships since the situation relating to the last approved Half-Yearly Financial Report.

13.2 Breakdown of the Group's past due positions by type

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	264	21	18	3	1	6	3	584	901
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	264	21	18	3	1	6	3	584	901

The past due debt positions of the 24 ORE Group refer to trade payables.

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

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

As far as creditor initiatives are concerned, it is noted that the reminders received are part of normal administrative operations. At the date of this Annual Report at 31 December 2022, there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

13.3 Government contributions

The Group collected contributions during 2022. In detail:

CONTRIBUTIONS	
Euro thousands	31.12.2022
Compensation for losses resulting from the cancellation, due to the Covid-19 epidemic emergency, of shows, fairs, congresses and exhibitions - Minister for Cultural Heritage and Activities and Tourism by Ministerial Decree no. 227 of 28 June 2021	2,149
Publishing tax credit	651
Non-repayable grant pursuant to art. 1 of Decree-Law "Sostegni-bis" no. 73/2021	300
Economic Growth Assistance Grant 2021	26

Pursuant to article 1, paragraphs 125 to 129 of Law no. 124 of 4 August 2017, on the transparency of public disbursements, it is noted that Entities are required to publish the contributions disbursed on the National Register of Aid, accessible at the following address: https://www.rna.gov.it/sites/PortaleRNA/it_IT/trasparenza.

13.4 Significant events occurring after the end of the year 2022

On 30 January 2023, the Board of Directors resolved, subject to the favourable opinion of the Board of Statutory Auditors, to appoint Emilio Bernacchi *ad interim* as Manager in charge of financial reporting.

On 31 January 2023, the Group's first ESG Plan was approved and Gionata Tedeschi was appointed General Manager Innovation and Sustainability of the 24 ORE Group.

On 21 February 2023, the Board of Directors approved the 2023-2026 Plan, which confirms the Group's constant and sustainable growth through the digitisation of products and processes, globalisation 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.

13.5 Disclosure pursuant to Consob Regulation no. 11971 and subsequent amendments

Fees for services rendered by the independent auditors and entities belonging to their network

The following table, prepared in accordance with article 149-*duodecies* of Consob Regulation no. 11971 and subsequent amendments and additions, shows the fees for the year 2022 for audit and non-audit services rendered by the same independent auditors and entities belonging to its network.

INDEPENDENT AUDITORS' FEES			
Service provided	Service provider	Recipient	2022 fees
Statutory audit	EY S.p.A.	Il Sole 24 ORE S.p.A.	361
Certifications	EY S.p.A.	Il Sole 24 ORE S.p.A.	118
Other services	EY S.p.A.	Il Sole 24 ORE S.p.A.	50
Statutory audit	EY S.p.A.	Subsidiaries	44
Total			573

13.6 Disclosure pursuant to Consob Resolution no. 15519 of 27 July 2006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Euro thousands	31.12.2022	of which related parties	31.12.2021	of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment	45,761	-	55,930	-
Goodwill	20,424	-	20,724	-
Intangible assets	26,403	-	31,868	-
Investments in associates and joint ventures	300	-	-	-
Non-current financial assets	772	-	731	-
Other non-current assets	6,224	-	1,302	-
Deferred tax assets	14,148	-	20,529	-
Total	114,032	-	131,084	-
Current assets				
Inventories	2,936	-	1,659	-
Trade receivables	62,588	108	65,835	392
Other receivables	1,633	-	2,588	-
Other current financial assets	4,279	-	5,641	-
Other current assets	6,231	-	5,561	-
Cash and cash equivalents	54,066	-	35,744	-
Total	131,733	108	117,027	392
Assets available for sale	-	-	-	-
TOTAL ASSETS	245,765	108	248,112	392

(*) Section 13.1 of the Notes to the Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Euro thousands	31.12.2022	of which related parties	31.12.2021	of which related parties
EQUITY AND LIABILITIES				
Equity				
Equity attributable to shareholders of the Parent Company				
Share capital	570	-	570	-
Capital reserves	19,452	-	19,452	-
Employee severance indemnity (TFR) reserve - IAS adjustment	(3,756)	-	(5,294)	-
Profits (losses) carried forward	(875)	-	20,151	-
Profit (loss) attributable to shareholders of the Parent Company	534	-	(21,029)	-
Total	15,925	-	13,851	-
Equity attributable to minority shareholders				
Capital and reserves attributable to minority shareholders	-	-	-	-
Profit (loss) attributable to minority shareholders	-	-	-	-
Total	-	-	-	-
Total equity	15,925	-	13,851	-
Non-current liabilities				
Non-current financial liabilities	79,138	-	82,464	-
Employee benefits	10,681	-	15,329	-
Deferred tax liabilities	4,268	-	5,216	-
Provisions for risks and charges	6,658	-	8,819	-
Other non-current liabilities	6,673	-	9,498	-
Total	107,417	-	121,325	-
Current liabilities				
Current bank overdrafts and loans	14,081	-	15,779	-
Other current financial liabilities	8,929	-	6,991	-
Trade payables	78,686	523	68,658	494
Other current liabilities	730	-	217	-
Other payables	19,997	1,169	21,290	133
Total	122,423	1,692	112,936	628
Liabilities available for sale	-	-	-	-
Total liabilities	229,840	1,692	234,261	628
TOTAL EQUITY AND LIABILITIES	245,765	1,692	248,112	628

(*) Section 13.1 of the Notes to the Financial Statements

CONSOLIDATED STATEMENT OF PROFIT (LOSS)

Euro thousands	FY 2022	of which related parties	of which non-recurring	FY 2021	of which related parties	of which non-recurring
1) Continuing operations						
Revenues	211,556	417		203,545	564	
Other operating income	10,153	-	6,293	5,215		2,534
Personnel costs	(74,762)	(2,636)	555	(90,414)	(1,783)	(13,664)
Change in inventories	1,277			(234)		
Purchases of raw and consumable materials	(5,824)			(3,665)		-
Costs for services	(95,972)	(1,804)		(89,564)	(2,153)	-
Costs for rents and leases	(7,120)			(5,779)		-
Other operating expenses	(3,188)			(3,090)	-	-
Allocations	(1,733)			(2,368)	-	-
Bad debt	(2,437)			(2,390)		
Gross operating margin	31,951	(4,023)	6,848	11,255	(3,372)	(11,130)
Amortization of intangible assets	(7,758)			(8,432)		
Depreciation of tangible assets	(8,587)			(9,232)		
Impairment of tangible and intangible assets	(4,212)		(4,212)	(8,966)		(8,966)
Gains/losses on disposal of non-current assets	85			95		
Operating profit (loss)	11,478	(4,023)	2,636	(15,279)	(3,372)	(20,096)
Financial income	622	-		697		
Financial expenses	(4,701)	-		(4,431)	-	-
Total financial income (expenses)	(4,079)	-	-	(3,733)	-	-
Other income from investment assets and liabilities	42	-		28	-	
Profit (loss) before taxes	7,441	(4,023)	2,636	(18,985)	(3,372)	(20,096)
Income taxes	(6,907)	-	(3,498)	(2,044)	-	-
Profit (loss) from continuing operations	534	(4,023)	(862)	(21,029)	(3,372)	(20,096)
2) Assets held for sale						
Profit (loss) from assets held for sale	-	-	-	-	-	-
Net profit (loss)	534	(4,023)	(862)	(21,029)	(3,372)	(20,096)
Profit (loss) attributable to minority shareholders	-	-	-	-	-	-
Profit (loss) attributable to shareholders of the Parent Company	534	(4,023)	(862)	(21,029)	(3,372)	(20,096)

(*) Section 13.1 of the Notes to the Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Euro thousands	FY 2022	of which re- lated parties	FY 2021	of which re- lated parties
Statement items				
Profit (loss) before taxes from continuing operations attributable to the Group [a]	7,441		(18,985)	
Adjustments [b]	24,133	-	44,740	-
Amortization/Depreciation	16,345		17,664	
(Gains) losses	(85)		(95)	
Effect of valuation of investments	(41)		(28)	
Allocation and (release) of provisions for risks and charges	(9)		500	
Restructuring expenses	(555)		13,864	
Provision for employee benefits	187		135	
Change in value of tangible and intangible assets	4,212		8,967	
Financial income and expenses	4,079		3,733	
Changes in operating net working capital [c]	3,796	1,349	(22,770)	(109)
Change in inventories	(1,277)		234	
Change in trade receivables	3,247	284	(6,948)	(333)
Change in trade payables	10,027	29	(10,445)	266
Income tax payments	(493)			
Other changes in net working capital	(7,708)	1,036	(5,611)	(42)
Total cash flow from operating activities [d=a+b+c]	35,370	1,349	2,985	(109)
Cash flow from investing activities [e]	(5,727)	-	207	-
Investments in intangible and tangible assets	(7,488)		(10,883)	
Proceeds from the sale of intangible and tangible assets	86		-	
Acquisition of investments in associates	(300)		-	
Security deposits paid	8		-	
Change in receivables guaranteeing financial payables	2,171		(5,429)	
Collection of deferred receivable from sale of BS24 investment	-		16,500	
Other changes in investing activities	(203)		19	
Cash flow from financing activities [f]	(11,320)	-	(7,696)	-
Net financial interest paid	(4,010)		(2,333)	
SACE guaranteed financing	-		(37,532)	
Non-convertible senior unsecured bond	-		42,513	
Change in medium/long-term bank loans	-		(3,731)	
Change in short-term bank loans	(3,870)		(766)	
Changes in other financial payables and receivables	(3)		(3,478)	
Other changes in financial assets and liabilities	142		(44)	
Change in payables IFRS 16	(3,579)		(2,325)	
Change in financial resources [g=d+e+f]	18,322	1,349	(4,502)	(109)
Cash and cash equivalents at the beginning of the year	35,744		40,246	
Cash and cash equivalents at the end of the year	54,066		35,744	
Increase (decrease) for the year	18,322		(4,502)	

(*) Section 13.1 of the Notes to the Financial Statements

It should be noted that no atypical and/or unusual transactions were carried out with third parties, related parties or Group companies.

13.7 Net financial position

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	31.12.2022	31.12.2021
A. Cash	190	102
B. Cash equivalents	53,876	35,642
C. Other current financial assets	4,279	5,641
D. Liquidity (A + B + C)	58,345	41,385
E. Current financial payable	(14,081)	(15,779)
F. Current portion of the non-current financial payable	(8,929)	(6,991)
G. Current financial debt (E + F)	(23,010)	(22,771)
H. Current net financial position (G + D)	35,335	18,614
I. Non-current financial payable	(36,197)	(39,828)
J. Debt instruments	(42,940)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(79,138)	(82,464)
M. Net financial position (H + L)	(43,803)	(63,849)

The **net financial position** at 31 December 2022 was a negative Euro 43.8 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 20.0 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 35.2 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group’s current net financial position at 31 December 2022 was a positive Euro 35.3 million (positive Euro 18.6 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 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 4.8 million.

13.8 Employees

The average number of employees by category is as follows:

EMPLOYEES						
AVERAGE WORKFORCE	FY 2022		FY 2021		Change	
	Number	%	Number	%	Number	%
Executives	25.7	3.3%	26.2	3.2%	(0.5)	-1.8%
Journalists	258.5	33.6%	271.0	33.0%	(12.5)	-4.6%
White-collar workers	484.6	63.0%	512.1	62.4%	(27.5)	-5.4%
Blue-collar workers	0.2	0.0%	11.4	1.4%	(11.2)	-98.2%
Total	769.0	100.0%	820.6	100.0%	(51.6)	-6.3%

DIRECTORS' ASSESSMENT OF THE GOING CONCERN ASSUMPTION

The 24 ORE Group closed 2022 with a net profit of Euro 0.5 million (net loss of Euro 21.0 million in the previous year) and at 31 December 2022 had equity of Euro 15.9 million (Euro 13.9 million at 31 December 2021) and a negative net financial position of Euro 43.8 million (Euro 63.8 million at 31 December 2021).

On 29 July 2021 Il Sole 24 ORE S.p.A issued an unsecured, non-convertible bond in the principal amount of Euro 45 million and with a duration of seven years. 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 current uncertainty linked to the possible evolution of the residual effects of the Covid-19 virus and any impacts deriving from the conflict under way in Ukraine, as well as rising commodity and energy costs and the resurgence of inflation, calls for continuing to maintain a certain degree of caution.

Given these elements, and albeit in the presence of the uncertainties deriving from the macroeconomic and geopolitical scenario, those typical of the sector and of each forecasting activity, that could affect the results that will actually be achieved, as well as the related methods and timing of occurrence, the Directors believe, also in light of the provisions of the 2023-2026 Plan approved by the Board of Directors on 21 February 2023, that it has the financial and equity resources to allow the Annual financial report at 31 December 2022 to be prepared on a going concern basis.

OUTLOOK

The evolution of the reference context, including in particular, the current uncertainty linked to the ongoing conflict in Ukraine, the sharp upturn in inflation, the rise in interest rates, the residual effects of Covid-19 and the rise in commodity and energy costs, requires us to continue to maintain a degree of caution with respect to the forecasts of the macroeconomic scenario.

In 2022, the Italian economy grew strongly (+3.7%), but less than in 2021. The full estimate of the quarterly economic accounts confirms, after seven consecutive quarters, the slight reduction of manufacturing activity in Q4 2022. On the other hand, the recovery in trend terms continued for the eighth consecutive quarter, albeit at a gradually slower pace. Acquired growth for 2023 is positive at 0.4% (Source: *Istat - GDP and General Government Debt - Year 2022 - 1 March 2023 and Press Release Quarterly Economic Accounts - Q4 2022 - 3 March 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.

Milan, 23 March 2023

The Chairperson of the Board of Directors
Edoardo GARRONE

**CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF
MAY 14, 1999, AS AMENDED**

1. The undersigned Mirja Cartia d'Asero, in her capacity as Chief Executive Officer, and Emilio Bernacchi, in his capacity as Manager in charge of financial reporting of Il Sole 24 ORE S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, certify:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements at 31 December 2022.

2. In this respect, the following significant issues have emerged:

- the verification of the adequacy and effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements and the analysis of the results achieved were carried out in a complex context characterized, among other things, by the continuation of the organizational review of corporate processes;
- the adequacy of the administrative and accounting procedures for the preparation of the consolidated financial statements at 31 December 2022 was assessed on the basis of the methodological standards of Il Sole 24 ORE S.p.A. defined taking into account the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents the main reference framework for the creation, analysis and evaluation of the internal control system used at international level. With reference to the aspects of improvement in the controls identified in previous years, the execution of the action plan continued, which provides for the necessary corrective actions, which at the beginning of 2018, had the favourable opinion of the Company's Audit and Risk Committee and the approval by the Board of Directors;
- pending the complete implementation of the above plan aimed at reviewing the administrative-accounting model pursuant to law no. 262/2005, compensating control procedures were also put in place as a result of which no economic and financial impacts emerged on the information presented in the consolidated financial statements at 31 December 2022.

3. It is further certified that:

- the consolidated financial statements:
 - have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the information contained in the accounting ledgers and records;
 - provide a true and fair representation of the equity, economic and financial situation of the issuer in question.

The report on operations includes a reliable analysis of the operating performance and results for 2022, as well as the situation of the issuer, together with a description of the principal risks and uncertainties.

Milan, 23 March 2023

CEO
Mirja CARTIA d'ASERO

Manager in charge of financial reporting
Emilio BERNACCHI

ADDITIONS AT THE REQUEST OF CONSOB PURSUANT TO ARTICLE 114 OF LEGISLATIVE DECREE 58/1998

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	31.12.2022	31.12.2021
A. Cash	190	102
B. Cash equivalents	53,876	35,642
C. Other current financial assets	4,279	5,641
D. Liquidity (A + B + C)	58,345	41,385
E. Current financial payable	(14,081)	(15,779)
F. Current portion of the non-current financial payable	(8,929)	(6,991)
G. Current financial debt (E + F)	(23,010)	(22,771)
H. Current net financial position (G + D)	35,335	18,614
I. Non-current financial payable	(36,197)	(39,828)
J. Debt instruments	(42,940)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(79,138)	(82,464)
M. Net financial position (H + L)	(43,803)	(63,849)

The **net financial position** at 31 December 2022 was a negative Euro 43.8 million and compares with a negative Euro 63.8 million at 31 December 2021, an improvement of Euro 20.0 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 35.2 million (Euro 36.9 million at 31 December 2021) in application of IFRS 16.

The Group’s current net financial position at 31 December 2022 was a positive Euro 35.3 million (positive Euro 18.6 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 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 4.8 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	31.12.2022	31.12.2021
A. Cash	31	26
B. Cash equivalents	47,567	30,590
C. Other current financial assets	3,975	5,501
D. Liquidity (A + B + C)	51,573	36,117
E. Current financial payable	(14,081)	(15,779)
F. Current portion of the non-current financial payable	(12,585)	(10,196)
G. Current financial debt (E + F)	(26,667)	(25,976)
H. Current net financial position (G + D)	24,906	10,141
I. Non-current financial payable	(35,477)	(38,952)
J. Debt instruments	(42,940)	(42,635)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(78,417)	(81,587)
M. Net financial position (H + L)	(53,511)	(71,446)

The **Parent Company’s net financial position** at 31 December 2022 was negative by Euro 53.5 million and compares with a negative Euro 71.4 million at 31 December 2021, an improvement of Euro 17.9 million. The change in the net financial position is mainly related to the trend in net working capital included in the cash flows of operating activities, as well as the receipts of Euro 2.6 million, deriving from the approval of the partial settlement of the liability action pursuant to Articles 2392 and 2393 of the Italian Civil Code, and Euro 5 million, deriving from the partnership agreements entered into with Multiversity S.p.A. in relation to the re-entry into the training business.

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 34.5 million (Euro 36.0 million at 31 December 2021) in application of IFRS 16.

The Company’s current net financial position at 31 December 2022 was a positive Euro 24.9 million (positive Euro 10.1 million at 31 December 2021) and includes Euro 3.3 million restricted as a guarantee for the residual financial payable relating to the indemnity for the early termination of the lease agreement for the Milan - Via Monte Rosa office. Current financial receivables include Euro 0.6 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 4.7 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 31 December 2022

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	264	21	18	3	1	6	3	584	901
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	264	21	18	3	1	6	3	584	901

Past due debt positions of Il Sole 24 ORE S.p.A. broken down by type at 31 December 2022

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	203	11	18	3	1	5	3	541	785
Social security payables	-	-	-	-	-	-	-	-	-
Payables to employees	-	-	-	-	-	-	-	-	-
Tax payables	-	-	-	-	-	-	-	-	-
	203	11	18	3	1	5	3	541	785

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.

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.

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 Annual Financial Report at 31 December 2022, there is no evidence of any further injunctions received in relation to the above debt positions and no suspensions in supply have been implemented that would compromise normal business operations.

The main changes in the related party transactions of this Company and Group since the last Annual or Half-Yearly Financial Report approved in accordance with Article 154-ter of the Consolidated Law on Finance (TUF) are as follows

TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATED AT 31 DECEMBER 2022								
Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	-	-	-	-	50	-	-	-
Total Parent Company	-	-	-	-	50	-	-	-
Sole 24 ORE Formazione S.p.A.	-	-	-	-	-	-	-	-
Total associates	-	-	-	-	-	-	-	-
Key Executives	-	-	(582)	-	-	(2,636)	-	-
Board of Directors	-	-	(514)	-	-	(1,388)	-	-
Board of Statutory Auditors	-	-	(149)	-	-	(218)	-	-
Other related parties	108	-	(9)	-	367	(198)	-	-
Total other related parties	108	-	(1,255)	-	367	(4,440)	-	-
Total related parties	108	-	(1,255)	-	417	(4,440)	-	-

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 31 December 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

At 31 December 2022, 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 11 November 2022, Paolo Fietta, Corporate General Manager and Chief Financial Officer and Manager in charge of financial reporting pursuant to Article 154-bis of Legislative Decree 58 of 24 February 1998, resigned.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in 2022".

On 9 November 2022, Il Sole 24 ORE S.p.A., following the stipulation of the partnership in the training market with the Multiversity Group, dated 3 October 2022, executed the commitments undertaken in the aforementioned agreement by completing the preliminary activities for the start of the collaboration with the Multiversity Group. In the context of these activities, the 85% stake in the share capital of the subsidiary Sole 24 ORE Formazione S.p.A., incorporated on 12 October 2022, was sold. The company is listed as an equity investment in associates as a result of the signing of governance clauses agreed with the shareholders, which de facto result in "significant influence" over the company.

On 10 November 2022, Fabio Domenico Vaccarone and Chiara Laudanna resigned from the position as Independent Director of Il Sole 24 ORE S.p.A.

On 20 December 2022, the Board of Directors, at the proposal of the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, co-opted Roberta Cocco as a Non-Independent Non-Executive Director and Gianmario Verona as an Independent Non-Executive Director. Pursuant to Article 2386 of the Italian Civil Code and the Articles of Association in force, the new Directors will hold office until the next Shareholders' Meeting.

There have been no changes in existing contractual relationships since the situation relating to the last approved Half-Yearly Financial Report.

TRANSACTIONS WITH RELATED PARTIES - PARENT COMPANY AT 31 DECEMBER 2022

Company	Receivables and other assets	Financial receivables	Payables and other liabilities	Financial payables	Operating revenues and income	Costs	Financial income	Financial expenses
Confederazione Generale dell'Industria Italiana (General Confederation of Italian Industry)	-	-	-	-	50	-	-	-
Total Parent Company	-	-	-	-	50	-	-	-
24 ORE Cultura S.r.l.	1,359	-	(803)	(2,465)	1,091	(1,005)	-	(103)
Il Sole 24 ORE Eventi S.r.l.	718	-	(1,334)	(1,499)	1,309	(3,136)	-	(73)
Il Sole 24 ORE UK Ltd	-	-	(370)	-	-	(470)	-	-
Il Sole 24 ORE U.S.A. Inc	-	-	(201)	-	64	(549)	-	-
Total Subsidiaries	2,077	-	(2,708)	(3,965)	2,464	(5,160)	-	(176)
Sole 24 ORE Formazione S.p.A.	-	-	-	-	-	-	-	-
Total associates	-	-	-	-	-	-	-	-
Key Executives	-	-	(582)	-	-	(2,636)	-	-
Board of Directors	-	-	(514)	-	-	(1,388)	-	-
Board of Statutory Auditors	-	-	(134)	-	-	(196)	-	-
Other related parties	94	-	(9)	-	356	(198)	-	-
Total other related parties	94	-	(1,239)	-	356	(4,418)	-	-
Total related parties	2,171	-	(3,947)	(3,965)	2,871	(9,578)	-	(176)

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.

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 31 December 2022, through specific declaration forms addressed to "Related Parties" as per Annex 1 of the Consob Regulation to which the RPT Regulation refers, its direct and indirect Related Parties.

At 31 December 2022, 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 11 November 2022, Paolo Fietta, Corporate General Manager and Chief Financial Officer and Manager in charge of financial reporting pursuant to Article 154-bis of Legislative Decree 58 of 24 February 1998, resigned.

On 27 April 2022, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors that will remain in office until the Meeting that will be called to approve the Financial Statements for the year 2024. For more information, please refer to "Significant events in 2022".

On 12 October 2022, Il Sole 24 ORE S.p.A. established the company Sole 24 ORE Formazione S.p.A., operating in the training sector, with a 100% shareholding of Euro 50 thousand. On 9 November 2022, Il Sole 24 ORE S.p.A., following the stipulation of the partnership in the training market with the Multiversity Group, dated 3 October 2022, executed the commitments undertaken in the aforementioned agreement by completing the preliminary activities for the start of the collaboration with the Multiversity Group. In the context of these activities, the 85% stake in the share capital of the subsidiary Sole 24 ORE Formazione S.p.A. was sold. The company is listed as an equity investment in associates as a result of the signing of governance clauses agreed with the shareholders, which de facto result in "significant influence" over the company.

On 10 November 2022, Fabio Domenico Vaccarone and Chiara Laudanna resigned from the position as Independent Director of Il Sole 24 ORE S.p.A.

On 20 December 2022, the Board of Directors, at the proposal of the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, co-opted Roberta Cocco as a Non-Independent Non-Executive Director and Gianmario Verona as an Independent Non-Executive Director. Pursuant to Article 2386 of the Italian Civil Code and the Articles of Association in force, the new Directors will hold office until the next Shareholders' Meeting.

There have been no changes in existing contractual relationships since the situation relating to the last approved Half-Yearly 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 31 December 2022, the credit line for the securitization of trade receivables with recourse (for a total amount of Euro 20.0 million) had been used for Euro 14.1 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 31 December 2022, there were no causes of impediment to purchase and/or material events that would result in contract termination.

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

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

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

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

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

Below is a comparison of the 2022 consolidated economic results with the 2022 forecast figures of the 2022-2025 Plan approved by the Board of Directors on 25 February 2022.

FINAL 2022 VS PLAN 2022

Euro millions	FY 2022	Plan 2022
Revenues	212	216
EBITDA	32	26
Ebit	11	6

The macroeconomic and geopolitical scenario of FY 2022 was characterized by elements of uncertainty such as the ongoing conflict in Ukraine, a sharp upturn in inflation, rising interest rates, the residual effects of Covid-19 and rising commodity and energy costs. In this context, the 24 ORE Group recorded lower-than-expected revenue growth, also as a result of the revision of some initiatives envisaged in the 2022-2025 Plan and a rescheduling of their launch times, as well as a slower post-pandemic recovery of the activities of the subsidiary 24 ORE Cultura S.r.l.. The Ebitda of the 2022 financial year compared to the 2022-2025 Plan incorporated higher non-recurring income mainly attributable to: *i)* contributions obtained by the company 24 ORE Cultura S.r.l. to support businesses following the health emergency caused by the spread of the Covid-19 virus; *ii)* release of the residual risk provision, allocated in the 2016 financial statements for the restatement of contingent liabilities, including tax liabilities connected to the outcome of penal proceeding no. 5783/17 R.G.N.R. and *iii)* partial restatement of restructuring expenses to personnel.

The variance in Ebit for the 2022 financial year compared to the 2022-2025 plan includes, in addition to the above-mentioned Ebitda, a Euro 5.7 million write-down of assets, of which Euro 4.3 million following the results of the impairment test, substantially offset by the Euro 1.5 million gain following the recognition of the sublease of two floors of the Milan office and lower depreciation and amortization following the time rescheduling of the investments envisaged in the 2022-2025 Plan.

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 digitisation of products and processes, globalisation 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

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

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

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.

Milan, 23 March 2023

The Chairperson of the Board of Directors
Edoardo GARRONE



Il Sole 24 Ore S.p.A.

Consolidated financial statements at December 31, 2022

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Il Sole 24 Ore S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of 24 Ore Group (the Group), which comprise the consolidated statement of financial position at December 31, 2022, and the consolidated statement of profit (loss) for the year, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Il Sole 24 Ore S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
<p>Assessment of the going concern basis</p> <p>At December 31, 2022 consolidated equity, including Euro 0.5 million of the consolidated profit for the year then ended, equals to Euro 15.9 million, consolidated net financial position is negative of Euro 43.8 million and current assets exceed current liabilities of Euro 9.3 million.</p> <p>On February 21, 2023 the Board of Directors of Il Sole 24 Ore S.p.A. approved the Business Plan 2023-2026 of the Group (the "Plan"), that updated the previous Plan 2022-2025, approved on February 25, 2022. The assumptions underlying the Plan and the related assessment on the going concern basis are complex by nature and require Directors' judgement, in particular for the revenues' projections, the incidence of costs for raw materials and energy, and the outcome of the cost rationalization and efficiency programs. These projections are subject to the possible effect arising from the current macroeconomic and geopolitical scenario and to the uncertainties of this sector and of any projections, which could affect the results that will actually be achieved, as well as their methods and timing.</p> <p>Considering the judgment required from the Directors in developing the assumptions and projections to support the going concern basis as stated in the Plan, we deemed this area to represent a key audit matter.</p> <p>The financial statements disclosure is provided in the paragraph "Directors' assessment of the going concern assumption", while the comparison between the main prospective financial information of the Plan and those included in the previous Plan 2022-2025 is reported in the paragraph "The status of implementation of the business plan, highlighting any deviations from the actual figures compared to those forecast" of the notes to the consolidated financial statements.</p>	<p>Our audit responses to this key audit matter included, among others:</p> <ul style="list-style-type: none"> • understanding the rationale underlying the directors' assessment of the going concern assumption and assessing the key assumptions of the Plan approved by the Board of Directors on February 21, 2023; • assessing the differences between the prospective financial information for the year 2022 included in the previous Plan 2022-2025 and those actually achieved for the same year; • assessing the differences between the prospective financial information of the Plan and those included in the previous Plan 2022-2025; • obtaining written representations from Management relating to its future actions. <p>Lastly, we verified the adequacy of the disclosure provided in the notes to the financial statements regarding this matter.</p>

Recoverability of goodwill and other non-current assets with an indefinite and definite useful life

At December 31, 2022, goodwill and other non-current assets with an indefinite and definite useful life amount to Euro 92.6 million.

The Group tested for impairment its Cash Generating Units (CGUs) to which goodwill and other non-current assets with an indefinite useful life are allocated, as well as the other CGUs where impairment indicators were noted based on 2022 results (net of non-recurring income and expenses).

The methodologies for evaluating and determining the recoverable amount of each CGU, in terms of value in use, are based on complex assumptions which, by nature, require Directors' judgement, regarding the forecasting of cash flows included in the Plan, the determination of the normalized cash flows for the estimation of the terminal value, and the determination of the long-term growth and of the discounting rates applied to the forecasted cash flows. In this regard, the possible effects arising from the current macroeconomic and geopolitical scenario and the assessments of the uncertainties of this sector and of any projections, in particular for revenues over the period of the Plan, are significant.

Considering the judgments required and the complexity of assumptions underlying the estimation of the recoverable amount of goodwill and other non-current assets with an indefinite and definite useful life, and the sensitivity of value in use to changes in key assumption, we deemed this area to represent a key audit matter.

The financial statements disclosure on goodwill and other non-current assets with an indefinite and definite useful life, on assumption underlying the impairment analysis and on sensitivity analysis regarding recoverable amounts to changes in key assumptions, is provided in the explanatory note 11 "Notes - Impairment test" and in the explanatory note 5 "Measurement criteria - Non-current assets" to the consolidated financial statements.

Our audit responses to this key audit matter included, among others:

- understanding the impairment process and analyzing the key controls put in place by the Management, considering the impairment test procedure approved by the Board of Directors on February 21, 2023;
- testing the adequacy of the perimeter of the CGUs and the allocation of the book values of assets and liabilities to each CGU;
- assessing the report of the management's specialist, who assisted the Company in the impairment test, as well as the evaluation of its competence and objectivity;
- assessing key assumptions and methodologies used in the impairment process, including projections of revenues, operating results and cash flows;
- assessing the determination of long-term growth rates and discount rates;
- assessing the sensitivity tests performed.

In our audit, we also involved our specialists in valuation techniques, who performed independent recalculation and sensitivity analyses on key assumptions in order to determine changes in assumptions that could significantly impact the valuation of recoverable value.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements, in particular those related to assumptions which determine the most relevant effects on the recoverable amounts of the goodwill and other non-current assets with an indefinite and definite useful life.

Recoverability of deferred tax assets

At December 31, 2022, deferred tax assets amount to Euro 14.1 million.

The recoverability of these assets is subject to assessment by the Group Management on the basis of the projections of future taxable incomes, consistently with the results included in the Plan, as well as the projections of taxable incomes for periods beyond the Plan, with recoverability rates decreasing over time to account for the higher uncertainty of such forecasted results.

Considering the judgment required and the complexity of the assumptions applied in forecasting future taxable incomes, which are the basis to estimate the recoverable value of deferred tax assets, we deemed this area to represent a key audit matter.

The financial statements disclosure related to deferred tax assets is provided in the explanatory note 6 "Deferred tax assets and deferred tax liabilities" and in the explanatory note 5 "Measurement criteria - Deferred tax assets" to the consolidated financial statements.

Our audit responses to this key audit matter included, among others:

- understanding the process of determining income taxes and key controls put in place by the Management on the recoverability of deferred tax assets;
- assessing the assumptions underlying the Plan, as described in the previous key audit matter;
- assessing the projections of future taxable incomes and their reconciliation with the correspondent pre-tax results included in the Plan, as well as the analysis of the projections of taxable income for periods beyond the Plan.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to the recoverability of deferred tax assets.

Revenue recognition from sales of advertising, databases, and multiple digital newspapers

For the year ended December 31, 2022, revenues amount to Euro 211.6 million.

Certain streams of revenues present complexities with reference to specific assertions, such as the existence of publishing revenues from sales of multiple digital newspapers and the occurrence of advertising revenues, as well as revenues from sales of databases. Therefore, we assessed that this matter represents a key audit matter.

The financial statement disclosure related to the revenue recognition criteria adopted by the Group is provided in the explanatory note 5 "Measurement criteria - Revenues" to the consolidated financial statements.

Our audit responses to this key audit matter included, among others:

- understanding the procedure and key controls put in place by the Management regarding the revenue recognition;
 - performing test on the controls over the revenue recognition process;
 - testing contracts with major clients and assessing the renewal rate of subscriptions in relation to revenues from sales of multiple digital newspapers;
 - testing the advertising revenues accruals at year-end and performing analytical procedures on the correlation between advertising revenues and actual publication dates;
 - performing analytical procedures on revenues related to sales of database, considering the subscription period, including any free periods.
-

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to this matter.

Internal control system – purchasing process

Between the end of 2016 and the beginning of 2017, the Group, also with the support of an external consultant, started an assessment of its business processes and internal control system, which identified material weaknesses in the internal control system with particular emphasis on controls surrounding the purchasing area. As a result of this activity, the Group prepared an action plan to remediate the weaknesses identified. During the following years, the upgrade of the administrative-accounting model according to Law no. 262/2005 continued and further actions, as reported from the Company, will continue in 2023. In this regard, for the purpose of preparing the consolidated financial statements at December 31, 2022, the Management put in place compensating controls.

The effectiveness of the internal control system is a significant matter for the audit, as it determines the possibility of planning the audit to rely on the key internal controls and, consequently, an efficient design of the nature, extension and timing of the audit procedures.

In consideration of the fact that remedial actions had a progressive implementation during 2022, with a related impact on the audit procedures performed on the financial statements as of December 31, 2022, and further actions will be implemented in 2023 we assessed that this matter represents a key audit matter.

The disclosure related to the process of upgrading internal control system is provided in the paragraph "Main risks and uncertainties - Risks related to the internal control and risk management system" of the Directors' report.

Our audit responses to this key audit matter included, among others:

- additional tests of details related to the completeness assertion of trade payables, including the analysis of unrecorded invoices received after year-end, having decided to not rely on the internal control system in planning and perform the audit procedures related to that assertion;
- testing the main consulting contracts to ensure the correct cut-off of the related costs;
- external confirmation procedures over the most significant vendors;
- extending the size of sample selected to test authorizations on purchases.

Lastly, we verified the adequacy of the disclosure provided in the notes to the consolidated financial statements in relation to the updating process of the internal control system.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Il Sole 24 Ore S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Il Sole 24 Ore S.p.A., in the general meeting held on April 29, 2016, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31, 2016 to December 31, 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Il Sole 24 Ore S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the “Delegated Regulation”) to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements at December 31, 2022 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31, 2022 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Il Sole 24 Ore S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of 24 Ore Group at December 31, 2022, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under auditing standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements of 24 Ore Group at December 31, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of 24 Ore Group at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Il Sole 24 Ore S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information have been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information are subject to a separate compliance report signed by us.

Milan, April 3, 2023

EY S.p.A.
Signed by: Massimo Meloni, Auditor

As disclosed by the Directors on page 4, the accompanying consolidated financial statements of 24 Ore Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.