HALF-YEAR REPORT AT 30 JUNE 2022

GRUPPO MONDADORI

ARNOLDO MONDADORI EDITORE S.p.A.

Share capital € 67,979,168.40

Registered Office in Milan
Administrative Offices in Segrate (Milan)

HALF-YEAR REPORT AT 30 JUNE 2022

Arnoldo Mondadori Editore S.p.A.

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COMPOSITION OF CORPORATE BODIES

*Board of Directors**

Chairman
Marina Berlusconi

CEO
Antonio Porro

Directors
Pier Silvio Berlusconi
Elena Biffi**
Valentina Casella**
Francesco Currò
Alessandro Franzosi
Paola Elisabetta Galbiati**
Danilo Pellegrino
Alceo Rapagna**
Angelo Renoldi**
Cristina Rossello

*Board of Statutory Auditors**

Chair
Sara Fornasiero

Standing Auditors
Flavia Daunia Minutillo
Ezio Maria Simonelli

Substitute Auditors
Mario Civetta
Annalisa Firmani
Emilio Gatto

** The Board of Directors and the Board of Statutory Auditors currently in office were appointed by the Shareholders' Meeting of 27 April 2021*

*** Independent Director*

MONDADORI GROUP ORGANIZATION

ARNOLDO MONDADORI EDITORE S.P.A.

Books

- Mondadori Libri S.p.A. **100%**
  - A.L.I. S.r.l. - Agenzia Libraria International **50%**
    - Il Castello S.r.l. **100%**
  - De Agostini Libri S.r.l. **50%**
    - Libromania S.r.l. **100%**
  - Giulio Einaudi editore S.p.A. **100%**
    - Edizioni EL S.r.l. **50%**
  - Mondadori Education S.p.A. **100%**
  - Electa S.p.A. **100%**
    - Abscondita S.r.l. **80%**
  - Rizzoli Education S.p.A. **99,99%**
    - Rizzoli International Publications Inc. **100%**
  - D Scuola S.p.A. **100%**
  - Mach 2 Libri S.p.A.* **44,91%**

Retail

- Mondadori Retail S.p.A. **100%**

Media

- Mondadori Media S.p.A. **100%**
  - AdKaora S.r.l. **100%**
    - Hej! S.r.l. **100%**
  - Direct Channel S.p.A. **100%**
    - Mediamond S.p.A. **50%**
    - Mondadori Seec (Beijing) Advertising Co.Ltd **50%**
  - Press-di S.r.l. **100%**
  - Mondadori Scienza S.p.A. **100%**
  - Attica Publications S.A. **41,98%**

As at 30 June 2022

* Put into liquidation

Legend: Subsidiary companies (dark grey) | Affiliated companies (light grey)

MONDADORI GROUP ORGANIZATION CHART

Marina Berlusconi*
Presidente

Antonio Porro*
Amministratore Delegato

Alessandro Franzosi*
Chief Financial Officer di Gruppo

Daniele Sacco
Direttore Risorse umane e organizzazione, Affari legali e societari

Federico Angrisano
Direttore Comunicazione e media relations

Francesca Rigolio
Chief Diversity Officer

Enrico Selva Coddè
Vicepresidente di Mondadori Libri S.p.A. e Amministratore Delegato di Mondadori Libri S.p.A. Area Trade

Gian Luca Pulvirenti
Amministratore Delegato di Mondadori Libri S.p.A. area Education

Carmine Perna
Amministratore Delegato di Mondadori Retail S.p.A.

Carlo Mandelli
Amministratore Delegato di Mondadori Media S.p.A.

Andrea Santagata
Chief Innovation Officer di Gruppo e Direttore Generale di Mondadori Media S.p.A.

As at 30 June 2022

* Membri del Consiglio di Amministrazione

DIRECTORS’ REPORT ON OPERATIONS
AT 30 JUNE 2022

MONDADORI GROUP HIGHLIGHTS IN FIRST HALF 2022

(Euro/millions)	1H 2022	1H 2022 LFL*	1H 2021
Income Statement			
Revenue	**355.1**	**338.6**	**320.4**
Adj. EBITDA	**27.6**	**28.4**	**21.5**
EBITDA	**26.8**	**27.6**	**19.0**
EBIT	**3.2**	**8.5**	**0.2**
EBIT excl. PPA*	***5.0***		
Group Net Result	**2.8**	**6.7**	**4.4**
Business Areas			
Revenue	**355.1**	**338.6**	**320.4**
Books	196.0	179.3	168.9
Retail	77.6	77.6	69.8
Media	98.2	98.2	97.4
Corporate & Shared Services	19.7	19.7	19.7
Intercompany	*(36.4)*	*(36.1)*	*(35.3)*
Adj. EBITDA	**27.6**	**28.4**	**21.5**
Books	23.8	24.7	19.8
Retail	1.4	1.4	0.4
Media	7.8	7.8	4.5
Corporate & Shared Services	(3.7)	(3.7)	(2.6)
Intercompany	*(1.7)*	*(1.7)*	*(0.6)*
Balance Sheet			
Group Equity	**207.7**	**211.6**	**178.0**
Net invested capital	**494.7**	**339.3**	**333.1**
Net Financial Position before IFRS 16	**205.8**	**48.4**	**68.3**
Net Financial Position post IFRS 16	**285.1**	**125.8**	**155.1**
Human resources			
End-of-period headcount	**1,917**	**1,789**	**1,829**

Changes in this report were calculated on amounts expressed in Euro thousands

** The "1H 2022 LFL" column shows the operating and financial figures at 30 June 2022 on a like-for-like basis excluding D Scuola*

*** EBIT net of the impacts from the amortization/depreciation of the amounts resulting from the Purchase Price Allocation process of D Scuola*

In first half 2022, - excluding the contribution of the newly-consolidated D Scuola - the Group recorded **a positive revenue trend**, with an organic 5.7% increase in the six-month period - accelerating its business activity and growing by approximately 8% in the second quarter which, **coupled with the careful management of operations** implemented in prior quarters, enabled it to achieve **greater structural efficiency and a constant increase in profitability** (**adjusted EBITDA up from € 21.5 million to € 28.4 million**), as well as **solid cash generation** (LTM cash flow from ordinary operations **over € 70 million**).

As already seen for the first quarter, at 30 June too, the contribution of D Scuola, fully consolidated as from 1 January 2022, was heavily marked by the seasonal nature of the Education business which, in the first half of the year, records only the costs of creating editorial content as well as the expense from the promotional activities to support the adoption campaign, postponing the recognition of revenue from the sale of school textbooks to the second half of the year.

Additionally, in the first part of the current year, the Group continued on the **strategic path** of reshaping its business portfolio, on the one hand, **by developing and strengthening its presence in book publishing** and, on the other, **by tapering its exposure and involvement in the magazines segment**:

- on 1 July, Mondadori completed the acquisition of 51% of **Edizioni Star Comics**, Italy's leading comic books publisher, specialized in the publication on the domestic market of the major international productions including, in particular, Japanese manga. The transaction has enabled the Group to secure itself - with a 30% market share - a leadership position in the domestic comic books segment, the most dynamic area of the publishing industry, capable of recording a 27% growth in the first 6 months of the year[1];
- on 7 July, the Group completed the sale of 51% of Press-di Edizione Stampa e Multimedia S.r.l., specialized in the distribution throughout Italy of magazines and newspapers for both the Group and for 90 third-party publishers.

From an accounting point of view, both transactions will be shown in the Group's consolidated financial statements starting from the second half of the year.

In light of the positive results achieved in the first six months and despite the uncertain economic and geopolitical context, the **outlook for 2022 remains confirmed**, as detailed below.

[1] GfK, figures in terms of value, June 2022

CONSOLIDATED FINANCIAL HIGHLIGHTS IN FIRST HALF 2022

€ millions	1H 2022		1H 2022 LFL		1H 2021		% chg.	% chg. LFL
REVENUE	**355.1**		**338.6**		**320.4**		*10.8%*	*5.7%*
INDUSTRIAL PRODUCT COST	112.3	31.6%	108.1	31.9%	94.6	29.5%	18.7%	14.3%
VARIABLE PRODUCT COSTS	46.3	13.0%	45.1	13.3%	50.7	15.8%	(8.7%)	(11.0%)
OTHER VARIABLE COSTS	74.0	20.8%	68.1	20.1%	66.2	20.6%	11.9%	2.9%
STRUCTURAL COSTS	29.3	8.2%	27.7	8.2%	23.8	7.4%	22.9%	16.5%
EXTENDED LABOUR COST	73.7	20.8%	69.1	20.4%	68.6	21.4%	7.5%	0.8%
OTHER EXPENSE (INCOME)	(8.0)	(2.3%)	(7.9)	(2.3%)	(4.9)	(1.5%)	65.0%	62.4%
ADJUSTED EBITDA	**27.6**	**7.8%**	**28.4**	**8.4%**	**21.5**	**6.7%**	**28.1%**	**32.0%**
RESTRUCTURING COSTS	0.5	0.1%	0.5	0.1%	1.7	0.5%	(71.0%)	(71.0%)
EXTRAORDINARY EXPENSE (INCOME)	0.3	0.1%	0.3	0.1%	0.8	0.3%	(60.9%)	(60.9%)
EBITDA	**26.8**	**7.5%**	**27.6**	**8.1%**	**19.0**	**5.9%**	**40.6%**	**45.0%**
AMORTIZATION AND DEPRECIATION	16.5	4.7%	12.4	3.7%	11.9	3.7%	39.0%	3.9%
IMPAIRMENT AND WRITE-DOWNS	0.0	0.0%	0.0	0.0%	0.3	0.1%	n.s.	n.s.
AMORTIZATION AND DEPRECIATION IFRS 16	7.0	2.0%	6.7	2.0%	6.6	2.1%	5.3%	1.4%
EBIT	**3.2**	**0.9%**	**8.5**	**2.5%**	**0.2**	**0.1%**	**n.s.**	**n.s.**
FINANCIAL EXPENSE (INCOME)	1.8	0.5%	1.7	0.5%	0.6	0.2%	180.8%	176.8%
FINANCIAL EXPENSE IFRS 16	1.1	0.3%	1.1	0.3%	1.1	0.3%	4.1%	2.0%
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	0.0	0.0%	0.4	0.1%	n.s.	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	(0.1)	(0.0%)	(0.1)	(0.0%)	3.1	1.0%	n.s.	(103.2%)
EBT	**0.5**	**0.1%**	**5.8**	**1.7%**	**(5.1)**	**(1.6%)**	**n.s.**	**n.s.**
TAX EXPENSE (INCOME)	(1.8)	(0.5%)	(0.4)	(0.1%)	(9.4)	(2.9%)	n.s.	(95.5%)
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLIN	**2.2**	**0.6%**	**6.2**	**1.8%**	**4.4**	**1.4%**	**(48.6%)**	**42.1%**
MINORITIES	(0.6)	(0.2%)	(0.6)	(0.2%)	0.0	0.0%	n.s.	n.s.
GROUP NET RESULT	**2.8**	**0.8%**	**6.7**	**2.0%**	**4.4**	**1.4%**	**(35.9%)**	**54.9%**

The item *Extended Labour Cost* includes costs for collaborations and temporary employment.

*In first half 2022, for the purposes of greater comparability with first half 2021, in the column "**1H 2022 LFL**", the reclassified Income Statement and Statement of Financial Position show the **income and financial figures at 30 June 2022 on a like-for-like basis excluding D Scuola** (fully consolidated at the income level as from 1 January 2022 and at the balance sheet level as from 31 December 2021).*

The contribution of D Scuola in the first half is irrelevant owing to the seasonal nature of the Education business which, in the first half of the year, records only the costs of creating editorial content as well as the expense from the promotional activities to support the adoption campaign, postponing the recognition of revenue from the sale of school textbooks to the second half of the year.

ALTERNATIVE PERFORMANCE MEASURES

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures in order to better evaluate the operating and financial performance of the Group, the definition of which is explained in the section "Glossary of terms and alternative performance measures used".

INCOME STATEMENT

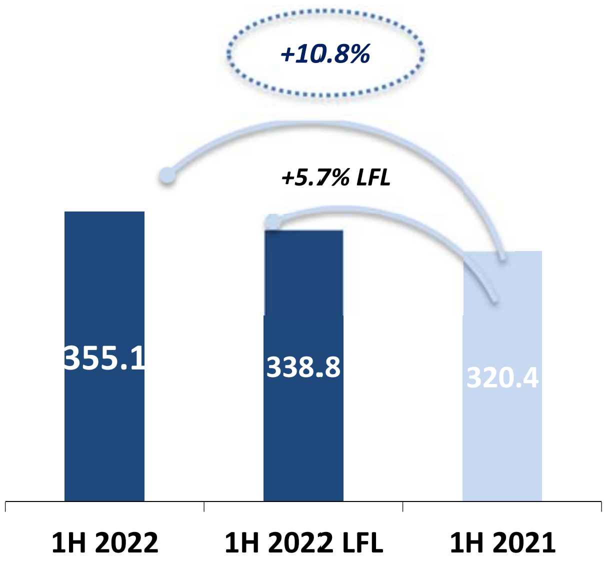
REVENUE

In first half 2022, **consolidated revenue** amounted to € **355.1 million**, **increasing by 10.8%** versus € 320.4 million in the prior year; net of the consolidation of D Scuola, effective as from 1 January 2022, Group revenue recorded a **like-for-like growth of 5.7%, thanks to the contribution of all business areas, of the Retail and Books areas in particular**.

In the **Books** area, revenue increased by **16% -** or by **6.1% on a like-for-like basis** - thanks in particular to the growth in sales of the Trade publishing houses and Rizzoli International Publications, as well as the upswing in activities related to the management of museums, concessions and cultural assets - badly hit in early 2021 by the restrictive measures to contain the pandemic - which more than offset the lower revenue from Education as a result of the time slippage of certain supplies to the third quarter.

The **Retail** area recorded an **11.2% growth in revenue**, driven mostly by the **book** product (**up by approximately 15%**), due also to a positive comparison with the prior year, which had been negatively impacted by the restrictions.

The **Media** area recorded a **0.9%** increase in revenue: an extremely positive trend in advertising sales - both print and digital - that also reflected a different timing of the *Fuori Salone* 2022 event, which more than offset the reduction in circulation revenue. On a like-for-like basis of portfolio of titles[2], total revenue in the Media area **grew by 10%** versus first half 2021, again driven by the good performance of advertising.

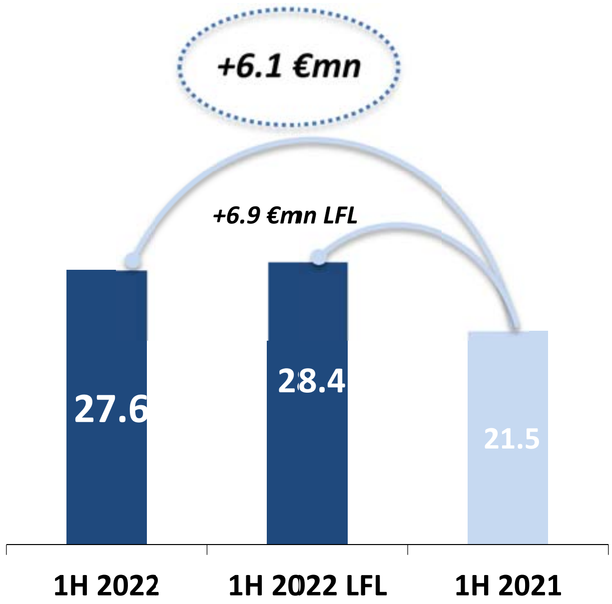


[2] Mention should be made of the disposal at end 2021 of the Donna Moderna and Casafacile brands

Revenues by Business Area *(Euro/millions)*	**1H 2022**	**1H 2022 lfl**	**1H 2021**	***Var.%***	***Var.% lfl***
Books	196.0	179.3	168.9	*16.0%*	*6.1%*
Retail	77.6	77.6	69.8	*11.2%*	*11.2%*
Media	98.2	98.2	97.4	*0.9%*	*0.9%*
Corporate & Shared Services	19.7	19.7	19.7	*0.0%*	*0.0%*
Total aggregated Revenues	**391.5**	**374.8**	**355.7**	***10.0%***	***5.3%***
Intercompany	(36.4)	(36.1)	(35.3)	*3.1%*	*2.3%*
Total Consolidated Revenues	**355.1**	**338.6**	**320.4**	***10.8%***	***5.7%***

Revenues by Geography *(Euro/millions)*	**1H 2022**	**1H 2021**	***Var. %***
Italy	316.7	287.6	*10.1%*
Other EU countries	13.1	12.7	*3.5%*
Other extra-UE countries	25.3	20.2	*25.2%*
Total Consolidated Revenues	**355.1**	**320.4**	***10.8%***

EBITDA



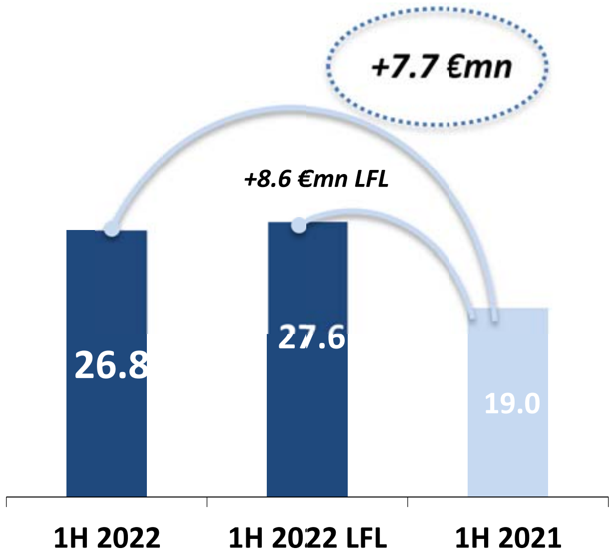
Adjusted EBITDA came to a **positive € 27.6 million** in the period under review; excluding D Scuola from the result for the period, **adjusted EBITDA shows a positive € 28.4 million** as the company, which operates in the school textbooks segment, records a loss in the first part of the year due to the seasonal nature of the business; **on a like-for-like basis**, the Group **improved profitability by € 6.9 million** versus first half 2021, driven by the **positive performance** of all business areas, by the **Books and Media** areas in particular.

More specifically, the various business segments achieved the following results:

- the **Books** area **increased** by € **4.8** million on a like-for-like basis in the period, driven by the positive performance of the Trade publishing houses, the upswing in museum activities and those related to Electa's concessions, as well as the increased relief granted to the latter, despite the postponement of supplies to a number of clients in the Education area;

Adj. EBITDA by Business Area					
(Euro/millions)	**1H 2022**	**1H 2022 lfl**	**1H 2021**	***Var.***	***Var. lfl***
Books	23.8	24.7	19.8	*4.0*	*4.8*
Retail	1.4	1.4	0.4	*0.9*	*0.9*
Media	7.8	7.8	4.5	*3.3*	*3.3*
Corporate & Shared Services	(3.7)	(3.7)	(2.6)	*(1.1)*	*(1.1)*
Intercompany	(1.7)	(1.7)	(0.6)	*(1.1)*	*(1.1)*
Total Adj. EBITDA	**27.6**	**28.4**	**21.5**	***6.1***	***6.9***

- the **Retail** area recorded an **improvement of € 0.9** million, thanks to the growth in the period posted by book product sales and the ongoing deep transformation and renewal of the network of physical stores, and of the organization and processes;
- the **Media** area grew by € **3.3** million, thanks to the continued costs-curbing measures in the print area, the positive margin of the *Fuori Salone* 2022 (in 2021 scheduled in the second half of the year), the tax credit recognized on paper consumption that allowed it to reduce the negative impact on profitability resulting from the increase in the cost of raw materials;
- the **Corporate & Shared Services** area recorded a negative margin of € 3.7 million, down from € -2.6 million in first half 2021, due mainly to the increase in utility costs relating to the management of the Segrate headquarters.



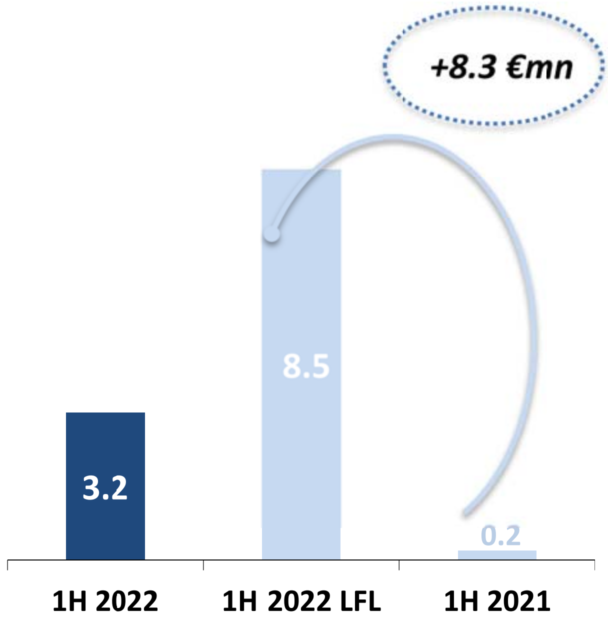
EBITDA by Business Area *(Euro/millions)*	**1H 2022**	**1H 2022 lfl**	**1H 2021**	***Var.***	***Var. lfl***
Books	23.0	23.8	19.3	*3.6*	*4.5*
Retail	1.0	1.0	0.5	*0.5*	*0.5*
Media	8.3	8.3	4.4	*3.9*	*3.9*
Corporate & Shared Services	(3.9)	(3.9)	(4.6)	*0.7*	*0.7*
Intercompany	(1.7)	(1.7)	(0.6)	*(1.0)*	*(1.0)*
Total EBITDA	**26.8**	**27.6**	**19.0**	***7.7***	***8.6***

Group **EBITDA**, amounting to € **26.8** million or € 27.6 million on a like-for-like basis, **showed a clear improvement** attributable to the phenomena and trends mentioned earlier, and to a positive trend in non-ordinary items, especially in the Corporate area as further explained below.

EBIT

The Mondadori Group **EBIT** at 30 June 2022 closed with a positive € **3.2** million or € 8.5 million on a like-for-like basis. The comparison with 2021 shows i) an **improvement on a like-for-like basis of € 8.3 million,** attributable to the mentioned trends and ii) a more moderate improvement on a like-for-like basis of € 3.0 million, due to the consolidation of D Scuola's amortization/depreciation and the effects of the Purchase Price Allocation process from the acquisition of D Scuola.

Net of the amortization/depreciation resulting from this process, consolidated **EBIT** of the new scope would **grow** by approximately € **5** million.



EBIT by Business Area *(Euro/millions)*	**1H 2022**	**1H 2022 lfl**	**1H 2021**	***Var.***	***Var. lfl***
Books	11.4	16.7	12.9	*(1.5)*	*3.8*
Retail	(3.3)	(3.3)	(3.7)	*0.5*	*0.5*
Media	5.4	5.4	1.0	*4.4*	*4.4*
Corporate & Shared Services	(8.6)	(8.6)	(9.3)	*0.7*	*0.7*
Intercompany	(1.7)	(1.7)	(0.6)	*(1.0)*	*(1.0)*
Total EBIT	**3.2**	**8.5**	**0.2**	***3.0***	***8.3***
PPA	1.8				
Total EBIT ex PPA	**5.0**	**8.5**	**0.2**	***4.8***	***8.3***

CONSOLIDATED RESULT BEFORE TAX

Consolidated profit before tax amounted to € **0.5** million or € **5.8** million **on a like-for-like basis, improving by** € **10.9** million versus € -**5.1** million in first half 2021.

In addition to the mentioned operating trends, the sharp increase in profit before tax is explained by the following additional elements:

- the recognition in first half 2021 of a capital loss of € 0.4 million resulting from the sale in February 2021 of the last tranche of the **investment in Reworld Media** [3];
- the **improvement** of over € 3 million in the **results of the investees** resulting from (i) the sale on 1 January 2022, of the investment in Monradio (which usually recorded losses), (ii) the improved results for the period recorded by Attica, as well as (iii) the start of the accounting of the share of profits of A.L.I. of which the Group, on 11 May 2022, completed the acquisition of a 50% stake in the share capital.

Financial expense increased by € 1.3 million, due mainly to the recognition in 2021 of a one-off income from the application of IFRS 9 to the terms of the pool loan signed by the Group in May 2021.

A point worth mentioning is that the more favourable terms of the new loans taken out by the Group helped contain the cost of debt in the first six months of the current year and bring it in line with the figure recorded in first half 2021, despite the higher financial exposure of the Group in the period following completion of the acquisition of D Scuola at end 2021.

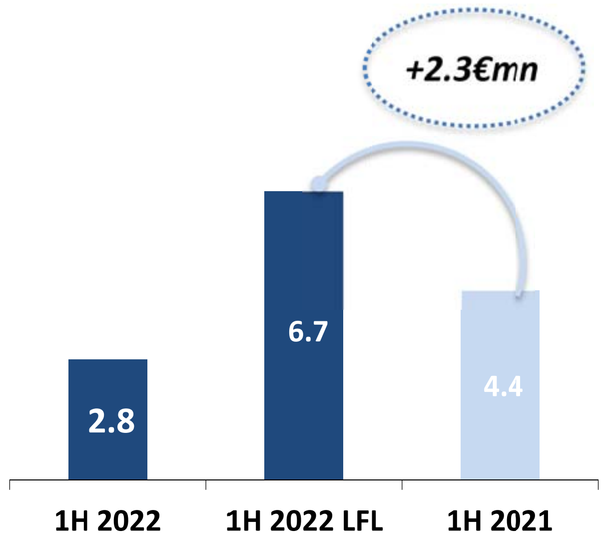
[3] The monetization of this investment generated a total gain (2019-2021) of € 1.1 million.

NET RESULT

Group net profit, after minority interests, amounted to € **2.8** million or € **6.7** million on a like-for-like basis, **improving** by € 2.3 million versus € **4.4** million in first half 2021, despite the fact that last year's tax components had benefited from a net **non-recurring income of approximately € 9 million**, resulting from the realignment of the tax amounts of trademarks and goodwill to their respective statutory amounts.

The tax charge for the period came in fact to a positive € 1.8 million (€ 0.4 million on a like-for-like basis) versus € 9.4 million at 30 June 2021.

The deterioration of the Group's net result in the transition from a like-for-like basis to a comprehensive basis is attributable to D Scuola which, as already mentioned, operates in the school textbooks segment, the heavy seasonal nature of which leads to the recognition in the first half of the year of a net loss.



FINANCIAL RESULTS

€ millions	1H 2022	1H 2022 LFL	1H 2021	*% chg.*	*% chg. LFL*
TRADE RECEIVABLES	142.0	130.8	140.6	*1.0%*	*(7.0%)*
INVENTORY	158.8	145.8	132.4	*20.0%*	*10.2%*
TRADE PAYABLES	206.9	188.1	171.2	*20.8%*	*9.9%*
OTHER ASSETS (LIABILITIES)	4.6	13.9	(0.3)	*n.s.*	*n.s.*
NET WORKING CAPITAL CONTINUING OPERATIONS	**98.6**	**102.4**	**101.4**	***(2.7%)***	***1.0%***
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(1.3)	(1.3)	(5.1)	*(74.7%)*	*(74.7%)*
NET WORKING CAPITAL	**97.4**	**101.1**	**96.3**	***1.1%***	***5.0%***
INTANGIBLE ASSETS	352.0	189.3	192.2	*83.1%*	*(1.5%)*
PROPERTY, PLANT AND EQUIPMENT	16.4	16.3	16.5	*(0.5%)*	*(0.9%)*
INVESTMENTS	27.9	27.9	16.0	*74.1%*	*74.0%*
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**396.3**	**233.5**	**224.7**	***76.4%***	***3.9%***
ASSETS FROM RIGHTS OF USE IFRS 16	75.2	73.3	83.8	*(10.2%)*	*(12.5%)*
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**471.5**	**306.8**	**308.5**	***52.8%***	***(0.6%)***
PROVISIONS FOR RISKS	45.4	43.6	42.8	*6.1%*	*1.9%*
POST-EMPLOYMENT BENEFITS	28.7	25.0	28.9	*(0.7%)*	*(13.4%)*
PROVISIONS	**74.1**	**68.7**	**71.7**	***3.4%***	***(4.3%)***
NET INVESTED CAPITAL	**494.7**	**339.3**	**333.1**	***48.5%***	***1.8%***
SHARE CAPITAL	68.0	68.0	68.0	*0.0%*	*0.0%*
RESERVES	137.0	136.9	105.7	*29.6%*	*29.5%*
PROFIT (LOSS) FOR THE PERIOD	2.8	6.7	4.4	*n.s.*	*n.s.*
GROUP EQUITY	**207.7**	**211.6**	**178.0**	***16.7%***	***18.9%***
NON-CONTROLLING INTERESTS' EQUITY	1.9	1.9	0.0	*n.s.*	*n.s.*
EQUITY	**209.6**	**213.5**	**178.0**	***17.7%***	***19.9%***
NET FINANCIAL POSITION NO IFRS 16	205.8	48.4	68.3	*n.s.*	*n.s.*
NET FINANCIAL POSITION IFRS 16	79.3	77.4	86.8	*(8.6%)*	*(10.9%)*
NET FINANCIAL POSITION	**285.1**	**125.8**	**155.1**	***83.9%***	***(18.9%)***
SOURCES	**494.7**	**339.3**	**333.1**	***48.5%***	***1.8%***

In the table above, for the purposes of greater comparability with first half 2021, the column "1H 2022 LFL" shows the reclassified statement of financial position for first half 2022 also on a like-for-like basis, excluding D Scuola from the financial situation (fully consolidated at the balance sheet level as from 31 December 2021).

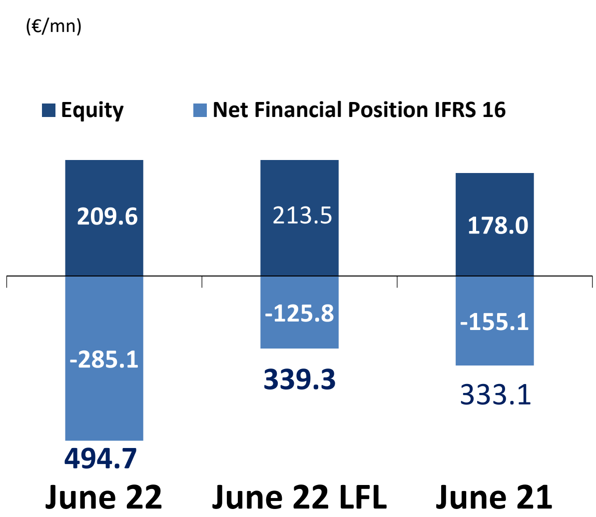
Under IFRS 5, at 30 June 2022, and for the sake of correct comparison also at 30 June 2021, the balance sheet amounts referring to the investment in Press-di Distribuzione Stampa Multimedia S.r.l., subsequently sold on 7 July 2022, are shown under "Assets (Liabilities) disposed of or being disposed of".

NET INVESTED CAPITAL

The Group's **Net Invested Capital** at 30 June 2022 - on a like-for-like basis - amounted to € **339.3** million, increasing from € 333.1 million at 30 June 2021.

Net Working Capital (of continuing operations on a like-for-like basis) amounted to € **102.4** million and was basically steady versus the prior 12 months (€ 101.4 million).

SOURCES



Consolidated equity at 30 June 2022 **increased by over € 35 million** versus the same period of the prior year, due to the positive results achieved in the last twelve

Net Fixed Assets amounted to € **306.8** million, down versus € 308.5 million at 30 June 2021, due to the amortization of intangible assets with finite useful life and rights of use, partly offset by the increase in investments following the acquisition of 50% of A.L.I. - Agenzia Libriaria International, completed in May.

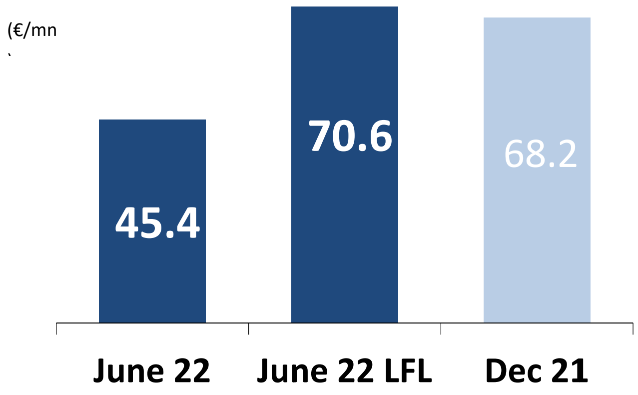
months and despite the distribution of dividends of € 22.2 million.

On a like-for-like basis, the Net Financial Position before IFRS 16 stood at € **-48.4** million**, improving strongly by** € **20** million versus the net debt recorded at 30 June 2021, despite the cash out from the payment of dividends and the acquisition of A.L.I..

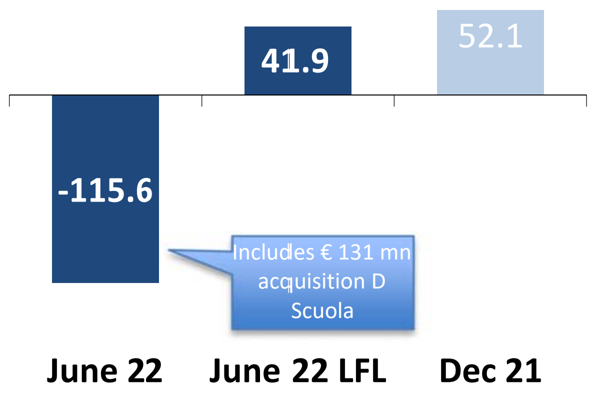
The **IFRS 16 Net Financial Position** at 30 June 2022 stood at € -125.8 million, due to the recognition of the financial payable of € 77.4 million from the application of IFRS 16.

Considering the <u>effects of the acquisition of D Scuola</u>, the Net Financial Position (excluding IFRS 16) stood at € -205.8 million, or € -285.1 million including the IFRS 16 impact.

LTM CASH FLOW



LTM FREE CASH FLOW



On a like-for-like basis, the **LTM cash flow from ordinary operations** (after cash-out for financial expense and tax) amounted to € **70.6** million, allowing the **Group to continue to strengthen its financial structure** through the **business's continued and growing ability to generate cash**.

D Scuola, consolidated as from January 2022, reported a negative cash flow of € 25.2 million in the six months, in line with the seasonal nature of the school business which, in the first half of the year, records only the costs and investments for the development and publication of texts marketed in the second half.

At 30 June 2022, again on a like-for-like basis, **cash flow from extraordinary operations** came to a **negative € 28.7 million**, and included mainly outlays for restructuring costs of € 10.6 million and approximately € 14 million for acquisitions. As a result, the **LTM Free Cash Flow** at 30 June 2022 amounted to € **41.9** million. Total **Cash Flow** in the last 12 months, including payment of € 22.2 million in dividends, amounted to € 19.7 million.

The LTM cash flow from extraordinary operations of the overall scope includes, instead, the impact of the acquisition of D Scuola for approximately € 131 million; as a result, the total cash flow of the overall scope, due also to the impact of the seasonal nature of D Scuola, saw outlays of approximately € 116 million.

CONSOLIDATED FINANCIAL HIGHLIGHTS IN SECOND QUARTER 2022

€ millions	2Q 2022		2Q 2022 LFL		2Q 2021		% chg.	% chg. LFL
REVENUE	**202.0**		**189.5**		**175.6**		***15.0%***	***7.9%***
INDUSTRIAL PRODUCT COST	62.6	*31.0%*	59.7	*31.5%*	51.3	*29.2%*	*22.0%*	*16.4%*
VARIABLE PRODUCT COSTS	24.9	*12.3%*	23.9	*12.6%*	26.0	*14.8%*	*(4.4%)*	*(7.9%)*
OTHER VARIABLE COSTS	39.8	*19.7%*	36.9	*19.5%*	37.5	*21.4%*	*6.0%*	*(1.6%)*
STRUCTURAL COSTS	16.7	*8.3%*	15.9	*8.4%*	12.1	*6.9%*	*37.7%*	*30.8%*
EXTENDED LABOUR COST	37.0	*18.3%*	34.7	*18.3%*	32.7	*18.6%*	*13.2%*	*6.1%*
OTHER EXPENSE (INCOME)	(7.6)	*(3.8%)*	(7.5)	*(4.0%)*	(4.5)	*(2.5%)*	*69.7%*	*68.3%*
ADJUSTED EBITDA	**28.7**	***14.2%***	**26.0**	***13.7%***	**20.4**	***11.6%***	***40.3%***	***27.1%***
RESTRUCTURING COSTS	0.3	*0.2%*	0.3	*0.2%*	0.7	*0.4%*	*(58.7%)*	*(58.7%)*
EXTRAORDINARY EXPENSE (INCOME)	0.9	*0.5%*	0.9	*0.5%*	0.9	*0.5%*	*1.7%*	*1.7%*
EBITDA	**27.5**	***13.6%***	**24.8**	***13.1%***	**18.8**	***10.7%***	***46.0%***	***31.7%***
AMORTIZATION AND DEPRECIATION	8.5	*4.2%*	6.4	*3.4%*	6.3	*3.6%*	*35.3%*	*1.3%*
IMPAIRMENT AND WRITE-DOWNS	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*		
AMORTIZATION AND DEPRECIATION IFRS 16	3.5	*1.7%*	3.4	*1.8%*	3.4	*1.9%*	*4.0%*	*0.1%*
EBIT	**15.5**	***7.7%***	**15.1**	***7.9%***	**9.2**	***5.2%***	***68.7%***	***64.0%***
FINANCIAL EXPENSE (INCOME)	1.0	*0.5%*	0.9	*0.5%*	0.0	*0.0%*	*n.s.*	*n.s.*
FINANCIAL EXPENSE IFRS 16	0.5	*0.3%*	0.5	*0.3%*	0.6	*0.3%*	*(1.8%)*	*(3.9%)*
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VAL.	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*		
EXPENSE (INCOME) FROM INVESTMENTS	(1.0)	*(0.5%)*	(1.0)	*(0.5%)*	1.5	*0.9%*	*n.s.*	*n.s.*
EBT	**14.9**	***7.4%***	**14.5**	***7.7%***	**7.1**	***4.0%***	***n.s.***	***n.s.***
TAX EXPENSE (INCOME)	1.3	*0.6%*	1.2	*0.7%*	(7.5)	*(4.3%)*	*n.s.*	*n.s.*
RESULT FROM CONTINUING OPERATIONS	**13.6**	***6.7%***	**13.3**	***7.0%***	**14.5**	***8.3%***	***(6.2%)***	***(8.5%)***
MINORITIES	(0.6)	*(0.3%)*	(0.6)	*(0.3%)*	0.0	*0.0%*		
GROUP NET RESULT	**14.2**	***7.0%***	**13.9**	***7.3%***	**14.5**	***8.3%***	***(2.3%)***	***(4.6%)***

The item *Extended Labour Cost* includes costs for collaborations and temporary employment.

In the table above, for the purpose of greater comparability with 2021, the column "2Q 2022 LFL" includes the Group's Income Statement excluding the contribution of D Scuola, consolidated as from 1 January 2022.

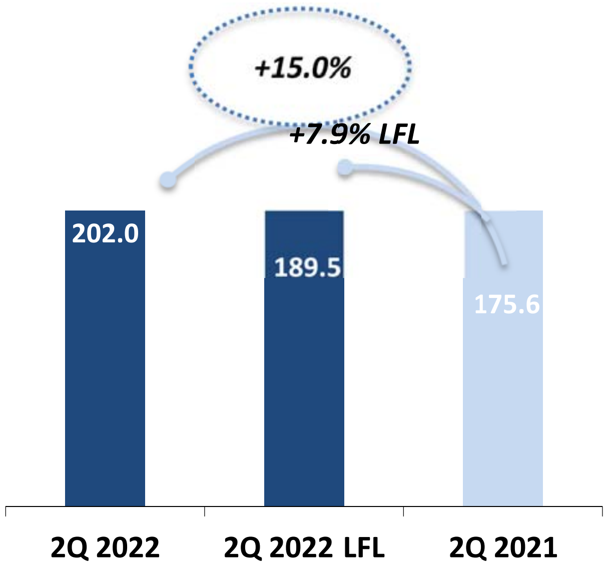
ALTERNATIVE PERFORMANCE MEASURES

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures in order to better evaluate the operating and financial performance of the Group, the definition of which is explained in the section "Glossary of terms and alternative performance measures used".

INCOME STATEMENT

REVENUE

In second quarter 2022, **consolidated revenue** amounted to € **202.0** million, **increasing by 15%** versus € 175.6 million in the prior year; net of the consolidation of D Scuola, effective as from 1 January 2022, Group revenue would have recorded a **like-for-like growth of 7.9%, thanks to the contribution in particular of the Retail and Books areas**.



In the **Books** area, revenue rose by **23.1% - or 10.2% on a like-for-like basis** - thanks in particular to the growth in sales of the Trade publishers and the upswing in activities relating to the management of museums and cultural assets, still badly hit in 2021 by the restrictive measures to contain the pandemic.

The **Retail** area an **11% growth in revenue**, thanks mostly to the **book** product (which **grew by approximately 15%**) and to the performance of directly-managed bookstores.

The **Media** area recorded a **1.1% increase in revenue**, thanks to the **extremely positive trend of advertising sales** both print (due also to a different timing of the *Fuori Salone* 2022 event for Interni, held in 2021 in September) and digital, which more than offset the reduction in circulation revenue of the titles. On a like-for-like basis of portfolio of titles[4], total revenue in the Media area **grew by 10.8%** versus first half 2021, again driven by the good performance of advertising.

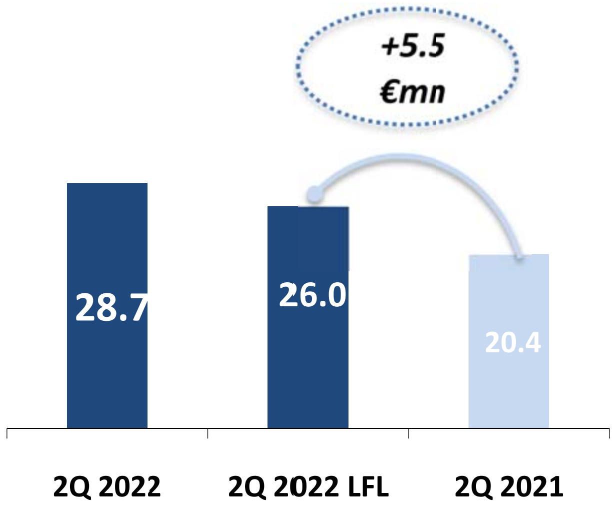
[4] Mention should be made of the disposal at end 2021 of the Donna Moderna and Casafacile brands

Revenues by Business Area *(Euro/millions)*	**2Q 2022**	**2Q 2022 lfl**	**2Q 2021**	***Var.%***	***Var.% lfl***
Books	119.8	107.2	97.3	*23.1%*	*10.2%*
Retail	40.4	40.4	36.4	*11.0%*	*11.0%*
Media	51.1	51.1	50.6	*1.1%*	*1.1%*
Corporate & Shared Services	10.1	10.1	9.9	*2.3%*	*2.3%*
Total aggregated Revenues	**221.5**	**208.9**	**194.3**	***14.0%***	***7.6%***
Intercompany	(19.5)	(19.4)	(18.7)	*4.5%*	*3.8%*
Total Consolidated Revenues	**202.0**	**189.5**	**175.6**	***15.0%***	***7.9%***

EBITDA

Adjusted EBITDA in the period under review came to a **positive € 28.7 million, up by € 8.2 million** versus 2021.

On a like-for-like basis, excluding the contribution of D Scuola, **adjusted EBITDA came to € 26 million**, € +5.5 million versus second quarter 2021, **up by 27%**. The increase is attributable in particular to the **positive performance of the Books segment**, which benefited from additional relief to the museum activity, among others, and to **Media**. Net of relief, EBITDA on a like-for-like basis grew by **over € 2 million** in the quarter.

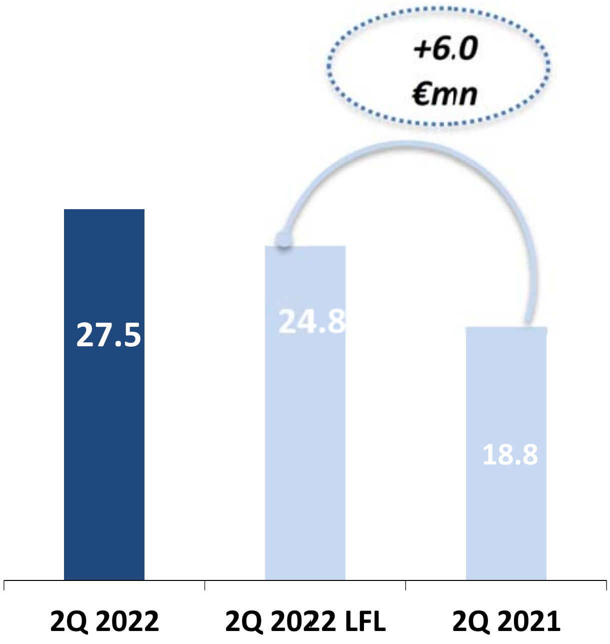


More specifically, the various business segments achieved the following results:

- the **Books** area **increased** by € **4** million in the period on a like-for-like basis, thanks in particular to Electa, due to the combined effect of the upswing in museum activities and the contribution of the relief recognized to its business in 2021;

Adj. EBITDA by Business Area *(Euro/millions)*	**2Q 2022**	**2Q 2022 lfl**	**2Q 2021**	***Var.***	***Var. lfl***
Books	25.9	23.2	19.2	*6.7*	*4.0*
Retail	1.0	1.0	0.8	*0.2*	*0.2*
Media	5.8	5.8	2.5	*3.3*	*3.3*
Corporate & Shared Services	(2.5)	(2.5)	(1.6)	*(0.9)*	*(0.9)*
Intercompany	(1.5)	(1.5)	(0.5)	*(1.0)*	*(1.0)*
Total ADJUSTED EBITDA	**28.7**	**26.0**	**20.4**	***8.2***	***5.5***

- the **Retail** area recorded an **improvement of € 0.2 million**, despite higher costs related to utilities, thanks to revenue growth and the continued development and renovation of the network of directly-managed stores;
- the **Media** area reported a **sharp increase of € 3.3 million** versus second quarter 2021, mostly in the print area which, in the period, benefited, in addition to continued cost-curbing actions, from (i) the accounting of the contribution of the "*Fuori Salone*" event (held in 2021 in the second half of the year) and from (ii) a tax credit that offset increases in the cost of raw materials;
- the **Corporate & Shared Services** area recorded a negative margin of € 2.5 million, down from € -1.6 million in second quarter 2021, due mainly to the increase in utility costs relating to the management of the Segrate headquarters.

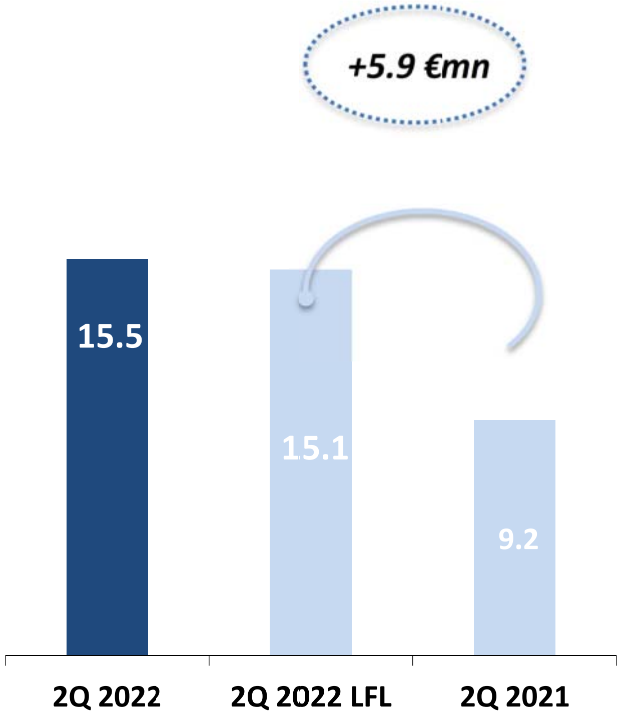


EBITDA by Business Area *(Euro/millions)*	**2Q 2022**	**2Q 2022 lfl**	**2Q 2021**	***Var.***	***Var. lfl***
Books	25.2	22.5	18.7	*6.5*	*3.8*
Retail	0.8	0.8	0.8	*(0.0)*	*(0.0)*
Media	5.5	5.5	2.4	*3.1*	*3.1*
Corporate & Shared Services	(2.6)	(2.6)	(2.6)	*0.0*	*0.0*
Intercompany	(1.5)	(1.5)	(0.5)	*(0.9)*	*(0.9)*
Total EBITDA	**27.5**	**24.8**	**18.8**	***8.7***	***6.0***

Group **EBITDA** came to € **27.5** million or € **24.8** million on a **like-for-like basis**, showing a **clear improvement** of € 6 million (€ +8.7 million on a like-for-like basis) versus the prior year, attributable to the business phenomena mentioned earlier, and to a positive trend in non-ordinary items, especially in the Corporate area as further explained below.

EBIT

In second quarter 2022, the Mondadori Group **EBIT** closed with a positive € **15.5** million or € 15.1 million on a like-for-like basis. The comparison with 2021 shows an **improvement, on a like-for-like basis, of € 5.9 million**, attributable to the mentioned trends, amounting to € 6.3 million on an overall scope basis: in the quarter under review, the contribution from D Scuola operations was offset by higher amortization/depreciation both ordinary of the company and related to the Purchase Price Allocation process, as already mentioned in the sections on the first half of the year.



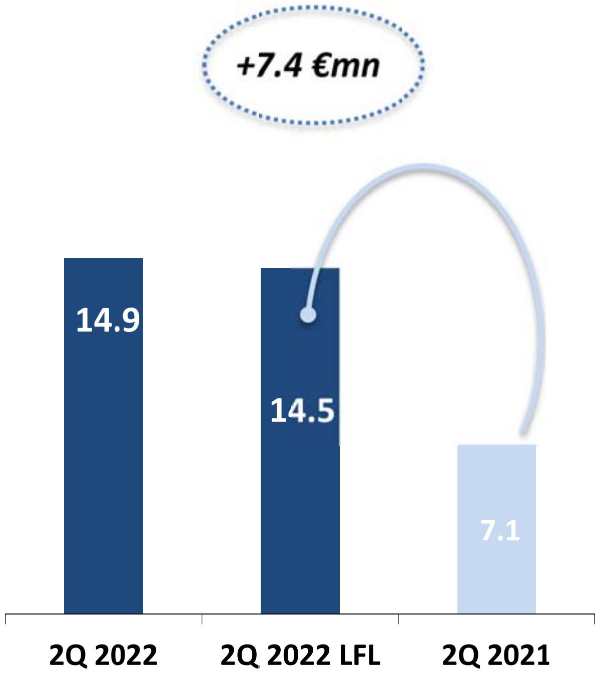
EBIT by Business Area *(Euro/millions)*	2Q 2022	2Q 2022 lfl	2Q 2021	*Var.*	*Var. lfl*
Books	19.3	18.8	15.4	*3.8*	*3.4*
Retail	(1.4)	(1.4)	(1.4)	*(0.0)*	*(0.0)*
Media	4.1	4.1	0.6	*3.4*	*3.4*
Corporate & Shared Services	(5.0)	(5.0)	(5.0)	*0.0*	*0.0*
Intercompany	(1.5)	(1.5)	(0.5)	*(0.9)*	*(0.9)*
Total EBIT	**15.5**	**15.1**	**9.2**	***6.3***	***5.9***

CONSOLIDATED RESULT BEFORE TAX

Consolidated profit before tax amounted to € **14.9** million, or € **14.5** million **on a like-for-like basis, improving** by € **7.8** million and € **7.4** million, respectively, versus € **7.1** million in second quarter 2021.

In addition to the improvement in operating profit, the increase versus the prior year is attributable also to the **performance of the investees**, which recorded a profit of € 1 million in the period (versus a loss of € 1.5 million in second quarter 2021). This **improvement** of € **2.5** million is attributable to the sale on 1 January 2022 of the remaining stake in Monradio (which usually recorded losses), the improved results in the period of Attica, and the accounting of the positive result of the 50% stake in A.L.I. (acquired on 11 May 2022).

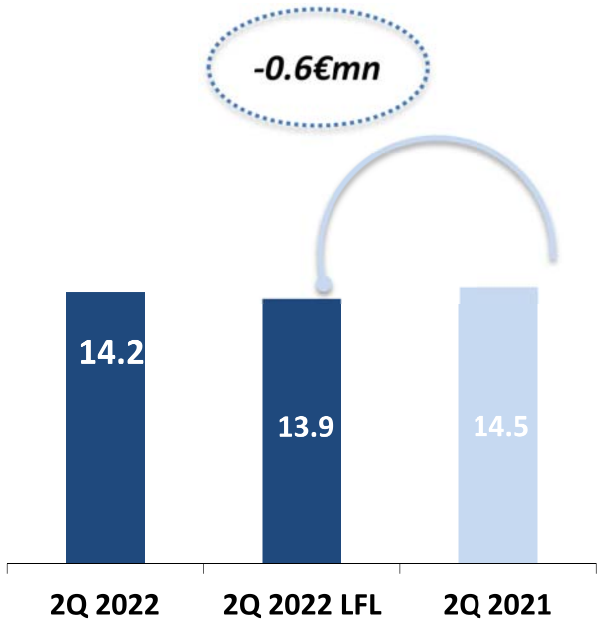
Financial expense increased by € **0.8** million, due mainly to the recognition in second quarter 2021 of a one-off income resulting from the application of IFRS 9 to the terms of the pool loan signed by the Group on 12 May 2021.



NET RESULT

Group net profit, after minority interests, amounted to € **14.2** million or € **13.9** million on a like-for-like basis, basically steady versus € **14.5** million in second quarter 2021, despite the fact that last year's tax components had benefited from a net **non-recurring income** of approximately € **9** million from the start of the process of realigning the tax amounts of trademarks and goodwill to their respective statutory amounts.

The tax charge for the period, in fact, came to a negative € 1.3 million or € 1.2 million on a like-for-like basis (versus a positive € 7.5 million at 30 June 2021).



PERFORMANCE BY BUSINESS AREA

OVERALL SCOPE

(Euro/millions)	REVENUES		ADJUSTED EBITDA		EBITDA		D&A		EBIT	
	1H 2022	**1H 2021**	**1H 2022**	**1H 2021**	**1H 2022**	**1H 2021**	**1H 2022**	**1H 2021**	**1H 2022**	**1H 2021**
Books	196.0	168.9	23.8	19.8	23.0	19.3	(11.6)	(6.4)	11.4	12.9
Retail	77.6	69.8	1.4	0.4	1.0	0.5	(4.3)	(4.3)	(3.3)	(3.7)
Media	98.2	97.4	7.8	4.5	8.3	4.4	(3.0)	(3.4)	5.4	1.0
Corporate & Shared Services	19.7	19.7	(3.7)	(2.6)	(3.9)	(4.6)	(4.7)	(4.7)	(8.6)	(9.3)
Intercompany	(36.4)	(35.3)	(1.7)	(0.6)	(1.7)	(0.6)	0.0	0.0	(1.7)	(0.6)
TOTAL	**355.1**	**320.4**	**27.6**	**21.5**	**26.8**	**19.0**	**(23.5)**	**(18.8)**	**3.2**	**0.2**

The breakdown of performance by business area reflects the system used by Management to oversee Group performance, in accordance with IFRS 8.

BOOKS

Mondadori Libri S.p.A. is the Group company heading all of the Group's activities in the Books Area, traditionally divided into two business units, Trade and Education.

The scope of the **Trade** business unit includes:

- editorial activities relating to the publication - both in paper and digital format (e-books and audio-books) - of the fiction, non-fiction, children's and miscellaneous works by the publishing houses, which enable the Group to hold a leadership position at national level: **Mondadori, Einaudi, Rizzoli, Fabbri, Piemme, Sperling & Kupfer, Frassinelli, Mondadori Electa;**

- art publishing where the Group operates under the **Electa** and, from 2020, **Abscondita** brands. The segment's activities include publishing of works on art, architecture, exhibition catalogues, museum guides and sponsor books in art publishing, as well as the management of museum concessions and the organization of exhibitions and cultural events;

- the publishing house **Rizzoli International Publications**, which operates on the US market with the **Rizzoli, Rizzoli New York, Rizzoli Electa and Universe** brands and with the *Rizzoli Bookstore* located in New York.

The **Education** business unit operates in the field of school textbooks and legal publishing and, to a lesser extent, university textbooks.

In **school textbooks**, the Group boasts a **leadership position** with an adoption share of approximately 33%[5] including the activities of **D Scuola** which, at end 2021, joined **Mondadori Education and Rizzoli Education**, strengthening the publishing offer of textbooks, courses, teaching tools and multimedia content for every school level, from primary school to the first- and second-level secondary schools, both with proprietary and distributed brands.

[5] ESAIE, 2021 (adopted sections)

Relevant market performance

Following the remarkable growth seen in 2021, first half 2022 witnessed a **consolidation phase of the books market**, with a slight drop in terms of value (-1.8%) and volume (-1.4%) versus the same period of 2021[6].

A breakdown of this trend into the various product categories shows that **Hardcovers** - which account for approximately 83% of the market - declined by 2.5%, while **Paperbacks** ("catalogue titles") bucked the trend and **grew by 2.2%**.

Excluding from the scope of the books market the comic books segment - still untapped by the Group in the first half of the year and whose growth rate in the period stood at 27.1% - the decline versus first half 2021 is 3.4% (in terms of value).

Against this backdrop, Mondadori's performance steadily improved: its publishing plan concentrated the publication of the most successful titles in the **second quarter**, enabling the Group to record a **1% increase in sell-out** in the period versus a 2% decline of the market.

Thanks to these results, Mondadori was able to retain its **domestic leadership** with a **24.3% market share**; including **Edizioni Star Comics** in the Group scope, whose acquisition was completed on 1 July, Mondadori's market share stands at **26.1%**.

Trade Market shares	***30 June 2022 Pro Forma***	**30 June 2022**	**30 June 2021**
Mondadori Group	***26.1%***	**24.3%**	**25.0%**
GeMS Group	*10.8%*	10.8%	11.3%
Giunti Group	*7.6%*	7.6%	7.2%
Feltrinelli	*6.5%*	6.5%	6.1%
Other publishers	*49.0%*	50.8%	50.4%

Source: GFK, June 2022 (in terms of value); Pro forma includes Edizioni Star Comics

In the first 6 months, the Group placed **2 titles in the top ten bestsellers** in terms of value[7], as shown in the table below.

[6] GFK, June 2022

[7] *GFK, June 2022 (ranking in terms of cover value)*

#	Title	Author	Publisher
1	Fabbricante di lacrime	Doom Erin	MAGAZZINI SALANI
2	Violeta	Allende Isabel	FELTRINELLI
3	Il caso Alaska Sanders	Dicker Joël	LA NAVE DI TESEO
4	Le ossa parlano	Manzini Antonio	SELLERIO EDITORE PALERMO
5	**Rancore**	**Carofiglio Gianrico**	**EINAUDI**
6	Solo è il coraggio, Giovanni Falcone, il romanzo	Saviano Roberto	BOMPIANI
7	Nel modo in cui cade la neve	Doom Erin	MAGAZZINI SALANI
8	**It ends with us. Siamo noi a dire basta**	**Hoover Colleen**	**SPERLING & KUPFER**
9	Una vita come tante	Yanagihara Hanya	SELLERIO EDITORE PALERMO
10	La canzone di Achille	Miller Madeline	MARSILIO

In July, through **Einaudi**, the Mondadori Group **won the 76th edition of the Strega Prize** with *Spatriati* by Mario Desiati, and placed three other titles among the winners: from second to fourth place: respectively, *Quel maledetto Vronskij* by Claudio Piersanti for Rizzoli, *E poi saremo salvi* by Alessandra Carati for Mondadori, and *Niente di vero* by Veronica Raimo for Einaudi.

School textbooks experience a typical seasonal performance that sees sales squeezed in the second half of the year following the adoption campaign: as a result, the relating market shares for 2022 are unavailable at this time.

In the first half of the current year, the **museum segment,** as a result of the easing of the restrictive measures to contain the pandemic and the upward trend in international tourist flows, saw a renewal of its operations linked to the organization of exhibitions (including management of the related bookstores) and art publishing, albeit to a lesser extent than in the pre-COVID-19 period.

Performance of the Books Area

Books *(Euro/millions)*	**1H 2022**	**1H 2022 LFL**	**1H 2021**	***Var.***	***Var. LFL***
Revenues	196,0	179,3	168,9	*27,1*	*10,4*
Adj EBITDA	23,8	24,7	19,8	*4,0*	*4,8*
EBITDA	23,0	23,8	19,3	*3,6*	*4,5*
EBIT	11,4	16,7	12,9	*(1,5)*	*3,8*
PPA	*1,8*				
EBIT ex PPA	13,2	16,7	12,9	*0,3*	*3,8*

Revenues

(Euro/millions)	1H 2022	1H 2022 LFL	1H 2021	*% chg.*	*% chg. LFL*
Trade publishing houses	111.9		109.5	*+2.2%*	
Mondadori Electa	10.5		2.5	*n.s.*	
Rizzoli International Publications	19.6		17.7	*+10.7%*	
Total TRADE	**149.4**	**149.4**	**129.6**	***+15.3%***	
Total EDUCATION	**49.6**	**32.8**	**35.8**	***+38.6%***	***(8.2%)***
Distribution and other services	4.4		3.5	*+27.6%*	
Total Revenues	**196.0**	**179.3**	**168.9**	***+16.0%***	***+6.1%***

In first six months 2022, **revenue** in the Books area amounted to € **196** million**, up by 16%** versus first six months 2021, driven by the **positive performance** of the **Trade** publishing houses which, in the second quarter, **grew by approximately 9%**, by the **sharp increase** of **Rizzoli International Publications** and the **upswing in Electa's activities**, and by the **consolidation of D Scuola**; on a like-for-like basis only, excluding the contribution of D Scuola, the growth stands at **6.1%**.

- **Trade publishing houses**: revenue in the first six months amounted to € 111.9 million (€ 109.5 million in first half 2021), **up by approximately 2%** versus the prior year, thanks to the positive performance recorded by all publishing houses and the consolidation as from 1 April 2022 of De Agostini Libri; the positive result is even more important if one considers that the publishing plan for the first half of the prior year had benefited from the extraordinary success of "*Il Sistema*. *Potere, politica, affari: storia segreta della magistratura italiana* by A. Sallusti and L. Palamara, published by Rizzoli.

  The **Hardcover** segment saw all the Group's publishing houses release works that were truly appreciated by readers. Specifically:

  - **Mondadori**: for Fiction "*La mascella di Caino*" by Torquemada, "*L'equazione del cuore*" by M. De Giovanni, "*Quattro stagioni per vivere*" by M. Corona, "*Le mogli hanno sempre ragione*" by L. Bianchini, for Non-Fiction "*Suicidio occidentale*" by F. Rampini, "*La crepa e la luce*" by G. Calabresi, "*Il metodo geniale*" by G. Deangeli, for Miscellaneous "*La pura vida*" by G. Gotto; in the Young Adult segment the titles of the "*Grishaverse*" series by L. Bardugo;
  - **Einaudi**: "*Rancore*" by G. Carofiglio, "*La carrozza della santa*" by Cristina Cassar Scalia, "*Niente di vero*" by Veronica Raimo, "*Dove sei, mondo bello*" by S. Rooney, *"Libri che mi*

hanno rovinato la vita" by D. Bignardi, "*Sono felice, dove ho sbagliato?*" by D. De Silvia and "*Il prigioniero dell'interno 7" by* M. Presta;

  - **Piemme**: "*Le ore più buie*" by M. Connelly for Foreign Fiction and *"Il mostro*" by M. Renzi, *"La pace interiore*" by C. Amirante, "*Fine dei giochi"* by A. Gucci for Non-Fiction. In the Children's segment, moreover, the publisher retained its leading position with the titles of *Geronimo Stilton*;
  - **Sperling & Kupfer**: for Foreign Fiction, the remarkable success of "*It ends with us"* by C. Hoover, ranking from the first week of release in the Top Ten bestsellers, "*Tutto ciò che brilla*" by D. Steel, *"L'ultima missione di Gwendy"* by S. King and R. Chizmar, for Miscellaneous "*Leonardo del Vecchio*" by T. Ebhardt and "*E tu all'improvviso*" by Adessoscrivo;
  - **Rizzoli**: the most successful Non-Fiction titles include "*Lobby e Logge*" by Sallusti-Palamara, for Italian fiction "*Un volo per Sara*" by M. de Giovanni, "*La scelta*" by W. Veltroni, "*Lo faccio per me*" by S. Andreoli, "*Mi prometto il mare*" by R. Bertoldi;
  - **Mondadori Electa**: for Miscellaneous "*Se ci credi, puoi*" by A. Baruto and *"Stardust House. Il libro ufficiale*".

- **E-books and audio-books**: revenue from the sales of e-books and audiobooks, which account for approximately **6.9% of total publishing revenue**, fell by 5.3% versus the prior year, as a result of opposing trends in e-book sales, which declined and, conversely, the sharp growth in the audiobook product:
  - the main titles purchased in <u>e-book</u> format were "*Rancore*" by Gianrico Carofiglio (Einaudi), "*Per niente al mondo*" by K. Follett (Mondadori), "*Le ore più buie*" by M. Connelly (Piemme), "*La carrozza della santa*" by Cristina Cassar Scalia (Einaudi) and "*Un volo per Sara*" by Maurizio De Giovanni (Rizzoli). Mention should be made that new titles were published in digital format in the first half of the year, increasing the catalogue to over 30,000 e-book titles;
  - the most popular <u>audiobook</u> titles were "*Per niente al mondo*" and *"I pilastri della terra"* by K. Follett.

- **Mondadori Electa**: in first six months 2022, revenue amounted to € 10.5 million, **rising sharply** versus € 2.5 million in the prior year, thanks to the upswing in museum and concession-related activities. Mention should be made that the first few months of 2021 had been badly hit by the effects of the pandemic, in particular by the closures of museums, bookshops and archaeological sites ordered by the authorities. In first six months 2022, activities gradually resumed: Electa recorded a positive trend in bookshop sales in Venice, thanks to the remarkable success of the Art Biennial - *Il latte dei sogni,* to the number of visitors at the Archaeological Parks in Rome, especially at the Colosseum Park (operated under concession), and to the upswing in revenue from the bookshop at the Milan Triennale.

- **Rizzoli International Publications** reported consolidated revenue of € 19.6 million in the first half, **increasing by approximately 11%** versus first half 2021. On a constant exchange rate basis, the change is lower and amounts to approximately 1%, due to the basic stability of catalogue products and the positive performance recorded by new publications. The publisher's performance is even more remarkable if one considers that, during the same period, the US market for *Adult Non Fiction*, in which Rizzoli International operates, declined by 10%[8].
  Revenue from the retail segment, generated by the New York Bookstore, settled at the pre-Covid levels of 2019.

- **Education Revenue**: the school textbooks business recorded total revenue of € **49.6** million, **up by 38.5%** versus first half 2021 (€ 35.8 million), due to the change in scope following the consolidation of the D Scuola publishing house as from 1 January 2022. On a like-for-like basis, revenue was down by € 3 million (-8.2%), as a result of the delay in supplies to a number of top accounts, whose recovery is expected in July. Mention should be made that, as is the case every year, revenue earned in the first half typically accounts for less than 20% of the annual figure, given the heavy seasonal nature of the school textbooks business.

[8] Nielsen Bookscan, June 2022, figures in terms of copies

EBITDA

Adjusted EBITDA in the Books area stood at € 23.8 million including the continued negative contribution of D Scuola of € 0.8 million at 30 June, owing to the seasonal nature of the school textbooks business: net of this effect, adjusted EBITDA on a like-for-like basis would stand at € **24.7** million versus € 19.8 million in first half 2021, **improving by € 4.8 million**, thanks in particular to the positive trend of the Trade publishing houses, the **upswing** in Electa's **museum and concession-related activities**, **and the higher contribution of the relief recognized to this activity** (€ 6.3 million versus approximately € 3 million in first half 2021), despite lower revenue in the Education segment resulting from the time slippage of a number of supplies.

On a like-for-like basis, **reported EBITDA -** amounting to € 23.8 million - **improved by € 4.5 million** versus € 19.3 million at 30 June, 2021 while **EBIT** came to € 16.7 million versus € 12.9 million in first half 2021, with an upward trend consistent with the mentioned operational dynamics. The overall scope recorded EBIT, net of PPA effects, of € 13.2 million.

RETAIL

The Mondadori Group operates the most extensive network of bookstores in Italy - a cultural presence active throughout the Country thanks to more than 500 stores in all Italian regions and provinces, from large cities to smaller towns - online with its e-commerce site mondadoristore.it and through the *Bookclub* formula.

Stores	**June 2022**	**Dec. 2021**	**June 2021**	***Chg. yoy***
Directly-managed bookstores	39	39	37	*+2*
Franchised bookstores	498	505	511	*-13*
Total	**537**	**544**	**548**	***-11***

The current year continued with the policy of development and optimization of the physical network implemented in recent years; overall, the network at end June counted **537 bookstores**, 11 stores less than in the same period of 2021, due to ongoing network rationalization:

- the network of **directly-managed stores**, which counted 39 units at end June (+2 units), continued to expand in 2022, as shown by the recent openings in Genoa (former Corso Sardegna Market) at the beginning of April and Campobasso (Montenero di Bisaccia - Costa Verde) at the end of May;
- **franchised stores** saw a reduction in units (-13), due primarily to the closure of small Point bookstores; the number of medium-sized Bookstore outlets remained basically steady.

In the Online channel, the Group has a presence through the e-commerce site *mondadoristore.it*, while for e-book and audiobook products, the partnership with the Rakuten Kobo Group continued and was renewed in second half 2021.

Relevant market performance

According to AIE,[9] with regard to the **sales channels** of the books market in Italy (in terms of cover price), the online channel's market share in first half 2022 stood at 42.5%, down by 13% versus the same period of the prior year, while physical bookstores bucked the trend and grew by 6%, bringing their contribution to 52.8%; the remaining 4.7% is represented by large retailers.

Mondadori Retail's **market share** in the Italian books market stood at **11.8%**, up by 1.4% versus 30 June 2021, driven by the remarkable performance of physical stores.

Performance of the Retail Area

Retail *(Euro/millions)*	**1H 2022**	**1H 2021**	***Var.***
Revenues	77.6	69.8	*7.8*
Adj EBITDA	1.4	0.4	*0.9*
EBITDA	1.0	0.5	*0.5*
EBIT	(3.3)	(3.7)	*0.5*

Revenue

In the first six months, the Retail area posted revenue of € 77.6 million, up by € 7.8 million (+11.2%) versus the same period of the prior year.

The ongoing development and renovation of existing stores and the focus on the core business of books have enabled the Mondadori network of bookstores to consolidate its role in the market, as shown by the solid growth in revenue from the **Book** product (€ **+7.7** million), which closed at higher levels at the end of the first half even than in the pre-COVID period.

As far as the product categories are concerned in fact:

- **Books** were the main item of revenue (**over 80% of the total**), up by an overall **14.7%** versus 2021.

[9] *Italian Publishers Association, June 2022*

- **Extra-book** sales were on a positive trend versus the same period of the prior year, thanks to growth in the *Impulse* and *Gift Box* segments and the effect of the disposal of certain product categories, in line with the strategy to rationalize this segment.

The revenue trend by channel is as follows:

(Euro/millions)	1H 2022	1H 2021	*% chg.*
Directly-managed bookstores	27.2	18.7	*+45.7%*
Franchised bookstores	37.6	36.2	*+3.8%*
Online	6.0	7.3	*(17.5%)*
Stores	**70.8**	**62.2**	***13.9%***
Book clubs and other	6.8	7.6	*(10.9%)*
Total Revenues	**77.6**	**69.8**	***11.2%***

Specifically:

- **directly-managed stores** reported a **sharp increase in revenue** (**+45.7%** versus the prior year), due to the abovementioned strategy of focusing on the book product and network development activities, and to the restrictions on activities in 1° half 2021 brought by the anti-COVID measures;
- the **franchised channel** too, composed mainly of proximity stores located in small towns, continued its progression, **increasing by +3.8%** versus the same period of the prior year.

EBITDA

The Retail area's **adjusted EBITDA** came to a **positive € 1.4 million** (versus approximately € **1.0 million** in first six months 2021), **growing strongly** despite higher rental and utility costs incurred by directly-managed stores in the six months under review.

The structural actions adopted over the past few years have brought a strong turnaround in the company's operating and financial performance, a result of the ongoing renovation and development of the network of physical stores, as well as careful cost management and a thorough review of organization and processes. All this complemented by constant work on product innovation and the expansion of the range of publishing products, accompanied by new services, communication formats for clients and partners, and ongoing training of HQ and store staff.

Reported EBITDA too showed a positive and growing figure of € **1.0** million (€ +0.5 million versus 2021).

EBIT stood at € -3.2 million, in turn improving significantly (€ +0.5 million versus first half 2021).

MEDIA

Mondadori Media S.p.A. is the Group company heading all the activities in the magazine and digital media segments, comprising:

- the activities of print magazines and digital brands;
- the subsidiaries Direct Channel S.p.A. (100%), Press-di Distribuzione Stampa e Multimedia S.r.l. (100%), 51% of which sold on 7 July 2022, AdKaora S.r.l. (100%), Hej! S.r.l (100%) and Mondadori Scienza S.p.A. (100%);
- the investees Mediamond (50%), Attica Publications S.A. (41.98%) and Mondadori Seec (Beijing) Advertising Co. Ltd (50%), publisher of the magazine *Grazia* in China.

Relevant market performance

The relevant market performed as follows in early 2022:

- the **advertising market** in the first five months was **basically steady** versus the prior year; the individual segments performed as follows: **digital +0.9%**, **TV -3.7%**, **newspapers +1.3%**, **radio +3.6%** and **magazines -4.3%**[10];
- the **magazines circulation market** declined by **8.5%**[11];
- the **add-on sales market** closed with a negative **12.0%** (-3.0% for add-ons to magazines, -15.9% to newspapers)[11].

Mondadori's market share in terms of circulation, as a result of a performance - on a like-for-like basis of portfolio of titles - that outdid the relevant market, stood at **21.3%**, up versus 20.5% in May of the prior year[11].

In 2022, the Mondadori Group, as **Italy's top multimedia publisher**, continued its efforts to engage readers and users and strengthen communities across all media:

- in print with **8.8 million readers**[12];
- on the web with a reach in May 2022 of **70%** (approximately **30.2** million unique users[13])
- in social media with a **fanbase** at 30 June 2022 of **66.1**[14] million and **100** profiles.

In February 2022, Mondadori Media launched ***The Wom***, the new 100% inclusive digital brand and new social and web magazine dedicated to young millennials and Generation Z focused on the

[10] Nielsen, February 2022
[11] Internal source: Press di, February 2022, in terms of value, excluding the titles sold at end 2021 (Donna Moderna, Casafacile)
[12] Audipress I, 2022
[13] Comscore, May 2022, average figure for first 5 months
[14] Shareablee + internal processing

themes of *Diversity & Inclusion:* a few months after the online launch of the beta version on social networks and the web, today ***The Wom*** counts a total fan base of **4 million followers**, 90% of whom are women, and an **audience of 10 million unique users per month**, positioning the brand as a **leader in the under-35 female segment**[15].

Performance of the Media Area

Media *(Euro/millions)*	**1H 2022**	**1H 2021**	***Var.***
Revenues	98.2	97.4	*0.8*
Adj EBITDA	7.8	4.5	*3.3*
EBITDA	8.3	4.4	*3.9*
EBIT	5.4	1.0	*4.4*

Revenue

The Media area recorded revenue of € **98.2** million in first six months 2022, increasing by approximately 1% versus the same half of the prior year, but **growing by 10% on a like-for-like basis of portfolio of brands** (excluding the effect of the deconsolidation of the titles sold at end 2021):

- **digital activities**, which now account for **22%** of the area's total **revenue**, **rose sharply** in the second quarter by **22%** (+27.5% on a like-for-like basis of brands);
- traditional **print** activities, excluding the titles sold at end 2021, **grew by 5%**.

Media *(Euro/millions)*	**1H 2022**	**1H 2021**	**1H 2021 LFL of brands**	***% chg.***	***% chg. LFL***
Circulation	28.2	34.8	30.3	*(19.0%)*	*(7.1%)*
Add-on sales	12.8	12.3	12.0	*+4.4%*	*+7.0%*
Print Advertising	11.1	10.8	8.4	*+2.4%*	*+31.9%*
Digital Advertising	22.0	18.0	17.2	*+21.7%*	*+27.5%*
Total Advertising	33.0	28.8	25.6	*+14.5*	*+29.0%*
Distribution/Other revenue	24.2	21.5	21.4	*+12.7%*	*+13.2%*
Total Revenues	**98.2**	**97.4**	**89.3**	***+0.9%***	***+10.0%***

[15] Shareablee and Insight, June 2022; Google Analytics, June 2022

Specifically:

- **Circulation** revenue (newsstands + subscriptions) fell by **7.1%** on a like-for-like basis, with television titles, which account for approximately 60% of the total, outperforming the relevant market trend.
- Revenue from add-on **products** (DVDs, CDs, gadgets and books) sold as add-ons to Mondadori magazines, again on a like-for-like basis, was up by **7%** versus first half 2021, thanks mainly to a successful initiative in the gadgets segment.
- On a like-for-like basis, **advertising** revenue was **up by a total of approximately 29%**, driven by the combined contribution - in the Print area - of the success of the *Fuori Salone* 2022 event linked to the Interni brand (in 2021 held in the second half of the year) and - in the Digital area - by the **strong performance** of **AdKaora,** as a result of the development and monetization of new mobile advertising formats, and the continued development of conversional marketing solutions by **Hej!**.

  Thanks to this growth, a point worth mentioning is that **digital revenue** as a percentage of total advertising revenue stands at **67%** of the total (up from 63% in 1H 2021).
- Other revenue, which includes revenue from newsstand distribution and subscriptions, increased by approximately **13%** versus the first half of the prior year, reflecting growth in the portfolio of third-party publishers distributed and the related services.

EBITDA

Adjusted EBITDA in the Media area stood at € **7.8** million, up significantly versus first six months 2021, thanks to the remarkable performance recorded in the second quarter especially in the print area:

- the positive trend in profitability in the **print** area reflects the recognition of the margin of the *Fuori Salone* 2022 event (in 2021 held in the second half of the year), the tax credit recognized on paper consumption that offset the increase in the related cost recognized in the period, as well as the **continued cost-curbing measures**;
- in the **digital** area, **growth in activities in the MarTech segment** offset the higher editorial and development costs incurred for the launch of the new social magazine "The Wom” and for the extended international reach of the *Giallozafferano* brand.

Reported EBITDA amounted to € **8.3** million, up from € 4.4 million in first half 2021, due also to the release of a provision for risks in excess of the current valuation of the related risk.

EBIT came to a positive € **5.4** million versus € 1.0 million at 30 June 2021, thanks to lower amortization and depreciation attributable mainly to the effects of write-downs recognized in 2021.

CORPORATE & SHARED SERVICES

The **Corporate & Shared Services** segment includes - besides the Group's top management organizations - the Shared Services functions providing services to Group companies and the different business areas.

These services are mainly associated with activities regarding: Administration, Management Control and Planning, Treasury and Finance, Purchasing, IT, Human Resources, Logistics, Legal and Corporate Affairs, and External and Institutional Relations.

Revenue comes mainly from services provided to subsidiaries and associates, and was basically steady in first half 2022 versus first half 2021.

The area's **adjusted EBITDA** amounted to a negative € **3.7** million**,** deteriorating versus € -2.6 million in first half 2021, due mainly to the increase in utility costs relating to the management of the headquarters.

Including non-recurring items, **EBITDA** amounted to € **-3.9** million, improving versus the same half of the prior year (€ -4.6 million), which included, *inter alia*, the supplementary non-compete agreement, amounting to € 800,000[16], awarded to the former CEO at the end of his term.

EBIT in the area amounted to € **-8.6** million (€ -9.3 million in 1H 2021), increasing by € 0.7 million from the abovementioned dynamics.

Corporate & Shared Services *(Euro/millions)*	**1H 2022**	**1H 2021**	**Var.**
Revenues	19.7	19.7	*0.0*
Adj EBITDA	(3.7)	(2.6)	*(1.1)*
EBITDA	(3.9)	(4.6)	*0.7*
EBIT	(8.6)	(9.3)	*0.7*

[16] *Non-compete clause extended within the European Union and until April 2023.*

BALANCE SHEET

The **Mondadori Group's Net Financial Position, excluding the IFRS 16 impact**, stood at € **-205.8** million at 30 June 2022; excluding the effects of the acquisition of D Scuola, the figure would stand at € -48.4 million, a **strong improvement of 29%** (approximately € +20 million) versus € -68.3 million at 30 June 2021.

Net Financial Position *(Euro/millions)*	**June 2022**	**June 2022 LFL**	**June 2021**	**Dec. 2021**
Cash and Cash equivalents	10.9	158.6	46.0	90.7
Assets (Liabilities) from derivative financial instruments	6.3	6.3	(0.8)	(0.1)
Other Financial Assets (Liabilities)	6.9	16.6	4.7	(26.4)
Loans (short and medium/long term)	(229.8)	(229.8)	(120.2)	(164.4)
Held-for-sale Financial Assets (Liabilities)	0.0	0.0	2.1	5.4
Net Financial Position ex IFRS16	**(205.8)**	**(48.4)**	**(68.3)**	**(94.8)**
Financial payables IFRS16	(79.3)	(77.4)	(86.8)	(84.3)
Total Net Financial Position	**(285.1)**	**(125.8)**	**(155.1)**	**(179.1)**

IFRS 16 NFP stood at € -**285.1** million and includes the IFRS 16 impact of € -79.3 million; on a like-for-like basis, the figure would be € -125.8 million, improving by approximately € 30 million versus 30 June 2021, due also to lower financial debt arising from the application of IFRS 16.

The overall credit lines available to the Group at 30 June 2022 amounted to € 672.3 million, € 434.2 million of which committed.

The Group's short-term loans, amounting to € 238.1 million, € 100.5 million of which drawn down at 30 June 2022, included overdraft credit lines on current accounts, advances subject to collection and "hot money" flows.

Committed lines of credit consist of the pool loan agreement (Banco BPM, BNL, Intesa Sanpaolo and Unicredit), amounting to an original € 450.0 million (€ 434.2 million at 30 June 2022), maturing on 31 December 2026:

(Euro/millions)	**Credit Lines**		**Of which: unutilized**	**Of which with interest rate hedge**
Term Loan A	79.2	(1)	-	79.2
RCF	125.0	(2)	125.0	-
Acquisition Line C	230.0	(3)	170.0	60.0
Total	**434.2**		**295.0**	**139.2**

(1) Maturities: 5 equal instalments of € 15.8 million, maturing on 31 December each year until 31 December 2026; the exposure is fully hedged at a fixed rate (-0.086%)

(2) Bullet loan, coming to maturity on 31 December 2026
(3) Final maturity on 31 December 2026, availability period until April 2023; annual repayment in equal instalments equal to 1/3 of the drawn amount of the line as from 31 December 2024. The portion drawn down at 30 June 2022, relating to the loan for the acquisition of D Scuola, is € 60 million; the exposure is fully hedged at a fixed rate (-0.098%).

The table below shows the Group's cash flow generation in the last 12 months prior to 30 June 2022: the second column shows in particular the Group's **Free Cash Flow** which, on a like-for-like basis net of the effects of the acquisition of D Scuola (which typically generates cash outlays in the first half, given the seasonal nature of the school business), amounted to € **41.9** million.

€ millions	1H 2022	1H 2022 LFL	2021 Excl Dscuola
INITIAL NFP IFRS 16	**(155.1)**	**(155.1)**	**(97.6)**
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(86.8)	(86.8)	(82.8)
INITIAL NFP NO IFRS 16	**(68.3)**	**(68.3)**	**(14.8)**
ADJUSTED EBITDA (NO IFRS 16)	96.7	97.8	91.0
NWC AND PROVISIONS	6.7	23.6	10.3
CAPEX NO IFRS 16	(28.9)	(26.4)	(22.0)
CASH FLOW FROM OPERATIONS	**74.4**	**94.9**	**79.3**
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(3.3)	(3.3)	(2.438)
TAX	(21.8)	(17.1)	(13.943)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS	**49.2**	**74.5**	**62.9**
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	(3.8)	(3.8)	5.3
CASH FLOW FROM ORDINARY OPERATIONS	**45.4**	**70.6**	**68.2**
RESTRUCTURING COSTS	(10.6)	(10.6)	(6.9)
EXTRAORDINARY TAX	(0.3)	(0.3)	3.4
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES	(0.5)	(0.5)	(0.1)
PURCHASE/DISPOSAL	(146.4)	(14.3)	(8.6)
OTHER INCOME AND EXPENDITURE	(2.9)	(2.9)	(3.5)
CF EXTRAORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	(0.1)	(0.1)	(0.3)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	**(160.9)**	**(28.7)**	**(16.1)**
FREE CASH FLOW	**(115.6)**	**41.9**	**52.1**
DIVIDENDS PAID	(22.2)	(22.2)	
TOT. CASH FLOW	**(137.8)**	**19.7**	**52.1**
NET FINANCIAL POSITION NO IFRS 16	**(205.8)**	**(48.4)**	**37.4**
IFRS 16 EFFECTS IN THE PERIOD	7.7	9.6	0.7
FINAL NET FINANCIAL POSITION	**(285.1)**	**(125.8)**	**(44.7)**

Looking at the individual items:

- **cash flow from ordinary operations closed at a positive € 70.6 million, increasing** versus the figure recorded at December 2021, despite higher expenditure as a result of greater profitability of the businesses and Net Working Capital; this is the result of **cash flow from operations** of € **94.9** million - reflecting a **profitability of € 97.8 million**, expenditure of 26.4 million, and the positive dynamics of Net Working Capital (including the change in provisions) for approximately € 23.6 million - less the cash outflows for payment of tax and financial expense, as well as the cash flow attributable to the disposals for a total of approximately € 24 million;
- **cash flow from non-ordinary operations came to** € **-28.7** million and included mainly outlays for:

- **acquisitions** completed in the period amounting to € **14.3** million;
- **restructuring costs** of € **10.6** million.

As a result of the above, the total **Free Cash Flow** generated by the Group in the last 12 months amounted to € **41.9** million.

Below is a summary of the Group's financial position at 30 June 2022 versus the prior year, both on a like-for-like basis and including the effects of the consolidation of D Scuola.

€ millions	**1H 2022**	**1H 2022 LFL**	**1H 2021**	***% chg.***	***% chg. LFL***
TRADE RECEIVABLES	142.0	130.8	140.6	*1.0%*	*(7.0%)*
INVENTORY	158.8	145.8	132.4	*20.0%*	*10.2%*
TRADE PAYABLES	206.9	188.1	171.2	*20.8%*	*9.9%*
OTHER ASSETS (LIABILITIES)	4.6	13.9	(0.3)	*n.s.*	*n.s.*
NET WORKING CAPITAL CONTINUING OPERATIONS	**98.6**	**102.4**	**101.4**	***(2.7%)***	***1.0%***
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(1.3)	(1.3)	(5.1)	*(74.7%)*	*(74.7%)*
NET WORKING CAPITAL	**97.4**	**101.1**	**96.3**	***1.1%***	***5.0%***
INTANGIBLE ASSETS	352.0	189.3	192.2	*83.1%*	*(1.5%)*
PROPERTY, PLANT AND EQUIPMENT	16.4	16.3	16.5	*(0.5%)*	*(0.9%)*
INVESTMENTS	27.9	27.9	16.0	*74.1%*	*74.0%*
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**396.3**	**233.5**	**224.7**	***76.4%***	***3.9%***
ASSETS FROM RIGHTS OF USE IFRS 16	75.2	73.3	83.8	*(10.2%)*	*(12.5%)*
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**471.5**	**306.8**	**308.5**	***52.8%***	***(0.6%)***
PROVISIONS FOR RISKS	45.4	43.6	42.8	*6.1%*	*1.9%*
POST-EMPLOYMENT BENEFITS	28.7	25.0	28.9	*(0.7%)*	*(13.4%)*
PROVISIONS	**74.1**	**68.7**	**71.7**	***3.4%***	***(4.3%)***
NET INVESTED CAPITAL	**494.7**	**339.3**	**333.1**	***48.5%***	***1.8%***
SHARE CAPITAL	68.0	68.0	68.0	*0.0%*	*0.0%*
RESERVES	137.0	136.9	105.7	*29.6%*	*29.5%*
PROFIT (LOSS) FOR THE PERIOD	2.8	6.7	4.4	*n.s.*	*n.s.*
GROUP EQUITY	**207.7**	**211.6**	**178.0**	***16.7%***	***18.9%***
NON-CONTROLLING INTERESTS' EQUITY	1.9	1.9	0.0	*n.s.*	*n.s.*
EQUITY	**209.6**	**213.5**	**178.0**	***17.7%***	***19.9%***
NET FINANCIAL POSITION NO IFRS 16	205.8	48.4	68.3	*n.s.*	*n.s.*
NET FINANCIAL POSITION IFRS 16	79.3	77.4	86.8	*(8.6%)*	*(10.9%)*
NET FINANCIAL POSITION	**285.1**	**125.8**	**155.1**	***83.9%***	***(18.9%)***
SOURCES	**494.7**	**339.3**	**333.1**	***48.5%***	***1.8%***

In the table above, for the purposes of greater comparability with first half 2021, the column "1H 2022 LFL" shows the reclassified statement of financial position for first half 2022 also on a like-for-like basis, excluding D Scuola from the financial situation (fully consolidated at the balance sheet level as from 31 December 2021).

Under IFRS 5, at 30 June 2022, and for the sake of correct comparison also at 30 June 2021, the balance sheet amounts referring to the investment in Press-di Distribuzione Stampa Multimedia S.r.l., subsequently sold on 7 July 2022, are shown under "Assets (Liabilities) disposed of or being disposed of".

Trend of key balance sheet figures on a like-for-like basis versus 30 June 2021:

- **trade receivables**, despite the increase in revenue in first half 2022, fell by approximately 7%;
    - in the Books area, owing to the time slippage in supplies for a number of clients in the school textbooks segment, and the sharp growth in business in the museum segment, which is marked by a high percentage of cash receipts;
    - in the Media Area, due to higher revenue from digital advertising sales, which typically have more favourable collection conditions;
    - in the Retail area, due to the effect of higher revenue versus the prior year from the network of company-owned stores, which record an immediate conversion into cash.

  Added to all that, the positive management of receivables pursued across all business areas;
- **inventory** increased by 10.2%, due to the increase in production, the raw material procurement policy and raw material costs;
- **trade payables** increased by 9.9%, due to higher production volumes and as specified in the point above;
- **other assets and liabilities** show a lower net liability balance of € 5.5 million versus 30 June 2021, thanks mostly to the receivable recorded for relief to museum activities;
- **intangible assets** and **assets from rights of use** decreased as a result of the amortization process;
- **tangible assets** are in line with the amounts of the prior year;
- **investments** increased by € 11.9 million, attributable mainly to the acquisition of A.L.I. in early May;
- total **provisions** decreased by € 3 million, due to the reduction in the provision for post-employment benefits to employees and the sales network.

An analysis of the scope that includes the consolidation of D Scuola shows:

- the sharp increase in intangible assets, € 352 million versus € 192.2 million at 30 June 2021, following recognition of the impacts from the acquisition of D Scuola;
- the Group's Net Financial Position (excluding IFRS 16), which stood at € -205.8 million, or € -285.1 million including the IFRS 16 impact.

PERSONNEL

Group employees with a fixed-term or permanent labour contract amounted to **1,917 units, up by 4.8%** versus the 1,829 units at 30 June 2021 (+88 units), following the inclusion of the workforce of **D Scuola** (a total of **128 units**) and of **De Agostini Libri** (**31 units**).

Excluding both the contribution of the companies consolidated as from 2022 and the effects of the sale of titles in the Media area that took place in December 2021, **the decline would be approximately 1.7%**, a result of the continued efforts to increase the efficiency of the individual business areas.

Group employees at end first half 2022:

Headcount	**30 June 2022**	**30 June 2021**	***% chg.***
Arnoldo Mondadori Editore S.p.A.	248	249	*(0.4%)*
Italian subsidiaries	1,620	1,534	*(5.6%)*
Foreign subsidiaries	49	46	*6.5%*
Total	**1,917**	**1,829**	***4.8%***

Headcount by Business Area	**30 June 2022**	**30 June 2021**	***% chg.***	***% chg. LFL***
Books	828	646	*+28.2%*	*+4.3%*
Retail	307	327	*(6.1%)*	*(6.1%)*
Media	484	546	*(11.4%)*	*(4.3%)*
Corporate & Shared Services	298	310	*(3.9%)*	*(5.5%)*
Total	**1,917**	**1,829**	***+4.8%***	***(1.7%)***

In the **Books** area, the headcount, net of the employees who joined the Group as a result of the acquisitions of D Scuola and De Agostini Libri, was up by 4.3% versus the prior year, due mainly to the reopening of Electa Bookshops at exhibitions and museum sites.

The decrease in the **Retail** area reflects the actions for achieving greater efficiencies both in the central units and in the organizational structure of the directly-managed stores network.

The trend recorded by the **Media** area would be **-4.3%** net of the titles sold at end 2021.

The **Corporate & Shared Services** area recorded a decrease in units of approximately **5.5%**, net of the addition of certain staff functions from the integration of D Scuola.

Personnel expense[17] amounted to € **73.7** million or to € 69.1 million net of the consolidation of D Scuola, basically steady versus the first six months of the prior year.

€ millions	**1H 2022**	**1H 2022 LFL**	**1H 2021**	***% chg.***	***% chg. LFL***
Extended Labour Cost (before restructuring)	**73.7**	**69.1**	**68.6**	*7.5%*	*0.8%*

[17] *Cost of enlarged personnel includes costs for collaborations and temporary employment*

SIGNIFICANT EVENTS IN FIRST HALF

On 25 February 2022, the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire from De Agostini Editore S.p.A. a 50% stake in the share capital of DeA Planeta Libri S.r.l..

On 7 March 2022, the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire a 50% stake in A.L.I. S.r.l. - Agenzia Libraria International, specialized in the distribution of books.

On 1 April 2022, the Mondadori Group, through its subsidiary Mondadori Libri S.p.A., in execution of the agreement signed and disclosed to the market last 22 November 2021, completed the acquisition from De Agostini Editore, of a 50% stake in the share capital of De Agostini Libri S.r.l., formerly DeA Planeta Libri, specialized in trade books with focus on the children's and non-fiction segments.

The scope of the deal includes Libromania S.r.l., wholly-owned by De Agostini Libri and active in the promotion of third-party publishers: the agreements reached include put&call options, exercisable in second half 2022, which entitle the Mondadori Group to acquire 100% of Libromania.

The total maximum value of the acquisition, taking account of the 100% valuation of Libromania, is set at € 4.5 million.

The transaction, which creates a partnership with a time-honoured publishing house boasting a strong heritage and know-how, is in line with the repeatedly announced strategy of increasing the focus on the core business of books, pursued also through a process of vertical integration in the books market.

In 2021, De Agostini Libri reported consolidated revenue of € 13.9 million and EBITDA of € 0.2 million.

As a result of the existing corporate governance structure, the Mondadori Group has fully consolidated the investment.

On 11 May 2022, the Mondadori Group, through its subsidiary Mondadori Libri S.p.A., completed the acquisition of 50% of A.L.I. S.r.l. - Agenzia Libraria International, operating in the distribution of books and boasting a client portfolio of over 80 publishers. The transaction took place in execution of the agreement signed and disclosed to the market last 11 November 2021.

Thanks to this acquisition, the Mondadori Group takes a further step along the path of increasing focus on the books market, through a process of vertical integration that allows the Group to strengthen its position in the promotion and distribution of third-party publishers, with a view to continually improving the service level and expanding the customer portfolio.

As already disclosed, the scope of the transaction includes a number of subsidiaries operating in the publishing field.

The acquisition price, paid in cash, is € 10.8 million.

The 50% stake in A.L.I. is consolidated at equity effective as from 1 May 2022.

The final agreements envisage the acquisition by the Mondadori Group of a further 25% stake in A.L.I., effective as from 28 February 2023, at a price to be set based on average EBITDA 2021-2022. As from 1 March 2023, the company will be then fully consolidated.
The deal also governs the subscription of put&call options, which give Mondadori the right to acquire the remaining 25% of A.L.I. by 30 July 2025 at a price to be set based on average EBITDA 2023-2024.

On 6 June 2022, the Mondadori Group signed an agreement on the acquisition of a 51% stake in Edizioni Star Comics S.r.l., Italy's leading comic books publisher, specialized in the publication on the domestic market of the major international productions including, in particular, Japanese manga.

In 2021, Edizioni Star Comics recorded strong growth in results versus the prior year: revenue of € 21.6 million, EBITDA of € 7.2 million, net profit of € 5.1 million, and a positive net financial position (cash) of € 4.3 million.

The scope of the transaction also includes the acquisition of 100% of Grafiche Bovini S.r.l., a company controlled by the same family of founders, specialized in printing activities exclusively of products published by Edizioni Star Comics.

PURCHASE OF TREASURY SHARES

At **30 June 2022**, Arnoldo Mondadori Editore S.p.A. held no. 1,147,991 treasury shares equal to **0.440% of the share capital**, of which no. 410,000 purchased in the current year in execution of the purchase programme to service the 2022-2024, 2021-2023, and 2020-2022 Performance Share Plans, the start of which was approved by the Board of Directors on 12 May 2022 (and concluded on 16 June 2022).

SIGNIFICANT EVENTS AFTER FIRST HALF

On 30 June 2022, the Mondadori Group, through its subsidiary Mondadori Libri S.p.A., completed the acquisition of 51% of Edizioni Star Comics S.r.l., effective **1 July 2022**, the date from which Mondadori will also fully consolidate the company.

The price for the acquisition of 51% of the share capital of Edizioni Star Comics - paid fully in cash - is € 14.28 million, defined on the basis of an Enterprise Value (for 100% of the company) of € 28 million and an estimated net financial position at closing of zero.

The price will be adjusted based on the final net financial position at 30 June 2022.

The contract also envisages the following:

- the underwriting of call option contracts, which give the Mondadori Group the right to acquire the remaining 49% stake in Edizioni Star Comics, exercisable in two equal tranches starting from the approval of the 2024 and 2027 financial statements, respectively, at a price to be set on the basis of the average EBITDA of the relevant previous three years. Should Mondadori fail to exercise the call options, the agreements govern put options in favour of the sellers exercisable under the same price conditions.

Simone Bovini and Claudia Bovini - who founded and have so far successfully managed Edizioni Star Comics, bringing it to its leading role in the Italian comic books market - will retain management responsibilities and continue to serve as managing directors of the company.

The activities of Edizioni Star Comics can find further opportunities for growth within the Mondadori Group, thanks to the synergies generated by the deal, including, in particular, access to the most extensive network of bookstores in Italy, where Mondadori Retail is developing spaces specifically dedicated to the comics product.

On 7 July 2022, the Mondadori Group completed the disposal to Artoni Group S.p.A. and SRH S.r.l. - two local distributors of daily newspapers and magazines - of 51% of the share capital of Press-di Distribuzione Stampa e Multimedia S.r.l.; the company is wholly owned by Mondadori Media S.p.A. and is active in the national distribution of newspapers and magazines for the Mondadori Group and for approximately 90 third-party publishers.

The transaction will not envisage changes in the contractual terms and conditions already applied to distribution activities, and is intended to increase efficiency and achieve synergies through a vertical integration process in the sector by involving specialized players; additionally, Righel Anglois will continue to hold his position as CEO.

The disposal of 51% of Press-di, which contributed approximately € 29 million to the Mondadori Group's consolidated revenue in 2021, envisages a consideration of € 1.5 million; the transaction produces no material operating, financial or business effects and has no impact on the Group's guidance for 2022 as disclosed to the market.

OTHER INFORMATION

CONSOB Warning Notice no. 3/22 of 19 May 2022

With regard to the Warning Notice published by CONSOB on 19 May 2022, concerning the effects on the operating and financial situation resulting from the Russia-Ukraine war, the Mondadori Group clarifies:

- to have no "direct" impacts, as it has no production sites in the affected area, nor does this area represent an outlet market for publishing production or services offered by the Group;
- to have "indirect" impacts, due to the increase in prices of raw materials, energy and transportation.

As for the increase in paper prices, Mondadori has taken measures to optimize paper consumption by reviewing sizes, weights and number of pages of certain products, fine-tuning print runs, acting, where possible with a view to competition, on retail prices, and reviewed procurement policies.

Lastly, Mondadori has put in place further remedies to achieve efficiencies, such as to achieve in the first half of the year in all business areas growing results versus the relevant forecast figures and to confirm the outlook for the entire year.

Related party transactions

In compliance with the provisions set out in Article 5, paragraph 8, of the "Regulation in the matter of transactions with related parties" issued by CONSOB through Resolution 17221 of 12 March 2010 and subsequent amendments (the "CONSOB Regulation"), the following is reported relating to the period of reference:

a) no transactions of greater significance with related parties were concluded;

b) no changes or developments relating to the transactions with related parties illustrated in the most recent Annual Report are reported that had a significant impact on the Company's equity or performance in the year of reference.

Transactions with related parties were regulated under normal market conditions: those concluded with Mondadori Group companies are intercompany current account trade and financial transactions, managed by Arnoldo Mondadori Editore S.p.A., to which the various subsidiaries and associated companies contributed based on their relevant debt and credit positions.

Further details are found in the Notes to the Condensed Consolidated Half-Year Financial Statements.

Adhesion to the legislative simplification process adopted by CONSOB resolution no. 18079 of 20 January 2012. Disclosure pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis, of CONSOB Regulation no. 11971/99 as subsequently amended

On and with effect from 13 November 2012, the Board of Directors of Arnoldo Mondadori Editore S.p.A., pursuant to Article 3 of CONSOB Resolution no. 18079 of January 20, 2012 and in relation to the provisions set out in Article 70, paragraph 8, and Article 71, paragraph 1-bis, of CONSOB Regulation no. 11971/1999, resolved to avail itself of the right to waive the obligation of disclosure envisaged by the aforementioned CONSOB Regulation on the occasion of significant transactions relating to mergers, spin-offs and capital increases through contribution of assets in nature, acquisitions and transfers.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures ("Non-GAAP Measures"), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.

Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.

Adjusted gross operating profit (adjusted EBITDA): gross operating profit as explained above, net of income and expense of a non-ordinary nature such as:

(i) income and expense from restructuring, reorganization and business combinations;

(ii) clearly identified income and expense not directly related to the ordinary course of business;

(iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

With regard to adjusted EBITDA in first half 2021, the following items were excluded from EBITDA:

a) restructuring costs for a total of € 1.7 million, included in “Cost of personnel” in the income statement;

b) expense of a non-ordinary nature for a total of € 0.8 million, included in “Sundry expense (income)” and “Cost of services”.

With regard to adjusted EBITDA in first half 2022, the following items were excluded from EBITDA:

a) restructuring costs for a total of € 0.5 million, included in “Cost of personnel” in the income statement;

b) income of a non-ordinary nature for a total of € 0.3 million, included in “Sundry expense (income)” and “Cost of services”.

(Euro/milions)		30/06/2022	30/06/2021
EBITDA ADJUSTED		**27.6**	**21.5**
RESTRUCTURING COSTS		0.5	1.7
EXTRAORDINARY EXPENSE (INCOME)		0.3	0.8
EBITDA		**26.8**	**19.0**

Operating profit (**EBIT**): net result for the period before income tax, and other financial income and expense.

Result before tax (EBT): EBT or consolidated result before tax is the net result for the period before income tax.

Net invested capital: the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash Flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

Cash Flow from ordinary operations: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

LTM Cash Flow: cash flow in the last 12 months (Last Twelve Months).

Cash Flow from non-ordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

Free Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (excluding payment of dividends, if any).

Total Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (including payment of dividends, if any).

BUSINESS OUTLOOK

In light of the positive operating-financial trend recorded in the first half of the year, thanks also to the relief received by Electa for its museum activities[18], for the full year 2022 the Group believes that it can **confirm the previously disclosed estimates at the consolidated level**, despite the geopolitical uncertainty and the persisting problems arising from the increase in costs both in the procurement of raw materials, paper in particular, and for energy consumption.

The Group thus expects:

- **Earnings: continued resilience of the business model**

  - **mid-single-digit growth of revenue**

  - **Adjusted EBITDA up by more than 20%**

  - double-digit growth of the net result, thanks also to significantly lower restructuring costs and to the improved results of associates versus 2021.

- **Cash Flow/Net Financial Position: continued strong cash generation**

  - Cash flow from ordinary operations in line with 2021;

  - **Free Cash Flow** in the region of € **10/15** million (including cash-out for the announced acquisitions and before dividend payout);

  - **Group Net Financial Debt (IFRS 16) at 1.3x Adjusted EBITDA**.

The Mondadori Group continues to prioritize Sustainability issues and to pursue its efforts to achieve the ESG goals set.

For the Board of Directors
The Chairman
Marina Berlusconi

[18] Emergency Fund for Enterprises and Cultural Institutions for the Relief of Art Exhibition Organizers, decree published on 27 May 2022 granting the subsidies provided by Ministerial Decree 428 no. 227 of June 2021.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2022

CONSOLIDATED BALANCE SHEET

Assets (Euro/thousands)	Notes	30 June 2022	31 December 2021
Intangible assets	10	**351,999**	**351,844**
Investment property		**-**	**-**
Land and buildings		-	-
Plant and equipment		2,696	2,701
Other tangible fixed assets		13,703	11,913
Property, plant and equipment	11	**16,399**	**14,614**
Assets from rights of use	12	**75,227**	**80,725**
Equity-accounted investees		26,954	17,859
Other investments		955	875
Total investments	13	**27,909**	**18,734**
Non-current financial assets	20	**6,763**	**553**
Pre-paid tax assets	14	**69,918**	**71,484**
Other non-current assets	15	**217**	**156**
Total non-current assets		**548,432**	**538,110**
Tax receivables	16	**16,585**	**8,833**
Other current assets	17	**89,652**	**70,610**
Inventory	18	**158,830**	**120,731**
Trade receivables	19	**142,047**	**164,971**
Other current financial assets	25	**15,426**	**181**
Cash and cash equivalents	25	**10,884**	**90,714**
Total current assets		**433,424**	**456,040**
Assets held for sale	40	**24,400**	**28,430**
Total assets		**1,006,256**	**1,022,580**

CONSOLIDATED BALANCE SHEET

Liabilities (Euro/thousands)	Notes	30 June 2022	31 December 2021
Share capital		**67,979**	**67,979**
Share premium reserve		**-**	**-**
Treasury shares		**(2,024)**	**(1,803)**
Other reserves and results carried forward		**138,986**	**109,186**
Profit (loss) for the period		**2,795**	**44,206**
Group equity	20	**207,736**	**219,568**
Share capital and reserves attributable to non-controlling interests	20	**1,855**	**13**
Total equity		**209,591**	**219,581**
Provisions	21	**45,423**	**47,079**
Post-employment benefits	22	**28,722**	**33,062**
Non-current financial liabilities	25	**120,017**	**122,953**
Financial liabilities IFRS 16	25	**66,525**	**71,340**
Deferred tax liabilities	14	**36,633**	**35,873**
Other non-current liabilities		**-**	**-**
Total non-current liabilities		**297,320**	**310,307**
Income tax payables	16	**940**	**17,431**
Other current liabilities	23	**134,161**	**139,990**
Trade payables	24	**206,871**	**222,997**
Payables to banks and other financial liabilities	25	**118,897**	**68,659**
Financial liabilities IFRS 16	25	**12,785**	**12,944**
Total current liabilities		**473,654**	**462,021**
Liabilities held for sale	40	**25,691**	**30,671**
Total liabilities		**1,006,256**	**1,022,580**

CONSOLIDATED INCOME STATEMENT

(Euro/thousands)	Notes	**30 June 2022**	**30 June 2021**
Revenue from sales and services	26	**355,079**	**320,436**
Decrease (increase) in inventory	18	(32,108)	(15,611)
Cost of raw and ancillary materials, consumables and goods	27	78,052	60,268
Cost of services	28	218,382	193,758
Cost of personnel	29	69,951	64,644
Other (income) expense	30	(5,952)	(1,649)
EBITDA		**26,754**	**19,026**
Amortization and impairment loss on intangible assets	10	14,519	10,049
Depreciation and impairment loss on property, plant and equipment	11	2,028	2,158
Amortization/depreciation of assets from rights of use	12	6,983	6,634
EBIT		**3,224**	**185**
Financial expense (income)	31	2,867	2,143
Expense (income) from investments	32	(99)	3,095
Result before tax		**456**	**(5,053)**
Income tax	33	(1,784)	(9,411)
Net result		**2,240**	**4,358**
Attributable to:			
- Minority shareholders	20	**(554)**	**4**
- Parent Company shareholders		**2,795**	**4,354**
Net earnings per share (in Euro units)	34	0.011	0.017
Diluted earnings per share (in Euro units)	34	0.011	0.017

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(Euro/thousands)	30 June 2022	30 June 2021
Net result	**2,240**	**4,358**
Items reclassifiable to income statement		
Profit (loss) deriving from the conversion of currency denominated financial statements of foreign companies	1,957	731
Other profit (loss) from equity-accounted investees	138	106
Effective part of profit (loss) on cash flow hedge instruments (cash flow hedge)	6,334	(15)
Profit (loss) from held-for-sale assets (fair value)		-
Tax effect on other profit (loss) reclassifiable to income statement	(1,520)	3
Items reclassified to income statement		
Profit (loss) on cash flow hedge instruments	165	260
Profit (loss) from held-for-sale assets (fair value)		-
Tax effect on other profit (loss) reclassified to income statement	(40)	(62)
Items not reclassifiable to income statement		
Actuarial profit (loss)	994	21
Tax effect on other profit (loss) not reclassifiable to income statement	(232)	6
Total other profit (loss) net of tax effect	7,796	1,050
Comprehensive result for the period	**10,036**	**5,408**
Attributable to:		
- Non-controlling interests	**(555)**	**4**
- Parent Company shareholders	**10,591**	**5,404**

For the Board of Directors

The Chairman

Marina Berlusconi

Consolidated statement of changes in equity at 30 June 2021

Euro/thousands	Share capital	Treasury shares	Performance share reserve	Cash flow hedge reserve	Fair value reserve	Currency reserve	Post-employment discounting reserve	Other reserves	Profit (loss) for the period	Total Group equity	Minority shareholders' equity	Total
Balance at 1 January 2021	**67,979**	**(2,771)**	**2,144**	**(623)**	**0**	**(1,981)**	**312**	**102,846**	**4,503**	**172,409**	**7**	**172,416**
- Allocation of result								4,503	(4,503)	-		-
- Dividends paid										-		-
- Change in consolidation scope										-		-
- Transactions on treasury shares		(479)								(479)		(479)
- Performance shares			698							698		698
- Other changes		2,484	(1,977)					(507)		-		-
- Comprehensive profit (loss)				186		897	27	(60)	4,354	5,404	4	5,408
Balance at 30 June 2021	**67,979**	**(766)**	**865**	**(437)**	**0**	**(1,084)**	**339**	**106,782**	**4,354**	**178,032**	**11**	**178,043**

Consolidated statement of changes in equity at 30 June 2022

Euro/thousands	Share capital	Treasury shares	Performance share reserve	Cash flow hedge reserve	Fair value reserve	Currency reserve	Post-employment discounting reserve	Other reserves	Profit (loss) for the period	Total Group equity	Minority shareholders' equity	Total
Balance at 1 January 2022	**67,979**	**(1,803)**	**1,277**	**822**	**0**	**365**	**317**	**106,405**	**44,206**	**219,568**	**13**	**219,581**
- Allocation of result								44,206	(44,206)			-
- Dividends paid								(22,161)		(22,161)	(2)	(22,163)
- Change in consolidation scope											2,399	2,399
- Transactions on treasury shares		(221)								(221)		(221)
- Performance shares			475							475		475
- Other changes			(427)					(89)		(516)		(516)
- Comprehensive profit (loss)				4,939		2,030	762	65	2,795	10,591	(555)	10,036
Balance at 30 June 2022	**67,979**	**(2,024)**	**1,325**	**5,761**	**0**	**2,395**	**1,079**	**128,426**	**4,354**	**207,736**	**1,855**	**209,591**

For the Board of Directors
The Chairman
Marina Berlusconi

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/thousands)	Notes	30/06/2022	30/06/2021
Net result		2,795	4,354
Adjustments			
Amortization, depreciation and impairment	10-11-12	23,531	18,841
Income tax for the period	33	(1,784)	(9,411)
Performance Shares		475	698
Provisions (utilization) and post-employment benefits		4,836	7,360
Capital loss (gain) from the disposal of intangible assets, property, plant and equipment, investments		(2)	8
Capital loss (gain) from the measurement of financial assets		-	268
(Income) expense of equity-accounted investees	32	(99)	3,095
Net financial expense on loans, leases and derivative transactions	31	2,787	1,953
Other non-monetary adjustments to assets held for sale		(4,517)	-
Cash flow generated from operations		**28,022**	**27,166**
(Increase) decrease in trade receivables		27,041	28,587
(Increase) decrease in inventory		(35,899)	(22,534)
Increase (decrease) in trade payables		(18,889)	(40,228)
Income tax payments		(18,079)	(5,923)
Advances and post-employment benefits		(2,677)	(2,883)
Net change in other assets/liabilities		(34,449)	(12,827)
Cash flow generated from (absorbed by) assets held for sale		(1,835)	2,829
Cash flow generated from (absorbed by) operations		**(56,765)**	**(25,813)**
Price collected (paid) net of cash transferred/acquired		2,316	(6,826)
(Purchase) disposal of intangible assets		(12,612)	(9,623)
(Purchase) disposal of property, plant and equipment		(4,477)	(2,138)
(Purchase) disposal of investments		(9,021)	(1,036)
(Purchase) disposal of financial assets		(21,188)	4,836
Cash flow generated from (absorbed by) assets held for sale		75	76
Cash flow generated from (absorbed by) investing activities		**(44,907)**	**(14,711)**
Net change in financial liabilities		53,800	(12,095)
Payment of net financial expense on loans and transactions with derivatives		(749)	(664)
Net refund leases		(7,692)	(7,320)
Interest on leases		(1,116)	(1,072)
(Purchase) disposal of treasury shares	20	(221)	(479)
Dividends paid		(22,161)	-
Cash flow generated from (absorbed by) assets held for sale		(19)	(19)
Cash flow generated from (absorbed by) financing activities		**21,842**	**(21,649)**
Increase (decrease) in cash and cash equivalents		**(79,830)**	**(62,173)**
Cash and cash equivalents at the beginning of the period	25	**90,714**	**108,197**
Cash and cash equivalents at the end of the period	25	**10,884**	**46,024**

For the Board of Directors
The Chairman
Marina Berlusconi

Consolidated Balance Sheet pursuant to CONSOB Resolution no. 15519 of 27 July 2006

Assets (Euro/thousands)	Notes	**30/06/2022**	of which related parties (Note 36)	**31/12/2021**	of which related parties (Note 36)
Intangible assets	10	**351,999**	**-**	**351,844**	**-**
Investment property		**-**	**-**		**-**
Land and buildings		-	-	-	-
Plant and equipment		2,696	-	2,701	-
Other tangible fixed assets		13,703	-	11,913	-
Property, plant and equipment	11	**16,399**	**0**	**14,614**	**0**
Assets from rights of use	12	**75,227**		**80,725**	**-**
Equity-accounted investees		26,954	-	17,859	-
Other investments		955	-	875	-
Total investments	13	**27,909**	**0**	**18,734**	**0**
Non-current financial assets	20	**6,763**	**500**	**553**	**500**
Pre-paid tax assets	14	**69,918**	**11,363**	**71,484**	**11,707**
Other non-current assets	15	**217**	**-**	**156**	**-**
Total non-current assets		**548,432**	**11,863**	**538,110**	**12,207**
Tax receivables	16	**16,585**	**4,688**	**8,833**	**1,570**
Other current assets	17	**89,652**	**414**	**70,610**	**316**
Inventory	18	**158,830**	**-**	**120,731**	**-**
Trade receivables	19	**142,047**	**18,171**	**164,971**	**29,623**
Other current financial assets	25	**15,426**	**-**	**181**	**-**
Cash and cash equivalents	25	**10,884**	**-**	**90,714**	**-**
Total current assets		**433,424**	**23,273**	**456,040**	**31,509**
Discontinued operations	40	**24,400**	**2,639**	**28,430**	**2,988**
Total assets		**1,006,256**	**37,775**	**1,022,580**	**46,704**

Consolidated Balance Sheet pursuant to CONSOB Resolution no. 15519 of 27 July 2006

Liabilities (Euro/thousands)	Notes	**30/06/2022**	of which related parties (Note 36)	**31/12/2021**	of which related parties (Note 36)
Share capital		**67,979**	**-**	**67,979**	**-**
Share premium reserve		**-**	**-**		**-**
Treasury shares		**(2,024)**	**-**	**(1,803)**	**-**
Other reserves and results carried forward		**138,986**	**-**	**109,186**	**-**
Profit (loss) for the period		**2,795**	**-**	**44,206**	**-**
Group equity	20	**207,736**	**0**	**219,568**	**0**
Share capital and reserves attributable to non-controlling interests	20	**1,855**	**-**	**13**	**-**
Total equity		**209,591**	**0**	**219,581**	**0**
Provisions	21	**45,423**	**-**	**47,079**	**-**
Post-employment benefits	22	**28,722**	**-**	**33,062**	**-**
Non-current financial liabilities	25	**120,017**	**-**	**122,953**	**-**
Financial liabilities IFRS 16	25	**66,525**		**71,340**	**-**
Deferred tax liabilities	14	**36,633**	**-**	**35,873**	**-**
Other non-current liabilities		**-**	**-**	**-**	**-**
Total non-current liabilities		**297,320**	**0**	**310,307**	**0**
Income tax payables	16	**940**	**-**	**17,431**	**11,898**
Other current liabilities	23	**134,161**	**480**	**139,990**	**384**
Trade payables	24	**206,871**	**6,252**	**222,997**	**7,287**
Payables to banks and other financial liabilities	25	**118,897**	**-**	**68,659**	**1,200**
Financial liabilities IFRS 16	25	**12,785**	**-**	**12,944**	**-**
Total current liabilities		**473,654**	**6,732**	**462,021**	**20,769**
Discontinued liabilities	40	**25,691**	**1,613**	**30,671**	**1,450**
Total liabilities		**1,006,256**	**8,345**	**1,022,580**	**22,219**

Consolidated Income Statement pursuant to CONSOB Resolution no. 15519 of 27 July 2006

(Euro/thousands)	Notes	**30 June 2022**	of which related parties (Note 36)	of which non-recurring (income) expense (Note 39)	**30 June 2021**	of which related parties (Note 36)	of which non-recurring (income) expense (Note 39)
Revenue from sales and services	26	**355,079**	**9,065**	**-**	**320,436**	**13,236**	
Decrease (increase) in inventory	18	(32,108)	-	-	(15,611)	-	
Cost of raw and ancillary materials, consumables and goods	27	78,052	672	-	60,268	691	
Cost of services	28	218,382	3,759	-	193,758	4,901	
Cost of personnel	29	69,951	-	-	64,644	(21)	
Other (income) expense	30	(5,952)	178	-	(1,649)	96	
EBITDA		**26,754**	**4,456**	**0**	**19,026**	**7,569**	**0**
Amortization and impairment loss on intangible assets	10	14,519	-	-	10,049	-	-
Depreciation and impairment loss on property, plant and equipment	11	2,028	-		2,158	-	-
Amortization/depreciation of assets from rights of use	12	6,983	-		6,634	-	-
EBIT		**3,224**	**4,456**	**0**	**185**	**7,569**	**0**
Financial expense (income)	31	2,867	(11)	-	2,143	(11)	-
Expense (income) from other investments	32	(99)	-	-	3,095	-	-
Result before tax		**456**	**4,467**	**0**	**(5,053)**	**7,580**	**0**
Income tax	33	(1,784)	-		(9,411)	-	(9,072)
Net result		**2,240**	**4,467**	**0**	**4,358**	**7,580**	**9,072**
Attributable to:							
- Minority shareholders	20	**(554)**	**-**	**-**	**4**	**-**	**-**
- Parent Company shareholders		**2,795**	**4,467**	**-**	**4,354**	**7,580**	**9,072**

EXPLANATORY NOTES

1. GENERAL INFORMATION

The core business of Arnoldo Mondadori Editore S.p.A. and of its directly or indirectly owned companies (hereinafter jointly referred to as the “Mondadori Group” or the “Group”) is the publishing of books and magazines.

The Group also carries out retailing activities through directly-owned and franchised stores located across Italy.

Arnoldo Mondadori Editore S.p.A., with registered office in Via Bianca di Savoia 12, Milan, and headquarters in Strada privata Mondadori, Segrate/Milan, is listed on the STAR segment of the Electronic Stock Market (MTA) of Borsa Italiana S.p.A..

The publication of the consolidated financial statements of the Mondadori Group for the six months ended 30 June 2022 was authorized by the Board of Directors’ resolution of 28 July 2022.

2. FORM AND CONTENT

The Consolidated Half-Year Financial Report includes the condensed consolidated half-year financial statements, prepared in compliance with the provisions set out in IAS 34 and Article 154-ter of the Finance Consolidation Act and, therefore, does not include all the supplementary information required for the full-year report, and should be read jointly with the Group's consolidated annual report at 31 December 2021.

The following criteria were adopted in the preparation of these financial statements:

- current and non-current assets and current and non-current liabilities are shown separately in the consolidated balance sheet;
- in the consolidated income statement, the analysis of costs is performed on the basis of the nature of costs, since the Group deems this method more representative than a presentation by function;
- the consolidated comprehensive income statement contains revenue and cost items that are not recognized under income (loss) for the period as required or allowed by the other IAS/IFRS accounting standards;
- the statement of cash flows was prepared using the indirect method.

Regarding the requirements of CONSOB Resolution no. 15519 of 27 July 2006, specific supplementary tables are used to highlight significant transactions with “Related parties” and “Non-recurring transactions”.
The amounts shown in the tables and in these notes are expressed in Euro thousands unless otherwise stated.

3. SCOPE OF CONSOLIDATION, PREPARATION CRITERIA AND PRINCIPLES

In first half 2022, the Mondadori Group completed the acquisition of 50% of De Agostini Libri S.r.l., holder of the entire share capital of Libromania S.r.l., and of 50% of A.L.I.-Agenzia Libraria Internazionale S.r.l..

The first two companies have been fully consolidated as a result of governance agreements giving Mondadori control as from 1 April, while A.L.I.-Agenzia Libraria Internazionale S.r.l. has been consolidated at equity as from May.

Preparation criteria

The Mondadori Group's condensed consolidated half-year financial statements have been prepared on a going concern basis.

The Group's financial situation and medium-term prospects allow it to maintain a positive attitude towards future developments, albeit in a still partly affected economic scenario impacted by the COVID-19 health emergency and by the international geopolitical scenario marked by the Russia-Ukraine conflict.

The same accounting standards adopted for the preparation of the annual financial statements for the year ended 31 December 2021. have been used herein.

The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Changes in accounting standards

Various amendments apply for the first time in 2022, but had no impact on the Group's condensed half-year financial statements.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received thereunder.

The amendment clarifies that in determining whether a contract is onerous or loss-generating, an entity must consider costs directly related to the contract for the provision of goods or services that include both incremental costs (direct payroll costs and materials) and costs directly allocated to contract activities (depreciation of equipment used for contract fulfilment as well as costs for contract management and oversight). General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract.

Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments are intended to replace the references to the Framework for the Preparation and Presentation of Financial Statements, with references to the Conceptual Framework for Financial Reporting

published in March 2018 without a significant change in the standard's requirements.
The Board also added an exception to the valuation standards of IFRS 3 to avoid the risk of potential “next-day" losses or gains arising from liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately. The exemption requires entities to apply the requirements of IAS 37 or IFRIC 21, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.
The amendment also added a new section to IFRS 3 to clarify that contingent assets do not qualify as recognizable assets at the acquisition date.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any revenue from the sale of products sold in the period when that asset is taken to the place or made available for use in the manner intended by Management. Instead, an entity books the revenue from the sale of such products and the costs for producing such products as profit and loss.

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

This amendment allows a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts accounted for by the parent, considering the parent's date of transition to IFRS. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

This amendment clarifies what fees an entity includes when determining whether the terms and conditions 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 borrower and the lender, including fees paid or received by the borrower or lender on the other’s behalf.

No such amendment has been proposed with regard to IAS 39 Financial Instruments: Recognition and Measurement.
This amendment had no impact on the Group's condensed consolidated half-year financial statements as there were no changes in the Group's financial liabilities in the six-month period.

These amendments have no impact on the Group’s consolidated half-year financial statements.

4. USE OF ESTIMATES

The preparation of the Group’s condensed consolidated half-year financial statements and the relevant notes required the use of estimates and assumptions based on subjective judgements, statistics and available information; the final figures may differ even significantly from such estimates, following possible changes in the factors considered in the determination of the estimates.

The most significant accounting estimates are outlined below:

Goodwill, intangible assets with indefinite useful life and other non-current assets

The value of goodwill of intangible assets with indefinite useful life and other non-current assets with finite useful life (for the latter, in the presence of indications of impairment loss) is assessed by comparing the book value of the individual assets or the smallest Cash Generating Unit that generates its own cash flows with their recoverable value, represented by the higher of fair value, less costs to sell, and value in use. This process includes, among others, the application of methods such as discounted cash flow, with the relevant assumptions.

Amortization/depreciation

The useful life of tangible and intangible assets is determined by the Directors when the asset is purchased. The Group regularly assesses any changes in technology, market conditions and expectations of future events that could have an impact on the useful life and duration of amortization/depreciation.

Write-down of advances to authors

The Group estimates the amount of the advances paid to authors to be written down, as they are considered non-recoverable, based on the analyses carried out for published literary works and those yet to be published.

Write-down of inventory

The Group estimates the amount of inventory to subject to impairment loss based on specific analyses ascertaining finished product marketability and the relevant turnover rates, and, for orders in progress, the Group considers the relevant risk of failed completion.

Provision for bad debts

The recoverability of receivables is measured by considering the risk of non-payment, ageing and losses on receivables expected to arise on the receivables.

Returns to receive

In the publishing sector, it is an accepted practice for unsold books and magazines to be returned to the publisher under pre-established conditions.
Therefore, at the end of each reporting period of the Financial Report, the Group measures the quantities that are expected to be returned in subsequent periods: this estimate is based on statistics and takes account also of the level of circulation of books and magazines.

Provision for risks

Allocations made for costs for legal, tax and arbitration disputes are based on complex estimates that take account of the likelihood of losing the disputes.

Post-employment benefits

Allocations made in favour of employees are based on actuarial assumptions: any changes in the underlying assumptions may have significant effects on the provisions.

Income tax

Income tax (both current and deferred) is calculated based on the applicable rates in each individual country in which the Group operates, according to a prudent interpretation of currently applicable tax laws.

5. SEASONAL NATURE OF BUSINESS ACTIVITIES

Due in particular to the seasonal nature of the school textbooks publishing business, revenue and profits in the second half of the year are expected to be higher.

6. SEGMENT REPORTING

The information under IFRS 8 reflects the Group organizational structure, which includes the following Divisions: Books, Media, Retail, Corporate & Shared Services.

This structure gives a clear representation of the Group's differentiation in terms of products sold and services rendered and is used by Top Management as the basis for corporate reporting and in the definition of corporate strategies and plans, as well as in the valuation of investment opportunities and allocation of resources.
Information relating to segment reporting is included in the notes.

7. BUSINESS COMBINATIONS, ACQUISITIONS AND DISPOSALS

Disposal of Donna Moderna and CasaFacile

Effective for accounting purposes as from 1 January 2022, the transaction for the sale of the corporate assets related to the publication of the magazine titles *Donna Moderna* and *CasaFacile* to Stile Italia Edizioni S.r.l. came into effect.

Acquisition of 50% of De Agostini Libri S.r.l.

On 1 April 2022, the Mondadori Group completed the acquisition of 50% of the shares of De Agostini Libri S.r.l., formerly Dea Planeta S.r.l., a company active in trade books publishing, with particular focus on children's and non-fiction products.
The scope of the transaction includes Libromania S.r.l., a company wholly owned by De Agostini Libri S.r.l. and specialized in publishing promotion activities; the agreements also envisage the acquisition of 100% of Libromania S.r.l., by the Mondadori Group, in second half 2022, as a result of put&call options.
The total maximum value of the acquisition, taking account of the 100% valuation of Libromania S.r.l., will amount to € 4.5 million.

As a result of the governance structure, the Mondadori Group exercises control over De Agostini Libri S.r.l., which was fully consolidated as from the acquisition date.
At the date of this Half-Year Report, the results of the purchase price allocation process are still provisional.

Acquisition of 50% of A.L.I. – Agenzia Libraria International

On 11 May 2022, the Mondadori Group completed the acquisition of 50% of A.L.I. S.r.l. - Agenzia Libraria International, a company operating in the distribution of books and boasting a client portfolio of over 80 publishers; the scope of the transaction also includes two subsidiaries operating in the publishing segment and two associates.

The consideration for the acquisition is € 10.8 million; the final agreements also provide for the Mondadori Group to acquire an additional 25%, effective as from 28 February 2023, at a price that will be determined on the basis of average EBITDA 2021-2022 and the subscription of put&call options, which entitle Mondadori to acquire the remaining 25% by 30 July 2025 at a price that will be determined on the basis of average EBITDA 2023-2024.

The 50% stake in A.L.I. was consolidated at equity in May 2022.

8. NON-RECURRING INCOME AND EXPENSE

Under CONSOB resolution no. 15519 of 27 July 2006, in a specific table in the "Explanatory notes", any income and expense deriving from non-recurring transactions have been identified, i.e., transactions and events which, by nature, do not occur repeatedly during normal business.

9. IMPAIRMENT PROCESS

For the purpose of preparing these interim condensed financial statements, an impairment test was carried out to identify any impairment values. In accordance with IAS 36, both external and internal sources within the Mondadori Group were taken into consideration.

With specific regard to the international geopolitical situation arising from the Russia-Ukraine war, no direct impacts were reported on the Mondadori Group's markets of operation. As for the indirect impacts, represented mainly by the increase in energy costs and raw material costs (paper), the Mondadori Group has been able to deal with the situation by adopting specific corrective actions as shown by the figures for the first half of the year and the forecast for the full year 2022.

Market capitalization at 30 June 2022 (€ 447 million), while down versus 31 December 2021, is well above the book equity of € 210 million at 30 June 2022.

Other considerations also include the following:

- financial analysts have confirmed the consensus on the share expressed at 31 December 2021, and the average target price at 30 June 2022 is slightly higher than the price at 31 December 2021;
- the change in the Mondadori Group's WACC at 30 June 2022 versus 31 December 2021 reflects mainly the increase in interest rates in the six-month period.

As for business performance, mention should be made that first half 2022 saw an improvement in EBITDA across all the Group's operating segments versus the same period of the prior year and versus forecasts.

An analysis was carried out on the performance of the CGUs comprising assets with finite and indefinite useful life recorded in the financial statements, in order to assess the possible presence of impairment indicators by comparing the following:

- the actual figures for first half 2022 with the forecasts for the same period included in the plan approved by the Board of Directors on 17 February 2022 (Plan) and used for the impairment test for the purpose of the 2021 financial statements;
- the full-year 2022 forecast figures included in the Plan with those included in the new 2022 forecast.

Taking account of the results of the analyses conducted, no indicators appeared such as to require impairment testing.

10. INTANGIBLE ASSETS

“Intangible assets" totaled € 351,999 thousand, increasing by € 155 thousand versus the amounts at 31 December 2021.

Intangible assets (Euro/thousands)	**30/06/2022**	**31/12/2021**
Intangible assets with finite useful life	129,204	129,190
Intangible assets with indefinite useful life	222,795	222,654
Total intangible assets	**351,999**	**351,844**

“Intangible assets with finite useful life" include:

- the magazine titles *Chi, Tele+, Interni* and *TV Sorrisi e Canzoni*, published by Mondadori Media S.p.A., each of which is a Cash Generating Unit;
- proprietary and licensed application software;
- cost of development, represented by the costs for the launch of new publishing projects in the Educational area;
- intangible assets in progress, also attributable mainly to new publishing projects.

Intangible assets with finite useful life (Euro/thousands)	Titles	Trademarks	Customer lists	Software, licenses, patents and rights	Cost of development	Other assets, assets in progress and advances	Total
Historical cost at 31/12/2020	94,114	20,232	1,684	28,563	50,205	8,943	203,741
Capital expenditure	-	-	-	2,580	7,276	7,744	17,600
Disposals	-	-	-	(1,107)	(13,723)	-	(14,830)
Change in the consolidation scope	-	8,135	611	34,685	63,162	-	106,593
Other changes	(3,749)	-	(1,684)	(327)	(4,460)	(3,912)	(14,132)
Historical cost at 31/12/2021	90,365	28,367	611	64,394	102,460	12,775	298,972
Accumulated amortization and impairment loss at 31/12/2020	39,363	9,878	1,684	18,423	37,946	2,675	109,969
Amortization	3,102	933	153	4,951	11,591	283	21,013
Write-downs/(write-backs)	2,955	561	-	6	128	-	3,650
Disposals	-	-	-	(1,107)	(13,723)	-	(14,830)
Change in the consolidation scope	-	4,138	-	3,558	56,407	-	64,103
Other changes	(3,749)	-	(1,684)	(549)	(8,279)	138	(14,123)
Accumulated amortization and impairment loss at 31/12/2021	41,671	15,510	153	25,282	84,070	3,096	169,782
Net book value at 31/12/2020	54,751	10,354	0	10,140	12,259	6,268	93,772
Net book value at 31/12/2021	**48,694**	**12,857**	**458**	**39,112**	**18,390**	**9,679**	**129,190**

In first half 2022, capital expenditure in "intangible assets with finite useful life", amounting to € 13,176 thousand, referred mainly to:

- € 11,506 thousand in costs for the creation and development of publishing products of the Education area;
- € 594 thousand for software.

Intangible assets with finite useful life (Euro/thousands)	Titles	Trademarks	Customer lists	Software, licenses, patents and rights	Cost of development	Other assets, assets in progress and advances	Total
Historical cost at 31/12/2021	90,365	28,367	611	64,394	102,460	12,775	298,972
Capital expenditure	-	-	-	594	8,245	4,337	13,176
Disposals	-	-	-	-	-	-	0
Change in the consolidation scope	-	1,299	-	378	2,660	-	4,337
Other changes	-	-		220	2,050	(4,655)	(2,385)
Historical cost at 30/06/2022	90,365	29,666	611	65,586	115,415	12,457	314,100
Accumulated amortization and impairment loss at 31/12/2021	41,671	15,510	153	25,282	84,070	3,096	169,782
Amortization	1,469	725	76	4,194	7,806	231	14,501
Write-downs/(write-backs)	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	0
Change in the consolidation scope	-	-	-	295	2	-	297
Other changes	-	-	-	22	138	156	316
Accumulated amortization and impairment loss at 30/06/2022	43,140	16,235	229	29,793	92,016	3,483	184,896
Net book value at 31/12/2021	48,694	12,857	458	39,112	18,390	9,679	129,190
Net book value at 30/06/2022	**47,225**	**13,431**	**382**	**35,793**	**23,399**	**8,974**	**129,204**

Intangible assets with indefinite useful life include:

- the series of the Books area;
- the trademarks acquired against payment;
- goodwill.

Intangible assets with indefinite useful life (Euro/thousands)	Trademarks and series	Goodwill	Total
Historical cost at 31/12/2020	47,631	53,737	101,368
Capital expenditure	-	-	0
Disposals	-	-	0
Change in the consolidation scope	23,001	108,141	131,142
Other changes	-	32	32
Historical cost at 31/12/2021	70,632	161,910	232,542
Impairment loss at 31/12/2020	994	6,810	7,804
Write-downs/(write-backs)	-	2,084	2,084
Other changes/disposals	-	-	0
Impairment loss at 31/12/2021	994	8,894	9,888
Net book value at 31/12/2020	46,637	46,927	93,564
Net book value at 31/12/2021	**69,638**	**153,016**	**222,654**

The increases in first half 2022 are explained by the contribution of De Agostini Libri S.r.l., consolidated as from 1 April, and the adjustment of the amounts of Rizzoli International Publications Inc. to the euro/dollar exchange rate at 30 June 2022.

Intangible assets with indefinite useful life (Euro/thousands)	Trademarks and series	Goodwill	Total
Historical cost at 31/12/2021	70,632	161,910	232,542
Capital expenditure	-	-	0
Disposals	-	-	0
Change in the consolidation scope	122	-	122
Other changes	-	37	37
Historical cost at 30/06/2022	70,754	161,947	232,701
Impairment loss at 31/12/2021	994	8,894	9,888
Write-downs/(write-backs)	18	-	18
Other changes/disposals	-	-	0
Impairment loss at 30/06/2022	1,012	8,894	9,906
Net book value at 31/12/2021	69,638	153,016	222,654
Net book value at 30/06/2022	**69,742**	**153,053**	**222,795**

Amortization, write-downs and write-backs of intangible assets

Amortization and impairment loss of intangible assets (Euro/thousands)	1° half 2022	1° half 2021
Titles	1,469	1,551
Trademarks	725	472
Customer lists	76	-
Software	2,575	2,180
Licenses, patents and rights	1,619	292
Cost of development	7,806	5,121
Other intangible assets	231	131
Total amortization of intangible assets	**14,501**	**9,747**
Write-downs of intangible assets	18	302
Write-backs of intangible assets	-	-
Total write-downs (write-backs) of intangible assets	**18**	**302**
Total amortization and impairment loss of intangible assets	**14,519**	**10,049**

Amortization and impairment of intangible assets, amounting to € 14,519 thousand, increased by € 4,470 thousand, due mainly to higher development costs resulting from the acquisition of D Scuola S.p.A. at end 2021.

Impairment for the six-month period refers to assets no longer in use.

The availability and use of intangible assets recognized in these financial statements are not subject to any lien or restriction.

11. PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment" amounted to € 16,399 thousand, up by € 1,785 thousand.

Capital expenditure in first half 2022 amounted to € 3,628 thousand, mostly in the Retail area (€ 1,818 thousand), regarding the opening of new stores, and the purchase of personal computers and equipment of the Group, to replace obsolete ones and to support smart working activities (€ 1,416 thousand).

Disposals during the six-month period involved assets that were almost completely depreciated, regarding the Retail area in particular, as a result of the reorganization of space in a number of stores.

The table below shows a breakdown of "Property, plant and equipment" in 2021 and in first half 2022:

Property, plant and equipment (Euro/thousands)	Land	Instrumental buildings	Plant and equipment	Other tangible assets	Total
Historical cost at 31/12/2020	903	5,605	22,746	59,721	88,975
Capital expenditure	-	-	976	4,524	5,500
Disposals	(903)	(5,488)	(2,609)	(3,415)	(12,415)
Change in the consolidation scope	-	-	125	546	671
Other changes	-	-	124	(324)	(200)
Historical cost at 31/12/2021	0	117	21,362	61,052	82,531
Accumulated depreciation and impairment loss at 31/12/2020	-	4,204	20,074	47,766	72,044
Depreciation	-	128	737	3,260	4,125
Write-downs/(write-backs)	-	-	348	1,292	1,640
Disposals	-	(4,215)	(2,609)	(3,403)	(10,227)
Change in the consolidation scope	-	-	111	483	594
Other changes	-	-	-	(259)	(259)
Accumulated depreciation and impairment loss at 31/12/2021	0	117	18,661	49,139	67,917
Net book value at 31/12/2020	903	1,401	2,672	11,955	16,931
Net book value at 31/12/2021	**0**	**0**	**2,701**	**11,913**	**14,614**

Property, plant and equipment (Euro/thousands)	Land	Instrumental buildings	Plant and equipment	Other tangible assets	Total
Historical cost at 31/12/2021	-	117	21,362	61,052	82,531
Capital expenditure	-	-	331	3,297	3,628
Disposals	-	-	-	(169)	(169)
Change in the consolidation scope	-	-	-	255	255
Other changes	-	-	13	376	389
Historical cost at 30/06/2022	0	117	21,706	64,811	86,634
Accumulated depreciation and impairment loss at 31/12/2021	-	117	18,661	49,139	67,917
Depreciation	-	-	349	1,679	2,028
Write-downs/(write-backs)	-	-	-	-	0
Disposals	-	-	-	(153)	(153)
Change in the consolidation scope	-	-	-	185	185
Other changes	-	-	-	258	258
Depreciation and impairment loss at 30/06/2022	0	117	19,010	51,108	70,235
Net book value at 31/12/2021	0	0	2,701	11,913	14,614
Net book value at 30/06/2022	**0**	**0**	**2,696**	**13,703**	**16,399**

"Other tangible assets" can be broken down as follows:

Other tangible assets (Euro/thousands)	**30/06/2022**	**31/12/2021**
Industrial and commercial equipment	86	117
Electronic office equipment	3,457	2,581
Office furniture, facilities and fittings	3,136	3,130
Motor and transport vehicles	11	16
Leasehold improvements	4,909	5,059
Assets under construction and advances	2,104	1,010
Total other tangible assets	**13,703**	**11,913**

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment (Euro/thousands)	**1° half 2022**	**1° half 2021**
Instrumental buildings	-	64
Plant and equipment	349	356
Equipment	31	35
Electronic office equipment	718	585
Furniture and fittings	353	472
Motor and transport vehicles	5	5
Leasehold improvements	572	641
Total depreciation of property, plant and equipment	**2,028**	**2,158**
Write-downs of tangible assets	-	-
Write-backs of tangible assets	-	-
Total write-downs (write-backs) of tangible assets	**0**	**0**
Total depreciation and impairment loss on tangible assets	**2,028**	**2,158**

Depreciation for the period, amounting to € 2,028 thousand, decreased by € 130 thousand versus first half 2021; the period recorded higher depreciation of expenditure in office automation, and a reduction in the share related to furniture and furnishings.

12. ASSETS FROM RIGHTS OF USE

In first half 2022, expenditure in assets from right of use, represented by leases of third-party assets, involved the Retail area for the renewal or signing of new leases (€ 687 thousand), and leases of a number of operating offices (€ 618 thousand); disposals are represented by the write-off of the amounts of expired contracts.

Assets from rights of use (Euro/thousands)	Rights of use buildings	Rights of use motor vehicles	Rights of use hardware	Total
Historical cost at 31/12/2020	103,140	991	1,306	105,437
Capital expenditure	14,967	240	-	15,207
Disposals	(7,605)	-	-	(7,605)
Other changes	3,674	196	-	3,870
Historical cost at 31/12/2021	114,176	1,427	1,306	116,909
Accumulated depreciation at 31/12/2020	24,505	450	278	25,233
Depreciation	12,835	336	257	13,428
Disposals	(3,626)	-	-	(3,626)
Other changes	1,087	62	-	1,149
Accumulated depreciation at 31/12/2021	34,801	848	535	36,184
Net book value at 31/12/2020	78,635	541	1,028	80,204
Net book value at 31/12/2021	**79,375**	**579**	**771**	**80,725**

Assets from rights of use (Euro/thousands)	Rights of use buildings	Rights of use motor vehicles	Rights of use hardware		Total
Historical cost at 31/12/2021	114,176	1,427	1,306		116,909
Capital expenditure	1,305	-	-	-	1,305
Disposals	(2,092)	-	-	-	(2,092)
Other changes	239	-	-		239
Historical cost at 30/06/2022	113,628	1,427	1,306	0	116,361
Accumulated depreciation at 31/12/2021	34,801	848	535		36,184
Depreciation	6,677	177	129		6,983
Disposals	(2,092)	-	-		(2,092)
Other changes	74	(15)	-		59
Accumulated depreciation at 30/06/2022	39,460	1,010	664		41,134
Net book value at 31/12/2021	79,375	579	771		80,725
Net book value at 30/06/2022	**74,168**	**417**	**642**		**75,227**

13. INVESTMENTS

“Equity-accounted investees" and "Investments in other companies" totaled € 27,909 thousand, increasing by € 9,175 thousand versus 31 December 2021.

Investments (Euro/thousands)	**30/06/2022**	**31/12/2021**
Equity-accounted investees	26,954	17,859
Investments in other companies	955	875
Total investments	**27,909**	**18,734**

In first half 2022, the scope of equity-accounted investees changed following the disposal of Monradio S.r.l., effective as from 1 January, and the acquisition of 50% of the A.L.I.-Agenzia Libraria Internazionale S.r.l. Group.

Equity-accounted investees – Details (Euro/thousands)	**30/06/2022**	**31/12/2021**
Investments in joint ventures:		
- Edizioni EL S.r.l.	3,558	4,181
- Attica Publications Group	8,387	7,724
- Mediamond S.p.A.	1,551	1,684
- Mondadori Seec Advertising Co. Ltd	1,831	2,640
- A.L.I.- Agenzia Libraria International S.r.l.	11,200	-
Total investments in joint ventures	**26,527**	**16,229**
Investments in associates:		
- Monradio S.r.l.	-	1,200
- Digital Advertising S.r.l.	427	430
Total investments in associates	**427**	**1,630**
Total equity-accounted investees	**26,954**	**17,859**

"Investments in other companies" increased by € 80 thousand, due to changes in the share capital of

Società Europea di Edizioni S.p.A., net of the result for the six months.

Investments in other companies - Details (Euro/thousands)	**30/06/2022**	**31/12/2021**
Investments in other companies:		
- Società Europea di Edizioni S.p.A.	695	615
- Società Editrice Il Mulino S.p.A.	197	197
- Consuledit S.r.l.	1	1
- Immobiliare Editori Giornali S.r.l.	52	52
- Consorzio Edicola Italiana	10	10
Total investments in other companies	**955**	**875**

14. PRE-PAID TAX ASSETS AND DEFERRED TAX LIABILITIES

“Pre-paid tax assets", amounting to € 69,918 thousand, decreased by € 1,566 thousand; "Deferred tax liabilities", amounting to € 36,633 thousand, increased by € 760 thousand.

(Euro/thousands)	**30/06/2022**	**31/12/2021**
IRES on tax losses	3,399	3,399
Pre-paid IRES	61,337	62,883
Pre-paid IRAP	5,182	5,202
Total pre-paid tax assets	**69,918**	**71,484**
Deferred IRES	32,000	31,115
Deferred IRAP	4,633	4,758
Total deferred tax liabilities	**36,633**	**35,873**

Specifically:

- “IRES on tax losses", amounting to € 3,399 thousand, remained unchanged versus 31 December 2021;
  The Directors consider the amounts recorded to be fully recoverable, considering the right to carry forward tax losses without time limits and the expected results envisaged in the Group plans;
- other deferred tax assets (IRES and IRAP) decreased due to changes in taxed provisions;
- deferred tax liabilities, IRES and IRAP, increased, due mainly to the movements in the "cash flow hedge" equity reserve, which increased due to interest rate trends.

Components that led to the recognition of pre-paid tax

(Euro/thousands)	30/06/2022 Amount	Current tax rate	Pre-paid tax	31/12/2021 Amount	Current tax rate	Pre-paid tax
Difference between book value and tax value of intangible assets	11,886	(*)	2,853	13,073	(*)	3,138
Difference between book value and tax value of investment property and investments in property, plant and equipment	1,319	(*)	316	1,253	(*)	301
Provision for bad debts	17,984	(*)	4,342	14,716	(*)	3,556
Write-down of inventory	30,727	(*)	7,411	31,997	(*)	7,713
Write-down of advances to authors	54,302	(*)	13,046	49,569	(*)	11,909
Provisions	47,379	(*)	11,371	53,697	(*)	12,887
Post-employment benefits	1,670	(*)	401	3,213	(*)	771
Elimination of intercompany income	9,071	(*)	2,177	7,392	(*)	1,774
Returns to receive	27,895	(*)	6,695	31,368	(*)	7,528
Amendment rights to existing tax consolidation	47,346	(*)	11,363	48,778	(*)	11,707
Other temporary differences	5,480	(*)	1,362	6,490	(*)	1,599
Total for IRES purposes	**255,059**		**61,337**	**261,546**		**62,883**
Difference between book value and tax value of intangible assets	11,266	(*)	439	12,529	(*)	488
Difference between book value and tax value of investment property and investments in property, plant and equipment	307	(*)	12	313	(*)	12
Write-down of inventory	27,064	(*)	1,055	28,638	(*)	1,117
Write-down of advances to authors	52,719	(*)	2,056	48,094	(*)	1,875
Provisions	2,219	(*)	87	1,995	(*)	78
Post-employment benefits	1,837	(*)	72	2,380	(*)	93
Elimination of intercompany income	9,073	(*)	353	7,392	(*)	287
Returns to receive	27,895	(*)	1,088	31,368	(*)	1,223
Other temporary differences	519	(*)	20	730	(*)	29
Total for IRAP purposes	**132,899**		**5,182**	**133,439**		**5,202**

(*) With regard to income tax, each Group company applied the tax rate applicable in the country of residence.
As for IRAP, each Group company applied the tax rate in force, taking into account the distribution of the tax base by region and company object.

Components that led to the recognition of deferred tax

	30/06/2022			31/12/2021		
(Euro/thousands)	Amount	Current tax rate	Deferred tax	Amount	Current tax rate	Deferred tax
Difference between book value and tax value of intangible assets	118,423	(*)	28,422	121,800	(*)	29,231
Post-employment benefits	1,610	(*)	387	230	(*)	46
Other temporary differences	13,302	(*)	3,191	7,659	(*)	1,838
Total for IRES purposes	**133,335**		**32,000**	**129,689**		**31,115**
Difference between book value and tax value of intangible assets	118,720	(*)	4,630	121,924	(*)	4,755
Difference between book value and tax value of investment property and investments in property, plant and equipment	77	(*)	3	66	(*)	3
Total for IRAP purposes	**118,797**		**4,633**	**121,990**		**4,758**

(*) With regard to income tax, each Group company applied the tax rate applicable in the country of residence.
As for IRAP, each Group company applied the tax rate in force, taking into account the distribution of the tax base by region and company object.

15. OTHER NON-CURRENT ASSETS

"Other non-current assets", amounting to € 217 thousand, increased by € 61 thousand versus 31 December 2021, due to security deposits under new lease agreements.

Other non-current assets (Euro/thousands)	**30/06/2022**	**31/12/2021**
Guarantee deposits	190	129
Other	27	27
Total other non-current assets	**217**	**156**

16. TAX RECEIVABLES AND PAYABLES

Tax receivables (Euro/thousands)	**30/06/2022**	**31/12/2021**
Receivables from the tax authorities for IRES	216	-
Receivables from the tax authorities for IRAP	1,351	383
Receivables from Fininvest for IRES	4,688	1,570
Receivables from the tax authorities for VAT	7,804	5,565
Other receivables from the tax authorities	2,526	1,315
Total tax receivables	**16,585**	**8,833**

"Tax receivables," amounting to € 16,585 thousand, increased by € 7,752 thousand versus 31 December 2021, due to the seasonal nature of a number of business units, including especially the Education area.
In the first six months, the school textbooks publishers, in fact, posted negative results, due to the fact that revenue is generated mostly in the second half of the year; this leads to an increase in receivables from the tax authorities as a result of the payment of IRAP advances, an increase in IRES receivables from the parent company Fininvest, and an increase in VAT receivables.

"Other receivables from tax authorities", amounting to € 2,526 thousand, increased by € 1,211 thousand, due to the recognition of the contribution on paper consumption, pursuant to Article 188 Law Decree 34/2020, for € 1,840 thousand.

Income tax payables (Euro/thousands)	**30/06/2022**	**31/12/2021**
Payables to the tax authorities for IRAP	194	451
Payables to the tax authorities for IRES	746	5,082
Payables to Fininvest for IRES	-	11,898
Total income tax payables	**940**	**17,431**

"Income tax payables", amounting to € 940 thousand, decreased by € 16,491 thousand, due to the heavy seasonal nature of a number of businesses, which posted negative operating results at 30 June.

17. OTHER CURRENT ASSETS

"Other current assets", amounting to € 89,652 thousand, increased by € 19,042 thousand, as a result mainly of:

- advance payments to agents that were higher than the commissions accrued in the reporting period, due to the seasonal nature of certain businesses, especially in the Education area;
- advances recognized to authors of the Trade Books area, for the publication of new titles in second half 2022 and in the next financial years;
- the receivables from the relief granted by the Ministry of Culture to museum activities;
- the consolidation of De Agostini Libri S.r.l. and Libromania S.r.l., which contributed € 481 thousand to the increase.

"Accrued income and prepaid expenses" includes mainly marketing, promotion and shipment costs relating to magazine issues for second half 2022.

Other current assets (Euro/thousands)	**30/06/2022**	**31/12/2021**
Receivables from agents	5,018	261
Receivables from authors	135,829	121,470
Provision for advances to authors	(73,708)	(64,866)
Receivables from suppliers and associates	7,080	6,358
Accrued income and prepaid expenses	6,468	4,611
Other receivables from associates and affiliates	70	70
Other receivables	8,895	2,706
Total other current assets	**89,652**	**70,610**

18. INVENTORY

"Inventory" at 30 June is typically much higher than the figure recorded at year end, due to the seasonal nature of the Education area's business, where production takes place mainly in the first half and sales in the second.

Specifically:

- raw materials, amounting to € 15,983 thousand, increased by € 7,588 thousand versus 31 December 2021, and by € 7,164 thousand versus 30 June 2021. Specifically, purchased volumes increased versus the same period of the prior year, owing to the procurement difficulties in the paper market, as well as deferred costs, as a result of the increase in paper prices;
- "Work in progress, semi-finished and contract work", amounting to € 11,476 thousand, increased by € 458 thousand, attributable entirely to De Agostini Libri S.r.l.. The increase versus first half 2021 amounted to € 1,481 thousand, attributable, in addition to the different scope of consolidation, mainly to the U.S. subsidiary Rizzoli International Publications Inc.;
- "Finished products and goods", amounting to € 131,371 thousand, increased by € 30,053 thousand versus 31 December 2021. Versus first half 2021, the increase amounted to € 17,821 thousand, of which € 15,095 thousand attributable to De Agostini Libri S.r.l. and D Scuola S.p.A., acquired after 30 June 2021, and the remaining differential share to Rizzoli International Publications Inc., due to the strong increase in revenue achieved in 2021.

Inventory (Euro/thousands)	**30/06/2022**	**31/12/2021**
Raw and ancillary materials and consumables	16,790	9,155
Write-down of raw and ancillary materials and consumables	(807)	(760)
Total raw and ancillary materials and consumables	**15,983**	**8,395**
Work in progress, semi-finished products and contract work	12,584	12,358
Write-down of work in progress, semi-finished products and contract work	(1,108)	(1,340)
Total work in progress and semi-finished goods	**11,476**	**11,018**
Finished products and goods	205,992	172,887
Write-down of finished products and goods	(74,621)	(71,569)
Total finished products and goods	**131,371**	**101,318**
Total inventory	**158,830**	**120,731**

Inventory of "Finished products and goods” included books produced by the Group, third-party publishers’ books purchased for re-sale in the Retail sector and merchandising, paper processing and gifts.

Inventory write-down was calculated separately and analytically for each Group company, taking account of finished product marketability, any failed revenue generation from orders in progress and semi-finished products, and deterioration of raw materials.

"Other changes" includes the balances of companies acquired during the year.

Inventory - Write-down (Euro/thousands)	Raw materials	Work in progress and semi-finished products	Finished products and goods
Balance at 31/12/2020	698	1,101	73,931
Changes in the year:			
- allocation	89	297	1,788
- utilizations	(76)	(91)	(10,316)
- other changes	49	33	6,166
Balance at 31/12/2021	**760**	**1,340**	**71,569**
Changes in the year:			
- allocation	47	-	1,434
- utilizations	-	(274)	(997)
- other changes	-	42	2,615
Balance at 30/06/2022	**807**	**1,108**	**74,621**

No inventory is subject to restriction to cover liabilities.

Decrease (increase) in inventory

The income statement effects resulting from the changes in inventory and the provisions for value adjustments are detailed below.

Decrease (increase) in inventory (Euro/thousands)	**1° half 2022**	**1° half 2021**
Changes in finished products and goods	(24,943)	(15,528)
Allocation to the provision for write-downs of finished products and goods	1,434	2,714
Utilization of the provision for write-downs of finished products and goods	(997)	(1,109)
Total changes in finished products and goods	**(24,506)**	**(13,923)**
Changes in work in progress and semi-finished goods	260	558
Allocation to the provision for write-downs of work in progress and semi-finished goods	-	1
Utilization of the provision for work in progress and semi-finished goods	(274)	-
Total changes in work in progress and semi-finished goods	**(14)**	**559**
Changes in raw and ancillary materials and consumables	(7,635)	(2,264)
Allocation to the provision for write-downs of raw and ancillary materials and consumables	47	17
Utilization of the provision for write-downs of raw and ancillary materials and consumables	-	-
Total changes in raw and ancillary materials and consumables	**(7,588)**	**(2,247)**
Total decrease (increase) in inventory	**(32,108)**	**(15,611)**

19. TRADE RECEIVABLES

Trade receivables (Euro/thousands)	**30/06/2022**	**31/12/2021**
Receivables from customers	121,826	135,752
Receivables from associates	19,782	28,585
Receivables from parent companies	-	22
Receivables from affiliates	439	612
Total trade receivables	**142,047**	**164,971**

"Trade receivables", amounting to € 142,047 thousand, fell by € 22,924 thousand versus 31 December 2021, and increased by € 1,419 thousand versus 30 June 2021, more consistent owing to the seasonal nature of a number of businesses.

The change versus 31 December 2021 is attributable to the seasonal nature of the Trade Books segment and Retail area, which had higher sales volumes during the holiday season.

"Receivables from associates”, amounting to € 19,782 thousand, fell by € 8,803 thousand versus 31 December 2021, and by € 5,757 thousand versus 30 June 2021, due to lower advertising sales by the Group's advertising agency Mediamond S.p.A., as a result of the reduced portfolio of magazine titles and the performance of the advertising market.
Receivables from associates, parent companies and affiliates are explained in the Annex "Transactions with related parties"; transactions with related parties are carried out under normal market conditions.

“Customers - returns to receive”, amounting to € 57,172 thousand, dropped by € 5,850 thousand versus 31 December 2021, attributable to the Books area (€ 7,911 thousand), partly offset by the contribution of De Agostini Libri S.r.l. (€ 2,061 thousand), consolidated as from 2022.

Trade receivables **Receivables from customers** (Euro/thousands)	**30/06/2022**	**31/12/2021**
Receivables from customers	193,292	212,406
Customers – returns to receive	(57,172)	(63,022)
Provision for bad debts	(14,294)	(13,632)
Total receivables from customers	**121,826**	**135,752**

There were no trade receivables due over five years.

With regard to the provision for bad debts, it should be noted that for each Group company, an accurate analysis is performed of each individual debt item position, considering also the customer solvency rating, together with an assessment of expected losses.

Trade receivables **Receivables from customers - Provision for bad debts** (Euro/thousands)	**30/06/2022**	**31/12/2021**
Balance at beginning of year	13,632	13,598
Changes in the year:		
- allocation	1,988	5,113
- utilizations	(1,645)	(6,064)
- changes in consolidation scope and other changes	319	985
Total provision for bad debts	**14,294**	**13,632**

20. EQUITY

Equity at 30 June 2022, including non-controlling interests, amounted to € 209,591 thousand, decreasing by € 9,990 thousand versus 31 December 2021.

The main changes in the first half are shown below:

- profit for the period, including the result attributable to non-controlling interests, of € 2,240 thousand;
- the adjustment of the "Cash flow hedge reserve", which resulted in an increase in equity of € 4,939 thousand net of the related tax effect;
- the adjustment of the "Conversion reserve", which resulted in an increase of € 2,030 thousand;
- the adjustment of the “Post-employment severance discounting reserve", which resulted in an increase in equity of € 762 thousand, net of the related tax effect;
- the distribution of € 22,163 thousand as a dividend on profits earned in 2021.

In first half 2022, Arnoldo Mondadori Editore S.p.A. purchased a total of no. 410,000 treasury shares (0.157% of the share capital) on the MTA at an average unit price of € 1.8492, for a total amount of € 758 thousand.
The purchases, authorized by the Shareholders' Meetings of 22 April 2020, 27 April 2021 and 28 April 2022, are intended to provide the company with the shares to service the Performance Share Plans for the three-year periods 2020-2022, 2021-2023 and 2022-2024; the fair value of the shares assigned, amounting to € 2,024 thousand, is recorded in a specific equity reserve.

Equity attributable to non-controlling interests of € 1,855 thousand refers to Rizzoli Education S.p.A., Abscondita S.r.l. and De Agostini Libri S.r.l..

21. PROVISIONS

"Provisions", amounting to € 45,423 thousand, decreased by € 1,656 thousand; specifically, the most significant changes regarded:

- the "Provision for personnel downsizing risks," which decreased by € 4,061 thousand, due to the closure of a number of individual positions and following the outsourcing of certain activities in the Media area;
- the "Provisions for contractual commitments", which decreased by € 337 thousand, due to capital expenditure made under the concession agreement with Parco del Colosseo;
- the "Provision for tax disputes", which increased by € 150 thousand, due to potential tax liabilities arising from certain ongoing tax audits;
- the "Other provisions for risks", which increased by € 2,277 thousand, related mainly to guarantees issued as part of the disposal of magazine titles, which took place effective 2022.

Provisions (Euro/thousands)	**31/12/2021**	Other changes	Allocations	Utilizatio ns	**30/06/2022**
Provision for agents' contractual risks	2,403	112	-	-	2,515
Provision for personnel downsizing risks	9,376	(200)	-	(3,861)	5,315
Provision for legal risks	11,556	160	622	(438)	11,900
Provision for tax disputes	600	-	150	-	750
Provision for contractual commitments	7,628	-	389	(726)	7,291
Provision for contractual commitments ad agency	2,182	-	30	(171)	2,041
Other provisions for risks	13,334	66	2,798	(587)	15,611
Total provisions	**47,079**	**138**	**3,989**	**(5,783)**	**45,423**

22. POST-EMPLOYMENT BENEFITS

This item, amounting to € 28,722 thousand, decreased by € 4,340 thousand, due mainly to the trend of the discount rate used in actuarial calculations:

- the indemnity for post-employment benefits, despite the contribution of De Agostini Libri S.r.l. and Libromania S.r.l., amounting to € 300 thousand, decreased due also to the reduction in the workforce (1,937 units at 31 December 2021, including the units of D Scuola S.p.A., 1,917 at 30 June 2022);
- the supplementary agents' indemnity, net of the contribution of Libromania S.r.l., decreased by € 2,710 thousand, due partly to the termination of a number of agency contracts in the Books area.

"Provision for retirement" was not subject to discounting as the effects would be irrelevant.

Post-employment benefits (Euro/thousands)	**30/06/2022**	**31/12/2021**
Provision for post-employment benefits (TFR)	14,080	16,090
Provision for supplementary agents' indemnity (FISC)	14,620	16,950
Provision for retirement and kindred obligations	22	22
Total post-employment benefits	**28,722**	**33,062**

Post-employment benefits and the supplementary agents' indemnity were determined by applying an actuarial method in compliance with IAS 19 and IAS 37.

It should be noted that for both calculations, a discounting rate based on the iBoxx benchmark, Euro area, rating AA and with a 10+ duration, was used consistently with past valuations.

Actuarial assumptions to measure TFR	**30/06/2022**	**31/12/2021**
Economic assumptions:		
- increase in cost of living	2.25%	1.00%
- discounting rate	3.25%	0.98%
Demographic assumptions:		
- probability of death	IPS55 tables	IPS55 tables
- probability of disability	INPS-2000 tables	INPS-2000 tables
- probability of leaving for other reasons	From 4.00% to 15.69%	From 4.00% to 15.69%
- retirement age	Regulations in force	Regulations in force

Actuarial assumptions to measure FISC	**30/06/2022**	**31/12/2021**
Economic assumptions:		
- discounting rate	3.25%	0.98%
Demographic assumptions:		
- probability of death/disability	1.0%	1.0%
- probability of leaving service	5.0%	5.0%
- probability of voluntary resignation	1.5%	1.5%
- average age of agency contract termination	Regulations in force	Regulations in force

The sensitivity analysis, obtained by increasing and decreasing the rate by 0.5%, shows a higher or lower effect on the provision for post-employment benefits of approximately € 300 thousand.

Post-employment benefits cost items, booked under income statement, include the service cost of companies with less than 50 employees for € 20 thousand, financial expense of € 80 thousand, and the portion paid into the supplementary pension scheme for € 3,357 thousand.

Post-employment benefits - Details (Euro/thousands)	TFR	FISC	Provision for retirement
Balance at 31/12/2021	16,090	16,950	22
Changes in 2022:			
- allocations and discounting effect	(38)	(1,020)	-
- utilizations	(1,439)	(1,668)	-
- reversals	-	-	-
- financial expense	80	-	-
- changes in consolidation scope and other changes	(613)	358	-
Balance at 30/06/2022	**14,080**	**14,620**	**22**

23. OTHER CURRENT LIABILITIES

“Other current liabilities”, amounting to € 134,161 thousand, dropped by € 5,829 thousand versus 31 December 2021.

Specifically:

- “Customer advances", which includes payables to subscribers to magazines, increased by € 1,379 thousand, due to advances received on supplies to be completed in the Books area;
- "Tax payables" and "Payables to welfare and social security entities" decreased by € 3,076 thousand and € 1,846 thousand, respectively, due to the different impact of additional monthly payments at year end versus those recognized in June.

Other current liabilities (Euro/thousands)	**30/06/2022**	**31/12/2021**
Customer advances	3,935	2,556
Tax payables	7,411	10,487
Payables to welfare and social security entities	11,318	13,164
Payables to associates and affiliates	428	332
Other payables	111,069	113,451
Total other current liabilities	**134,161**	**139,990**

"Other payables", amounting to € 111,069 thousand, decreased by € 2,382 thousand; specifically:

- "Payroll and other payables to personnel" decreased by € 3,986 thousand, due to the different impact of additional monthly payments at year end versus those recognized in June;
- "Payables to authors and associates" increased by € 4,000 thousand, due to the different scope of consolidation (€ 533 thousand) and the positive revenue trend in the Books area;
- "Other payables, accrued liabilities and deferred income" decreased by € 2,839 thousand, due to lower deferrals in the museum activities and the reduction in payables for the purchase of box sets and gift cards sold at stores.

Other current liabilities – Other payables (Euro/thousands)	**30/06/2022**	**31/12/2021**
Payroll and other payables to personnel	17,078	21,064
Payables to authors and associates	66,503	62,503
Payables to subscription and instalment customers	17,667	17,224
Other payables, accrued liabilities and deferred income	9,821	12,660
Total other payables	**111,069**	**113,451**

24. TRADE PAYABLES

"Trade payables", amounting to € 206,871 thousand, decreased by € 16,126 thousand versus 31 December 2021, and increased by € 35,651 thousand versus 30 June 2021, more consistent owing to the seasonal nature of a number of businesses.

The change versus 30 June 2021 decreases to € 14,128 thousand excluding the payable of D Scuola S.p.A., consolidated as from 31 December 2021, and of De Agostini Libri S.r.l. and Libromania S.r.l., consolidated as from 1 April 2022.

The largest increases from the latter change are attributable to:

- the Education area, due to increased inventory as a result of higher paper purchases, aimed at reducing the impacts of rising prices, and higher supplies of product from distributed third-party publishers;
- the Trade Books area, due to the higher production mainly by Rizzoli International Publications Inc.;
- the Retail area, unaffected in first half 2022 by the restrictions on the opening of a number of stores that marked the first months of 2021.

Trade payables (Euro/thousands)	**30/06/2022**	**31/12/2021**
Payables to suppliers	201,704	216,186
Payables to associates	3,675	4,017
Payables to parent companies	-	18
Payables to affiliates	1,492	2,776
Total trade payables	**206,871**	**222,997**

“Payables to associates", amounting to € 3,675 thousand, decreased by € 342 thousand versus 31 December 2021, and refers mainly to transactions with Edizioni EL S.r.l. as a result of the distribution contract for publishing products, and with Mediamond S.p.A. for the purchase of goods in exchange for advertising pages.

Payables to associates, parent companies and affiliates are detailed in Annex "Transactions with related parties"; transactions with related parties are carried out under normal market conditions.

There were no trade payables due over twelve months.

25. NET FINANCIAL POSITION

The net financial position, including the share of IFRS 16 debt, came to a negative € 285,147 thousand; excluding the component related to the application of IFRS 16, net debt stood at € 205,808 thousand.

Net financial position (Euro/thousands)	**30/06/2022**	**31/12/2021**
Non-current financial assets	6,763	553
Current financial assets	15,426	181
Cash and cash equivalents	10,884	90,714
Non-current financial liabilities	(120,017)	(122,953)
Current financial liabilities	(118,897)	(68,659)
Financial assets (liabilities) from discontinued operations	33	5,413
Net financial position before IFRS 16	**(205,808)**	**(94,751)**
Financial liabilities IFRS 16	(79,310)	(84,284)
Financial liabilities IFRS 16 *discontinued operations*	(29)	(44)
Net financial position including IFRS 16 effect	**(285,147)**	**(179,079)**

The net financial position, according to the format recommended by CONSOB shown below, which does not include "Non-current financial assets" amounting to € 6,763 thousand, stood at € -291,910 thousand.
The amounts shown in the table below include the net financial receivable related to Press-di Distribuzione Stampa Multimedia S.r.l., classified under Assets and liabilities held for sale, amounting to € 33 thousand.

Net financial position (Euro/thousands)	30/06/2022	31/12/2021
- Cash	171	1,612
- Bank deposits	9,956	93,987
- Postal deposits	790	528
A Cash funds	10,917	96,127
B Cash equivalents	-	-
C Other current financial assets	15,426	181
D Liquidity (A+B+C)	**26,343**	**96,308**
- Current bank payables	(415)	(200)
- Other current financial payables	(20,755)	(35,601)
E Current financial debt (including debt instruments, excluding current portion of non-current financial debt)	(21,170)	(35,801)
- Loans	(110,533)	(45,833)
F Current portion of non-current financial debt	(110,533)	(45,833)
G Current financial debt (E+F)	**(131,703)**	**(81,634)**
H Net current financial debt (G-D)	**(105,360)**	**14,674**
- Loans	(119,313)	(118,553)
- Financial liabilities IFRS 16	(66,533)	(71,353)
- Derivatives and other financial liabilities	(704)	(4,400)
I Non-current debt (excluding current portion and debt instruments)	(186,550)	(194,306)
J Debt instruments	-	-
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I+J+K)	**(186,550)**	**(194,306)**
M Total financial debt (H+L)	**(291,910)**	**(179,632)**

Financial assets

"Non-current financial assets," amounting to € 6,763 thousand, consists of the fair value of interest rate hedging derivatives for the amount of € 6,263 thousand and the receivable for the loan granted to Attica Publications for the amount of € 500 thousand.

Non-current financial assets (Euro/thousands)	30/06/2022	31/12/2021
Financial receivables from associates	500	500
Financial receivables	-	-
Assets from derivative instruments	6,263	53
Total non-current financial assets	**6,763**	**553**

"Other current financial assets", amounting to € 15,426 thousand, includes mainly the consideration paid in advance of € 14,280 thousand for the acquisition of 51% of the stake in Edizioni Star Comics S.r.l. on 30 June 2022, effective 1 July 2022.

Other current financial assets (Euro/thousands)	30/06/2022	31/12/2021
Financial receivables from others	15,416	171
Total financial receivables	**15,416**	**171**
Available-for-sale financial assets	10	10
Total other current financial assets	**15,426**	**181**

Cash and cash equivalents

The item amounted to € 10,884 thousand, down significantly versus 31 December 2021, due to the acquisitions in first half 2022; the fair value of cash and cash equivalents is equal to the relevant book value at 30 June 2022.

Cash and cash equivalents (Euro/thousands)	**30/06/2022**	**31/12/2021**
Cash and cash on hand	171	1,612
Bank deposits	9,956	88,605
Postal deposits	757	497
Total cash and cash equivalents	**10,884**	**90,714**

Financial liabilities

"Non-current financial liabilities" includes:

- the amortized cost value of the Line A Amortizing Term Loan and Line C of the pool loan, coming to maturity in December 2026, amounting to € 119,313 thousand;
- earn-outs for acquisitions made, amounting to € 704 thousand.

Non-current financial liabilities (Euro/thousands)	Interest rate rate	Maturity 1-5 years	Maturity over 5 years	**30/06/2022**	**31/12/2021**
Loans	0.61%	119,313	-	119,313	118,553
Liabilities from derivatives		-	-	-	124
Other financial payables		704	-	704	4,276
			-		
Total non-current financial liabilities		**120,017**	**0**	**120,017**	**122,953**

"Payables to banks and other current financial liabilities" amounted to € 118,897 thousand and included:

- the A Term Loan portion of the pool loan, coming to maturity in December 2022, amounting to € 15,833 thousand;
- "Hot Money" loans, maturing from August to October 2022, amounting to € 94,700 thousand;
- payables related to earn-outs for acquisitions made (€ 4,774 thousand) and payables to institutions of the Ministry of Culture with which Electa operates, settled in early July, totaling € 7,949 thousand.

Payables to banks and other current financial liabilities (Euro/thousands)	Actual Interest rate	**30/06/2022**	**31/12/2021**
Bank deposits		415	200
Loans	0.11%	110,533	45,833
Financial payables to associates		-	-
Other financial payables		7,949	22,626
Total payables to banks and other current financial liabilities		**118,897**	**68,659**

At 30 June 2022, the Financial Covenant calculated on the Net Financial Position net of IFRS 16 financial payables resulting from the consolidated half-year report amounted to € 205,779 thousand, far below the cap of € 350,000 thousand set out in the pool loan agreement.

The forecasts contained in the medium-term plan show no reasonably foreseeable sign of overshooting the cap in the future.

Changes in committed credit lines:

(Euro/thousands)	**31/12/2021**	Utilizations	Repayments	Other changes	**30/06/2022**
Pool loan May 2021, maturity 2026					
Line A	74,961			679	75,640
Line C	59,397			73	59,470
Total	**134,358**	**0**	**0**	**752**	**135,110**

Assets and liabilities resulting from derivative instruments

Assets and liabilities resulting from derivative instruments - Details			
(Euro/thousands)	Type of derivative instrument	Fair value at 30/06/2022	Fair value at 31/12/2021
Non-current financial assets (liabilities)			
- Rate derivatives	*Cash flow hedge*	6,263	53
- Rate derivatives	*Cash flow hedge*	-	(124)
Current financial assets (liabilities)			
- Currency derivatives	*Trading*	-	-

The Group has adopted a Financial Risk Management policy. The use of derivative instruments is in line with the guidelines contained in such policy. In order to verify hedging efficiency, the Group performs a series of prospective tests and, where necessary, retroactive tests on a quarterly basis.

Derivative assets, amounting to € 6,263 thousand, are represented by the Fair Value relating to the hedging transactions on the existing interest rate risk (carried out with Banco BPM, BNP Paribas, Intesa Sanpaolo and UniCredit), applying to 100% of the use of the A Term Loan Line and the Line C (Acquisition Line) of the pool loan agreement concluded in May 2021, coming to maturity in December 2026 for a notional value of € 139.2 million and a weighted average rate of -0.098%.

Hedge impact on income statement and equity:

Cash flow hedge reserve (Euro/thousands)	**30/06/2022**	**31/12/2021**
Initial balance gross of the tax impact	(1,081)	(819)
Amount recognized in the year	(6,276)	189
Amount endorsed from reserve and recognized in the income statement:		
- adjustments to expense	110	7
- adjustments to income	(334)	(458)
Final balance gross of the tax impact	**(7,581)**	**(1,081)**
Inefficient part of hedge	0	0

Financial liabilities IFRS 16

"Financial liabilities IFRS 16", amounting to € 79,310 thousand, decreased by € 4,974 thousand versus 31 December 2021.

The amount was determined by classifying the rights of use in clusters, based on the contractual maturity, and applying a different discount rate to each of them: for Italian companies equal to the three-month Euribor (zero floor) plus a spread, and for US companies equal to the three-month treasury rate plus a spread.

Financial liabilities IFRS 16 (Euro/thousands)	Maturity 1-5 years	Maturity over 5 years	**30/06/2022**	**31/12/2021**
Non-current financial liabilities IFRS 16	60,462	6,063	66,525	71,340
Current financial liabilities IFRS 16			12,785	12,944
Total financial liabilities IFRS 16	**60,462**	**6,063**	**79,310**	**84,284**

26. REVENUE FROM SALES AND SERVICES

Consolidated revenue in first half 2022 amounted to € 355,079 thousand, up by 10.8% versus € 320,436 thousand in the same period of the prior year, due also to the effect of the different scope of consolidation which, as from 31 December 2021, includes D Scuola S.p.A.; on a like-for-like basis, the increase is 5.7%.

All of the Group's business units contributed to this positive performance.

Revenue from sales and services (Euro/thousands)	**1° half 2022**	**1° half 2021**	**Difference %**
Books	195,978	168,904	16.0%
Retail	77,598	69,777	11.2%
Media	98,220	97,378	0.9%
Corporate & Shared Services	19,671	19,665	-
Aggregate revenue	**391,467**	**355,724**	**10.0%**
Intercompany revenue	(36,388)	(35,288)	3.1%
Total revenue from sales and services	**355,079**	**320,436**	**10.8%**

The Books area generated revenue of € 195,978 thousand, up by 16% (6.1% on a like-for-like basis) versus 2021, due to the good performance of Trade publishing houses and Rizzoli International Publications, as well as the upswing in activities related to the management of museums and cultural assets, which were badly hit in the first months of 2021 by the restrictive measures to contain the pandemic; revenue in the Education area dropped, due to the time slippage of a number of supplies.

In the Retail area, revenue increased by 11.2%, € 77,598 thousand versus € 69,777 thousand, driven by the positive trend of the book product, which accounts for over 80% of total revenue, and the absence of the restrictions, which reduced the opening days of stores located in shopping centres in the first months of 2021.

Revenue in the Media area increased by 0.9%, despite the titles sold at the beginning of 2022, as a result of growth in advertising sales, both in the print and digital segments, which more than offset the decline in revenue from copy circulation.

The "Directors' Report on Operations" contains further details on revenue trends and the Group’s various lines of business.

27. COST OF RAW MATERIALS, GOODS AND CONSUMABLES

"Cost of raw materials, goods and consumables”, amounting to € 78,052 thousand, increased by € 17,784 thousand:

- paper purchase costs increased in all business units, € 5,202 thousand in the Education segment, € 2,555 thousand in the Trade segment, and € 717 thousand in the Media segment, due to the increase in raw material prices, as well as the procurement policy adopted by the Group to try to mitigate the impacts;
- costs related to the purchase of products for resale, amounting to € 50,717 thousand, increased by € 9,310 thousand, in the Retail area (€ 2,253 thousand) and in Electa (€ 1,268 thousand), due to higher purchases as a result of the full resumption of business, in the Education area (€ 4,430 thousand), due to higher supplies of products of third-party publishers distributed, and due to the change in the scope of consolidation (€ 633 thousand).

Cost of raw materials, goods and consumables (Euro/thousands)	**1° half 2022**	**1° half 2021**
Paper	27,335	18,861
Goods for re-sale and consumables	50,717	41,407
Total cost of raw materials, goods and consumables	**78,052**	**60,268**

28. COST OF SERVICES

“Cost of services" amounted to € 218,382 thousand, up by € 24,624 thousand versus first half 2021; excluding the companies consolidated as from 2022, the increase amounted to € 4,110 thousand, attributable to costs for printing and industrial processing, on which the increase in paper and energy prices is reflected.

Cost of services (Euro/thousands)	**1° half 2022**	**1° half 2021**
Rights and royalties	40,654	41,937
Commissions and costs for agents	13,152	12,033

Printing and external processing	72,945	54,753
Logistics costs	23,209	23,488
Consultancy services and collaborations	15,516	13,311
Newsstands channel fee	8,885	10,124
Purchase of advertising space and promotion expenses	9,120	9,399
Publisher's share	6,291	3,403
Travel, gifts and entertainment expenses	1,626	684
Directors’ and statutory auditors’ fees	1,080	2,693
Insurance	1,018	976
Utilities	2,639	1,778
Catering, security and cleaning services	1,725	1,700
Market surveys, news agencies	1,046	1,356
Bank services and commissions	726	614
IT, technical support and administrative services	6,626	5,506
Temporary work fees	2,115	1,731
Fees, rents and service expenses	7,118	5,743
Other services	2,891	2,529
Total cost of services	**218,382**	**193,758**

“Directors’ and statutory auditors’ fees” comprises fees paid to Directors and Statutory Auditors for € 815 thousand and € 265 thousand, respectively.

29. COST OF PERSONNEL

Group employees with a fixed-term or permanent labour contract amounted to 1,917 units, up by 4.8% versus 1,829 units at 30 June 2021 (+88 units), due primarily to the inclusion of staff from D Scuola S.p.A. (128 units) and DeAgostini Libri S.r.l. (31 units).

Excluding the contribution of companies consolidated as from 2022 and the effects of the sale of magazine titles, effective 1 January 2022, the headcount decreased by approximately 1.7%, as a result of additional efforts to increase the efficiency of the individual business areas.

Headcount	**Actual 30/06/2022**	**Actual 30/06/2021**	**Average 1° half 2022**	**Average 1° half 2021**
Executives	105	99	103	98
White collars, middle managers and journalists	1,805	1,723	1,793	1,732
Blue collars	7	7	7	8
Total	**1,917**	**1,829**	**1,903**	**1,838**

Cost of personnel amounted to € 69,951 thousand, increasing by € 5,307 thousand versus first half 2021, due to the different scope of consolidation; excluding the contribution of the companies consolidated as from 2022, cost of personnel would amount to € 64,740 thousand.

Cost of personnel (Euro/thousands)	**1° half 2022**	**1° half 2021**
Salaries and wages	51,377	46,753
Social security expense	14,999	13,747
Post-employment benefits TFR	(38)	17
Supplementary pension scheme plans	3,357	3,225
Other costs	256	902
Total cost of personnel	**69,951**	**64,644**

The Shareholders' Meetings of 22 April 2020, 27 April 2021 and 28 April 2022 approved the Performance Share Plans for the three-year periods 2020-2022, 2021-2023 and 2022-2024, intended for certain Mondadori Group staff who hold key roles in achieving strategic results.
The cost accrued in first half 2022 and recognized in the income statement, regarding the fair value of shares granted, amounted to € 498 thousand.

In first half 2022, the Performance Share Plan for the three-year period 2019-2021 came to maturity.

Pursuant to IFRS 2, granted shares were stated at fair value upon their granting.

30. OTHER EXPENSE (INCOME)

"Other expense (income)" came to a positive € 5,952 thousand, up versus first half 2021.

Other expense (income) (Euro/thousands)	**1° half 2022**	**1° half 2021**
Other revenue and income	(11,522)	(7,105)
Other operating expense	5,570	5,457
Total other expense (income)	**(5,952)**	**(1,648)**

Specifically:

- “Other revenue and income”, amounting to € 11,522 thousand, rose by € 4,417 thousand, due largely to contributions, recognized in accordance with government measures, in support of companies hit by the effects of the health emergency, and to the capital gain earned from the sale of magazine titles;

Other expense (income) – Other revenue and income (Euro/thousands)	1° half 2022	1° half 2021
Year's contributions	8,447	5,225
Capital gains from the disposal of fixed assets and business units	790	5
Contingent assets	1,665	1,649
Other	620	226
Total other revenue and income	**11,522**	**7,105**

- "Other operating expense", amounting to € 5,570 thousand, increased by € 113 thousand, due to the different scope of consolidation (€ 183 thousand), higher tax charges, including non-deductible VAT on revenue from museum and exhibition organization activities, offset by lower expense recognized to third parties on conclusion of legal disputes.

Other (income) expense – Other operating expense (Euro/thousands)	1° half 2022	1° half 2021
Receivables management	2,018	1,846
Reimbursements and settlements	545	988
Contributions and grants	741	720
Contingent liabilities	327	415
Capital loss from the disposal of fixed assets and business units	1	14
Other tax and duties	1,727	1,238
Other expense	211	236
Total other operating expense	**5,570**	**5,457**

31. FINANCIAL EXPENSE (INCOME)

Net financial expense at 30 June 2022 increased by € 724 thousand versus the first six months of the prior year, as a result mainly of:

- lower income, amounting to € 1,433 thousand, related to the impact on the amortized cost of the medium/long-term loan, following the refinancing in May 2021;
- lower expense on derivatives resulting from the valuation of interest rate derivatives entered into in May 2021 for the amount of € 774 thousand;
- increased ancillary expense on loans of € 292 thousand;
- lower expense, amounting to € 448 thousand, related to the completion of the sale of Reworld Media shares, in February 2021;
- higher IFRS 16 expense of € 44 thousand;
- lower financial income of € 145 thousand;
- higher net miscellaneous financial expense of € 32 thousand.

Financial expense (income) (Euro/thousands)	1° half 2022	1° half 2021
Interest from banks and post offices	20	1
Financial income from derivatives	-	-
Financial income	37	195
Other interest	12	14
Total interest and other financial income	**69**	**210**
Interest to banks	1	10
Interest on bonds, loans and borrowings and other comm.	162	444
Ancillary expense (income) on loans, including changes in financial liabilities	1,069	(796)
Financial expense from derivatives	439	1,053
Financial expense from discounting of assets/liabilities	80	29
Other interest	29	70
Total interest and other financial expense	**1,780**	**810**
Exchange losses (gains)	**40**	**23**
Expense (income) from financial assets	-	448
Financial expense IFRS 16	1,116	1,072
Total financial expense (income)	**2,867**	**2,143**

32. EXPENSE (INCOME) FROM INVESTMENTS

"Expenses (income) from investments" came to a positive € 99 thousand, improving by € 3,194 thousand versus first half 2021: the major changes are represented by the contribution of A.L.I.-Agenzia Libraria International S.r.l., consolidated as from May, the disposal of Monradio S.r.l., effective 1 January 2022, and the positive performance achieved by Attica Publications.

Expense (income) from investments (Euro/thousands)	1° half 2022	1° half 2021
Equity-accounted investees:		
- Attica Publications Group	(501)	(115)
- Società Europea di Edizioni S.p.A.	680	698
- GD Media Service S.r.l.	(66)	(15)
- Milano Distribuzione Media S.r.l.	-	9
- A.L.I.- Agenzia Libraria International S.r.l.	(450)	-
- Edizioni EL S.r.l.	(657)	(751)
- Mediamond S.p.A.	36	179
- Mondadori Seec Advertising Co. Ltd	880	1,159
- Monradio S.r.l.	-	2,005
- DI2 S.r.l.	(16)	(74)
- Digital Advertising S.r.l.	(5)	-
Total expense (income) from investments	**(99)**	**3,095**

33. INCOME TAX

"Income tax" came to a positive € 1,784 thousand, deteriorating by € 7,627 thousand versus the figure recorded in first half 2021.

The lower benefit is attributable mainly to the income recognized in first half 2021 from the realignment of the tax amounts of certain trademarks and goodwill to their respective statutory amounts, pursuant to Article 110 of Law Decree 104/2020, for the amount of € 9,072 thousand, partly offset by the higher income from the companies consolidated as from 2022, which were tax loss-making at 30 June.

Income tax (Euro/thousands)	**1° half 2022**	**1° half 2021**
IRES on income for the period	(3,012)	(164)
IRAP for the period	1,028	1,183
Total current tax	**(1,984)**	**1,019**
Deferred/pre-paid tax for IRES	(32)	(9,449)
Deferred/pre-paid tax for IRAP	(153)	(1,555)
Total deferred/pre-paid tax	**(185)**	**(11,004)**
Other tax items	385	574
Total income tax	**(1,784)**	**(9,411)**

34. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the period attributable to the Group by the weighted average number of outstanding ordinary shares in the reporting period.

	1° half 2022	**1° half 2021**
Net result for the period (Euro/000)	2,795	4,354
Weighted average number of outstanding ordinary shares (no./000)	260,400	259,997
Basic earnings per share (Euro)	**0.011**	**0.017**

Diluted earnings per share are calculated by dividing net profit for the period attributable to the Group by the weighted average number of outstanding ordinary shares in the period.

	1° half 2022	**1° half 2021**
Net result for the period (Euro/000)	2,795	4,354
Weighted average number of outstanding ordinary shares (no./000)	260,400	259,997
Number of options with diluted effect (no./000)	573	1,083
Diluted earnings per share (Euro)	**0.011**	**0.017**

35. COMMITMENTS AND POTENTIAL LIABILITIES

Commitments

At 30 June 2022, the Mondadori Group had commitments underwritten for a total of € 49,583 thousand (€ 43,095 thousand at 31 December 2021), consisting of guarantees issued on VAT receivables subject to reimbursement and prize contest transactions, of leases contracts and letters of patronage.

Contingent liabilities

Following tax audits by the Revenue Commissioners, a few points were raised on a number of companies.

Specifically:

- as for Arnoldo Mondadori Editore S.p.A., for the years 2004-2005, the Central Division of the Lombardy Region, through tax assessments, submitted findings relating to the application of a 12.50% withholding tax on the interest paid on a loan stock in favour of a subsidiary for a total of € 4 million, plus applicable ancillary expense. The Court of Cassation, by order dated 3 February 2022, referred the dispute back to the Regional Tax Commission, since it deemed there to be a failure to state reasons in the previous judgment.
  For the above indicated potential liabilities, while taking account of the substantial grounds of defense, the risk of a negative outcome is considered likely, covered by a specific provision for write-downs;
- as for Mondadori Retail S.p.A., it received tax assessments for IRES, IRAP and VAT relating to the 2003-2006 tax years. All these tax assessments were challenged before the Provincial Tax Commission, which upheld the appeals. The Office filed an appeal before the Regional Tax Commission, which confirmed the first instance ruling, annulling the contested acts. The Office filed an appeal before the Court of Cassation after receiving cancellation of all assessment notices from the Regional Tax Commission. Supreme Court hearings were held on 10 June 2021, and:
    - as for the ruling regarding IRAP for 2004, a separate appeal of which was pending, the Supreme Court referred the matter back to the Regional Tax Commission for a review of the merits of the appeal. On 19 April 2022, in the resumption of proceedings before the Regional Tax Commission, the Provincial Directorate I of Milan quashed the notice of assessment after the ruling on IRES and VAT assessments had become final;
    - with regard to VAT, IRAP and IRPEG/IRES for 2003, 2004, 2005 and 2006, the Court finally rejected the appeal filed by the Revenue Agency, thereby confirming the full cancellation of the tax claim.

36. RELATED PARTIES

Transactions carried out with related parties, including intercompany transactions, do not qualify as either atypical or unusual, since they refer to standard business activities performed by Group companies. When performed out of the scope of standard conditions or when they are imposed by specific regulatory conditions, transactions with related parties are in any case carried out under market conditions.

Transactions with related parties: figures at 30 June 2022

(Euro/thousands)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables	Financial payables	Tax payables	Other current liabilities	Revenue	Purchases of raw materials	Purchases of services	Cost of personnel	Other (income) expense	Financial (income) expense
Parent companies:														
- Fininvest S.p.A.			4,688	11,363							23			
Associates														
- Attica Publications Group	30	500		22	3				5					(11)
- Edizioni EL S.r.l.	790				2,482			(1)	(3,370)	12	2			
- Mediamond S.p.A.	15,783			47	1,113			415	17,519	342	(507)		158	
- Mondadori Seec Advertising Co. Ltd	538				43				1,337				20	
- GD Media Service S.r.l.									37	232	324			
- Digital advertising & Engagement S.l.	3				34				8		38			
- DI2 S.r.l.											3,190			
Total associates	**17,144**	**500**	**0**	**69**	**3,675**	**0**	**0**	**414**	**15,536**	**586**	**3,047**	**0**	**178**	**(11)**

Transactions with related parties: figures at 30 June 2022

(Euro/thousands)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables	Financial payables	Tax payables	Other current liabilities	Revenue	Purchases of raw materials	Purchases of services	Cost of personnel	Other (income) expense	Financial (income) expense
Affiliates:														
- RTI - Reti Televisive Italiane S.p.A.	341			144	1,232			21	(2,088)		(5)			
- Publitalia 80 S.p.A.	73				209				60		437			
- Banca Mediolanum S.p.A.								11			(1)			
- TaoDue S.r.l.				2							(2)			
- Il Teatro Manzoni S.p.A.	1								11		8			
- Mediaset S.p.A.														
- Fininvest Real Estate Services S.p.A.											7			
- Digitalia ’08 S.r.l.					9						(1)			
- Medusa Film S.p.A.														
- Radio Mediaset S.p.A.	23				42			(19)	105		112			
- Radio Subasio S.r.l..									17		10			
Total affiliates	**438**	**0**	**0**	**146**	**1,492**	**0**	**0**	**13**	**(1,895)**	**0**	**565**	**0**	**0**	**0**
Other companies:														
- Società Europea di Edizioni S.p.A.	590			199	1,084			52	(4,576)	86	123			
Total related parties	**18,171**	**500**	**4,688**	**11,777**	**6,252**	**0**	**0**	**480**	**9,065**	**672**	**3,759**	**0**	**178**	**(11)**
related parties from discontinued operations	2,639				1,613									

Transactions with related parties: balance sheet figures at 31 December 2021 and income statement figures at 30 June 2021

(Euro/thousands)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables	Financial payables	Tax payables	Other current liabilities	Revenue (*)	Purchases of raw materials	Purchases of services	Cost of personnel	Other (income) expense	Financial (income) expense
Parent companies:														
- Fininvest S.p.A.	22		1,570	11,707	18		11,898				16	(21)		
Associates														
- Attica Publications Group	29	500			3				4				1	(11)
- Edizioni EL S.r.l.	1,042			18	1,592			(1)	893	24	51			
- Mediamond S.p.A.	27,078			47	2,277			220	20,509	427	(68)		60	
- Mondadori Seec Advertising Co. Ltd	433				143				709				35	
- GD Media Service S.r.l.									33	194	275			
- Monradio S.r.l.	3				2									
- DI2 S.r.l.											3,259			
Total associates	**28,585**	**500**	**0**	**65**	**4,017**	**0**	**0**	**219**	**22,148**	**645**	**3,517**	**0**	**96**	**(11)**

Transactions with related parties: balance sheet figures at 31 December 2021 and income statement figures at 30 June 2021

(Euro/thousands)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables	Financial payables	Tax payables	Other current liabilities	Revenue (*)	Purchases of raw materials	Purchases of services	Cost of personnel	Other (income) expense	Financial (income) expense
Affiliates:														
- RTI - Reti Televisive Italiane S.p.A.	582			84	946	1,200		93	(3,147)	(2)	192			
- Publitalia 80 S.p.A.	24				1,825						650			
- Banca Mediolanum S.p.A.								9			(1)			
- TaoDue S.r.l.											(2)			
- Il Teatro Manzoni S.p.A.	1			11				11			1			
- Mediaset S.p.A.									(10)					
- Fininvest Real Estate&Services S.p.A.											10			
- RMC Italia S.p.A.														
- Medusa Film S.p.A.	5													
- Radio Mediaset S.p.A.					5				365		374			
- Radio Subasio S.r.l.									9					
Total affiliates	**612**	**0**	**0**	**95**	**2,776**	**1,200**	**0**	**113**	**(2,783)**	**(2)**	**1,224**	**0**	**0**	**0**
Other companies:														
- Società Europea di Edizioni S.p.A.	404			156	476			52	(6,129)	48	144			
Total related parties	**29,623**	**500**	**1,570**	**12,023**	**7,287**	**1,200**	**11,898**	**384**	**13,236**	**691**	**4,901**	**(21)**	**96**	**(11)**
related parties from discontinued operations	2,985			3	1,450									

(*) Revenue from distribution services is booked as a fee in compliance with IFRS 15.

37. NON-RECURRING EXPENSE (INCOME)

In first half 2022, the Mondadori Group recorded no non-recurring income or expense, under CONSOB Resolution no. 15519 of 27 July 2006.

38. FAIR VALUE MEASUREMENT

Some of the Group's financial assets and liabilities were measured at fair value.

Financial assets (liabilities) (Euro/thousands)	**Fair value at 31 June 2022**	**Fair value hierarchy**	**Valuation method and main inputs**
Interest rate swap contracts	6,263	Level 2	*Discounted cash flow*. Future cash flows are discounted based on the forward rate curve expected at the end of the period and on the contractual fixing rates, also taking the counterparty default risk into account
Investments	955	Level 3	Fair value determined using measurement techniques with regard to market variables and unobservable data

39. OPERATING SEGMENTS

The disclosure required by IFRS 8 - Operating segments - is provided by taking into account the Group's organizational structure, based on which the periodic reporting is made, used by the Top Management to define actions and strategies, evaluate investment opportunities and allocate resources.

The presentation is unchanged from the situation shown in the 2021 Annual Report.

Segment reporting: figures at 30 June 2022

(Euro/thousands)	Books	Retail	Media	Corporate & Shared Services	Unallocated items and consolidation adjustments	Consolidated result
Revenue from sales and services from external customers	**178,050**	**77,229**	**98,882**	**918**		**355,079**
Revenue from sales and services from other sectors	**17,928**	**369**	**(661)**	**18,753**	**(36,389)**	**0**
EBITDA	**22,953**	**1,043**	**8,319**	**(3,880)**	**(1,681)**	**26,754**
EBIT	**11,391**	**(3,258)**	**5,351**	**(8,579)**	**(1,681)**	**3,224**
Financial expense (income)	271	350	234	2,012		2,867
Expense (income) from equity-accounted investees	(1,107)		328			(779)
Result before tax and non-controlling interests	**12,228**	**(3,608)**	**4,789**	**(11,272)**	**(1,681)**	**456**
Income tax					(1,784)	(1,784)
Result attributable to non-controlling interests	(555)				1	(554)
Net result	**12,782**	**(3,608)**	**4,789**	**(9,486)**	**(1,682)**	**2,795**
Amortization, depreciation and impairment	11,562	4,301	2,968	4,701	-	23,532
Non-monetary costs	10,048	(248)	2,244	159	-	12,203
Non-recurring income (expense)					-	0
Capital expenditure	13,540	1,879	11,132	2,469	-	29,020
Equity-accounted investees	14,760	-	12,194	-	-	26,954
Total assets	792,052	104,820	183,506	210,006	(284,128)	1,006,256
Total liabilities	263,433	100,527	151,931	558,531	(277,756)	796,666

	Revenue from sales and services	Fixed assets
Italy	316,681	366,325
Other EU countries	13,121	-
USA	20,012	2,073
Other extra EU countries	5,265	-
Consolidated result	**355,079**	**368,398**

Segment reporting: income statement figures at 30 June 2021 and balance sheet figures at 31 December 2021

(Euro/thousands)	Books	Retail	Media	Corporate & Shared Services	Unallocated items and consolidation adjustments	Consolidated result
Revenue from sales and services from external customers	**151,922**	**69,546**	**98,244**	**724**	**-**	**320,436**
Revenue from sales and services from other sectors	**16,981**	**232**	**(866)**	**18,940**	**(35,287)**	**0**
EBITDA	**19,325**	**525**	**4,406**	**(4,584)**	**(646)**	**19,026**
EBIT	**12,885**	**(3,741)**	**968**	**(9,281)**	**(646)**	**185**
Financial income (expense)	287	319	152	1,385	-	2,143
Income (expense) from equity-accounted investees	(751)	-	1,143	2,703	-	3,095
Result before tax and non-controlling interests	**13,350**	**(4,060)**	**(327)**	**(13,370)**	**(646)**	**(5,053)**
Income tax	-	-	-	(9,411)	-	(9,411)
Result attributable to non-controlling interests	4	-	-	-	-	4
Result from discontinued operations	-	-	-	-	-	0
Net result	**13,346**	**(4,060)**	**(327)**	**(3,959)**	**(646)**	**4,354**
Amortization, depreciation and impairment	6,440	4,266	3,438	4,697	-	18,841
Non-monetary costs	12,635	(204)	972	572	-	13,975
Non-recurring income (expense)	8,542	-	530	-	-	9,072
Capital expenditure	172,560	4,696	17,805	1,924	-	196,985
Equity-accounted investees	4,184	-	12,475	1,200	-	17,859
Total assets	747,145	114,772	207,739	258,626	(305,701)	1,022,581
Total liabilities	277,380	113,856	172,072	540,951	(301,262)	802,997

	Revenue from sales and services	Fixed assets
Italy	287,567	364,670
Other EU countries	12,674	-
USA	17,520	1,789
Other extra EU countries	2,675	-
Consolidated result	**320,436**	**366,459**

40. SIGNIFICANT EVENTS AFTER FIRST HALF

Acquisition of 51% of Edizioni Star Comics S.r.l.

On 30 June 2022, effective 1 July, the Mondadori Group completed the acquisition of 51% of Edizioni Star Comics S.r.l.; the consideration, paid fully in cash, is € 14.28 million, defined on the basis of an Enterprise Value (for 100% of the company) of € 28 million and an estimated net financial position at closing of zero.
The price will be adjusted based on the final net financial position at 30 June 2022.
Additionally, the contract envisages call options, which give Mondadori the right to acquire the remaining 49% stake in Edizioni Star Comics S.r.l. in two equal tranches starting from the approval of the 2024 and 2027 financial statements, respectively, at a price to be set on the basis of the average EBITDA of the respective previous three years. Should Mondadori fail to exercise the call options, the agreements govern put options in favour of the sellers exercisable under the same price conditions.

Disposal of 51% of Press-di Distribuzione Stampa e Multimedia S.r.l.

On 7 July 2022, the Mondadori Group completed the disposal of 51% of the share capital of Press-di Distribuzione Stampa e Multimedia S.r.l., operating in the national distribution of magazines and newspapers, to Artoni Group S.p.A. and SRH S.r.l., active in the local distribution of magazines and newspapers, for a consideration of € 1.5 million, higher than the carrying amount recorded in this Half-Year Report.

In this Half-Year Report, the company's assets and liabilities have been classified under "Assets held for sale" and "Liabilities held for sale," in accordance with IFRS 5.

For the Board of Directors
The Chairman
Marina Berlusconi

Certification of the condensed consolidated half-year financial statements pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

1. The undersigned Antonio Stefano Porro, in his capacity as CEO, and Alessandro Franzosi, in his capacity as Financial Reporting Manager of Arnoldo Mondadori Editore S.p.A., also in compliance with the provisions set out in Article 154-bis, par. 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:
   - the adequacy in relation to the Company's characteristics and
   - the actual application of the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements of the first six months of 2022.

2. The valuation of the adequacy of the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements at 30 June 2022 was carried out based on a specific process defined by Arnoldo Mondadori Editore consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which groups together a set of general principles of reference generally accepted at the international level.

3. We also certify that:

   3.1 the condensed consolidated half-year financial statements at 30 June 2022:
   - a) have been prepared in compliance with the applicable international accounting standards acknowledged at the EU level, pursuant to EC regulation no. 1606/2002 of the EU Parliament and Council of 19 July 2002, and specifically to IAS 34 - Interim Financial Reporting, and with the provisions set out for the implementation of Article 9 of Legislative Decree no. 38/2005;
   - b) reflect the accounting books and entries;
   - c) give a true and fair view of the financial position and results of operations of the Issuer and the group of companies included in the consolidation scope.

   3.2 the interim report on operations includes a reliable analysis of the significant events that took place in the first six months of the year and their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The report also includes a reliable analysis of the main transactions with related parties.

28 July 2022

The CEO
(Antonio Stefano Porro)

The Financial Reporting Manager
(Alessandro Franzosi)

Arnoldo Mondadori Editore S.p.A.

Review report on the interim condensed consolidated financial statements at June 30, 2022

(Translation from the original Italian text)

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Arnoldo Mondadori Editore S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes of Arnoldo Mondadori Editore S.p.A. and its subsidiaries (the “Mondadori Group”) as of 30 June 2022. The Directors of Arnoldo Mondadori Editore S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Mondadori Group as of June 30, 2022 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, July 29, 2022

EY S.p.A.
Signed by: Luca Pellizzoni, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers