



**HALF-YEAR REPORT AT  
30 JUNE 2023**











**ARNOLDO MONDADORI EDITORE S.p.A.**

**Share Capital Euro 67,979,168.40**

Registered Office in Milan  
Administrative Offices in Segrate (Milan)



**Half-Year Report of the Mondadori  
Group as at 30 June 2023**

# CONTENTS

|                                                                                                                                                                                                 |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Composition of Corporate Bodies                                                                                                                                                                 | 11        |
| Mondadori Group Structure                                                                                                                                                                       | 12        |
| Mondadori Group Organization Structure                                                                                                                                                          | 13        |
| <b>DIRECTORS' REPORT ON OPERATIONS IN THE FIRST HALF OF 2023</b>                                                                                                                                | <b>14</b> |
| Mondadori Group's highlights in the first half of 2023                                                                                                                                          | 15        |
| Consolidated Financial Highlights in First Half of 2023                                                                                                                                         | 18        |
| Performance by Business Area                                                                                                                                                                    | 36        |
| Statements of financial position                                                                                                                                                                | 51        |
| Personnel                                                                                                                                                                                       | 56        |
| Significant events during the first six months of 2023                                                                                                                                          | 58        |
| Significant events after 30 June 2023                                                                                                                                                           | 60        |
| Glossary of Terms and Alternative Performance Measures Used                                                                                                                                     | 61        |
| Business Outlook                                                                                                                                                                                | 63        |
| <b>MONDADORI GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023</b>                                                                                                                        | <b>64</b> |
| Consolidated Statements of Financial Position                                                                                                                                                   | 65        |
| Consolidated Income Statement                                                                                                                                                                   | 67        |
| Consolidated Comprehensive Income Statement                                                                                                                                                     | 68        |
| Consolidated Statement of Changes in Consolidated Equity                                                                                                                                        | 69        |
| Consolidated Statement of Cash Flows                                                                                                                                                            | 71        |
| Consolidated Balance Sheet and Income Statement pursuant to CONSOB Regulation<br>no. 15519 of 27 July 2006                                                                                      | 73        |
| Explanatory Notes                                                                                                                                                                               | 77        |
| Certification of the condensed consolidated half-year financial statements pursuant to Article 81-ter of<br>CONSOB Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented | 129       |
| Independent Auditor's Report                                                                                                                                                                    | 131       |

# COMPOSITION OF CORPORATE BODIES

## CORPORATE OFFICES AND SUPERVISORY 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\*\*

Daniilo Pellegrino

Alceo Rapagna\*\*

Angelo Renoldi\*\*

Cristina Rossello

11

### Board of Statutory Auditors\*

#### CHAIRMAN

Sara Fornasiero

#### STANDING AUDITORS

Flavia Daunia Minutillo

Ezio Maria Simonelli

#### ALTERNATE AUDITORS

Mario Civetta

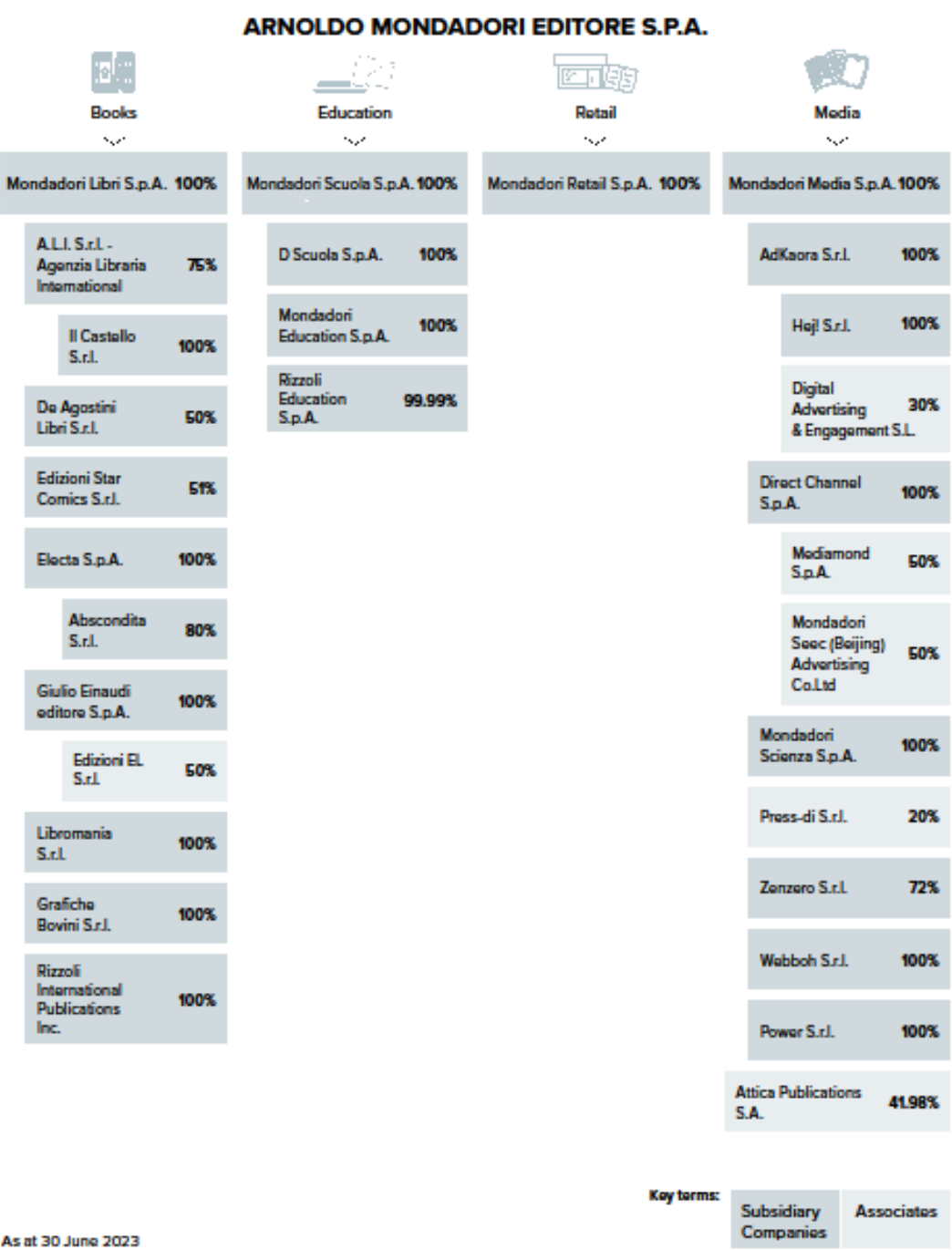
Annalisa Firmani

Emilio Gatto

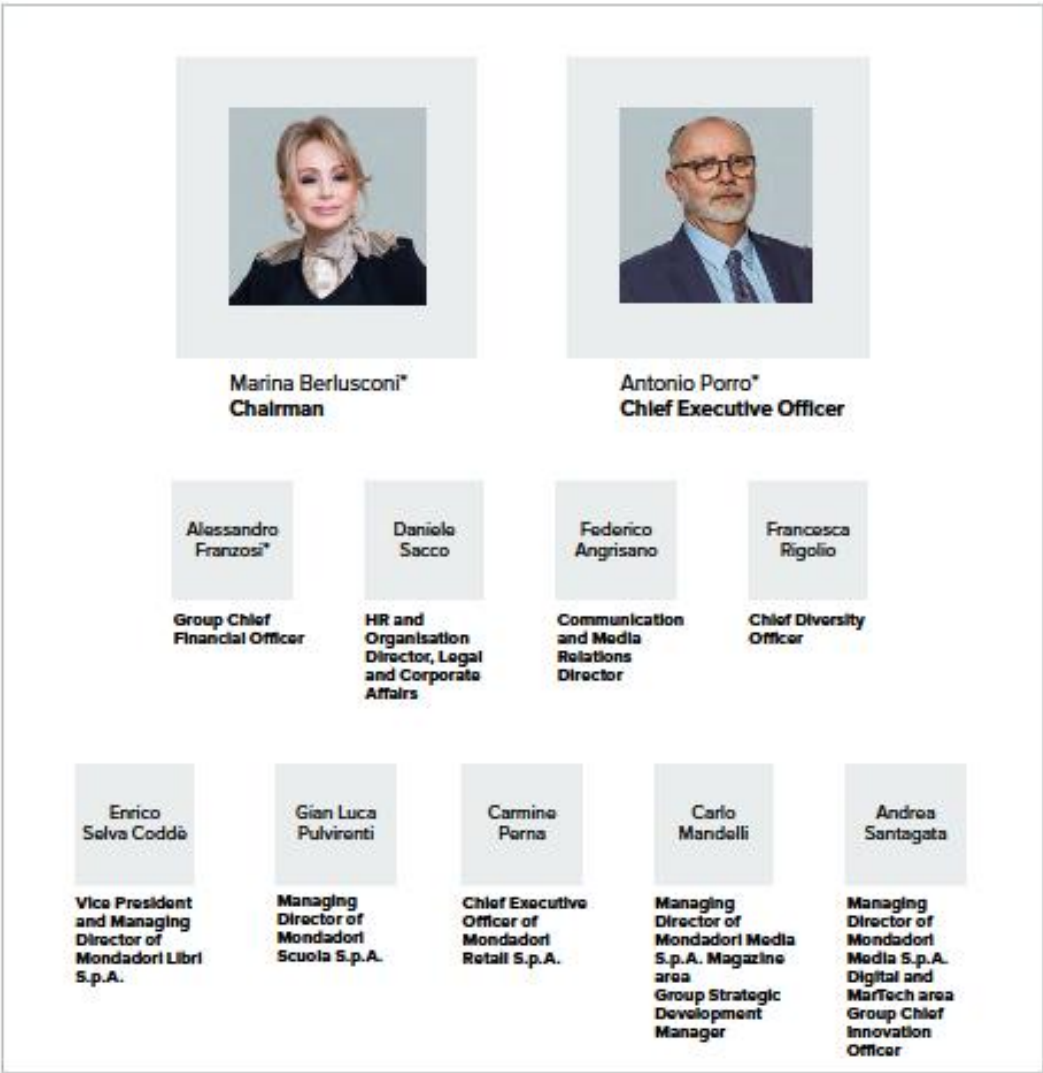
\* The Board of Directors and the Board of Statutory Auditors currently in office were appointed by the Shareholders' Meeting of 27 April 2021

\*\*\* Independent Director

MONDADORI GROUP STRUCTURE



ORGANISATIONAL  
STRUCTURE  
OF THE MONDADORI GROUP



As at 30 June 2023  
\* Members of the Board of Directors

**Directors’ Report on Operations  
at 30 June 2023**

**Mondadori Group**  
**Highlights at 30 June 2023**

| (Euro/millions)<br>Income Statement       | 1H<br>2023   | 1H<br>2022   | % Chg.        |
|-------------------------------------------|--------------|--------------|---------------|
| <b>Revenue</b>                            | <b>362.4</b> | <b>355.1</b> | <b>2.1%</b>   |
| <b>Adjusted EBITDA*</b>                   | <b>38.2</b>  | <b>27.6</b>  | <b>38.8%</b>  |
| <b>EBITDA</b>                             | <b>40.3</b>  | <b>26.8</b>  | <b>50.8%</b>  |
| <b>EBIT</b>                               | <b>14.0</b>  | <b>3.2</b>   | <b>333.0%</b> |
| <b>Adjusted EBIT**</b>                    | <b>14.4</b>  | <b>5.7</b>   | <b>152.6%</b> |
| <b>Group's net profit</b>                 | <b>12.2</b>  | <b>2.8</b>   | <b>337.6%</b> |
| <b>Business Areas</b>                     |              |              |               |
| <b>Revenue</b>                            | <b>362.4</b> | <b>355.1</b> | <b>2.1%</b>   |
| Trade Books                               | 175.5        | 148.5        | 18.2%         |
| Education Books                           | 57.9         | 49.6         | 16.8%         |
| Retail                                    | 83.9         | 77.6         | 8.1%          |
| Media                                     | 68.7         | 98.2         | (30.1%)       |
| Corporate & Shared Services               | 21.1         | 19.7         | 7.4%          |
| Intercompany                              | (44.7)       | (38.4)       | 16.3%         |
| <b>Adjusted EBITDA</b>                    | <b>38.2</b>  | <b>27.6</b>  | <b>38.8%</b>  |
| Trade Books                               | 26.2         | 26.2         | 0.1%          |
| Education Books                           | 2.3          | (2.4)        | n.s.          |
| Retail                                    | 4.2          | 1.4          | 206.1%        |
| Media                                     | 9.0          | 7.8          | 15.7%         |
| Corporate & Shared Services               | (3.0)        | (3.7)        | n.s.          |
| Intercompany                              | (0.6)        | (1.7)        | n.s.          |
| <b>Balance Sheet</b>                      |              |              |               |
| <b>Group Equity</b>                       | <b>239.9</b> | <b>207.7</b> | <b>15.5%</b>  |
| <b>Net Invested Capital</b>               | <b>526.1</b> | <b>494.7</b> | <b>6.3%</b>   |
| <b>Net Financial Position no IFRS 16</b>  | <b>215.2</b> | <b>205.8</b> | <b>4.6%</b>   |
| <b>Net Financial Position IFRS 16</b>     | <b>285.5</b> | <b>285.1</b> | <b>0.1%</b>   |
| <b>Operating and Financial Indicators</b> |              |              |               |
| <b>Adj. EBITDA on Revenue (%)</b>         | <b>10.6%</b> | <b>7.8%</b>  |               |
| <b>Net result on Revenue (%)</b>          | <b>3.4%</b>  | <b>0.6%</b>  |               |
| <b>Human resources</b>                    |              |              |               |
| <b>End-of-year headcount</b>              | <b>1,923</b> | <b>1,917</b> | <b>0.3%</b>   |

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

\* Gross operating profit before income and expenses of a non-ordinary nature

\*\* EBIT excluding non-ordinary income and expense, depreciation and amortization deriving from the company purchase price allocation and the impairment of intangible assets

# PERFORMANCE OF MAIN FINANCIAL INDICATORS

The first half of the current year was characterised by a positive trend seen on the book market that, following a consolidation phase experienced in 2022, recorded **renewed growth**, which took concrete form in an increase in value of **2.7%**.

As regards the Group, **Trade Books** recorded **growth in revenue of around 18%**, thanks to the contribution from the consolidation of the recently acquired companies and organic growth due to the high quality of the publishing plan, which enabled the Group in the period in question, to place 5 of its titles among the 10 bestsellers "in terms of value" (including Prince Harry's biography "*Spare. Il minore*" - published by Mondadori - and "*La vita intima*" - published by Einaudi - which marked Niccolò Ammaniti's return to bookshops after eight years), and to increase its **market share** from 26.6% on 30 June 2022 to **27.4%** this year.

The **Retail** area too was also able to ride the strong growth trend of the books market and the Group's publishing performance: in the first half of 2023, in fact, thanks to the excellent performance of physical stores, the area recorded **growth in revenue of 8%**, taking the **market share** to **12.4%** (up by 70 bps on 30 June 2022).

With regard to the **Education Books** area, the insignificance of the results for the first half of the year should be noted, during which the business unit accounts for the costs of the operating structure and the creation of editorial content for textbooks presented to the teaching staff during the adoption campaign - completed in May - postponing the accounting of revenues associated with the sale of school textbooks to the second half of the year (in particular the third quarter).

At a consolidated level, in the first half of FY 2023 the Group showed a significant **increase in profitability (adjusted EBITDA up from € 27.6 million to € 38.2 million)**, despite the fact that the previous year had benefited from higher reliefs of approximately € 3.5 million: this positive trend was achieved thanks to the **positive trend in revenues (which increased by 2.1% or 2.7% on a like-for-like basis)** and the **careful management of operations**.

At the same time, the Group's ability to ensure **solid cash generation** was confirmed during the period, with **LTM ordinary cash flow** standing at around **€ 64 million** in June.

Recently, in light of the results achieved in the first few months of the year and the drop in prices for the purchase of raw materials and services, **the outlook for 2023 has been improved both at an economic and financial level**, as better detailed below, confirming the positive effects deriving from the completion of the strategic path of reconfiguration of the Mondadori Group's business portfolio.

## CONSOLIDATED FINANCIAL HIGHLIGHTS IN FIRST HALF 2023

| (Euro/millions)                                      | 1H 2023      |              | 1H 2022      |             | Chg. %        |
|------------------------------------------------------|--------------|--------------|--------------|-------------|---------------|
| <b>Revenue</b>                                       | <b>362,4</b> |              | <b>355,1</b> |             | <b>2,1%</b>   |
| Industrial product cost                              | 113,7        | 31,4%        | 112,3        | 31,6%       | 1,2%          |
| Variable product costs                               | 45,1         | 12,4%        | 46,3         | 13,0%       | (2,6%)        |
| Other variable costs                                 | 64,0         | 17,7%        | 74,0         | 20,8%       | (13,4%)       |
| Structural costs                                     | 29,7         | 8,2%         | 29,3         | 8,2%        | 1,6%          |
| Extended labour cost                                 | 72,5         | 20,0%        | 73,7         | 20,8%       | (1,7%)        |
| Other expense (income)                               | (0,9)        | (0,2%)       | (8,0)        | (2,3%)      | n.s.          |
| <b>Adjusted EBITDA</b>                               | <b>38,2</b>  | <b>10,6%</b> | <b>27,6</b>  | <b>7,8%</b> | <b>38,8%</b>  |
| Restructuring costs                                  | 0,3          | 0,1%         | 0,5          | 0,1%        | (42,0%)       |
| Extraordinary expense (income)                       | (2,4)        | (0,7%)       | 0,3          | 0,1%        | n.s.          |
| <b>EBITDA</b>                                        | <b>40,3</b>  | <b>11,1%</b> | <b>26,8</b>  | <b>7,5%</b> | <b>50,8%</b>  |
| Amortization and depreciation                        | 19,1         | 5,3%         | 16,5         | 4,7%        | 15,3%         |
| Amortization and depreciation IFRS 16                | 7,3          | 2,0%         | 7,0          | 2,0%        | 4,8%          |
| <b>EBIT</b>                                          | <b>14,0</b>  | <b>3,9%</b>  | <b>3,2</b>   | <b>0,9%</b> | <b>333,0%</b> |
| Financial expense (income)                           | 2,5          | 0,7%         | 1,8          | 0,5%        | 42,5%         |
| Financial expense IFRS 16                            | 1,0          | 0,3%         | 1,1          | 0,3%        | (14,5%)       |
| Financial expense (income) from securities valuation | (1,8)        | (0,5%)       | (0,1)        | 0,0%        | n.s.          |
| <b>EBT</b>                                           | <b>12,3</b>  | <b>3,4%</b>  | <b>0,5</b>   | <b>0,1%</b> | <b>n.s.</b>   |
| Tax expense (income)                                 | (0,1)        | 0,0%         | (1,8)        | (0,5%)      | n.s.          |
| Minorities                                           | 0,1          | 0,0%         | (0,6)        | (0,2%)      | n.s.          |
| <b>Group net result</b>                              | <b>12,2</b>  | <b>3,4%</b>  | <b>2,8</b>   | <b>0,8%</b> | <b>337,6%</b> |

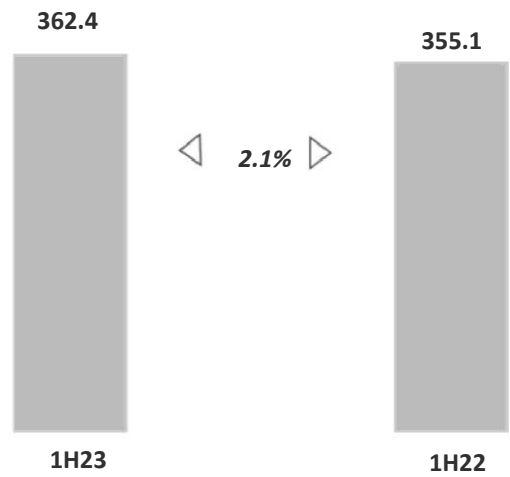
Cost of personnel includes costs for collaborations and temporary employment.

**ALTERNATIVE PERFORMANCE MEASURES**

This document, in addition to the conventional statements and 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, the definition of which is explained in the section “Glossary of terms and alternative performance measures used”.

INCOME STATEMENT

REVENUE



**Consolidated revenue** for the first half of 2023 amounted to € **362.4** million (versus € 355.1 million the prior year), **growing by 2.1%**. Like-for-like, **organic revenue growth** came to **2.7%**.

In the **Trade Books** area, revenues **increased by 18.2%**, or **4%** net of the newly acquired companies (mainly Star Comics and A.L.I.): this result is attributable to the quality of the publishing plan, which also fostered an increase in market share in this first part of the year, from 26.6% at 30 June 2022 to the current 27.4%.

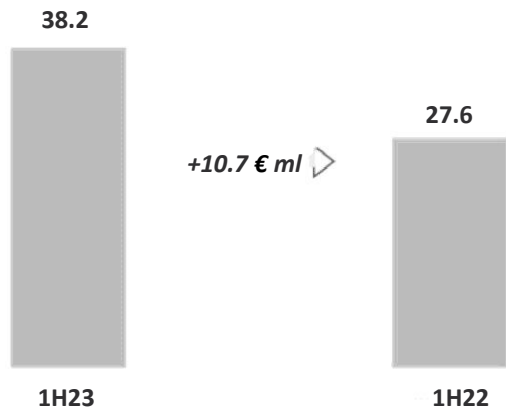
In the **Education Books** area, revenues realised in the first half of the year typically account for less than 25% of the annual figure due to the seasonality of the business whose sales are concentrated in the second half of the year. In the first six months of 2023, the **school textbooks business recorded overall revenues of € 57.9 million** (€ 49.6 million in the same period of 2022), an increase of 16.8 % which is not representative of the real performance as due to an early supply to top accounts compared to last year.

The **Retail** area **grew by 8.1%** on the first half of the prior year, **driven by the book product**, whose sales **rose by more than 9%**.

In the **Media** Area, revenue was down by approximately 30.1%, mainly due to the changes in the scope as a result of the disposal of print assets in the last 12 months (net of which the decrease would come to 8%), as well as the reduction in circulation revenue, despite the fact that revenue deriving from **digital** advertising sales - now accounting for more than 35% of the segment's total revenues - on the contrary, **grew by a homogeneous 14%** (approximately) on the first half of the previous year.

| <b>REVENUE by Business Area</b>   | <b>1H 2023</b> | <b>1H 2022</b> | <b>% Chg.</b> |
|-----------------------------------|----------------|----------------|---------------|
| (Euro/millions)                   |                |                |               |
| Trade Books                       | 175.5          | 148.5          | 18.2%         |
| Education Books                   | 57.9           | 49.6           | 16.8%         |
| Retail                            | 83.9           | 77.6           | 8.1%          |
| Media                             | 68.7           | 98.2           | (30.1%)       |
| Corporate & Shared Services       | 21.1           | 19.7           | 7.4%          |
| <b>Total aggregated revenue</b>   | <b>407.1</b>   | <b>393.5</b>   | <b>3.4%</b>   |
| Intercompany                      | (44.7)         | (38.4)         | 16.3%         |
| <b>Total consolidated revenue</b> | <b>362.4</b>   | <b>355.1</b>   | <b>2.1%</b>   |

EBITDA



**Adjusted EBITDA** for the first half of 2023 was € 38.2 million, an **increase of almost € 11 million** on the € 27.6 million recorded for the first half of 2022. Netting the results for the two half-years in question of the reliefs and contributions respectively paid, the growth recorded by **Group's EBITDA would exceed € 14 million**.

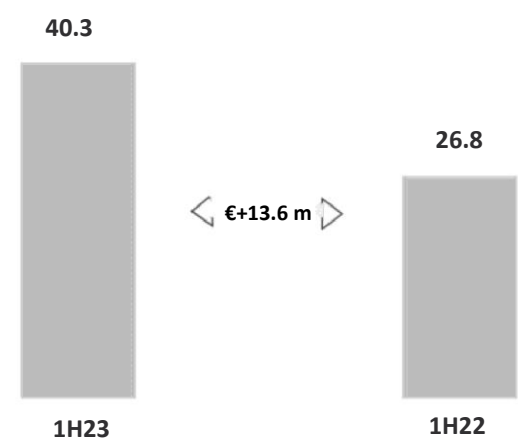
22

All business areas contributed to the positive performance, especially the Trade Books Area, due in particular to the effect of the consolidation of the results of the recently acquired companies, among other factors, and the Education Books Area, which benefited from a favourable timing effect compared to last year. These results were achieved despite the increases in the cost of raw materials and the rates charged for printing and logistics services in the first part of the year compared to the previous year.

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

- the **Trade Books** area showed an adjusted EBITDA of € 26.2 million: net of the reliefs relating to Electa's museum business (€ 6.4 million) from which the Group benefited in the first half of 2022, the **area grew by 32%**;
- the **Education Books** area showed an **increase of € 4.7 million** compared to the loss of € -2.4 million recorded in the first half of 2022, partly attributable to an anticipation of revenues related to some supplies;
- the **Retail** area recorded a result of € 4.2 million, **almost tripling** the figure for the first six months of 2022. This progression, which consolidates a trend now seen for several years, is due to revenue growth, especially in the Book product, and the continued development and renovation of the network of directly-managed stores;
- the **Media** area recorded an increase of **€ 1.2 million**, showing **growth of approximately 16%** over the previous year. This progress, despite the reduction in revenues, is attributable to an increase in the profitability of the area's activities, which was also made possible by the recognition of a contribution of € 2.8 million to compensate magazine distribution activities;
- the **Corporate & Shared Services** area recorded a negative margin of € 3.0 million (compared with the € -3.7 million in first half of 2022), due mainly to the decrease in utility costs relating to the management of the headquarters.

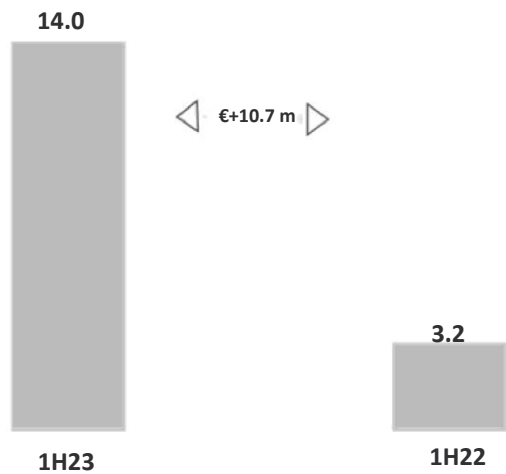
| Adj. EBITDA by business area | 1H 2023     | 1H 2022     | Chg.        |
|------------------------------|-------------|-------------|-------------|
| (Euro/millions)              |             |             |             |
| Trade Books                  | 26.2        | 26.2        | 0.0         |
| Education Books              | 2.3         | (2.4)       | 4.7         |
| Retail                       | 4.2         | 1.4         | 2.8         |
| Media                        | 9.0         | 7.8         | 1.2         |
| Corporate & Shared Services  | (3.0)       | (3.7)       | 0.7         |
| Intercompany                 | (0.6)       | (1.7)       | 1.1         |
| <b>Total ADJUSTED EBITDA</b> | <b>38.2</b> | <b>27.6</b> | <b>10.7</b> |



Group EBITDA for the first half of the year amounted to **€ 40.3 million**, compared to € 26.8 million at 30 June 2022, showing an **improvement of approximately € 14 million**, attributable to the favourable dynamics of the aforementioned operations and the recognition in the current year, in the Media area, of the net capital gain, of approximately € 2.8 million, resulting from the sale of the magazines *Grazia* and *Icon* (and the related international network).

| EBITDA by Business Area     | 1H 2023     | 1H 2022     | Chg.        |
|-----------------------------|-------------|-------------|-------------|
| (Euro/millions)             |             |             |             |
| Trade Books                 | 26.0        | 25.6        | 0.4         |
| Education Books             | 2.2         | (2.6)       | 4.9         |
| Retail                      | 4.2         | 1.0         | 3.2         |
| Media                       | 11.6        | 8.3         | 3.3         |
| Corporate & Shared Services | (3.1)       | (3.9)       | 0.8         |
| Intercompany                | (0.6)       | (1.7)       | 1.1         |
| <b>Total EBITDA</b>         | <b>40.3</b> | <b>26.8</b> | <b>13.6</b> |

EBIT



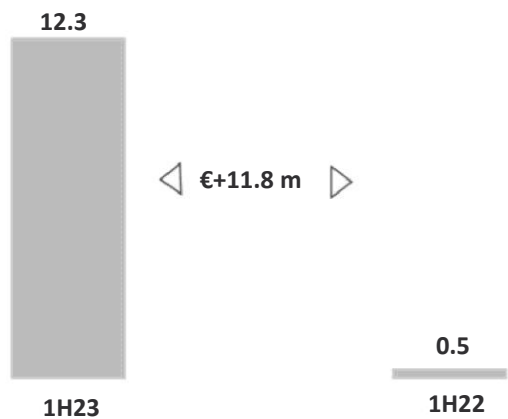
Thanks to the positive performance of all business areas, the Mondadori Group's **EBIT** for the first half of 2023, **positive for € 14.0 million**, showed an **improvement of € 10.7 million** compared to 2022, despite the booking of approximately € 3 million in higher depreciation/amortisation resulting from the greater investments made in the last 12 months, the consolidation of new companies and the accounting effects of the PPA process.

Neutralising the extraordinary components and the impact of the PPA process related to the companies acquired in the last 12 months (amounting to € 2.5 million in the half-year under review), **Adjusted EBIT** would **amount to € 14.4 million, up by more than € 8 million** compared to the same period of the previous year.

24

| EBIT by Business Area<br>(Euro/millions) | 1H<br>2023  | 1H<br>2022 | Chg.        |
|------------------------------------------|-------------|------------|-------------|
| Trade Books                              | 22.4        | 24.3       | (1.9)       |
| Education Books                          | (7.9)       | (12.9)     | 5.0         |
| Retail                                   | (0.8)       | (3.3)      | 2.4         |
| Media                                    | 8.9         | 5.4        | 3.6         |
| Corporate & Shared Services              | (8.1)       | (8.6)      | 0.5         |
| Intercompany                             | (0.6)       | (1.7)      | 1.1         |
| <b>Total EBIT</b>                        | <b>14.0</b> | <b>3.2</b> | <b>10.7</b> |

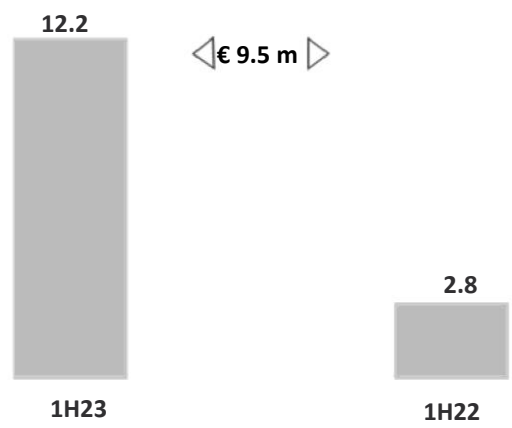
CONSOLIDATED RESULT BEFORE TAX



The consolidated result before tax was positive at € 12.3 million, an improvement of about € 12 million compared to € 0.5 million in the first half of 2022. The € 1.7 million improvement in the profits of associates contributed to this performance, particularly as a result of the update in the fair value measurement of the investment in the company A.L.I. and the recognition of a capital gain, net of the negative result of the first four months, of € 0.4 million from the sale of the residual investment in SEE, the publishing company of *Il Giornale*, which took place in April 2023.

Financial expenses, on the other hand, increased by approximately € 0.5 million as a result of the higher cost of debt (which had an “all-in cost” - i.e. including ancillary charges - of 2.19% compared to 1.74% as at 30 June 2022).

NET PROFIT



As at 30 June 2023, the Group's net profit, after minority interests, came to € 12.2 million, a significant improvement of more than € 9 million on the € 2.8 million recorded in the first half of 2022.

The tax burden for the period was a positive € 0.1 million (€ 1.8 million as at 30 June 2022), as the pre-tax result recognised in the current year includes higher income taxed at a reduced rate, such as capital gains from the sale of titles and the shareholding in SEE, as well as grants, from which the Media area benefited.

FINANCIAL RESULTS

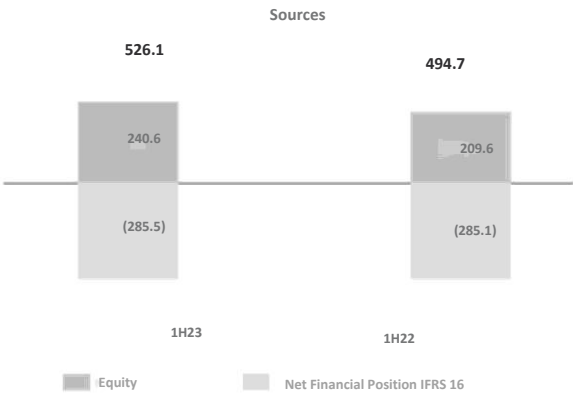
NET INVESTED CAPITAL

The Group's **Net Invested Capital at 30 June 2023** came to **€ 525.5 million**, up on the € 494.7 million at 30 June 2022, mainly due to the acquisitions completed between the two periods.

The Group's **Net Working Capital** (of operating assets) amounted to € 95.8 million, down slightly versus € 98.8 million in the prior twelve months.

**Net Fixed Assets** came to **€ 498.7 million**, up approximately 6% compared with the € 471.5 million at 30 June 2022, despite the decrease in the value of right-of-use-assets (€ -8 million) and investments (€ -14 million), mainly due to the consolidation of the companies acquired (whose business was also impacted by the value adjustments deriving from the PPA process), and the investments made in the Retail Area to open new bookstores.

SOURCES

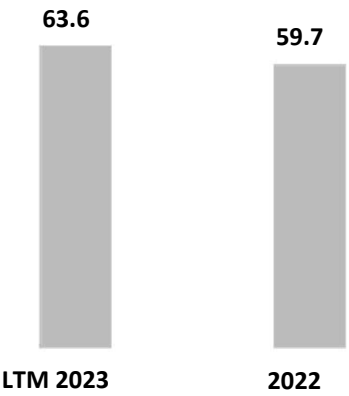


**Consolidated equity** at 30 June 2023 increased by approximately € 30 million versus the prior year, despite the distribution of approximately € 29 million in dividends, due to the Group's positive net profit recognised in the last 12 months.

At the date, the **Net Financial Position excluding IFRS 16** came to € -215.2 million (net debt), slightly worse than the € -205.7 million of 30 June 2022 due to the cash-out relative to acquisitions made during the last twelve months and the afore-mentioned distribution of dividends.

The **IFRS 16 Net Financial Position** came to **€ -285.5 million**, from € -285.1 million recorded at 30 June 2022, including an IFRS 16 component of € -70.3 million.

LTM CASH FLOW FROM ORDINARY OPERATIONS

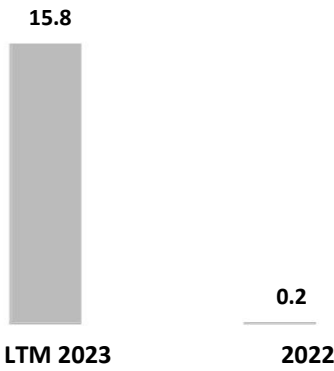


**Cash flow from ordinary operations** (after cash-out for financial expense and tax) in the last 12 months, amounted to **€ 63.6 million** and allows the Group to continue to strengthen its financial structure.

Note that ordinary cash generation was impacted favourably as follows:

- the improvement in the business profitability, partly offset by the dynamics of working capital;
- the lower tax payments for approximately € 4 million, mainly deriving from realignments and tax redemption implemented during previous years.

LTM FREE CASH FLOW



At 30 June 2023, the **extraordinary cash flow of the previous 12 months was negative by € 48 million**, mainly due to the effect of the net balance of acquisitions and disposals for approximately € 31 million and cash-out for approximately € 5 million for restructuring costs.

Consequently, **LTM Free Cash Flow at 30 June 2023 was positive for € 15.8 million**, confirming the Group's capacity to finance its inorganic growth policy.

Finally, in FY 2023, the Group distributed **dividends to its shareholders for approximately € 29 million**.

**CONSOLIDATED FINANCIAL**  
**HIGHLIGHTS IN SECOND**  
**QUARTER 2023**

| (Euro/millions)                                      | Q2 2023      |              | Q2 2022      |              | Var. %       |
|------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                                      |              |              |              |              |              |
| <b>Revenue</b>                                       | <b>202,4</b> |              | <b>202,0</b> |              | <b>0,2%</b>  |
| Industrial product cost                              | 57,5         | 28,4%        | 62,6         | 31,0%        | (8,2%)       |
| Variable product costs                               | 24,1         | 11,9%        | 24,9         | 12,3%        | (3,2%)       |
| Other variable costs                                 | 35,0         | 17,3%        | 39,8         | 19,7%        | (12,0%)      |
| Structural costs                                     | 15,3         | 7,6%         | 16,7         | 8,3%         | (8,4%)       |
| Extended labour cost                                 | 36,5         | 18,0%        | 37,0         | 18,3%        | (1,4%)       |
| Other expense (income)                               | 0,2          | 0,1%         | (7,6)        | (3,8%)       | n.s.         |
| <b>Adjusted EBITDA</b>                               | <b>33,8</b>  | <b>16,7%</b> | <b>28,6</b>  | <b>14,2%</b> | <b>18,1%</b> |
| Restructuring costs                                  | 0,1          | 0,0%         | 0,3          | 0,2%         | (74,5%)      |
| Extraordinary expense (income)                       | (1,9)        | (0,9%)       | 0,9          | 0,5%         | n.s.         |
| <b>EBITDA</b>                                        | <b>35,7</b>  | <b>17,6%</b> | <b>27,4</b>  | <b>13,6%</b> | <b>30,0%</b> |
| Amortization and depreciation                        | 9,9          | 4,9%         | 8,5          | 4,2%         | 16,3%        |
| Amortization and depreciation IFRS 16                | 3,6          | 1,8%         | 3,5          | 1,7%         | 3,4%         |
| <b>EBIT</b>                                          | <b>22,2</b>  | <b>11,0%</b> | <b>15,5</b>  | <b>7,6%</b>  | <b>43,6%</b> |
| Financial expense (income)                           | 1,7          | 0,8%         | 1,0          | 0,5%         | 75,2%        |
| Financial expense IFRS 16                            | 0,6          | 0,3%         | 0,5          | 0,3%         | 4,7%         |
| Financial expense (income) from securities valuation | (1,2)        | (0,6%)       | (1,0)        | (0,5%)       | n.s.         |
| <b>EBT</b>                                           | <b>21,1</b>  | <b>10,4%</b> | <b>14,9</b>  | <b>7,4%</b>  | <b>41,8%</b> |
| Tax expense (income)                                 | 3,5          | 1,7%         | 1,3          | 0,6%         | n.s.         |
| Minorities                                           | 0,2          | 0,1%         | (0,6)        | (0,3%)       | n.s.         |
| <b>Group net result</b>                              | <b>17,4</b>  | <b>8,6%</b>  | <b>14,2</b>  | <b>7,0%</b>  | <b>22,8%</b> |

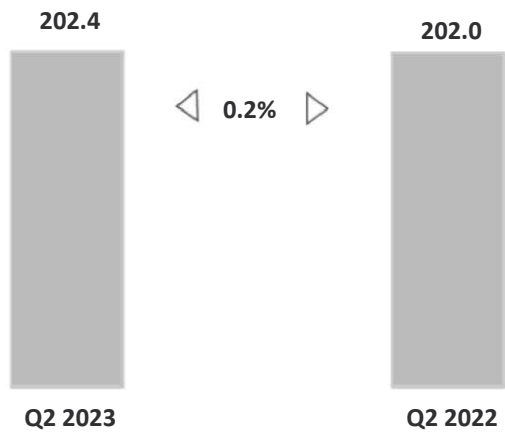
Cost of personnel includes costs for collaborations and temporary employment.

**ALTERNATIVE PERFORMANCE MEASURES**

This document, in addition to the conventional statements and 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, the definition of which is explained in the section “Glossary of terms and alternative performance measures used”.

INCOME STATEMENT

REVENUE



**Consolidated revenue** for the second quarter of 2023 amounted to € **202.4** million (versus € 202.0 million the prior year), showing an essentially stable position compared with the same period of 2022 (+0.2%). Like-for-like, **organic revenue growth** came to **1.2%**.

In the **Trade Books** area, revenues **increased by 8.6%**, mainly due to the consolidation of the new companies acquired during the second half of 2022 and the first half of 2023 (Star Comics and A.L.I.).

Revenues generated in the second quarter of the year by the educational publishing houses (**Education Books**) were up significantly, mainly due to an early supply to top accounts compared to last year.

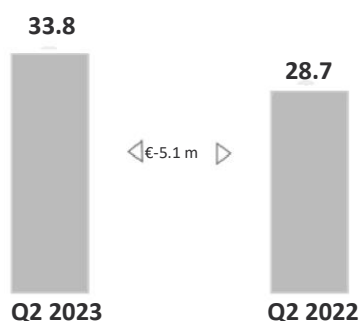
The **Retail** area **grew by 4.5%** on the same quarter of the prior year, **driven by the book product**, which **rose by approximately 6%**.

The **Media** area showed revenues down -28.9%, mainly as a result of the disposals made (net of which, the reduction would have been just 5.3%) and the reduction in circulation revenue. Revenue from **digital advertising sales**, by contrast, **grew by 14%** on the equivalent quarter of the prior year.

| REVENUE by Business Area          | Q2 2023      | Q2 2022      | % Chg.      |
|-----------------------------------|--------------|--------------|-------------|
| (Euro/millions)                   |              |              |             |
| Trade Books                       | 87.2         | 80.3         | 8.6%        |
| Education Books                   | 49.4         | 40.6         | 21.7%       |
| Retail                            | 42.2         | 40.4         | 4.5%        |
| Media                             | 36.4         | 51.1         | (28.9%)     |
| Corporate & Shared Services       | 10.8         | 10.1         | 6.0%        |
| <b>Total aggregated revenue</b>   | <b>225.9</b> | <b>222.5</b> | <b>1.5%</b> |
| Intercompany                      | (23.5)       | (20.5)       | 14.4%       |
| <b>Total consolidated revenue</b> | <b>202.4</b> | <b>202.0</b> | <b>0.2%</b> |

## EBITDA

32



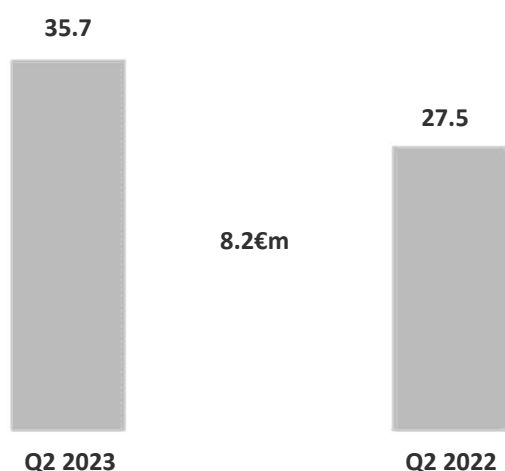
**Adjusted EBITDA** in Q2 2023 amounted to € 33.8 million, a **significant increase** compared to € 28.7 million in Q2 2022, despite the fact that Electa's museum business benefited from € 6.4 million in reliefs in Q2 2022.

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

- the **Trade Books** area, showed adjusted EBITDA, net of the above-mentioned reliefs, **up by approximately € 3 million**, largely due to the consolidation of the newly acquired companies, whose contribution more than offset the increase in the quarter in the cost of raw materials and tariffs for printing and logistics services.

- the **Retail** area recorded a significant **improvement of € 1.5 million**, thanks to the growth in revenues, particularly from the Book product;
- the **Media** area recorded an **increase of € 0.4 million**, attributable to both the growth in digital activities and the continued optimisation of the cost structure in the print segment, which more than offset the impact of the drop in revenues;
- the **Corporate & Shared Services** area recorded a negative margin of € 2.1 million (compared with € - 2.5 million in second quarter 2022), due to the decrease in energy costs relating to the management of the headquarters;
- the intercompany margin also showed a favourable trend as a result of the reduction in the value of the products of the Group's publishing houses (stocked) at the retail outlets.

| Adj. EBITDA by business area<br>(Euro/millions) | Q2 2023     | Q2 2022     | Chg.       |
|-------------------------------------------------|-------------|-------------|------------|
| Trade Books                                     | 13.1        | 16.5        | (3.5)      |
| Education Books                                 | 14.0        | 9.4         | 4.7        |
| Retail                                          | 2.5         | 1.0         | 1.5        |
| Media                                           | 6.2         | 5.8         | 0.4        |
| Corporate & Shared Services                     | (2.1)       | (2.5)       | 0.5        |
| Intercompany                                    | 0.1         | (1.5)       | 1.6        |
| <b>Total ADJUSTED EBITDA</b>                    | <b>33.8</b> | <b>28.7</b> | <b>5.1</b> |

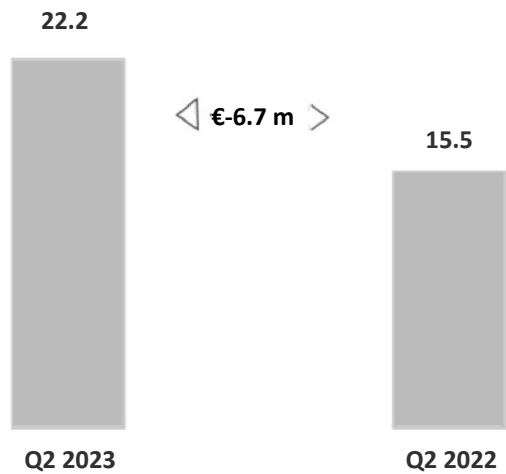


**EBITDA** in the quarter amounted to € 35.7 million (€ 27.5 million in Q2 2022), showing an **improvement** - of **over € 8 million** - reflecting the positive operating trend already described, as well as the favourable trend in non-ordinary items: in particular, the second quarter saw the recognition, in the Media area, of the net capital gain related to the sale of *Grazia* and *Icon* titles (and the relative international network) for approximately € 2.8 million.

33

| EBITDA by Business Area<br>(Euro/millions) | Q2 2023     | Q2 2022     | Chg.       |
|--------------------------------------------|-------------|-------------|------------|
| Trade Books                                | 12.8        | 16.1        | (3.3)      |
| Education Books                            | 14.0        | 9.1         | 4.9        |
| Retail                                     | 2.5         | 0.8         | 1.7        |
| Media                                      | 8.4         | 5.5         | 2.9        |
| Corporate & Shared Services                | (2.1)       | (2.6)       | 0.5        |
| Intercompany                               | 0.1         | (1.5)       | 1.6        |
| <b>Total EBITDA</b>                        | <b>35.7</b> | <b>27.5</b> | <b>8.2</b> |

EBIT



In the second quarter 2023, the Mondadori Group **EBIT** closed with a positive € 22.2 million, showing an **improvement of € 6.7 million**. Indeed, the positive operating performance of all business areas led to an improvement in the profitability generated by the Group despite higher depreciation and amortisation recorded as a result of the investments for the period as well as the consolidation of the recently acquired companies and the PPA process related to them.

Neutralising extraordinary items and the impact of the PPA process, **Adjusted EBIT** would stand at **€ 21.6 million, up € 4 million** from € 17.5 million in Q2 2022.

| EBIT by Business Area       | Q2 2023 | Q2 2022 | Chg.  |
|-----------------------------|---------|---------|-------|
| (Euro/millions)             |         |         |       |
| Trade Books                 | 10.9    | 15.4    | (4.5) |
| Education Books             | 8.7     | 3.8     | 4.9   |
| Retail                      | (0.1)   | (1.4)   | 1.3   |
| Media                       | 7.1     | 4.1     | 3.0   |
| Corporate & Shared Services | (4.6)   | (5.0)   | 0.4   |
| Intercompany                | 0.1     | (1.5)   | 1.6   |
| Total EBIT                  | 22.2    | 15.5    | 6.7   |



# PERFORMANCE BY BUSINESS AREA

| (Euro/millions)             |              |             |                 |             |             |             |               |               |             |            |
|-----------------------------|--------------|-------------|-----------------|-------------|-------------|-------------|---------------|---------------|-------------|------------|
|                             | Revenue      |             | Adjusted EBITDA |             | EBITDA      |             | D&A           |               | EBIT        |            |
|                             | 1H23         | 1H22        | 1H23            | 1H22        | 1H23        | 1H22        | 1H23          | 1H22          | 1H23        | 1H22       |
| Trade Books                 | 175.5        | 148.5       | 26.2            | 26.2        | 26.0        | 25.6        | (3.6)         | (1.3)         | 22.4        | 24.3       |
| Education Books             | 57.9         | 49.6        | 2.3             | (2.4)       | 2.2         | (2.6)       | (10.1)        | (10.3)        | (7.9)       | (12.9)     |
| Retail                      | 83.9         | 77.6        | 4.2             | 1.4         | 4.2         | 1.0         | (5.0)         | (4.3)         | (0.8)       | (3.3)      |
| Media                       | 68.7         | 98.2        | 9.0             | 7.8         | 11.6        | 8.3         | (2.7)         | (3.0)         | 8.9         | 5.4        |
| Corporate & Shared Services | 21.1         | 19.7        | (3.0)           | (3.7)       | (3.1)       | (3.9)       | (4.9)         | (4.7)         | (8.1)       | (8.6)      |
| Intercompany                | (44.7)       | (38.4)      | (0.6)           | (1.7)       | (0.6)       | (1.7)       | —             | —             | (0.6)       | (1.7)      |
| <b>Total</b>                | <b>362.4</b> | <b>355.</b> | <b>38.2</b>     | <b>27.6</b> | <b>40.3</b> | <b>26.8</b> | <b>(26.4)</b> | <b>(23.5)</b> | <b>14.0</b> | <b>3.2</b> |

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

On 1 January 2023, the Books area was divided into two different business areas (Trade Books and Education Books).

TRADE BOOKS

Mondadori Libri S.p.A. is the Group company heading the activities in the **Trade** business unit of the Books Area:

- editorial activities relating to the publication – both in paper and digital formats (e-books and audio-books) – of the fiction, non-fiction, children’s and miscellaneous works by the publishing houses, with which the Group holds **a leadership position at national level**, through the trademarks **Mondadori, Giulio Einaudi Editore, Piemme, Sperling & Kupfer, Frassinelli, Rizzoli, BUR, Fabbri Editori, Rizzoli Lizard and Mondadori Electa**. On 1 April 2022, these were joined by **De Agostini Libri** and, on 1 July 2022, **Star Comics**, Italy’s leading comic books publisher, specialised in the publication on the domestic market of the major international productions including, in particular, Japanese manga;
- from 1 January 2023, following the purchase of an additional 25% to the 50% already held since May 2022, the company **A.L.I - Agenzia Libreria International**, operating in the distribution of books for third-party publishers, with a customer portfolio of more than 80 publishing houses, whose acquisition is functional to the vertical integration project along the book value chain;
- art publishing where the Group operates under the **Electa** and **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.

Relevant market performance

Following the consolidation phase seen in 2022, FY 2023 has witnessed a **new phase of growth of the books market**, which increased in value **(+2.7%)** compared with 2022 and essentially stable volumes<sup>1</sup>.

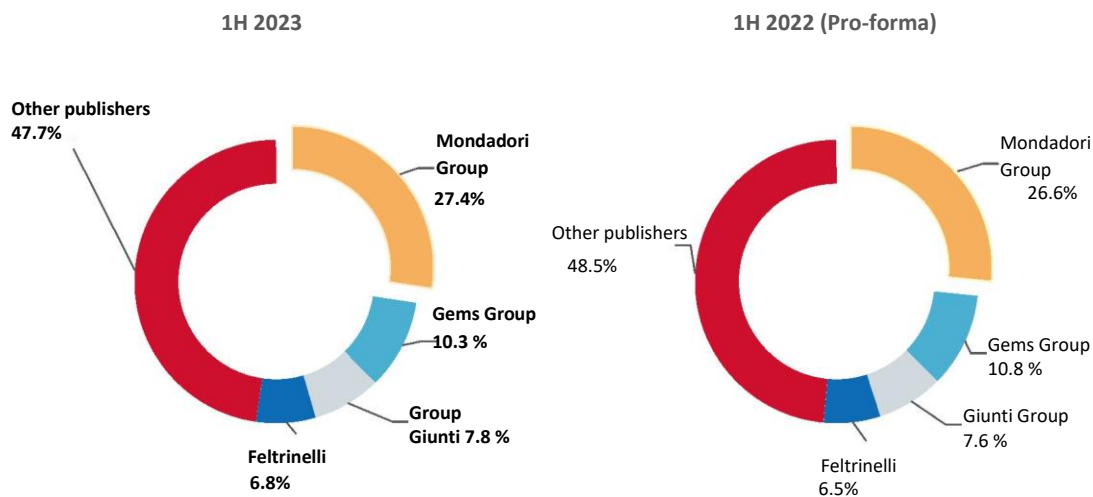
As regards the various product categories that mark the segment, **Hardcovers** – which represent the new publications for the year and account for approximately 84% of the market – **grew by 2.9%**, while **Paperbacks** (“catalogue titles”) showed an **increase of approximately 1.7%** on 30 June of last year.

In this context, the Mondadori Group's publishers recorded **higher growth of 5.7%** in the period under review, thanks in particular to the sales recorded in January and February of new titles published at the beginning of the year.

Thanks to these results, Mondadori has consolidated its **national leadership position**, with a **market share** that in June 2023 was **27.4%**, showing an improvement on June 2022 (26.6%).

<sup>1</sup> Source: GfK, June 2023 (Week 26)

TRADE MARKET SHARES



Source: GFK, June 2023 (in value); Pro-forma (includes Star Comics in 2022)

As proof of the quality of its publishing plan and the depth/range of its catalogue, in the first half, Mondadori was able to place 856 titles in the ranking of the top 2,500 books sold in terms of value (841 titles in June 2022) and **5 titles in the classification of the top bestsellers<sup>2</sup>**, as shown in the table below.

More specifically, the top two positions with Prince Harry’s biography **“Spare. Il minore” (Spare)** — published by Mondadori — and with **“La vita intima”** — published by Einaudi, which represented the return of **Niccolò Ammaniti** to the bookshop, after a good eight years.

| #  | Title                                                                                             | Author             | Publisher         |
|----|---------------------------------------------------------------------------------------------------|--------------------|-------------------|
| 1  | Spare. Il minore                                                                                  | Prince Harry       | MONDADORI         |
| 2  | La vita intima                                                                                    | Niccolò Ammaniti   | EINAUDI           |
| 3  | Dammi mille baci (A thousand boy kisses)                                                          | Tillie Cole        | ALWAYS PUBLISHING |
| 4  | Atlas. La Storia di Pà Salt. Le sette sorelle                                                     | Riley Lucinda      | GIUNTI EDITORE    |
| 5  | It starts with us. Siamo noi l'inizio di tutto                                                    | Colleen Hoover     | SPERLING & KUPFER |
| 6  | La portalettere                                                                                   | Francesca Giannone | NORD              |
| 7  | ELP                                                                                               | Antonio Manzini    | PALERMO           |
| 8  | Fabbricante di lacrime                                                                            | Erin Doom          | MAGAZZINI SALANI  |
| 9  | Tre ciotole. Rituals per un anno di crisi                                                         | Murgia Michela     | MONDADORI         |
| 10 | Profondo come il mare, leggero come il cielo. Un viaggio dentro se stessi per trovare la serenità | Gotto Gianluca     | MONDADORI         |

<sup>2</sup> Source: GFK, June 2023 (ranking in terms of cover value)

### The economic performance of the Trade Books Area

| Trade Books<br>(Euro/millions) | 1H<br>2023 | 1H<br>2022 | % Chg. |
|--------------------------------|------------|------------|--------|
| Revenue                        | 175.5      | 148.5      | 18.2%  |
| Adj. EBITDA                    | 26.2       | 26.2       | 0.1%   |
| EBITDA                         | 26.0       | 25.6       | 1.6%   |
| EBIT                           | 22.4       | 24.3       | (8.0%) |
| PPA effects                    | 0.8        |            | —%     |
| EBIT excl. PPA                 | 23.2       | 24.3       | (4.7%) |

#### Revenue

Revenue in the first half of 2023 amounted to **€ 175.5 million**, up by approximately **18%** versus the prior year, divided as follows:

- **approximately +16% in the publishing houses**, also due to the companies acquired, which contributed approximately € 15 million in the period; net of discontinuities in scope, the **growth of the Group's traditional trademarks came to approximately 4%** thanks to the good performance of the half year's publishing plan;
- **15.2% in Electa**, which recorded a recovery in museum activities;
- **-4.1% in Rizzoli International Publications**, which reported a slight decrease in revenues during the period;

- **+116.4% in third-party publishers distribution activities**, which benefited from the **contribution** made by the consolidation of A.L.I. (whose revenues are booked as a fee<sup>3</sup>) and Libromania.

39

| Trade Books Revenue<br>(Euro/millions)           | 1H<br>2023   | 1H<br>2022   | % Chg.      |
|--------------------------------------------------|--------------|--------------|-------------|
| Publishing houses                                | 129.7        | 112.1        | 15.7%       |
| Electa/Abscondita (art, exhibitions and museums) | 12.1         | 10.5         | 15.2%       |
| Rizzoli International Publications               | 18.8         | 19.6         | (4.1%)      |
| Distribution and other services                  | 15.8         | 7.3          | 116.4%      |
| Intercompany                                     | (1.0)        | (1.0)        | n.s.        |
| <b>Total revenue</b>                             | <b>175.4</b> | <b>148.5</b> | <b>18.1</b> |

**Publishing houses:** in the **Hardcover** segment, all the Group's publishing houses has successful titles:

- **Mondadori:** in the Miscellaneous segment, Prince Harry's memoir "*Spare. Il Minore*" (Spare), which was the top selling title in the period, according to the GFK rankings, and the title

3

In accordance with IFRS15.

*"Profondo come il mare e leggero come il cielo"* by G. Gotto. In Fiction, *"Tre ciotole"* by M. Murgia and *"Fame d'aria"* by D. Mencarelli and in Non-Fiction *"Che cos'è il cristianesimo"* by Benedict XVI.

- **Einaudi:** the titles *"La vita intima"* by Niccolò Ammaniti in the top ten bestsellers, *"Luna rossa"* (Killing moon) by Jo Nesbo, *"Il re del gelato"* by C. Cassar Scalia, *"Il passeggero"* (The Passenger) by C. McCarthy and *"La malnata"* by B. Salvioni. It is important to note the paperback version of *"Le otto montagne"* by P. Cognetti in the top ten.
- **Piemme:** in Non-Fiction *"Nient'altro che la verità"* (Nothing But the Truth) by G. Ganswein, *"C'era una volta la politica"* by P. F. Casini and in Children's *"Fino a quando la mia stella brillerà"* by L. Segre and D. Palumbo. In this segment, moreover, the publisher retained its leading position with the titles of Geronimo Stilton.
- **Sperling & Kupfer:** in Foreign Fiction, *"It Starts with Us"* by C. Hoover, in the top ten bestsellers and *"La relazione"* (The Affair) by D. Steel.
- **Rizzoli:** in Italian Fiction *"Sorelle. Una storia di Sara"* by M. De Giovanni, *"Ciatuzzu"* by C. Fiorello Galeano, in Young Adult the titles of H. Jackson's Brave Girls trilogy. We also note the paperback edition of *"Perfetti o felici"* by S. Andreoli.
- **Mondadori Electa:** in Miscellaneous, *"Cucinare con instant pot"* by R. Caso.
- **DeAgostini Libri:** the most important releases in the first half of the year were *"Ragazzo mio. Lettera agli uomini veri di domani"* by A. Pellai and *"Nessuno deve saperlo tranne te"* by Madame G. Rouge.
- **StarComics:** in the comics segment, the success of the series *Demon Slayer*, *Dragon Ball* and *One Piece* was consolidated in the first half-year.

Revenue from the sales of e-books and audiobooks, which accounted for approximately **6.7%** of total publishing revenue, was **up by 13.2%** versus the prior year (+11.8% like-for-like). Specifically:

- the number of **e-book** downloads fell by 6.0% vs H1 2022. The main titles sold in e-book format were *"Spare. Il minore"* (Spare) by Prince Harry (Mondadori), *"La vita intima"* by Niccolò Ammaniti (Einaudi), *"Il re del gelato"* by C. Cassar Scalia (Einaudi), *"Sorelle. Una storia di Sara"* by M. De Giovanni (Rizzoli) and *"Le otto montagne"* by P. Cognetti (Einaudi). The e-book catalogue at 30 June 2023 counted over 31,500 titles (like-for-like);
- the **audiobook** catalogue listening hours (like-for-like) grew by approximately 60%. The most popular audiobook titles were *"La vita intima"* by Niccolò Ammaniti, *"Omicidio fuori stagione"* by A.J. Seaman and *"Le otto montagne"* by P. Cognetti.

**Electa:** in the first six months of 2023, it generated total **revenue of € 12.1 million** versus € 10.5 million in the prior year (+15.2%), where the early months were still partly negatively affected by the closure of museums, bookstores and archaeological sites in connection with the pandemic. In the initial months of the current year, due to the upward trend in national and international tourist flows, the museum sector increased its operations linked to concessions, the organisation of exhibitions and the management of the related bookstores. In particular, the publishing house saw positive results in the exhibition business with the *Rubens* exhibition in Genoa and the *Max Ernst* exhibition in Milan, and with new exhibition projects. The performance of the retail business in particular the bookshop concession at the Colosseum was very positive.

**Rizzoli International Publications** reported consolidated revenues of approximately € 19 million in the first half of 2023, a decrease of **4.1%** compared to the first half of 2022 as a result of the drop in revenues from catalogue titles, also deriving from the contraction in the e-commerce channel observed both in the United States and in Europe; however, the performance was better than that recorded in the American market by the Adult Non Fiction sector (-13%<sup>4</sup>), in which Rizzoli International Publications competes.

<sup>4</sup> Source: Nielsen Bookscan, copies, June 2023.

Significant growth is instead seen in retail revenues of the New York bookstore, +22% vs the first six months of 2022.

**Distribution and other services:** revenues from the distribution of books and

Other services on behalf of third-party publishers in the first half of 2023 amounted to € 15.8 million, an **increase** of approximately **116%** over the € 7.3 million of the previous year, due to the contribution of A.L.I. and Libromania.

## EBITDA

The adjusted EBITDA of the Trade Books area, amounted to € 26.2 million in the first half of 2023: net of reliefs relating to Electa's museum activities, amounting to € 6.4 million, which had benefited the first half of 2022, the **area recorded growth of 32%** (€ 6.4 million), largely attributable to the contribution of the newly acquired companies.

The **profitability** achieved by the Trade Books area is approximately **15%** in the first half of 2023, showing improvement on the same period of 2022.

**Reported EBITDA** – amounting to € 26.0 million – **improved by € 0.4 million** despite the absence of Electa relief, due to the dynamics described above and lesser non-ordinary items.

**EBIT** at 30 June 2023 came to **€ 22.4 million** versus € 24.3 million in the first half of 2022, due to the increase in amortisation and depreciation deriving from both the consolidation of the new companies and the effects of the Purchase Price Allocation process (€ 0.8 million in the first 6 months).

EDUCATION BOOKS

Mondadori Scuola S.p.A. is the Group company heading the activities in the **school textbooks** and, to a lesser extent, **university textbooks publishing**, in the Books area.

The Mondadori Group covers the school textbooks segment through three publishing houses, **Mondadori Education**, **Rizzoli Education** and **D Scuola**, which produce textbooks, courses, teaching tools and multimedia content for every school level, from primary school to the first, middle and secondary schools and through to university. In addition to the traditional products in paper and digital formats, the Companies’ range in the Education Books area also includes lines on transversal topics, such as inclusion, guidance, STEM, civic education, environment and digital citizenship, with a view to offering students and teachers teaching resources and tools that can help strengthen basic skills, reduce school abandonment and innovate teaching generally, in line with the objectives of the Italian National Recovery and Resilience Plan (PNRR) set for the educational system.

In that area, the Group boasts a **leadership position**, with an adoption share of **32.3%** in 2022.

Relevant market performance

**School textbook** publishing experiences 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 2023 are unavailable at this time.

The economic performance of the Education Books Area

| Education Books<br>(Euro/millions) | 1H<br>2023 | 1H<br>2022 | % Chg. |
|------------------------------------|------------|------------|--------|
| Revenue                            | 57.9       | 49.6       | 16.8%  |
| Adj. EBITDA                        | 2.3        | (2.4)      | n.s.   |
| EBITDA                             | 2.2        | (2.6)      | n.s.   |
| EBIT                               | (7.9)      | (12.9)     | n.s.   |
| PPA effects                        | 1.7        | 1.7        | -%     |
| EBIT excl. PPA                     | (6.2)      | (11.2)     | n.s.   |

Education Books Revenue

Also due to the seasonality of the Education business, which recognises the revenue from the sale of school textbooks in the second half of the year (in particular during the third quarter), the revenue achieved in the first half of the year typically account for less than 25% of the annual figure.

In the first six months of 2023, the **school textbooks business recorded overall revenues of € 57.9 million** (€ 49.6 million in the corresponding period of 2022), an increase of 16.8% which is not representative of the real performance as mostly due to an early supply in top accounts compared to last year.

## **EBITDA**

**Adjusted EBITDA** of the Education Books Area in the first six months of 2023 stood at € 2.3 million, a **clear improvement** compared to the € -2.4 million loss recorded in the first half of 2022, mainly due to the different timing of revenues linked to some supplies.

**Reported EBITDA** – amounting to € 2.2 million – was also up on the same half of 2022, while **EBIT** came to € -7.9 million versus € -12.9 million in the first half of 2022.

## RETAIL

The Mondadori Group is present in Italy through **Mondadori Retail S.p.A.**:

- in the physical market, with the most extensive network of bookstores: a cultural oversight present in a capillary fashion throughout national territory, thanks to **more than 500 stores** branded Mondadori in all Italian regions and provinces, from large cities to smaller towns, in addition to shops-in-shops and Club Mondolibri corners.
- **on-line** with the e-commerce website [mondadoristore.it](http://mondadoristore.it) and the *Bookclub* formula.

This year also saw the continued policy of developing and maintaining the physical network implemented in recent years.

As regards **directly-managed stores**, amounting to **43** at the end of June, the renewal of the network started back in 2019 continued with:

- maintenance of existing stores through transfer/downsizing/remodelling projects;
- the selective development of the network, based on a format that is now consolidated in terms of dimensions and value proposition.

In line with this strategy of continuous network enhancement, the **directly-managed stores** will continue their expansion in 2023; the following projects were finalised during the period under review:

- the end of May saw the opening of the new bookstore in Turin's Piazza Castello, a prestigious location replacing the historic shop in Via Monte di Pietà;
- the first half of the year also saw the renovation of the shop in Marghera Nave de Vero (VE), in addition to the planned closures of the shop in Padua P.zza Insurrezione and the shop in Rome Via Marconi.

Moreover, in March the historic Megastore in Duomo was moved to the new Mondadori flagship store in Duomo, a new bookstore with a unique style in our network, which was inaugurated on 23 March.

As concerns **franchisees**, mainly characterised by stores near small towns, the progressive focus on the Bookstore format continued, with medium-sized bookshops offering considerable turnover, through the opening of new bookstores and the refitting of existing ones. This activity accelerated further during this financial year and will lead to a record level of openings by the end of the year.

**On-line**, the Group is present with the e-commerce website [www.mondadoristore.it](http://www.mondadoristore.it), whilst in the eBook/audiobook world, the partnership continues with the Rakuten Kobo Group.

### Relevant market performance

At end June, Italy's book market recorded **growth of 2.7%**<sup>5</sup> on 2022; in that context, the **physical channel grew (+7.5%)** while the online channel declined (estimated at -4.2%).

During H1 2023, Mondadori Retail recorded **growth of 8.1%**. Thanks to this overperformance, driven by excellent performance by physical stores, Mondadori Retail's **market share** has come to **12.4%** (up 0.7% on 30 June 2022) and almost came to 20% of the physical market.

<sup>5</sup>Source: GfK, June 2023 (in terms of value)

Performance of the Retail Area

The transformation process launched over the past years has made for an improvement in operating and management performance, as shown in the **income statement for the first half of 2023, which highlight strong growth in revenue and margins of the Retail area:**

| Retail<br>(Euro/millions) | 1H<br>2023 | 1H<br>2022 | % Chg. |
|---------------------------|------------|------------|--------|
| Revenue                   | 83.9       | 77.6       | 8.1%   |
| Adj. EBITDA               | 4.2        | 1.4        | 206.1% |
| EBITDA                    | 4.2        | 1.0        | 304.5% |
| EBIT                      | (0.8)      | (3.3)      | n.s.   |

Revenue

In the first six months, the Retail area posted revenue of **€ 83.9 million**, up by € 6.3 million (**+8.1%**) 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 Store network to consolidate its role in the market, as demonstrated by the **solid growth in revenue from the Book product** (€ +5.5 million, **+9.1%**).

45

The revenue trend by channel is as follows:

| Revenue<br>(Euro/millions)  | 1H<br>2023  | 1H<br>2022  | % Chg.      |
|-----------------------------|-------------|-------------|-------------|
| Directly-managed bookstores | 31.9        | 27.2        | 17.3%       |
| Franchised bookstores       | 39.9        | 37.6        | 6.1%        |
| Online                      | 5.6         | 6.2         | (9.7%)      |
| <b>Store</b>                | <b>77.4</b> | <b>71.0</b> | <b>9.0%</b> |
| Bookclub and other          | 6.4         | 6.6         | (3.0%)      |
| <b>Total revenue</b>        | <b>83.8</b> | <b>77.5</b> | <b>8.1%</b> |

An analysis of the sales by channel reveals:

additional **growth in revenues from directly-managed bookstores** (+17.3% on the same period of the previous year) and **franchisee bookstores** (+6.1% on the first half of the previous year);

- downturn of the Online and Bookclub channels.

As far as the product categories are concerned:

- the **Book** area, which is the Mondadori Group's core business, was the main component of revenues (**more than 80% of the total**), **up comprehensively by 9.1%** on the first half of 2022, driven by the excellent performance of physical stores;
- **Extra-Book** sales were on a positive trend (+18.1% versus the first six months of 2022) confirming the excellent signs arising in the last year, due to the growth in the stationery, games, gifts and music.

## EBITDA

The Retail area has a positive and **significantly growing Adjusted EBITDA** of € **4.2** million, a value that has almost tripled compared to the figure for the first six months of 2022 (€ **+2.8** million), consolidating the progress now seen for several years.

The structural actions introduced in recent years have brought a strong turnaround in the Company's operating and financial performance, as already seen by the previous years' results.

This target was achieved thanks to the deep transformation of the Company as a whole, the ongoing renewal and development of the network of physical stores, as well as careful cost management and a thorough review of the 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** also showed the same positive and increasing figure, amounting to € 4.2 million, up by more than € 3 million compared to the previous year.

**EBIT, € -0.8 million**, improved significantly (€ **+2.4** million versus first half 2022).

MEDIA

**Mondadori Media S.p.A.** is the Group company that encompasses all businesses linked to the development of the brand media and digital activities taking a multichannel approach.

Traditional **print** activities include:

- the publication of magazines and related advertising, as well as add-ons in conjunction with magazines;
- subscription management activities for magazines and daily newspapers, both for the Group's publications and those of third-party publishers, handled by **Direct Channel**. Added to this are services related to database management for third sector clients.

Digital activities include:

- the complete management of leading **websites and social profiles** in the main vertical topics (Cooking, Health & Wellness, Feminine Gen Z, Young, Parenting, in addition to the newly acquired company **Webboh**, which manages a website and related social profiles aimed at the Young Generation) and the optimisation of the related advertising space through external advertising agencies;
- the **Social Agency** business, in particular the talent agencies **Zenzero** and **Power**, which manage leading creators from the food and beauty & fashion worlds with the aim of developing their activities in the influencer marketing segment;
- the **MarTech** cluster consisting of **Adkaora**, **Hej!** and, in Spain, **Adgage**, specialised in offering mobile advertising, proximity marketing, performance and conversational marketing solutions.

In 2023, the Mondadori Group retained its position as **Italy's top multimedia publisher**:

- in print with **13 titles** and **9.0 million readers**<sup>6</sup>;
- on the web with **12 brands** and approximately **28.7** million average unique users per month;

- in social media with a **fan base** at 30 June 2023 of **over 86 million** and around 100 profiles.

Relevant market performance

The relevant markets in the first five months of 2023 performed as follows:

- the advertising market (excluding searches, social networks, classified and OTT) increased by an overall 1.3% versus the prior year; individual segments performed as follows: digital +6.3%, TV +0.6%, newspapers -4.3%, radio +4.4% and magazines +4.8%<sup>7</sup>;
- the magazine circulation market declined by 7.8%<sup>8</sup>;
- the add-ons market fell by 30.9%<sup>9</sup>.

Excellent results also seen for the **digital audience**: Mondadori Media has confirmed its place on the podium in Comscore's<sup>10</sup> top 100 Italian media: in particular, it ranks in the top ten with **Giallozafferano** and in the top 20 with **Mypersonaltrainer** and **The Wom**.

In the magazine segment, Mondadori's market share (in terms of circulation) stood at **20.5%**, up slightly – with a like-for-like portfolio of titles – versus the figure in the same period of 2022 (20.0% in May 2022)<sup>7</sup>, due to **improved performance** on that of the reference market.

During the first half of the current year, Mondadori Media acquired the talent agency **Power**, focused on beauty, fashion and wellness, with the goal of further developing its operations in the influencer marketing segment.

The Mondadori Group also purchased **Webboh**, further strengthening its offer in the social world dedicated to the young generation.

<sup>6</sup> Source: Audipress I, 2023

<sup>7</sup> Source: Nielsen, May 2023

<sup>8</sup> Internal source: Press di, May 2023, in terms of value

<sup>9</sup> Internal source: Press di, May 2023, in terms of value

<sup>10</sup> Prima Comunicazione, May 2023

In June, with the aim of further strengthening its position in the talent agency sector, Mondadori Media launched **TAAG!** the new talent management agency active in the world of entertainment, whose mission is to search for and manage new talent in the various fields of entertainment: TV and radio presenters, singers and musicians, influencers and content creators, authors, dance artists and television personalities.

### Performance of the Media Area

| Media<br>(Euro/millions) | 1H<br>2023 | 1H<br>2022 | % Chg. |
|--------------------------|------------|------------|--------|
| Revenue                  | 68.7       | 98.2       | (30%)  |
| Adj. EBITDA              | 9.0        | 7.8        | 16%    |
| EBITDA                   | 11.6       | 8.3        | 39%    |
| EBIT                     | 8.9        | 5.4        | 67%    |

In the first half of 2023, the Media area recorded revenue of € 68.7 million, a reduction of approximately 30% on the same period of the previous year. **On a like-for-like basis** (thus excluding the effect of the deconsolidation of the titles sold at the beginning of 2023 and of Press-di's distribution activities), this reduction is smaller by around 8% and shows **different trends** in the two digital and print components. Specifically, on a like-for-like basis:

- **digital activities**, which account for **more than a third** of the area's total revenue, showed **growth in advertising revenue** in FY 2023 of **approximately 14%**;

- the **traditional print business declined by approximately 17%**, mainly due to the significant drop in add-on sales in the period.

| Media<br>(Euro/millions)   | 1H<br>2023  | 1H<br>2022  | 1H 2022<br>Like-for-like | % Chg.         | % Chg. lfl*   |
|----------------------------|-------------|-------------|--------------------------|----------------|---------------|
| Circulation                | 24.5        | 28.2        | 26.5                     | (13.1%)        | (7.6%)        |
| Add-on sales               | 6.7         | 12.8        | 12.8                     | (47.7%)        | (47.3%)       |
| <i>Print Advertising</i>   | 6.8         | 11.1        | 6.9                      | (38.7%)        | (2.4%)        |
| <i>Digital Advertising</i> | 24.2        | 22.0        | 21.3                     | 10.0%          | 13.6%         |
| Total Advertising          | 31.0        | 33.1        | 28.2                     | (6.3%)         | 9.6%          |
| Distribution/Other revenue | 6.5         | 24.2        | 7.1                      | (73.1%)        | (8.5%)        |
| <b>Total revenue</b>       | <b>68.7</b> | <b>98.2</b> | <b>74.6</b>              | <b>(30.0%)</b> | <b>(8.0%)</b> |

As regards the single components of revenue, the following is noted, on a like-for-like basis:

- **advertising** revenue – of approximately € 31 million – was **up by around 10%**, despite the slight downturn recorded in print due to the previously-mentioned **growth in digital activities**, which also benefited from the startup of the new initiatives;
- **Circulation** revenues (newsstands + subscriptions) **fell by 7.6%**. We note that the performance of television titles and Chi, namely the entertainment specialised press segment, which accounts for approximately 80% of the total, was better than the overall trend of circulation revenue, booking a decline of only 6.7%.
- Revenue from **add-on products** (DVDs, CDs, gadgets and books) sold as add-ons to Mondadori magazines, again on a like-for-like basis of portfolio **was down by around 47%** versus the same half of 2022, showing a greater decrease than that of the related market, which saw a significant drop in the home video and music segments, where the Group's publications are most exposed.
- Other revenue, which includes revenue from subscription management and non-profit systems, recorded **a decrease of around 8%** on the first half of the previous year, mainly due to the decline in subscriptions managed.

## EBITDA

**Adjusted EBITDA** for the Media area came to **€ 9.0 million**, showing **growth of approximately 16%** compared with the previous year, mainly due to traditional businesses. Specifically:

- in the **print** area, the increase mainly stems from the booking of a tax credit by way of relief on costs incurred by the publisher for the distribution magazines (€ 2.8 million), which offset the greater industrial costs, paper in particular, and the decline in the margin on sales of collateral items;
- in the **digital** area, Adj. EBITDA is essentially stable on the same period of the previous year, despite the higher costs incurred for launching new initiatives tied to the influencer marketing segment, thanks to higher advertising revenue.

**Reported EBITDA** amounted to **€ 11.6 million**, up from € 8.3 million in the first half of FY 2022, also due to the recognition of the net capital gain of € 2.8 million related to the sale of *Grazia* and *Icon*.

**EBIT** was a positive **€ 8.9 million** versus € 5.4 million at 30 June 2022, due to the improvement in trends described above and the lower amortisation and depreciation made possible by the write-downs booked in December 2022.

CORPORATE & SHARED SERVICES

The **Corporate & Shared Service** 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.

**Revenues**, which in the first half of 2023 increased by approximately 7% on the same period of 2022, consisted mainly of the remuneration of services provided to subsidiaries and associates.

**Adjusted EBITDA** for the area came to a negative € 3.0 million, an improvement on the € -3.7 million of 2022, mainly due to the decrease in utility costs relating to the management of the headquarters, also due to several energy efficiency initiatives and energy relief obtained, as well as rental costs for the offices.

Including non-ordinary items, **EBITDA** amounted to € -3.1 million, an improvement on the figure recorded at 30 June 2022 (€ -3.9 million), consistently with the dynamics described above.

**EBIT** in the area amounted to € -8.1 million (€ -8.6 million in 2022), increasing by € 0.5 million.

50

| Corporate & Shared Services | 1H    | 1H    | Chg. |
|-----------------------------|-------|-------|------|
| (Euro/millions)             | 2023  | 2022  |      |
| Revenue                     | 21.1  | 19.7  | 1.4  |
| Adj. EBITDA                 | (3.0) | (3.7) | 0.7  |
| EBITDA                      | (3.1) | (3.9) | 0.8  |
| EBIT                        | (8.1) | (8.6) | 0.5  |

# STATEMENTS OF FINANCIAL POSITION

The **Mondadori Group's Net Financial Position** (excluding IFRS 16) at 30 June 2023 showed a net debt of **€ 215.2 million, slightly up** on the € -205.7 million at 30 June 2022.

The **IFRS 16 Net Financial Position** stood at € -285.5 million, from the € -285.1 million at 30 June 2022, therefore, substantially stable despite the cash-out incurred during the last 12 months for the acquisitions policy and the payment of dividends to shareholders.

Note that figure includes an IFRS 16 component of € -70.3 million, an **improvement of approximately € 9 million versus 30 June 2022**, mainly due to the stipulation of the new lease contract for the Group's Segrate office.

Note that the Net Financial Position at 30 June 2023 benefited from the positive impact of the valuation of derivative instruments relating to interest rate risk hedging, amounting to around € 8 million compared to the approximately € 5 million at 30 June 2022 (€ 10.5 million in December 2022).

| <b>Net Financial Position</b>                              | <b>1H</b>      | <b>1H</b>      | <b>2022</b>    |
|------------------------------------------------------------|----------------|----------------|----------------|
| (Euro/millions)                                            | <b>2023</b>    | <b>2022</b>    |                |
| Cash and cash equivalents                                  | 24.4           | 10.9           | 34.9           |
| Assets (liabilities) from derivative financial instruments | 9.5            | 6.3            | 10.5           |
| Other financial assets (liabilities)                       | (26.1)         | 6.0            | (22.0)         |
| Loans (short and medium/long term)                         | (223.0)        | (229.8)        | (130.4)        |
| Held-for-sale financial assets (liabilities)               | 0.0            | 0.9            | 0.9            |
| <b>Net Financial Position no IFRS 16</b>                   | <b>(215.2)</b> | <b>(205.7)</b> | <b>(106.1)</b> |
| Debt IFRS 16                                               | (70.3)         | (79.3)         | (71.3)         |
| <b>Total Net Financial Position</b>                        | <b>(285.5)</b> | <b>(285.1)</b> | <b>(177.4)</b> |

51

The overall credit lines available to the Group at 30 June 2023 amounted to € 646.1 million, € 418.3 million of which committed.

The Group's short-term loans, amounting to € 227.8 million, € 100.0 million of which drawn down at 30 June 2023, include 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 (€ 418.3 million at 30 June 2023), stipulated in May 2021 and maturing on 31 December 2026:

| (Euro/millions)    | Line of Credit      | Of which:<br>unutilised | Of which with interest<br>rate hedge |
|--------------------|---------------------|-------------------------|--------------------------------------|
| Term Loan A        | 63.3 <sup>11</sup>  | -                       | 63.3                                 |
| RCF                | 125.0 <sup>12</sup> | 125.0                   | -                                    |
| Acquisition Line C | 230.0 <sup>13</sup> | 170.0                   | 60.0                                 |
| <b>Total</b>       | <b>418.3</b>        | <b>295.0</b>            | <b>123.3</b>                         |

An analysis of the Group's Cash Flow in the 12 months prior to 30 June 2023, compared to FY 2022, is provided below:

| (Euro/millions)                                  | LTM 2023       | FY 2022        |
|--------------------------------------------------|----------------|----------------|
| <b>Initial NFP IFRS 16</b>                       | <b>(285,1)</b> | <b>(179,1)</b> |
| Financial liabilities application of IFRS 16     | (79,3)         | (84,3)         |
| <b>Initial NFP No IFRS 16</b>                    | <b>(205,8)</b> | <b>(94,8)</b>  |
| Adjusted EBITDA (No IFRS 16)                     | 131,1          | 120,9          |
| NWC and provisions                               | (4,9)          | 6,3            |
| CAPEX no IFRS 16                                 | (40,5)         | (41,7)         |
| <b>Cash flow from operations</b>                 | <b>85,7</b>    | <b>85,5</b>    |
| Financial income (expense) no ifrs 16            | (4,7)          | (4,1)          |
| Tax                                              | (17,5)         | (21,6)         |
| <b>Cash flow from ordinary operations</b>        | <b>63,6</b>    | <b>59,7</b>    |
| Restructuring costs                              | (4,7)          | (8,8)          |
| Share capital increase/dividends from associates | (2,9)          | (1,0)          |
| M&A                                              | (31,1)         | (42,6)         |
| Other income and expenditure                     | (9,1)          | (7,3)          |
| <b>Cash Flow from extraordinary operations</b>   | <b>(47,8)</b>  | <b>(59,6)</b>  |
| <b>Free cash flow</b>                            | <b>15,8</b>    | <b>0,2</b>     |
| Dividends                                        | (28,7)         | (22,2)         |
| <b>Tot. cash flow</b>                            | <b>(12,9)</b>  | <b>(11,5)</b>  |
| <b>Net financial position no IFRS 16</b>         | <b>(215,2)</b> | <b>(106,0)</b> |
| IFRS Effects in the period                       | 9,0            | 13,1           |
| <b>Final net financial position</b>              | <b>(285,8)</b> | <b>(177,4)</b> |

**Cash generation over the last 12 months** is structured as follows.

- **Ordinary cash flow** was **positive for € 63.6 million, slightly up** on the figure recorded in FY 2022, due to:
  - on one hand, the improvement in the business profitability, partly offset by the dynamics of working capital induced by the acceleration of the business;

- on the other, the lower tax payments for approximately € 4 million, mainly deriving from realignments and tax redemption applied during previous years.

**Cash flow from non-ordinary operations** came to **€ 47.8 million** and included mainly cash-out for:

<sup>11</sup> 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%)

<sup>12</sup> Bullet loan, coming to maturity on 31 December 2026

<sup>13</sup> Final maturity on 31 December 2026, availability period extended until 31 July 2024; 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 2023, relating to the loan for the acquisition of D Scuola, is € 60 million; the exposure is fully hedged at a fixed rate (-0.098%).

- **acquisitions, which, net of disposals, came to approximately € 31 million** consisting mainly of the consideration for the purchase of an additional 25% of A.L.I. and 51% of Star Comics (net of the respective NFPs), and the financial debt arising from the put/call agreements governing the future purchase of the remaining 49% of Star Comics and the remaining 25% of A.L.I.;
- restructuring costs of € 4.7 million.

Consequently, comprehensive **Free Cash Flow** generated by the Group at LTM level came to **€ 15.8 million** at 30 June 2023, before the cash out linked to the payment of dividends of € 28.7 million in May 2023.

Below are the investments made by the Group, substantially aligned in the two periods, broken down by business area.

| Capex by Sector of Activity | 30 June 2023 | 2022 FY     |
|-----------------------------|--------------|-------------|
|                             | LTM          |             |
| Trade Books                 | 3.6          | 3.6         |
| Education Books             | 19.3         | 21.3        |
| Retail                      | 13.1         | 11.2        |
| Media                       | 1.1          | 1.0         |
| Corporate & Shared Services | 3.4          | 4.5         |
| <b>Total</b>                | <b>40.5</b>  | <b>41.7</b> |

Below is a summary of the Group's financial position at 30 June 2023 versus the same period of the prior year.

| (Euro/millions)                                       | 1H 2023      | 1H 2022      | % chg.        |
|-------------------------------------------------------|--------------|--------------|---------------|
| Trade receivables                                     | 158,6        | 142,0        | 11,6 %        |
| Inventory                                             | 177,1        | 158,7        | 11,6 %        |
| Trade payables                                        | 229,9        | 206,9        | 11,1 %        |
| Other assets (liabilities)                            | (9,4)        | 4,9          | n.s.          |
| <b>Net working capital continuing operations</b>      | <b>96,4</b>  | <b>98,8</b>  | <b>(2,4)%</b> |
| Discontinued or discontinuing assets (liabilities)    | —            | (1,7)        | (100,0)%      |
| <b>Net Working Capital</b>                            | <b>96,4</b>  | <b>97,1</b>  | <b>(0,8)%</b> |
| Intangible assets                                     | 386,1        | 352,0        | 9,7 %         |
| Property, plant and equipment                         | 31,4         | 16,4         | 92,0 %        |
| Investments                                           | 14,0         | 27,9         | (49,9)%       |
| <b>Net fixed assets with no rights of use IFRS 16</b> | <b>431,5</b> | <b>396,3</b> | <b>8,9 %</b>  |
| Assets from right of use IFRS 16                      | 67,1         | 75,2         | (10,7)%       |
| <b>Net fixed assets with rights of use IFRS 16</b>    | <b>498,7</b> | <b>471,5</b> | <b>5,8 %</b>  |
| Provisions for risks                                  | 40,5         | 45,4         | (10,9)%       |
| Post-employment benefits                              | 28,4         | 28,5         | (0,1)%        |
| <b>Provisions</b>                                     | <b>68,9</b>  | <b>73,9</b>  | <b>(6,7)%</b> |
| <b>Net invested capital</b>                           | <b>526,1</b> | <b>494,7</b> | <b>6,3 %</b>  |
| Share capital                                         | 68,0         | 68,0         | — %           |
| Reserves                                              | 159,7        | 137,0        | 16,6 %        |
| Profit (loss) for the period                          | 12,2         | 2,8          | 337,3 %       |
| <b>Group equity</b>                                   | <b>239,9</b> | <b>207,7</b> | <b>15,5 %</b> |
| Non-controlling interests' equity                     | 0,7          | 1,9          | (61,1)%       |
| <b>Equity</b>                                         | <b>240,6</b> | <b>209,6</b> | <b>14,8 %</b> |
| Net financial position no IFRS 16                     | 215,2        | 205,8        | 4,6 %         |
| Net financial position IFRS 16                        | 70,3         | 79,3         | (11,4)%       |
| <b>Net financial position</b>                         | <b>285,5</b> | <b>285,1</b> | <b>0,1 %</b>  |
| <b>Sources</b>                                        | <b>526,1</b> | <b>494,7</b> | <b>6,3 %</b>  |

Under the sale of the majority of the investment in Press-Di Distribuzione Stampa Multimedia S.r.l. and the January 2023 sale of the business unit relating to the activities of the Grazia and Icon brands, the equity values of the above assets at 30 June 2022, for the sake of proper comparison, were restated in accordance with IFRS 5, under "Assets (Liabilities) disposed of or being disposed of".

The Group's **Net Invested Capital** at 30 June 2023 came to **€ 526.1 million**, up on the € 494.7 million at 30 June 2022, despite the sales made in the last 12 months, mainly as a result of the acquisitions completed in the second half of 2022, when Mondadori took control of Star Comics, and the acquisitions completed in the first half of 2023, (A.L.I., Il Castello and Grafiche Bovini).

The Group's **Net Working Capital** (of operating assets) amounted to **€ 95.8 million**, down versus € 98.8 million of the previous 12 months.

More specifically, the trend of key balance sheet figures versus 30 June 2022:

- **trade receivables** grew by over 12% (€ 17 million), concentrated in the Trade Books area, as a result of the significant discontinuities due to the acquisitions of Star Comics S.r.l., in the second half of 2022, and A.L.I. S.r.l. in the first half of 2023; and in the Education Books area, as a result of the higher dispatch compared to the same period in 2022. In the Retail Area and in the Media Area, on the other hand, exposure to customers was down, respectively due to the better performance of directly managed bookshops, whose revenues are characterised by an immediate conversion into cash, compared to franchised bookshops, and as a result of the sale of the *Grazia* and *Icon* titles;
- **inventory** increased by 11.6% (approximately € 18 million), mainly attributable to the Trade Books area, as a result of the expansion of the perimeter (approximately € 12 million), the increase in production and the higher costs of raw materials recorded compared to the first half of 2022;
- **trade payables** increased by 11.1%, or € 23 million, due to changes in the scope of consolidation;

**other assets and liabilities** recorded an increase in net liabilities, mainly due to the increase in payables to authors, as a result of revenue growth, and newly consolidated publishing houses;

- **intangible assets** rose by approximately € 34 million versus June 2022, due to the booking of the goodwill and the other intangible assets deriving from the acquisitions of Star Comics and A.L.I., which were partly offset by the effects of impairment testing and the amortisation recorded in the last 12 months;
- **tangible assets** increased by approximately € 15 million, mainly due to changes in scope made during the period and investments made for the opening of new stores in the Retail area, in particular Piazza Duomo, Milan;
- **assets for rights of use** decreased by approximately € 8 million, due mainly to the new lease contract for the Segrate HQ, partly offset by similar contracts connected with new Retail area stores;
- the value of **equity investments** decreased by approximately € 14 million, due to the acquisition of control of A.L.I., consolidated on a line-by-line basis from 1 January 2023, and the sale of Società Europea di Edizioni S.p.A., which took place in April;
- **provisions** (provisions for risks and post-employment benefits) also declined by approximately € 5 million on 30 June 2022, mainly linked to cash outflows relating to restructuring costs provisioned the previous year, deriving from the definition of certain positions, the closure of some legal disputes and the reduction in certain provisions to be reinvested in museum concessions.

**Consolidated equity** at 30 June 2023 increased by approximately € 30 million versus the prior year, despite the distribution of approximately € 29 million in dividends, due to the Group's positive net profit recognised in the last 12 months.

# PERSONNEL

## HEADCOUNT

Group employees – on both permanent and fixed-term contracts – amounted to **1,923, up by 0.3%** versus 1,917 resources at 30 June 2022 (+6 units).

Neutralising the effects of all the changes in scope applied, namely the acquisitions of **Star Comics and A.L.I. and the disposals of magazines and business in the Media area**, the Group workforce show a homogeneous increase of 1.3%, concentrated in the Digital Media and Trade Books areas.

### Group Employees at 30 June 2023:

| Headcount by Business Area  | 1H<br>2023   | 1H<br>2022   | % Chg.      |
|-----------------------------|--------------|--------------|-------------|
| Trade Books                 | 604          | 528          | 14.4%       |
| Education Books             | 290          | 300          | (3.3%)      |
| Retail                      | 306          | 307          | (0.3%)      |
| Media                       | 417          | 484          | (13.8%)     |
| Corporate & Shared Services | 306          | 298          | 2.7%        |
| <b>Total</b>                | <b>1,923</b> | <b>1,917</b> | <b>0.3%</b> |

In the **Trade Books** area, the headcount, net of the employees who joined the Group following the acquisitions of Star Comics and A.L.I., was up by 2.8%, due mainly to the reopening of Electa Bookshops at exhibitions and museum sites.

The headcount in the **Retail** area was substantially stable, despite the opening of some direct sales outlets, as a result of the measures aimed at achieving greater efficiencies both in the central structures and in the organisational structure of the direct shop network.

The trend recorded by the **Media** Area (-13.8%) came to +5.1% like-for-like, therefore excluding the changes in scope that took place during the two periods under review (net of the headcount of the titles disposed of and of the company Press-di, deconsolidated as from 1 July 2022), as a result of the growth of the Digital division headcount.

The headcount of the **Corporate & Shared Services** area recorded growth of +2.7%, showing no change net of the addition of certain staff functions deriving from the integration of Star Comics and A.L.I..

The cost of personnel<sup>14</sup> in the first half of 2023 came to **€ 72.5 million**, down by approximately 2% versus € 73.7 million in the same half of 2022: the like-for-like comparison, having neutralised all changes in scope, shows a trend that is essentially in line with the previous year.

The percentage of this cost on consolidated revenue in the first half of 2023 was reduced by approximately 1 point versus the previous year (from 20.8% to 20.0% in June 2022).

| € millions                                  | 1H<br>2023 | 1H<br>2022 | % Chg. |
|---------------------------------------------|------------|------------|--------|
| Extended Labour Cost (before restructuring) | 72.5       | 73.7       | (1.7%) |

<sup>14</sup> Cost of enlarged personnel includes costs for collaborations and temporary employment

## SIGNIFICANT EVENTS IN THE REPORTING PERIOD 2023

On **10 January 2023**, the Mondadori Group, through the subsidiary Mondadori Media S.p.A., executed the contract of sale to Reworld Media S.A. of the paper and digital publishing business of the magazines *Grazia* and *Icon*, as well as the related international licences network.

The execution of the transaction took place with the transfer of the business unit heading the operations disposed of to a newly-incorporated company and the concurrent disposal to Reworld Media of 100% of the share capital of the transferee.

On **13 January 2023**, the Mondadori Group finalised, through its subsidiary Mondadori Libri S.p.A., the acquisition of a further 25% stake in A.L.I. S.r.l. - Agenzia Libreria International, which operates in the distribution of books.

The transaction - as a result of which the Mondadori Group increased its stake in A.L.I. to 75%, which is therefore subject to line-by-line consolidation as from January 2023 - took place in execution of the agreements defined and disclosed on 11 May 2022 upon acquisition of an initial 50% stake, effective earlier than the date originally scheduled for 28 February 2023.

The price, paid entirely in cash, was approximately € 9.9 million and was determined, as already disclosed to the market, on the basis of an average 2021-2022 EBITDA and the positive net financial position (cash) of the scope covered by the transaction, which at 31 December 2022 amounted to € 17.8 million.

Additionally, the defined agreements gave the Mondadori Group the right to acquire the remaining 25% in A.L.I., at a price to be determined on the basis of an average 2023-2024 EBITDA, through put&call options exercisable by 30 July 2025.

On **20 April 2023**, the Mondadori Group executed the contract of sale to P.B.F. S.r.l. of the shareholding, equal to 18.45% of the share capital, in Società Europea di Edizioni S.p.A., publisher of *"il Giornale"*.

The consideration for the transaction, to be fully settled in cash, was defined at € 2.3 million, considering the price adjustment mechanisms based on the company's net financial position at the closing date.

The disposal resulted in a net capital gain in the Mondadori Group's income statement of € 0.5 million. Note that in FY 2022, the investment in question recorded charges of € 1.8 million in the consolidated financial statements.

The transaction is consistent with the strategy of focusing on the books sector and disposing of non-strategic activities.

On **29 June 2023**, the Board of Directors of Arnoldo Mondadori Editore S.p.A. examined and defined - in light of a more favourable evolution than had been previously forecast of both the business and the prices of the main production factors - the upwards revision of the FY 2023 targets previously disclosed to the market and better detailed below.

The Mondadori Group also reported that the parent company Arnoldo Mondadori Editore S.p.A. had, on that date, signed the contract for the acquisition of an equity investment equal to 51% of the share capital of Star Shop Distribuzione S.r.l. operating in the distribution of third party publishers in the comics channel and in the management of direct and franchised sales outlets in the same segment.

The acquisition would make it possible to replicate the vertically-integrated business model with which the Mondadori Group already operates in the book segment, in the comics segment.

The acquisition of 51% of the share capital of Star Shop Distribuzione has been defined on the basis of an enterprise value, on a cash free/debt free basis (in relation to 100% of the Company), of € 9 million.

The price, which will be paid in full, in cash, at closing, will be adjusted on the basis of the net financial position and net working capital at the date on which the acquisition is completed.

The execution of the transaction is subject to the issue by the Antitrust Authority, in accordance with Law 287/1990, of a ruling not to start an investigation or to authorise the transaction, which entails no charges or requirements or corrective measures considered relevant for the Mondadori Group or Star Shop Distribuzione.

The agreements defined also envisage the signing of put & call option contracts governing the transfer of the residual 49% share of Star Shop Distribuzione. The options will be available for exercise in two equal tranches respectively starting from the approval of the 2025 financial statements and of the 2028 financial statements, at a price to be defined on the basis of the company's results during the three-year periods 2023-2025 and 2026-2028.

In FY 2022, Star Shop Distribuzione recorded revenues of € 34.2 million, EBITDA of € 2 million and net profit of € 1.2 million.

The transaction sees Sergio Cavallerin and Matteo Cavallerin - who founded and to date have successfully managed the company - retain management responsibility and continue to hold the role of Executive Directors in the Company.

# SIGNIFICANT EVENTS AFTER 30 JUNE 2023

On **6 July 2023**, Arnoldo Mondadori Editore S.p.A. announced the following:

"Marina Berlusconi, Chairman of the Board of Directors, and Pier Silvio Berlusconi, Director, having been read the will of their father Silvio Berlusconi, report that it would appear that no party will hold indirect sole control of Fininvest S.p.A., as previously exercised by their father.

The notary who read out the testamentary will, will fulfil the legal requirements in the coming hours."

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 income of a non-ordinary nature such as:

- income and expense from restructuring, reorganization and business combinations;
- clearly identified income and expense not directly related to the ordinary course of business;
- any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

| (Euro/thousands)                                                                                    | 1H<br>2023 | 1H<br>2022 |
|-----------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                     |            |            |
| Gross Operating Profit - EBITDA (as shown in the financial statements)                              | 40,347     | 26,754     |
| Restructuring costs under "Cost of personnel"                                                       | 279        | 481        |
| Income of a non-ordinary nature included in "Sundry expense (income)" and "Cost of services"        | (2,382)    | 320        |
| Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations) | 38,244     | 27,555     |

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

- Restructuring costs for a total amount of € 0.5 million, included in “Cost of personnel” in the income statement;
- expense of a non-ordinary nature for a total of € 0.3 million, included in “Sundry expense (income)” and “Cost of services”.

With regard to adjusted EBITDA in first half of 2023, the following items were excluded from EBITDA:

- Restructuring costs for a total amount of € 0.3 million, included in “Cost of personnel” in the income statement;
- income of a non-ordinary nature for a total of € 2.4 million, included in “Sundry expense (income)” and “Cost of services”.

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

**Adjusted operating profit (EBIT Adjusted):** this is represented by the operating result, as defined above, excluding non-ordinary income and expense, as defined previously, depreciation and amortisation deriving from the company purchase price allocation and the impairment of intangible assets.

62

**Operating profit (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.

**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).

## OUTLOOK FOR THE YEAR

As already announced to the market, given the more favourable evolution compared to previous estimates of both the business during the first half of the year and the prices of the main production factors - the Group has **revised its estimates for 2023 upwards**.

Currently, the estimates predict:

### Income Statement

- **single-digit revenue growth;**
- **high single-digit/low double-digit growth in Adjusted EBITDA, with margins expected to range between 16% and 17%;**
- **approximately 20% growth in the net result**, despite the higher amortisation/depreciation deriving from both the increasing investment policy implemented by the Group and the effects of the Purchase Price Allocation process related to the recently-acquired companies, thanks to both the operational improvement and the effects of the sale of the investment in Il Giornale.

### Cash Flow and Net Financial Position

- Ordinary Cash Flow is expected to fall within a range of € 65 to 70 million, showing **growth of up to 15%** on the 2022 figure (which had come to approximately € 60 million net of the one-off impact of derivative instruments related to rate risk hedging).
- The Group's net financial debt (IFRS 16) is confirmed to come in, at end FY 2023, as 1.0x adjusted EBITDA, down from 1.3x at end 2022.

The solid financial and equity position that characterises the Group allows it to continue to pursue the virtuous development path started some years ago, characterised by the **progressive use of M&As** whereby the Group seeks to continue to make the most of inorganic growth opportunities, mainly in the book and digital businesses.

63

For the Board of Directors

The Chairman  
Marina Berlusconi



**Mondadori Group Condensed  
Consolidated Financial Statements at  
30 June 2023**

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| <b>Assets</b>                            | <b>Notes</b> | <b>30/06/2023</b> | <b>31/12/2022</b> |
|------------------------------------------|--------------|-------------------|-------------------|
| (Euro/thousands)                         |              |                   |                   |
| <b>Intangible assets</b>                 | 9            | <b>386,102</b>    | <b>372,297</b>    |
| Land and building                        |              | —                 | —                 |
| Plant and equipment                      |              | 10,925            | 3,280             |
| Other fixed assets                       |              | 20,524            | 20,854            |
| <b>Property, plant and equipment</b>     | 10           | <b>31,449</b>     | <b>24,133</b>     |
| <b>Assets from rights of use</b>         | 11           | <b>67,146</b>     | <b>68,453</b>     |
| Equity-accounted investees               |              | 13,714            | 28,450            |
| Other investments                        |              | 260               | 1,298             |
| <b>Total investments</b>                 | 12           | <b>13,974</b>     | <b>29,748</b>     |
| <b>Non-current financial assets</b>      | 24           | <b>12,447</b>     | <b>13,410</b>     |
| <b>Deferred tax assets</b>               | 13           | <b>67,125</b>     | <b>67,878</b>     |
| <b>Other non-current assets</b>          | 14           | <b>1,871</b>      | <b>168</b>        |
| <b>Total non-current assets</b>          |              | <b>580,113</b>    | <b>576,088</b>    |
| <b>Tax receivables</b>                   | 15           | <b>19,425</b>     | <b>9,049</b>      |
| <b>Other current assets</b>              | 16           | <b>84,694</b>     | <b>72,213</b>     |
| <b>Inventory</b>                         | 17           | <b>177,119</b>    | <b>151,353</b>    |
| <b>Trade receivables</b>                 | 18           | <b>158,593</b>    | <b>161,230</b>    |
| <b>Other current financial assets</b>    | 24           | <b>1,857</b>      | <b>614</b>        |
| <b>Cash and cash equivalents</b>         | 24           | <b>24,358</b>     | <b>34,941</b>     |
| <b>Total current assets</b>              |              | <b>466,046</b>    | <b>429,399</b>    |
| Discontinued or discontinuing operations |              | —                 | 1,159             |
| <b>Total Assets</b>                      |              | <b>1,046,159</b>  | <b>1,006,647</b>  |

65

| <b>Liabilities</b><br>(Euro/thousands)                               |           | <b>30/06/2023</b> | <b>31/12/2022</b> |
|----------------------------------------------------------------------|-----------|-------------------|-------------------|
| Share Capital                                                        |           | 67,979            | 67,979            |
| Treasury shares                                                      |           | (2,371)           | (2,024)           |
| Other reserves and profit/loss carried forward                       |           | 162,072           | 141,540           |
| Profit (Loss) for the year                                           |           | 12,221            | 52,067            |
| <b>Group equity</b>                                                  | <b>19</b> | <b>239,901</b>    | <b>259,562</b>    |
| Share capital and reserves attributable to non-controlling interests | 19        | 721               | 1,263             |
| <b>Total Equity</b>                                                  |           | <b>240,622</b>    | <b>260,826</b>    |
| Provisions                                                           | 20        | 40,453            | 41,922            |
| Post-employment benefits                                             | 21        | 28,446            | 28,350            |
| Non-current financial liabilities                                    | 24        | 132,787           | 119,250           |
| Financial liabilities IFRS 16                                        | 24        | 57,233            | 58,096            |
| Deferred tax liabilities                                             | 13        | 40,599            | 42,255            |
| Other non-current liabilities                                        |           | —                 | —                 |
| <b>Total non-current liabilities</b>                                 |           | <b>299,517</b>    | <b>289,873</b>    |
| Income tax payables                                                  | 15        | 392               | 10,671            |
| Other current liabilities                                            | 22        | 141,543           | 142,049           |
| Trade payables                                                       | 23        | 229,925           | 252,689           |
| Payables to banks and other financial liabilities                    | 24        | 121,119           | 36,717            |
| Financial liabilities IFRS 16                                        | 24        | 13,042            | 13,166            |
| <b>Total current liabilities</b>                                     |           | <b>506,020</b>    | <b>455,292</b>    |
| Liabilities disposed or being disposed of                            |           | —                 | 655               |
| <b>Total liabilities</b>                                             |           | <b>1,046,159</b>  | <b>1,006,647</b>  |

## CONSOLIDATED INCOME STATEMENT

| (Euro/thousands)                                                               |           | 30/06/2023     | 30/06/2022     |
|--------------------------------------------------------------------------------|-----------|----------------|----------------|
| <b>Revenues from sales and services</b>                                        | <b>25</b> | <b>362,381</b> | <b>355,079</b> |
| Decrease (increase) in inventory                                               | 17        | (24,163)       | (32,108)       |
| Cost of raw and ancillary materials, consumables and goods                     | 26        | 77,778         | 78,052         |
| Cost for services                                                              | 27        | 207,872        | 218,382        |
| Cost of personnel                                                              | 28        | 68,319         | 69,951         |
| Sundry expense (income)                                                        | 29        | (7,773)        | (5,952)        |
| <b>EBITDA</b>                                                                  |           | <b>40,347</b>  | <b>26,754</b>  |
| Amortisation and impairment loss on intangible assets                          | 9         | 15,774         | 14,519         |
| Depreciation and impairment loss on property, plant and equipment              | 10        | 3,299          | 2,028          |
| Depreciation and amortisation and impairment loss of assets from rights of use | 11        | 7,319          | 6,983          |
| <b>EBIT</b>                                                                    |           | <b>13,955</b>  | <b>3,224</b>   |
| Financial expense (income)                                                     | 30        | 3,448          | 2,867          |
| Expense (income) from investments                                              | 31        | (1,771)        | (99)           |
| <b>Result before tax</b>                                                       |           | <b>12,278</b>  | <b>456</b>     |
| Income taxes                                                                   | 32        | (89)           | (1,784)        |
| <b>Result from continuing operations</b>                                       |           | <b>12,367</b>  | <b>2,240</b>   |
| Result from discontinued or discontinuing operations                           |           | —              | —              |
| <b>Net profit</b>                                                              |           | <b>12,367</b>  | <b>2,240</b>   |
| Attributable to:                                                               |           |                |                |
| - Non-controlling interests                                                    |           | 146            | (554)          |
| - Parent Company shareholders                                                  |           | 12,221         | 2,794          |
| Earnings per share of continuing operations (expressed in Euro units)          |           | 0.047          | 0.011          |
| Diluted earnings per share of continuing operations (expressed in Euro units)  |           | 0.047          | 0.011          |
| Net earnings per share (in Euro units)                                         | 33        | 0.047          | 0.011          |
| Diluted net earnings per share (in Euro units)                                 |           | —              | —              |

67

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| (Euro/thousands)                                                                          | 30/06/2023 | 30/06/2022 |
|-------------------------------------------------------------------------------------------|------------|------------|
| Net profit                                                                                | 12,367     | 2,240      |
| Items reclassifiable to income statement                                                  |            |            |
| Profit and loss deriving from the conversion of currency denominated financial statements | (400)      | 1,957      |
| Other profit (loss) from equity-accounted investees                                       | (224)      | 138        |
| Effective part of profit/(loss) on cash flow hedge instruments                            | (963)      | 6,334      |
| Profit and loss deriving from held-for-sale assets (fair value)                           |            |            |
| Tax effect on other profit (loss) reclassifiable to income statement                      | 231        | (1,520)    |
| Items reclassified to income statement                                                    |            |            |
| Effective part of profit/(loss) on cash flow hedge instruments                            |            | 165        |
| Profit and loss deriving from held-for-sale assets (fair value)                           |            | —          |
| Tax effect on other profit (loss) reclassifiable to income statement                      |            | (40)       |
| Items not reclassifiable to income statement                                              |            |            |
| Actuarial profit (loss)                                                                   | (223)      | 994        |
| Tax effect on other profit (loss) not reclassifiable to income statement                  | 53         | (232)      |
| Total other profit (loss) net of tax effect                                               | (1,526)    | 7,796      |
| Total net profit (loss)                                                                   | 10,841     | 10,036     |
| Attributable to:                                                                          |            |            |
| - Non-controlling interests                                                               | 133        | (555)      |
| - Parent Company shareholders                                                             | 10,708     | 10,591     |

68

For the Board of Directors  
The Chairman  
Marina Berlusconi



## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2022 AND 2023

| Euro/thousands                    | Notes     | Share Capital | Treasury shares | Performance share reserve | Reserve for cash flow hedge | Fair value reserve | Currency reserve | Post-employment discounting reserve | Other reserves | Profit (loss) for the period | Total Group equity | Minority shareholder's equity | Total          |
|-----------------------------------|-----------|---------------|-----------------|---------------------------|-----------------------------|--------------------|------------------|-------------------------------------|----------------|------------------------------|--------------------|-------------------------------|----------------|
| <b>Total at 01/01/2022</b>        |           | <b>67,979</b> | <b>(1,803)</b>  | <b>1,277</b>              | <b>822</b>                  | —                  | <b>365</b>       | <b>317</b>                          | <b>106,406</b> | <b>44,206</b>                | <b>219,568</b>     | <b>13</b>                     | <b>219,581</b> |
| - 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         |
| <b>Total at 30/06/2022</b>        | <b>19</b> | <b>67,979</b> | <b>(2,024)</b>  | <b>1,325</b>              | <b>5,761</b>                | —                  | <b>2,395</b>     | <b>1,079</b>                        | <b>128,427</b> | <b>2,795</b>                 | <b>207,736</b>     | <b>1,855</b>                  | <b>209,591</b> |

69

| Euro/thousands                    | Notes     | Share Capital | Treasury shares | Performance share reserve | Reserve for cash flow hedge | Fair value reserve | Currency reserve | Post-employment discounting reserve | Other reserves | Profit (loss) for the period | Total Group shareholder equity | Minority shareholders' equity | Total          |
|-----------------------------------|-----------|---------------|-----------------|---------------------------|-----------------------------|--------------------|------------------|-------------------------------------|----------------|------------------------------|--------------------------------|-------------------------------|----------------|
| <b>Total at 01/01/2023</b>        |           | <b>67,979</b> | <b>(2,024)</b>  | <b>1,731</b>              | <b>9,072</b>                | <b>—</b>           | <b>1,739</b>     | <b>699</b>                          | <b>128,300</b> | <b>52,067</b>                | <b>259,563</b>                 | <b>1,263</b>                  | <b>260,826</b> |
| - Allocation of result            |           |               |                 |                           |                             |                    |                  |                                     | 52,067         | (52,067)                     | —                              |                               | —              |
| - Dividends paid                  |           |               |                 |                           |                             |                    |                  |                                     | (29,214)       |                              | (29,214)                       | (3)                           | (29,217)       |
| - Change in consolidation scope   |           |               |                 |                           |                             |                    |                  |                                     |                |                              | —                              |                               | —              |
| - Transactions on treasury shares |           |               | (347)           |                           |                             |                    |                  |                                     | (813)          |                              | (1,160)                        |                               | (1,160)        |
| - Performance shares              |           |               |                 | (65)                      |                             |                    |                  |                                     | 591            |                              | 526                            |                               | 526            |
| - Other changes                   |           |               |                 |                           |                             |                    |                  | 79                                  | (601)          |                              | (522)                          | (672)                         | (1,194)        |
| - Comprehensive profit (loss)     |           | —             | —               | —                         | (732)                       | —                  | (471)            | (157)                               | (153)          | 12,221                       | 10,708                         | 133                           | 10,841         |
| <b>Total at 30/06/2023</b>        | <b>19</b> | <b>67,979</b> | <b>(2,371)</b>  | <b>1,666</b>              | <b>8,340</b>                | <b>—</b>           | <b>1,268</b>     | <b>621</b>                          | <b>150,177</b> | <b>12,221</b>                | <b>239,901</b>                 | <b>721</b>                    | <b>240,622</b> |

For the Board of Directors  
The Chairman  
Marina Berlusconi



## CONSOLIDATED STATEMENT OF CASH FLOWS

| Euro/thousands                                                                                         | Notes     | 30/06/2023      | 30/06/2022      |
|--------------------------------------------------------------------------------------------------------|-----------|-----------------|-----------------|
| Net profit                                                                                             |           | 12,221          | 2,795           |
| <i>Adjustments</i>                                                                                     |           |                 |                 |
| Depreciation and amortisation, and write-downs                                                         | 9 10 11   | 26,392          | 23,531          |
| Income taxes for the period                                                                            | 32        | (89)            | (1,784)         |
| Performance Shares                                                                                     |           | 526             | 475             |
| Provisions (utilization) and post-employment benefits                                                  |           | (2,259)         | 4,836           |
| Capital loss (gain) from the disposal of intangible assets, property, plant and equipment, investments |           | (1,166)         | (2)             |
| Capital loss (gain) from the measurement of financial assets                                           |           | —               | —               |
| (Income) expense of equity-accounted investees                                                         | 31        | (580)           | (99)            |
| Net financial expense on loans, leases and derivative transactions                                     | 30        | 4,484           | 2,787           |
| Other non-monetary adjustments to assets held for sale                                                 |           | (6,379)         | (4,517)         |
| <b>Cash flow generated from operations</b>                                                             |           | <b>33,150</b>   | <b>28,022</b>   |
| (Increase) decrease in trade receivables                                                               |           | 24,424          | 27,041          |
| (Increase) decrease in inventory                                                                       |           | (20,847)        | (35,899)        |
| Increase (decrease) in trade payables                                                                  |           | (43,423)        | (18,889)        |
| Income tax payments                                                                                    |           | (13,638)        | (18,079)        |
| Advances and post-employment benefits                                                                  |           | (1,732)         | (2,677)         |
| Net change in other assets/liabilities                                                                 |           | (22,604)        | (34,448)        |
| Cash flow generated from (absorbed by) assets held for sale                                            |           | 374             | (1,835)         |
| <b>Cash flow generated from (absorbed by) operations</b>                                               |           | <b>(44,296)</b> | <b>(56,764)</b> |
| Price collected (paid) net of cash transferred/acquired                                                |           | 10,972          | 2,316           |
| (Purchase) disposal of intangible assets                                                               |           | (14,585)        | (12,612)        |
| (Purchase) disposal of property, plant and equipment                                                   |           | (8,681)         | (4,477)         |
| (Purchase) disposal of investments                                                                     |           | 917             | (9,021)         |
| (Purchase) disposal of financial assets                                                                |           | 1,418           | (21,188)        |
| Cash flow generated from (absorbed by) assets held for sale                                            |           | —               | 75              |
| <b>Cash flow generated from (absorbed by) investing activities</b>                                     |           | <b>(9,959)</b>  | <b>(44,907)</b> |
| Net change in financial liabilities                                                                    |           | 83,481          | 53,800          |
| Payment of net financial expense on loans and transactions with derivatives                            |           | (1,109)         | (749)           |
| Net refund leases                                                                                      |           | (8,184)         | (7,692)         |
| Interest on leases                                                                                     |           | (954)           | (1,116)         |
| (Purchase) disposal of treasury shares                                                                 |           | (347)           | (221)           |
| Dividends distributed                                                                                  |           | (29,214)        | (22,161)        |
| Cash flow generated from (absorbed by) assets held for sale                                            |           | —               | (19)            |
| <b>Cash flow generated from (absorbed by) financing activities</b>                                     |           | <b>43,673</b>   | <b>21,842</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>                                                |           | <b>(10,582)</b> | <b>(79,829)</b> |
| <b>Cash and cash equivalents at beginning of the period</b>                                            | <b>24</b> | <b>34,941</b>   | <b>90,714</b>   |
| <b>Cash and cash equivalents end of period</b>                                                         | <b>24</b> | <b>24,359</b>   | <b>10,885</b>   |

71

For the Board of Directors  
The Chairman  
Marina Berlusconi





**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION PURSUANT  
TO CONSOB REGULATION no. 15519 OF 27 JULY 2006**

| <b>Assets</b>                            | Notes | <b>30/06/2023</b> | <b>of which related parties (Note 36)</b> | <b>31/12/2022</b> | <b>of which related parties (Note 36)</b> |
|------------------------------------------|-------|-------------------|-------------------------------------------|-------------------|-------------------------------------------|
| <b>Intangible assets</b>                 | 9     | <b>386,102</b>    | —                                         | <b>372,297</b>    | —                                         |
| Land and building                        |       | —                 | —                                         | —                 | —                                         |
| Plant and equipment                      |       | 10,925            | —                                         | 3,280             | —                                         |
| Other fixed assets                       |       | 20,524            | —                                         | 20,854            | —                                         |
| <b>Property, plant and equipment</b>     | 10    | <b>31,449</b>     | —                                         | <b>24,133</b>     | —                                         |
| <b>Assets from rights of use</b>         | 11    | <b>67,146</b>     | —                                         | <b>68,453</b>     | —                                         |
| Equity-accounted investees               |       | 13,714            | —                                         | 28,450            | —                                         |
| Other investments                        |       | 260               | —                                         | 1,298             | —                                         |
| <b>Total investments</b>                 | 12    | <b>13,974</b>     | —                                         | <b>29,748</b>     | —                                         |
| Non-current financial assets             | 24    | 12,447            | 2,950                                     | 13,410            | 2,950                                     |
| Deferred tax assets                      | 13    | 67,125            | 10,674                                    | 67,878            | 11,018                                    |
| Other non-current assets                 | 14    | 1,871             | —                                         | 168               | —                                         |
| <b>Total non-current assets</b>          |       | <b>580,113</b>    | <b>13,624</b>                             | <b>576,088</b>    | <b>13,968</b>                             |
| Tax receivables                          | 15    | 19,425            | 3,458                                     | 9,049             | 159                                       |
| Other current assets                     | 16    | 84,694            | 126                                       | 72,213            | 308                                       |
| Inventory                                | 17    | 177,119           | —                                         | 151,353           | —                                         |
| Trade receivables                        | 18    | 158,593           | 10,246                                    | 161,230           | 26,555                                    |
| Other current financial assets           | 24    | 1,857             | —                                         | 614               | —                                         |
| Cash and cash equivalents                | 24    | 24,358            | —                                         | 34,941            | —                                         |
| <b>Total current assets</b>              |       | <b>466,046</b>    | <b>13,830</b>                             | <b>429,399</b>    | <b>27,022</b>                             |
| Discontinued or discontinuing operations |       | —                 | —                                         | 1,159             | —                                         |
| <b>Total Assets</b>                      |       | <b>1,046,159</b>  | <b>27,454</b>                             | <b>1,006,647</b>  | <b>40,990</b>                             |

| <b>Liabilities</b><br>(Euro/thousands)                               | Notes | 30/06/2023       | of which related parties (Note 36) | 31/12/2022       | of which related parties (Note 36) |
|----------------------------------------------------------------------|-------|------------------|------------------------------------|------------------|------------------------------------|
| Share Capital                                                        |       | 67,979           |                                    | 67,979           |                                    |
| Treasury shares                                                      |       | (2,371)          | —                                  | (2,024)          | —                                  |
| Other reserves and profit/loss carried forward                       |       | 162,072          | —                                  | 141,540          | —                                  |
| Profit (Loss) for the year                                           |       | 12,221           | —                                  | 52,067           | —                                  |
| <b>Group equity</b>                                                  | 19    | <b>239,901</b>   | —                                  | <b>259,562</b>   | —                                  |
| Share capital and reserves attributable to non-controlling interests | 19    | 721              | —                                  | 1,263            | —                                  |
| <b>Total Equity</b>                                                  |       | <b>240,622</b>   | —                                  | <b>260,826</b>   | —                                  |
| Provisions                                                           | 20    | 40,453           | —                                  | 41,922           | —                                  |
| Post-employment benefits                                             | 21    | 28,446           | —                                  | 28,350           | —                                  |
| Non-current financial liabilities                                    | 24    | 132,787          | —                                  | 119,250          | —                                  |
| Financial liabilities IFRS 16                                        | 24    | 57,233           | —                                  | 58,096           | —                                  |
| Deferred tax liabilities                                             | 13    | 40,599           | —                                  | 42,255           | —                                  |
| Other non-current liabilities                                        |       | —                | —                                  | —                | —                                  |
| <b>Total non-current liabilities</b>                                 |       | <b>299,517</b>   | —                                  | <b>289,873</b>   | —                                  |
| Income tax payables                                                  | 15    | 392              | —                                  | 10,671           | 10,061                             |
| Other current liabilities                                            | 22    | 141,543          | 67                                 | 142,049          | 354                                |
| Trade payables                                                       | 23    | 229,925          | 3,348                              | 252,689          | 6,366                              |
| Payables to banks and other financial liabilities                    | 24    | 121,119          | —                                  | 36,717           | 461                                |
| Financial liabilities IFRS 16                                        | 24    | 13,042           | —                                  | 13,166           | —                                  |
| <b>Total current liabilities</b>                                     |       | <b>506,020</b>   | <b>3,415</b>                       | <b>455,292</b>   | <b>17,242</b>                      |
| Liabilities disposed or being disposed of                            |       | —                | 0                                  | 655              | —                                  |
| <b>Total liabilities</b>                                             |       | <b>1,046,159</b> | <b>3,415</b>                       | <b>1,006,647</b> | <b>17,242</b>                      |

**CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB  
RESOLUTION NO. 15519 OF 27 JULY 2006**

| (Euro/thousands)                                                  | Notes | 30/06/2023     | of which related parties (Note 36) | of which non-recurring (income) expense (Note 35) | 30/06/2022     | of which related parties (Note 36) | of which non-recurring (income) expense (Note 35) |
|-------------------------------------------------------------------|-------|----------------|------------------------------------|---------------------------------------------------|----------------|------------------------------------|---------------------------------------------------|
| <b>Revenues from sales and services</b>                           | 25    | <b>362,381</b> | <b>37,200</b>                      |                                                   | <b>355,079</b> | <b>9,065</b>                       | <b>—</b>                                          |
| Decrease (increase) in inventory                                  | 17    | (24,163)       | —                                  | —                                                 | (32,108)       | —                                  | —                                                 |
| Cost of raw and ancillary materials,                              | 26    | 77,778         | 71                                 | —                                                 | 78,052         | 672                                | —                                                 |
| Cost of services                                                  | 27    | 207,872        | 9,333                              | —                                                 | 218,382        | 3,759                              | —                                                 |
| Cost of personnel                                                 | 28    | 68,319         | (119)                              | —                                                 | 69,951         | —                                  | —                                                 |
| Sundry expense (income)                                           | 29    | (7,773)        | 58                                 | (2,880)                                           | (5,954)        | 178                                | (790)                                             |
| <b>EBITDA</b>                                                     |       | <b>40,347</b>  | <b>27,857</b>                      | <b>2,880</b>                                      | <b>26,755</b>  | <b>4,456</b>                       | <b>790</b>                                        |
| Amortisation and impairment loss on intangible assets             | 9     | 15,774         | —                                  | —                                                 | 14,519         | —                                  | —                                                 |
| Depreciation and impairment loss on property, plant and equipment | 10    | 3,299          | —                                  | —                                                 | 2,028          | —                                  | —                                                 |
| Depreciation and impairment loss                                  | 11    | 7,319          | —                                  | —                                                 | 6,983          | —                                  | —                                                 |
| <b>EBIT</b>                                                       |       | <b>13,955</b>  | <b>27,857</b>                      | <b>2,880</b>                                      | <b>3,224</b>   | <b>4,456</b>                       | <b>790</b>                                        |
| Financial expense (income)                                        | 30    | 3,448          | (47)                               | —                                                 | 2,867          | (11)                               | —                                                 |
| Expense (income) from other investments                           | 31    | (1,771)        | —                                  | (416)                                             | (99)           | —                                  | —                                                 |
| <b>Result before tax</b>                                          |       | <b>12,278</b>  | <b>27,904</b>                      | <b>3,296</b>                                      | <b>457</b>     | <b>4,467</b>                       | <b>790</b>                                        |
| Income tax                                                        | 32    | (89)           | (1,849)                            | (749)                                             | (1,784)        | —                                  | (840)                                             |
| <b>Result from continuing operations</b>                          |       | <b>12,367</b>  | <b>29,753</b>                      | <b>4,045</b>                                      | <b>2,240</b>   | <b>4,467</b>                       | <b>1,630</b>                                      |
| Profit/(loss) from operations                                     |       |                | —                                  | —                                                 |                | —                                  | —                                                 |
| <b>Net profit</b>                                                 |       | <b>12,367</b>  | <b>29,753</b>                      | <b>4,045</b>                                      | <b>2,240</b>   | <b>4,467</b>                       | <b>1,630</b>                                      |
| Attributable to:                                                  |       |                |                                    |                                                   |                |                                    |                                                   |
| - Non-controlling interests                                       |       | 146            | —                                  | —                                                 | (554)          | —                                  | —                                                 |
| - Parent Company shareholders                                     |       | 12,221         | 29,753                             | 4,045                                             | 2,795          | 4,467                              | 1,630                                             |



# EXPLANATORY NOTES

## 1. General information

The core business of Arnoldo Mondadori Editore S.p.A. and of its directly or indirectly owned companies (hereinafter 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.

Mondadori’s business areas offer products and services that harness cutting-edge digital technology, thus expanding the sales portfolio.

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 condensed consolidated half-year financial statements of the Mondadori Group for the period ended 30 June 2023 was authorized by the Board of Directors’ resolution of 1 August 2023.

## 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 2022.

77

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

- in the consolidated statements of financial position, current and non-current assets and current and non-current liabilities are shown separately;
- 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 year as required or allowed by the 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 were prepared 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. CONSOLIDATION PRINCIPLES AND SCOPE

*Changes in consolidation scope*

During the first half of 2023, the Mondadori Group completed the following extraordinary transactions:

- the acquisition of an additional 25% of A.L.I.-Agenzia Libreria Internazionale S.r.l., as a result of the exercise of the call option envisaged in the sale and purchase agreement signed in May 2022, which resulted in obtaining control of the investment and the consequent line-by-line consolidation as at 1 January 2023;
- in January, the acquisition of 100% of Power S.r.l., a company specialising in the exclusive management of talent and the editorial and commercial support for its promotion on the market;
- in January, the acquisition of 100% of Webboh S.r.l., a company specialising in news and gossip of prevailing interest to the GEN Z digital generation and active on social and web accounts;
- in January, the acquisition of 100% of Grafiche Bovini S.r.l., a company dedicated to printing the publishing products of Edizioni Star Comics S.r.l.;
- in January, the sale of the editorial and print activities relating to the titles *Grazia* and *Icon*, and the licensing contracts for the publication of the magazines abroad; the sale of the contract relating to the publication of *Grazia* in the Chinese market was formalised in June;
- the sale of the entire stake held in Società Europea di Edizioni S.p.A., which took place in April.

#### *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 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 2022, have been used herein. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

78

#### *Changes in accounting standards*

Below are the amendments to the accounting standards, which apply for the first time in 2023 and which had no impact on the Group's condensed consolidated half-year financial statements:

- *Definition of accounting estimates - Amendments to IAS 8*
- *Presentation of financial statements - Amendment to IAS 1 and IFRS 2*
- *Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 12*

## **4. Segment information**

The information required by IFRS 8 is supplied taking into account the Group's organisational structure, divided into business units in terms of products sold and services rendered and, consistently with the corporate reporting, is used by the Top Management in the definition of corporate strategies and plans, as well as in the valuation of investment opportunities and allocation of resources.

The business areas identified are as follows: Trade Books, Education Books, Retail, Media and Corporate & Shared Services.

Compared to the published representation as at 31 December 2022, the Books area was broken down into Trade Books and Education Books.

## 5. USE OF ESTIMATES

The drafting of these condensed consolidated half-year financial statements and the notes required the use of estimates and assumptions by the Directors, which have an impact on the value of assets and liabilities and on the disclosures relating to potential assets and liabilities at closing, based on the application of the IAS/IFRS accounting standards.

Estimates are based on the current status of information available, are reviewed periodically, and the effects are reflected in the income statement.

The most significant estimates refer to:

### **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.

79

### **Depreciation and amortisation**

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 analyses carried out both for published literary works and those 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 taking account of 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 the Group measures the quantities that are expected to be returned in the following years: this estimate is based on historical statistics and takes account also of the level of circulation and any other elements that may affect the quantities of books and magazines returned.

### 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.

## 6. BUSINESS COMBINATIONS AND ACQUISITIONS

80

### *Sale of the magazines Grazia and Icon*

On 10 January 2023, the Mondadori Group, through the subsidiary Mondadori Media S.p.A., executed the contract of sale to Reworld Media S.A. of the paper and digital publishing business of the magazines Grazia and Icon, as well as the related international licences network.

The transaction was completed with the transfer of the business unit heading the operations disposed of to a newly-incorporated company and the concurrent disposal to Reworld Media of 100% of the share capital of the transferee.

The transaction resulted in a gain of € 2,880 thousand.

### *Acquisition of 100% of Power S.r.l.*

On 12 January 2023, Mondadori Media S.p.A. acquired a stake in the entire share capital of Power S.r.l., a company operating in the talent management and promotion sector on the digital market.

The consideration for the transaction amounted to € 770 thousand; the share purchase agreement did not provide for any price revisions or additions.

### *Acquisition of 25% of A.L.I. S.r.l. - Agenzia Libreria International*

On 13 January 2023, the Mondadori Group finalised, through its subsidiary Mondadori Libri S.p.A., the acquisition of a further 25% stake in A.L.I. S.r.l. - Agenzia Libreria International, which operates in the distribution of books.

The transaction - as a result of which the Mondadori Group increased its stake in A.L.I. to 75%, which is therefore subject to line-by-line consolidation as from January 2023 - took place in execution of the agreements defined on 11 May 2022 upon acquisition of an initial 50% stake.

The consideration amounted to approximately € 9,870, determined on the basis of the average 2021-2022 EBITDA and A.L.I.'s positive net financial position as at 31 December 2022.

The defined agreements gave the Mondadori Group the right to acquire the remaining 25% at a price to be determined on the basis of an average 2023-2024 EBITDA, through the exercise of options starting 30 July 2025.

#### *Acquisition of 100% of Grafiche Bovini S.r.l.*

On 20 January 2023, Mondadori Libri S.p.A. acquired a stake in the entire share capital of Grafiche Bovini S.r.l., a company operating in the printing of publishing products of Editoriale Star Comics S.r.l..

The consideration for the transaction was € 2,814 thousand; no revision or addition to the price is provided for in the share purchase agreement.

#### *Acquisition of 100% of Webboh S.r.l.*

On 31 January 2023, Mondadori Media S.p.A. acquired an investment in the entire share capital of Webboh S.r.l., a company operating on the web and social accounts, specialising in the production and publication of posts and editorial products, news and gossip of primary interest to the GEN Z digital generation.

The consideration for the transaction was € 1,126 thousand, including the earn-out recognised upon the achievement of targets set for FY 2022; the share purchase agreement also provides for two other earn-outs upon the achievement of targets for 2023 and 2024, to be determined on the basis of the financial statements of the respective years.

81

#### *Sale of the stake held in Società Europea di Edizioni S.p.A.*

With effect from 20 April 2023, Arnoldo Mondadori Editore S.p.A. sold to PBF S.r.l. the entire share held in Società Europea di Edizioni S.p.A., publisher of the daily newspaper *il Giornale*, equal to 18.455%, for a price of € 2,316 thousand, not subject to any adjustment.

The transaction resulted in a gain of € 1,191 thousand.

For all the acquisitions summarised, in connection with the Purchase Price Allocation process, the Group has entered provisional values that may later be subject to adjustments in the financial year of reference within twelve months thereafter, so as to take account of any new information about facts and circumstances existing at the acquisition date, that, if made available earlier, would have had an impact on the value of the assets and liabilities recognized on that same date.

## **7. NON-RECURRING INCOME AND EXPENSE**

As required by CONSOB resolution no. 15519 of 27 July 2006, any income and expense deriving from non-recurring transactions are recognized in the income statement.

Transactions and events are considered non-recurring when, by nature, they do not occur repeatedly during normal business operations.

The relevant effects were outlined in a separate table in these “Explanatory notes to the financial statements”.

## 8. IMPAIRMENT PROCESS

For the purpose of preparing these interim condensed financial statements, an impairment test was carried out to identify any impairment values, as required by IAS 36.

External data and sources of information were observed and internal data and sources of information were analysed; the following indications emerged from this verification activity:

- the international geopolitical situation, which is mainly characterised by the war between Russia and Ukraine, as already indicated in the Annual Report as at 31 December 2022, has had no direct impact on the markets in which the Mondadori Group operates. Indirect impacts, represented mainly by the increase in energy costs and raw material costs (paper), have been effectively offset by carefully-focussed corrective actions as shown by the final figures for the first half of the year and the latest forecasts for the full year 2023;
- market capitalisation as at 30 June 2023, amounting to € 524 million, up from December 2022 (€ 473 million) and June 2022 (€ 447 million), is well above the net equity figure recorded of € 240.6 million;
- the most recent reports drawn up by financial analysts on Mondadori shares give “buy” or “outperform” indications, with a target price of between € 2.5 and € 3.5, against a share price on 30 June 2023 of € 2.005;
- the WACC as at 30 June 2023 does not show any significant changes compared to the values used in the impairment process performed for the FY 2022 financial statements;
- in the first half of 2023, all the Group's business units achieved higher revenues and margins than the targets contained in the budget and the results recorded in the same period of the previous year.

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 2023 with the forecasts for the same period included in the plan approved by the Board of Directors on 16 February 2022 and used for the impairment test for the purpose of the 2022 financial statements;
- the full-year 2023 forecast figures included in the Plan with those included in the new 2023 forecast.

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

9. Intangible assets

"Intangible assets", amounting to € 386,102 thousand, increased by € 13,805 thousand versus 31 December 2022, due mainly to the acquisitions referred to in Note 6.

| Intangible assets<br>(Euro/thousands)         | 30/06/2023 | 31/12/2022 |
|-----------------------------------------------|------------|------------|
| Intangible assets with finite useful life     | 129,029    | 132,681    |
| Intangible assets with indefinite useful life | 257,072    | 239,616    |
| Total intangible assets                       | 386,102    | 372,297    |

"Intangible assets with finite useful life", amounting to € 129,029 thousand, down versus € 132,681 thousand at 31 December 2022, includes the values of magazines, trademarks and websites and digital platforms relating to the Media Area.

In "Cost of development" and "Other assets, assets in progress and advances", the most significant amounts are represented by costs incurred in the school textbooks segment for the creation of new publishing projects.

| Intangible assets with finite useful life                    | Titles | Trademarks | Customer lists | Software, licenses, patents and rights | Development costs | Other assets, progress and advances | Total    |
|--------------------------------------------------------------|--------|------------|----------------|----------------------------------------|-------------------|-------------------------------------|----------|
| (Euro/thousands)                                             |        |            |                |                                        |                   |                                     |          |
| Historic cost at 31 December 2021                            | 90,365 | 28,367     | 611            | 64,394                                 | 102,460           | 12,775                              | 298,972  |
| Investments                                                  | —      | —          | 1,250          | 15,969                                 | 12,850            | 10,451                              | 40,520   |
| Disposals                                                    | —      | —          | —              | (222)                                  | (159)             | —                                   | (381)    |
| Change in scope                                              | —      | 1,431      | —              | 494                                    | 851               | 60                                  | 2,836    |
| Other changes                                                | —      | (24)       | —              | (953)                                  | (41,132)          | (5,972)                             | (48,081) |
| Historic cost at 31 December 2022                            | 90,365 | 29,774     | 1,861          | 79,682                                 | 74,870            | 17,314                              | 293,866  |
| Accumulated amortisation and impairment losses at 31/12/2021 | 41,671 | 15,510     | 153            | 25,282                                 | 84,070            | 3,096                               | 169,782  |
| Depreciation and amortisation                                | 2,910  | 1,390      | 387            | 9,028                                  | 17,734            | 463                                 | 31,912   |
| Write-downs (write-backs)                                    | 6,730  | 489        | —              | —                                      | 156               | —                                   | 7,375    |
| Disposals                                                    | —      | —          | —              | (222)                                  | (159)             | —                                   | (381)    |
| Change in scope                                              | —      | —          | —              | 381                                    | 180               | 17                                  | 578      |
| Other changes                                                | —      | (19)       | —              | (1,617)                                | (46,559)          | 114                                 | (48,081) |
| Accumulated amortisation and impairment losses at 31/12/2022 | 51,311 | 17,370     | 540            | 32,852                                 | 55,422            | 3,690                               | 161,185  |
| Net value at 31/12/2021                                      | 48,694 | 12,857     | 458            | 39,112                                 | 18,390            | 9,679                               | 129,190  |
| Net value at 31/12/2022                                      | 39,054 | 12,404     | 1,321          | 46,830                                 | 19,448            | 13,624                              | 132,681  |

Investments in the first half of 2023 amounted to € 12,041 thousand, mainly represented by the costs for the creation of new publications in the educational area (€ 5,770 thousand reported under “Development costs” and € 3,976 thousand under “Assets in progress”).

| <b>Intangible assets with finite useful life</b><br>(Euro/thousands) | <b>Titles</b> | <b>Trademarks</b> | <b>Customer lists</b> | <b>Software, licenses, patents and rights</b> | <b>Development costs</b> | <b>Other assets, assets in progress and advances</b> | <b>Total</b>   |
|----------------------------------------------------------------------|---------------|-------------------|-----------------------|-----------------------------------------------|--------------------------|------------------------------------------------------|----------------|
| Historic cost at 31 December 2022                                    | 90,365        | 29,774            | 1,861                 | 79,682                                        | 74,870                   | 17,314                                               | 293,866        |
| Investments                                                          | —             | —                 | —                     | 141                                           | 5,770                    | 6,130                                                | 12,041         |
| Disposals                                                            | —             | —                 | —                     | —                                             | —                        | —                                                    | —              |
| Change in scope                                                      | —             | (290)             | —                     | 909                                           | —                        | 303                                                  | 922            |
| Other changes                                                        | —             | —                 | —                     | 3,442                                         | 5,341                    | (8,811)                                              | (28)           |
| Historic cost at 30 June 2023                                        | 90,365        | 29,484            | 1,861                 | 84,174                                        | 85,981                   | 14,936                                               | 306,801        |
| Accumulated amortisation and impairment losses at 31/12/2022         | 51,311        | 17,370            | 540                   | 32,852                                        | 55,422                   | 3,690                                                | 161,185        |
| Depreciation and amortisation                                        | 1,271         | 649               | 233                   | 5,406                                         | 7,942                    | 273                                                  | 15,774         |
| Write-downs (write-backs)                                            | —             | —                 | —                     | —                                             | —                        | —                                                    | —              |
| Disposals                                                            | —             | —                 | —                     | —                                             | —                        | —                                                    | —              |
| Change in scope                                                      | —             | 72                | —                     | 773                                           | —                        | 1                                                    | 846            |
| Other changes                                                        | —             | —                 | —                     | 45                                            | (45)                     | (33)                                                 | (33)           |
| Accumulated amortisation and impairment losses at 30/06/2023         | 52,582        | 18,091            | 773                   | 39,076                                        | 63,319                   | 3,931                                                | 177,772        |
| Net value at 31/12/2022                                              | 39,054        | 12,404            | 1,321                 | 46,830                                        | 19,448                   | 13,624                                               | 132,681        |
| <b>Net value at 30/6/2023</b>                                        | <b>37,783</b> | <b>11,393</b>     | <b>1,088</b>          | <b>45,098</b>                                 | <b>22,662</b>            | <b>11,005</b>                                        | <b>129,029</b> |

85

“Intangible assets with indefinite useful life” amounted to € 257,072 thousand, an increase of € 17,456 thousand, and included the value of trademarks and publishing series in the Books Area and goodwill.

| <b>Intangible assets with indefinite useful life</b><br>(Euro/thousands) | <b>Titles</b> | <b>Trademarks and series</b> | <b>Goodwill</b> | <b>Total</b>   |
|--------------------------------------------------------------------------|---------------|------------------------------|-----------------|----------------|
| Historic cost at 31 December 2021                                        | —             | 70,632                       | 161,910         | 232,542        |
| Investments                                                              | —             | 12,500                       | 4,346           | 16,846         |
| Disposals                                                                | —             | —                            | —               | —              |
| Change in scope                                                          | —             | 49                           | 84              | 133            |
| Other changes                                                            | —             | (20)                         | 26              | 6              |
| Historic cost at 31 December 2022                                        | —             | 83,161                       | 166,366         | 249,527        |
| Impairment loss at 31/12/2021                                            | —             | 994                          | 8,894           | 9,888          |
| Write-downs (write-backs)                                                | —             | 18                           | 25              | 43             |
| Other changes/disposals                                                  | —             | (20)                         | —               | (20)           |
| Impairment loss at 31/12/2022                                            | —             | 992                          | 8,919           | 9,911          |
| Net value at 31/12/2021                                                  | —             | 69,638                       | 153,016         | 222,654        |
| <b>Net value at 31/12/2022</b>                                           | <b>—</b>      | <b>82,169</b>                | <b>157,447</b>  | <b>239,616</b> |

As a result of the acquisition transactions completed in the first half of 2023, higher values attributed to goodwill in the amount of € 17,465 thousand emerged; this allocation is to be considered provisional, until the Purchase Price Allocation process is completed.

Other changes in the item "Goodwill" show the effect of the change in the euro-dollar exchange rate, relating to Rizzoli International Publications Inc..

| Intangible assets with indefinite useful life<br>(Euro/thousands) | Titles | Trademarks and series | Goodwill | Total   |
|-------------------------------------------------------------------|--------|-----------------------|----------|---------|
| Historic cost at 31 December 2022                                 | —      | 83,161                | 166,366  | 249,527 |
| Investments                                                       | —      | —                     | 17,465   | 17,465  |
| Disposals                                                         | —      | —                     | —        | —       |
| Change in scope                                                   | —      | —                     | —        | —       |
| Other changes                                                     | —      | —                     | (9)      | (9)     |
| Historic cost at 30 June 2023                                     | —      | 83,161                | 183,822  | 266,983 |
| Impairment loss at 31/12/2022                                     | —      | 992                   | 8,919    | 9,911   |
| Write-downs (write-backs)                                         | —      | —                     | —        | —       |
| Other changes/disposals                                           | —      | —                     | —        | —       |
| Impairment loss at 30/06/2023                                     | —      | 992                   | 8,919    | 9,911   |
| Net value at 31/12/2022                                           | —      | 82,169                | 157,447  | 239,616 |
| Net value at 30/6/2023                                            | —      | 82,169                | 174,903  | 257,072 |

86

### Amortisation, write-downs and write-backs of intangible assets

Amortisation and write-downs for the first half of 2023 amounted to € 15,774 thousand, up from € 14,519 thousand for the same period of 2022, due to higher amortisation resulting from investments in software, required to integrate the new companies that joined the Group, and from the acquisitions completed in 2022.

| Amortisation and impairment loss on intangible assets<br>(Euro/thousands) | 1H 2023       | 1H 2022       |
|---------------------------------------------------------------------------|---------------|---------------|
| Titles                                                                    | 1,271         | 1,469         |
| Trademarks                                                                | 649           | 725           |
| Customer lists                                                            | 233           | 76            |
| Software, licenses, patents and rights                                    | 5,406         | 4,194         |
| Development costs                                                         | 7,942         | 7,806         |
| Other intangible assets                                                   | 273           | 231           |
| <b>Total amortization of intangible assets</b>                            | <b>15,774</b> | <b>14,501</b> |
| Write-downs of intangible assets                                          | —             | 18            |
| Write-backs of intangible assets                                          | —             | —             |
| <b>Total write-downs (write-backs) of intangible assets</b>               | <b>—</b>      | <b>18</b>     |
| <b>Total amortization and impairment loss on intangible assets</b>        | <b>15,774</b> | <b>14,519</b> |

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

### 10. PROPERTY, PLANT AND EQUIPMENT

The net value of "Property, plant and equipment" as at 30 June 2023 amounted to € 31,449 thousand; the increase compared to 31 December 2022 of € 7,316 thousand, of which € 6,026 thousand was due to changes in the scope of consolidation.

The table below shows a breakdown of "Property, plant and equipment" in 2022 and in first half 2023:

| Property, plant and equipment<br>(Euro/thousands)          | Land | Instrumental<br>buildings | Plant and<br>equipment | Other tangible<br>assets | Total   |
|------------------------------------------------------------|------|---------------------------|------------------------|--------------------------|---------|
| Historic cost at 31 December 2021                          | —    | 117                       | 21,362                 | 61,031                   | 82,510  |
| Investments                                                |      | —                         | 1,123                  | 11,378                   | 12,501  |
| Disposals                                                  | —    | (117)                     | (420)                  | (1,468)                  | (2,005) |
| Change in scope                                            |      | —                         | 348                    | 1,777                    | 2,125   |
| Other changes                                              | —    | —                         | 13                     | (1,520)                  | (1,507) |
| Historic cost at 31 December 2022                          | —    | —                         | 22,426                 | 71,198                   | 93,624  |
| Accumulated depreciation and impairment loss at 31/12/2021 | —    | 117                       | 18,661                 | 49,139                   | 67,917  |
| Depreciation and amortisation                              | —    | —                         | 734                    | 3,545                    | 4,279   |
| Write-downs (write-backs)                                  | —    | —                         | 72                     | 248                      | 320     |
| Disposals                                                  | —    | (117)                     | (420)                  | (1,447)                  | (1,984) |
| Change in scope                                            | —    | —                         | 100                    | 366                      | 466     |
| Other changes                                              | —    | —                         | —                      | (1,507)                  | (1,507) |
| Accumulated depreciation and impairment loss at 31/12/2022 | —    | —                         | 19,147                 | 50,344                   | 69,491  |
| Net value at 31/12/2021                                    | —    | —                         | 2,701                  | 11,892                   | 14,593  |
| Net value at 31/12/2022                                    | —    | —                         | 3,279                  | 20,854                   | 24,133  |

Capital expenditure in H1 2023, amounting to € 4,653 thousand, refers mostly to the costs incurred by Mondadori Retail S.p.A. (€ 3,686 thousand), for site design, furnishings and leasehold improvements related to the opening of new bookstores, including Piazza Duomo, Milan, or the restyling of existing stores.

| Property, plant and equipment<br>(Euro/thousands)               | Land | Instrumental<br>buildings | Plant and<br>equipment | Other tangible<br>assets | Total         |
|-----------------------------------------------------------------|------|---------------------------|------------------------|--------------------------|---------------|
| Historic cost at 31 December 2022                               | —    | —                         | 22,426                 | 71,198                   | 93,624        |
| Investments                                                     | —    | —                         | 960                    | 3,693                    | 4,653         |
| Disposals                                                       | —    | —                         | (2,463)                | (6,053)                  | (8,516)       |
| Change in scope                                                 | —    | —                         | 9,825                  | 2,527                    | 12,352        |
| Other changes                                                   | —    | —                         | 2,661                  | (2,741)                  | (80)          |
| Historic cost at 30 June 2023                                   | —    | —                         | 33,409                 | 68,624                   | 102,033       |
| Accumulated amortisation and impairment losses at<br>31/12/2022 | —    | —                         | 19,147                 | 50,344                   | 69,491        |
| Depreciation and amortisation                                   | —    | —                         | 993                    | 2,306                    | 3,299         |
| Write-downs (write-backs)                                       | —    | —                         | —                      | —                        | —             |
| Disposals                                                       | —    | —                         | (2,458)                | (6,031)                  | (8,489)       |
| Change in scope                                                 | —    | —                         | 4,806                  | 1,520                    | 6,326         |
| Other changes                                                   | —    | —                         | (4)                    | (39)                     | (43)          |
| Accumulated amortisation and impairment losses at<br>30/06/2023 | —    | —                         | 22,484                 | 48,100                   | 70,584        |
| Net value at 31/12/2022                                         | —    | —                         | 3,279                  | 20,854                   | 24,133        |
| <b>Net value at 30/6/2023</b>                                   | —    | —                         | <b>10,925</b>          | <b>20,524</b>            | <b>31,449</b> |

“Other fixed assets” is broken down as follows:

88

| Other fixed assets<br>(Euro/thousands)    | 30/06/2023    | 31/12/2022    |
|-------------------------------------------|---------------|---------------|
| Industrial and commercial equipment       | 415           | 97            |
| Electronic office machinery               | 3,880         | 3,960         |
| Office furniture, facilities and fittings | 4,488         | 3,539         |
| Motor and transport vehicles              | 247           | 6             |
| Leasehold improvements                    | 10,098        | 5,342         |
| Other tangible assets and advances        | 1,396         | 7,910         |
| <b>Total other fixed assets</b>           | <b>20,524</b> | <b>20,854</b> |

### Depreciation of property, plant and equipment

Depreciation and write-downs for the first half of the year totalled € 3,299 thousand, up from € 2,028 thousand in the first half of 2022, due to Mondadori Retail S.p.A., which recognised depreciation of € 1,395 thousand (€ 965 thousand in 2022) with investments in stores and companies acquired during the half-year for € 596 thousand.

| <b>Depreciation and impairment loss on property, plant and equipment</b> | <b>1H 2023</b> | <b>1H 2022</b> |
|--------------------------------------------------------------------------|----------------|----------------|
| (Euro/thousands)                                                         |                |                |
| Buildings                                                                | —              | —              |
| Plant and equipment                                                      | 993            | 349            |
| Equipment                                                                | 76             | 31             |
| Electronic office machinery                                              | 926            | 718            |
| Furniture and furnishings                                                | 421            | 353            |
| Motor and transport vehicles                                             | 54             | 5              |
| Leasehold improvements                                                   | 826            | 572            |
| Other tangible assets                                                    | 4              |                |
| <b>Total depreciation of property, plant and equipment</b>               | <b>3,299</b>   | <b>2,028</b>   |
| Write-downs of tangible assets                                           | —              | —              |
| Write-backs of tangible assets                                           | —              | —              |
| <b>Total write-downs (write-backs) of property, plant and equipment</b>  | <b>—</b>       | <b>—</b>       |
| <b>Total depreciation and impairment loss on tangible assets</b>         | <b>3,299</b>   | <b>2,028</b>   |

## 11. ASSETS FROM RIGHTS OF USE

Assets from right of use, recorded in accordance with IFRS 16, amounted to € 67,146 thousand, decreasing by € 1,308 thousand versus 31 December 2022. This figure is the result of the contrasting effect:

- of the contribution of A.L.I.-Agenzia Libreria International S.r.l., amounting to € 5,085 thousand, of which the Group acquired control from January 2023, included in the item "Other changes";
- depreciation for the half-year, amounting to € 7,319 thousand.

89

| <b>Assets from rights of use</b>      | <b>Rights of use</b> | <b>Rights of use</b>  | <b>Rights of use</b> | <b>Rights of use in</b> | <b>Total</b>  |
|---------------------------------------|----------------------|-----------------------|----------------------|-------------------------|---------------|
| (Euro/thousands)                      | <b>buildings</b>     | <b>motor vehicles</b> | <b>hardware</b>      | <b>progress</b>         |               |
| Historic cost at 31 December 2021     | 112,044              | 1,427                 | 1,306                | 2,132                   | 116,909       |
| Investments                           | 39,543               | 384                   | —                    | —                       | 39,927        |
| Disposals                             | (5,398)              | —                     | —                    | —                       | (5,398)       |
| Other changes                         | (48,874)             | —                     | —                    | (2,132)                 | (51,006)      |
| Historic cost at 31 December 2022     | 97,315               | 1,811                 | 1,306                | —                       | 100,432       |
| Amortisation fund at 31 December 2021 | 34,801               | 849                   | 535                  | —                       | 36,185        |
| Depreciation and amortisation         | 13,406               | 443                   | 257                  | —                       | 14,106        |
| Disposals                             | (4,094)              | —                     | —                    | —                       | (4,094)       |
| Other changes                         | (14,218)             | (1)                   | —                    | —                       | (14,219)      |
| Amortisation fund at 31 December 2022 | 29,895               | 1,291                 | 792                  | —                       | 31,978        |
| Net value at 31/12/2021               | 77,243               | 578                   | 771                  | 2,132                   | 80,724        |
| <b>Net value at 31/12/2022</b>        | <b>67,420</b>        | <b>520</b>            | <b>514</b>           | <b>—</b>                | <b>68,454</b> |

| Assets from rights of use<br>(Euro/thousands) | Rights of use<br>buildings | Rights of use<br>motor vehicles | Rights of use<br>hardware | Rights of use in<br>progress | Total         |
|-----------------------------------------------|----------------------------|---------------------------------|---------------------------|------------------------------|---------------|
| Historic cost at 31 December 2022             | 97,315                     | 1,811                           | 1,306                     | —                            | 100,432       |
| Investments                                   | 5,135                      | —                               | —                         | —                            | 5,135         |
| Disposals                                     | (10,458)                   | —                               | —                         | —                            | (10,458)      |
| Other changes                                 | 5,818                      | —                               | —                         | —                            | 5,818         |
| Historic cost at 30 June 2023                 | 97,811                     | 1,811                           | 1,306                     | —                            | 100,928       |
| Amortisation fund at 31 December 2022         | 29,897                     | 1,290                           | 792                       | —                            | 31,980        |
| Depreciation and amortisation                 | 7,046                      | 144                             | 128                       | —                            | 7,319         |
| Disposals                                     | (5,937)                    | —                               | —                         | —                            | (5,937)       |
| Other changes                                 | 421                        | (1)                             | —                         | —                            | 420           |
| Amortisation fund at 30 June 2023             | 31,427                     | 1,434                           | 921                       | —                            | 33,782        |
| Net value at 31/12/2022                       | 67,420                     | 520                             | 514                       | —                            | 68,454        |
| <b>Net value at 30/6/2023</b>                 | <b>66,384</b>              | <b>377</b>                      | <b>385</b>                | <b>—</b>                     | <b>67,146</b> |

## 12. INVESTMENTS

"Equity-accounted investees" and "Investments in other companies" amounting to € 13,974 thousand, down by € 15,774 thousand.

| Investments<br>(Euro/thousands) | 30/06/2023    | 31/12/2022    |
|---------------------------------|---------------|---------------|
| Equity-accounted investees      | 13,714        | 28,450        |
| Investments in other companies  | 260           | 1,298         |
| <b>Total investments</b>        | <b>13,974</b> | <b>29,748</b> |

"Equity-accounted investees", amounting to € 13,714 thousand, decreased by € 14,736 thousand.

During the year, the most significant changes were the acquisition of control of A.L.I.-Agenzia Libreria Internazionale S.r.l., consolidated on a line-by-line basis starting 1 January, which led to a decrease in the balance of € 12,447 thousand, and the result of Mondadori SEEC Advertising Co. Ltd.

In 2023, the Group received dividends in the amount of € 2,153 thousand, distributed by Edizioni EL S.r.l. (€ 1,106 thousand), Mediamond S.p.A. (€ 1,000 thousand) and Digital Advertising & Engagement S.A. (€ 47 thousand).

| <b>Equity-accounted investees - Details</b><br>(Euro/thousands) | <b>30/06/2023</b> | <b>31/12/2022</b> |
|-----------------------------------------------------------------|-------------------|-------------------|
| Investments in joint ventures:                                  |                   |                   |
| - Edizioni EL S.r.l.                                            | 3,579             | 4,157             |
| - Attica Publications Group                                     | 7,018             | 6,968             |
| - Mediamond S.p.A.                                              | 1,210             | 2,390             |
| - Mondadori Seec Advertising Co. Ltd                            | 853               | 1,425             |
| - A.L.I.-Agenzia Libreria Internazionale S.r.l.                 | —                 | 12,477            |
| <b>Total investments in joint ventures</b>                      | <b>12,660</b>     | <b>27,387</b>     |
| Investments in associates:                                      |                   |                   |
| - Digital Advertising S.r.l.                                    | 336               | 471               |
| - Press-Di Distribuzione Stampa Multimedia S.r.l.               | 685               | 592               |
| - Editrice AAM Terranuova S.r.l.                                | 33                | —                 |
| <b>Total investments in associates</b>                          | <b>1,054</b>      | <b>1,063</b>      |
| <b>Total equity-accounted investees</b>                         | <b>13,714</b>     | <b>28,450</b>     |

The value of "Investments in other companies", amounting to € 260 thousand, decreased by € 1,038 thousand due to the sale of the share held in Società Europea di Edizioni S.p.A..

| <b>Investments in other companies - Details</b><br>(Euro/thousands) | <b>30/06/2023</b> | <b>31/12/2022</b> |
|---------------------------------------------------------------------|-------------------|-------------------|
| Investments in other companies:                                     |                   |                   |
| - Società Europea di Edizioni S.p.A.                                | —                 | 1,038             |
| - Società Editrice Il Mulino S.p.A.                                 | 197               | 197               |
| - Consuedit S.r.l.                                                  | 1                 | 1                 |
| - Immobiliare Editori Giornali S.r.l.                               | 52                | 52                |
| - Consorzio Edicola Italiana                                        | 10                | 10                |
| <b>Total investments in other companies</b>                         | <b>260</b>        | <b>1,298</b>      |

The results achieved by the associates in the first half of 2023 were negative for a total of € 720 thousand, to which the income from the fair value measurement of the stake already held in A.L.I.-Agenzia Libreria Internazionale S.r.l. is added, at the date control was acquired (€ 1,300 thousand), and the capital gain realised on the sale of Società Europea di Edizioni S.p.A. (€ 1,191 thousand).

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

“Deferred tax assets”, amounting to € 67,125 thousand, and “Deferred tax liabilities”, amounting to € 40,599 thousand, respectively decreased by € 753 thousand and € 1,656 thousand.

| (Euro/thousands)                      | 30/06/2023    | 31/12/2022    |
|---------------------------------------|---------------|---------------|
| IRES on tax losses                    | 1,754         | 1,754         |
| Deferred IRES                         | 60,061        | 60,781        |
| Deferred IRAP                         | 5,310         | 5,343         |
| <b>Total deferred tax assets</b>      | <b>67,125</b> | <b>67,878</b> |
| Deferred IRES                         | 35,543        | 37,069        |
| Deferred IRAP                         | 5,056         | 5,187         |
| <b>Total deferred tax liabilities</b> | <b>40,599</b> | <b>42,255</b> |

The decrease in the value of “Deferred tax assets” was due to:

- the change in the scope of consolidation, which generated an increase of € 604 thousand;
- the development of taxed provisions and other temporary differences, which resulted in a total reduction of € 1,357 thousand.

92

The Directors believe that the amounts recognised are fully recoverable, considering:

- the possibility of a pre-deduction of up to 80% of the Group's prior-years’ tax losses from taxable income, in accordance with the agreement governing relations with the consolidating entity Fininvest S.p.A.;
- the right to carry forward tax losses without time restrictions;
- the performance estimates contained in the 2023-2025 Medium-Term Plan, which was approved by the Board of Directors on 16 February 2023.

Components that led to the recognition of pre-paid tax

| (Euro/thousands)                                                                                                    | 30/06/2023     |                  |                    | 31/12/2022     |                  |                    |
|---------------------------------------------------------------------------------------------------------------------|----------------|------------------|--------------------|----------------|------------------|--------------------|
|                                                                                                                     | Total          | Current tax rate | Prepaid tax assets | Total          | Current tax rate | Prepaid tax assets |
| Difference between book value and tax value of intangible assets                                                    | 8,761          | (*)              | 2,103              | 11,084         | (*)              | 2,659              |
| Difference between book value and tax value of investment property and investments in property, plant and equipment | 1,538          | (*)              | 369                | 1,495          | (*)              | 359                |
| Provision for bad debts                                                                                             | 17,628         | (*)              | 4,256              | 17,327         | (*)              | 4,184              |
| Write-down of inventory                                                                                             | 29,629         | (*)              | 7,146              | 33,807         | (*)              | 8,149              |
| Write-down of advances to authors                                                                                   | 59,273         | (*)              | 14,238             | 54,043         | (*)              | 12,983             |
| Provisions                                                                                                          | 41,301         | (*)              | 9,912              | 43,428         | (*)              | 10,423             |
| Post-employment benefits                                                                                            | 890            | (*)              | 214                | 803            | (*)              | 193                |
| Elimination of intercompany income                                                                                  | 7,875          | (*)              | 1,890              | 7,325          | (*)              | 1,758              |
| Returns to receive                                                                                                  | 33,092         | (*)              | 7,942              | 32,215         | (*)              | 7,732              |
| Amendment rights to existing tax consolidation                                                                      | 44,475         | (*)              | 10,674             | 45,904         | (*)              | 11,018             |
| Other temporary differences                                                                                         | 5,488          | (*)              | 1,317              | 5,362          | (*)              | 1,323              |
| <b>Total for IRES purposes</b>                                                                                      | <b>249,950</b> |                  | <b>60,061</b>      | <b>252,793</b> |                  | <b>60,781</b>      |
| Difference between book value and tax value of intangible assets                                                    | 8,628          | (*)              | 337                | 10,450         | (*)              | 407                |
| Difference between book value and tax value of investment property and investments in property, plant and equipment | 296            | (*)              | 12                 | 302            | (*)              | 12                 |
| Write-down of inventory                                                                                             | 26,089         | (*)              | 1,017              | 30,239         | (*)              | 1,179              |
| Write-down of advances to authors                                                                                   | 57,771         | (*)              | 2,253              | 52,422         | (*)              | 2,045              |
| Provisions                                                                                                          | 1,630          | (*)              | 64                 | 2,243          | (*)              | 87                 |
| Post-employment benefits                                                                                            | 228            | (*)              | 9                  | 1,123          | (*)              | 44                 |
| Elimination of intercompany income                                                                                  | 7,846          | (*)              | 306                | 7,282          | (*)              | 284                |
| Returns to receive                                                                                                  | 33,092         | (*)              | 1,291              | 32,215         | (*)              | 1,257              |
| Other temporary differences                                                                                         | 572            | (*)              | 21                 | 715            | (*)              | 28                 |
| <b>Total for IRAP purposes</b>                                                                                      | <b>136,152</b> |                  | <b>5,310</b>       | <b>136,991</b> |                  | <b>5,343</b>       |

(\*) 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 account of the distribution of the tax base by region.

The decrease in the value of "Deferred tax liabilities" is mainly determined by the combined effect:

- of the change in scope, which resulted in an increase of € 350 thousand;
- of the decrease in the cash flow hedge reserve;
- of the amortisation of differences arising from acquisitions, allocated to assets with a finite useful life, at the end of the Purchase Price Allocation process.

Components that led to the recognition of deferred tax

| (Euro/thousands)                                                                                                    | 30/06/2023     |                  |               | 31/12/2022     |                  |               |
|---------------------------------------------------------------------------------------------------------------------|----------------|------------------|---------------|----------------|------------------|---------------|
|                                                                                                                     | Total          | Current tax rate | Deferred tax  | Total          | Current tax rate | Deferred tax  |
| Difference between book value and tax value of intangible assets                                                    | 129,194        | (*)              | 30,933        | 132,604        | (*)              | 31,826        |
| Difference between book value and tax value of investment property and investments in property, plant and equipment | 304            | (*)              | 73            | —              | (*)              | —             |
| Post-employment benefits                                                                                            | 2,455          | (*)              | 589           | 2,599          | (*)              | 624           |
| Other temporary differences                                                                                         | 16,446         | (*)              | 3,948         | 19,248         | (*)              | 4,619         |
| <b>Total for IRES purposes</b>                                                                                      | <b>148,399</b> |                  | <b>35,543</b> | <b>154,451</b> |                  | <b>37,069</b> |
| Difference between book value and tax value of intangible assets                                                    | 129,527        | (*)              | 5,041         | 132,936        | (*)              | 5,184         |
| Difference between book value and tax value of investment property and investments in property, plant and equipment | 359            | (*)              | 15            | 66             | (*)              | 3             |
| <b>Total for IRAP purposes</b>                                                                                      | <b>129,886</b> |                  | <b>5,056</b>  | <b>133,002</b> |                  | <b>5,187</b>  |

(\*) With regard to income tax, each Group company has applied the tax rate in force in its country of residence. With regard to IRAP, each Group company has applied the tax rate in force, taking into account the breakdown of the tax base by region.

94

14. Other non-current assets

The balance of "Other non-current assets", which amounted to € 1,871 thousand, increased by € 1,703 thousand, due to the medium/long-term portion of the receivable accrued on the sale of Società Europea di Edizioni S.p.A. (€ 1,302 thousand) and the receivable for the purchase of instrumental assets pursuant to Law 178/2020, amounting to € 393 thousand.

| Other non-current assets<br>(Euro/thousands) | 30/06/2023   | 31/12/2022 |
|----------------------------------------------|--------------|------------|
| Guarantee deposits                           | 159          | 168        |
| Others                                       | 1,711        | —          |
| <b>Total other non-current assets</b>        | <b>1,871</b> | <b>168</b> |

15. Tax receivables and payables

| Tax receivables<br>(Euro/thousands)                                                     | 30/06/2023 | 31/12/2022 |
|-----------------------------------------------------------------------------------------|------------|------------|
| Receivables due from the Inland Revenue for IRAP                                        | 1,295      | 1,087      |
| Receivables from the tax authorities for IRES                                           | 609        | 220        |
| Receivables from Fininvest for IRES                                                     | 3,458      | 1,379      |
| Receivables from the tax authorities for VAT                                            | 10,279     | 5,338      |
| Receivables from the tax authorities for direct tax to recover and advances on disputes | 3,784      | 1,025      |
| Total tax assets                                                                        | 19,425     | 9,049      |

At 30 June 2023, "Tax receivables" amounted to € 19,425 thousand, up by € 10,376 thousand versus the prior year, due mainly to the extension of the consolidation scope (€ +1,456 thousand) and the seasonality that characterises the school business.

In the first half of the year, the Group companies operating in this sector recorded negative results due to the concentration of revenues in the second half of the year; this contributes:

- to determining a credit balance with Fininvest for IRES;
- to receivables for IRAP in the amount of € 762 thousand;
- to the growth of the VAT credit.

“Receivables from the tax authorities for direct tax to recover and advances on disputes”, amounting to € 3,784 thousand, includes mainly:

- receivables recognized as a result of the deductibility of IRAP from the IRES taxable base for € 784 thousand;
- receivables for operating grants paid to Group companies mainly in connection with energy and paper consumption;
- receivables for tax disputes for a total of € 8,903 thousand, fully written down.

95

| Income tax payables<br>(Euro/thousands)     | 30/06/2023 | 31/12/2022 |
|---------------------------------------------|------------|------------|
| Payables due to the Inland Revenue for IRAP | 221        | 521        |
| Payables to the tax authorities for IRES    | 171        | 751        |
| Payables to Fininvest for IRES              | —          | 9,400      |
| Total income tax payables                   | 392        | 10,671     |

Income tax payables, which amounted to € 392 thousand, decreased by € 10,279 thousand, due to the payment of payables accrued in the previous year and due to the seasonality of education, which, as at 30 June, had negative results that lowered the Group's tax burden.

16. OTHER CURRENT ASSETS

The item, amounting to € 84,694 thousand, rose by € 12,481 thousand, as a result mainly of:

- advance payment to agents that were higher than the commissions accrued in the first half of the year, due to the seasonal nature of certain businesses;
- the increase in net advances to authors, also due to the extension of the scope of consolidation;
- the increase in prepaid expenses related to the organisation of exhibitions and exhibition events and advances paid by Edizioni Star Comics S.r.l. for the acquisition of comic book rights.

The value of “Other receivables”, amounting to € 4,099 thousand, includes receivables arising from the sale of magazines and Società Europea di Edizioni S.p.A..

| Other current assets<br>(Euro/thousands)         | 30/06/2023    | 31/12/2022    |
|--------------------------------------------------|---------------|---------------|
| Receivables due from agents                      | 3,400         | 174           |
| Receivables from authors                         | 131,083       | 123,697       |
| Provision for advances to authors                | (72,779)      | (67,144)      |
| Receivables from suppliers and associates        | 6,805         | 6,274         |
| Accrued income and deferred expenses             | 11,959        | 7,225         |
| Other receivables from associates and affiliates | 126           | 2             |
| Other receivables                                | 4,099         | 1,985         |
| <b>Total other current assets</b>                | <b>84,694</b> | <b>72,213</b> |

### 17. INVENTORY

96

The value of "Inventory", equal to € 177,119 thousand, increased compared to the previous year by € 25,766 thousand, due to the contribution of the companies acquired in 2023, amounting to € 2,696 thousand, and for the seasonality that characterises the education business.

| Inventory<br>(Euro/thousands)                             | 30/06/2023     | 31/12/2022     |
|-----------------------------------------------------------|----------------|----------------|
| Raw and ancillary materials and consumables               | 17,066         | 14,716         |
| Write-down of raw and ancillary materials and consumables | (1,075)        | (926)          |
| <b>Total raw and ancillary materials and consumables</b>  | <b>15,991</b>  | <b>13,789</b>  |
| Work in progress and semi-finished goods                  | 12,275         | 12,298         |
| Write-down of work in progress and semi-finished goods    | (1,457)        | (1,627)        |
| <b>Total work in progress and semi-finished goods</b>     | <b>10,818</b>  | <b>10,671</b>  |
| Finished products and goods                               | 226,513        | 200,688        |
| Write-down of finished products and goods                 | (76,204)       | (73,796)       |
| <b>Total finished products and goods</b>                  | <b>150,310</b> | <b>126,893</b> |
| <b>Total inventory</b>                                    | <b>177,119</b> | <b>151,353</b> |

The value of "Raw and ancillary materials and consumables", amounting to € 15,991 thousand, increased by € 2,202 thousand, due to increases in volumes purchased, to meet the increased production related to the extended scope of consolidation, and to the cost of raw materials.

The value of "Work in progress and semi-finished goods", amounting to € 10,818 thousand, is substantially in line with that of December 2022.

"Finished products and goods" includes books produced by the Group, third-party publishers’ books purchased for re-sale in the Retail segment and merchandising, paper processing and gifts.

The amount of finished products, of € 150,310 thousand, increased by € 23,417 thousand, compared to 31 December 2022, mainly due to:

- the contribution of the new companies acquired during H1 2023 (€ 2,456 thousand);
- growth in the costs of raw materials and printing and packaging services;
- textbook printing, concentrated in the second and third quarters of the year, which led to an increase in inventory of finished products in the Education segment of € 15,683 thousand;
- the opening of the new Mondadori Retail S.p.A. stores, which increased product inventory by € 3,519 thousand.

Inventory write-down was calculated separately and analytically for each Group company, in consideration of the saleability of finished products and the relative rotation indexes, the possible unproductiveness of work-in-progress or semi-finished products, and the deterioration of raw materials.

| Inventory - Write-down<br>(Euro/thousands) | Work in progress and semi-finished goods |              |                             |
|--------------------------------------------|------------------------------------------|--------------|-----------------------------|
|                                            | Raw material                             |              | Finished products and goods |
| Total at 31/12/2021                        | 760                                      | 1,340        | 71,569                      |
| Changes in the year:                       |                                          |              |                             |
| - allocation                               | 215                                      | 251          | 4,311                       |
| - utilizations                             | (48)                                     | (7)          | (5,870)                     |
| - other changes                            | (1)                                      | 43           | 3,786                       |
| <b>Balance at 31 December 2022</b>         | <b>926</b>                               | <b>1,627</b> | <b>73,796</b>               |
| Changes in the year:                       |                                          |              |                             |
| - allocation                               | 118                                      | 0            | 5,016                       |
| - utilizations                             | (37)                                     | (162)        | (7,338)                     |
| - other changes                            | 68                                       | (8)          | 4 ,731                      |
| <b>Total at 30/06/2023</b>                 | <b>1,075</b>                             | <b>1,457</b> | <b>76,204</b>               |

None of the inventory recorded in the financial statements are pledged as guarantees for 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                                                            | 1H 2023  | 1H 2022  |
|---------------------------------------------------------------------------------------------|----------|----------|
| (Euro/thousands)                                                                            |          |          |
| Changes in finished products and goods                                                      | (19,932) | (24,943) |
| Allocation to the provision for write-downs of finished products and goods                  | 5,016    | 1,434    |
| Utilization of the provision for write-downs of finished products and goods                 | (7,338)  | (997)    |
| Total changes in finished products and goods                                                | (22,255) | (24,506) |
| Changes in work in progress and semi-finished goods                                         | 265      | 260      |
| Allocation to the provision for write-downs of work in progress and semi-finished goods     | (162)    | (274)    |
| Utilization of the provision for work in progress and semi-finished goods                   | 0        | 0        |
| Total changes in work in progress and semi-finished goods                                   | 103      | (15)     |
| Changes in raw and ancillary materials and consumables                                      | (2,092)  | (7,635)  |
| Allocation to the provision for write-downs of raw and ancillary materials and consumables  | 118      | 3        |
| Utilization of the provision for write-downs of raw and ancillary materials and consumables | (37)     | 45       |
| Total changes in raw and ancillary materials and consumables                                | (2,011)  | (7,588)  |
|                                                                                             |          |          |
| Total decrease (increase) in inventory                                                      | (24,163) | (32,108) |

18. TRADE RECEIVABLES

"Trade receivables", amounting to € 158,593 thousand, decreased versus € 161,230 thousand at 31 December 2022, despite the change in the scope of consolidation, which contributed a net trade receivables value of € 22,784 thousand.

| Trade receivables                 | 30/06/2023 | 31/12/2022 |
|-----------------------------------|------------|------------|
| (Euro/thousands)                  |            |            |
| Receivables from customers        | 148,347    | 134,693    |
| Receivables from associates       | 9,720      | 25,798     |
| Receivables from parent companies | 0          | 0          |
| Receivables from affiliates       | 526        | 739        |
| Total trade receivables           | 158,593    | 161,230    |

"Gross trade receivables", which amounted to € 226,699 thousand, increased by € 15,865 thousand, due to the seasonal nature of some businesses. In particular, in the Education Books Area, which carried out the first supplies to management and wholesale customers, exposure increased by € 36,434 thousand, while in the Trade Books Area and the Retail Area, where the peak of supplies coincides with the Christmas period, the balance decreased by € 13,819 thousand and € 10,247 thousand, respectively.

In the Media Area, customer receivables increased by € 2,875 thousand, also due to new business.

“Receivables from associates”, which amounted to € 9,720 thousand, mainly consisted of receivables from Mediamond S.p.A. and Press-Di Distribuzione Stampa e Multimedia S.r.l.; compared to 31 December 2022, they recorded a significant decrease, due to lower advertising sales and magazine distribution services rendered by the two affiliated companies, also following the sale of the magazines *Grazia* and *Icon*. In addition, Mediamond S.p.A. is, as at 2023, the Group's dealer only for products offered on digital channels.

Also contributing to the decrease in exposure to associated companies was the acquisition of control, as from January 2023, of A.L.I.-Agenzia Libreria Internazionale S.r.l., from which the Group had a receivable of € 3,948 thousand as at 31 December 2022.

| Trade receivables - Receivables from customers<br>(Euro/thousands) | 30/06/2023     | 31/12/2022     |
|--------------------------------------------------------------------|----------------|----------------|
| Gross receivables from customers                                   | 226,699        | 210,834        |
| Customers – returns to receive                                     | (63,417)       | (62,081)       |
| Provision for bad debts                                            | (14,935)       | (14,060)       |
| <b>Total trade receivables</b>                                     | <b>148,347</b> | <b>134,693</b> |

The value of the provision for bad debts, which amounted to € 14,935 thousand, was not significantly different from the value as at 31 December 2022; the enlargement of the scope of consolidation contributed € 546 thousand to the increase.

The amount of the provision was determined following a thorough analysis completed on customer creditworthiness and credit positions at risk of collection.

| Trade receivables - Receivables from customers - Write-down<br>(Euro/thousands) | 30/06/2023    | 31/12/2022    |
|---------------------------------------------------------------------------------|---------------|---------------|
| Balance at beginning of year                                                    | 14,060        | 13,632        |
| Changes in the year:                                                            |               |               |
| - allocation                                                                    | 1,190         | 3,694         |
| - utilizations                                                                  | (850)         | (3,728)       |
| - changes in consolidation scope and other changes                              | 535           | 462           |
| <b>Total provision for bad debts</b>                                            | <b>14,935</b> | <b>14,060</b> |

There were no trade receivables due over five years.

## 19. EQUITY

Equity at 30 June 2023, amounting to € 240,622 thousand, including third party shareholder reserves of € 721 thousand, changes to which are detailed in the specific statement, decreased by € 20,204 thousand, compared with € 260,826 thousand at 31 December 2022.

The most significant changes are represented by the result for the six months, which was positive in the amount of € 12,391 thousand, the dividends distributed in June, which amounted to € 28,685 thousand, and the decrease

in the cash flow hedge reserve in the amount of € 963 thousand, due to the adjustment of the interest rate derivative to fair value as at 30 June 2023.

Equity attributable to non-controlling interests of € 721 thousand refers to Rizzoli Education S.p.A., Abscondita S.r.l. and De Agostini Libri S.r.l..

Minority shareholders' equity is accounted for taking into account put and call agreements with minority shareholders.

20. PROVISIONS

The value of “Provisions”, which amounted to € 40,453 thousand, decreased by € 1,469 thousand, due to new provisions of € 3,730 thousand and utilisations of provisions accrued in previous years of € 5,199 thousand.

The most significant changes regard:

- the increase in the provision for sundry risks, which includes the allocation of € 3,500 thousand for risks arising from contractual guarantees issued in connection with the sale of magazines;
- the decrease in the provision for restructuring costs, due to the closure of some positions;
- the decrease in the provision for legal risks, due to the closure of a dispute that arose in Rizzoli Education S.p.A. prior to the acquisition, which took place in 2016;
- the decrease in the provision for contractual commitments, as a result of the investments made in the area of museum activities, in accordance with the concession contracts in force.

100

| Provisions                                      | 31/12/2022 | Alloc. | Uses    | Other changes | 30/06/2023 |
|-------------------------------------------------|------------|--------|---------|---------------|------------|
| (Euro/thousands)                                |            |        |         |               |            |
| Provision for agents' contractual risks         | 2,420      | 0      | (43)    | 0             | 2,377      |
| Provision for personnel downsizing risks        | 5,254      | 0      | (1,170) | 134           | 4,219      |
| Provision for legal risks                       | 12,182     | 0      | (1,434) | 0             | 10,748     |
| Provision for investment risks                  | 0          | 0      | 0       | 0             | 0          |
| Provision for tax disputes                      | 0          | 200    | 0       | 0             | 200        |
| Provision for contractual commitments           | 7,140      | 0      | (1,422) | 0             | 5,717      |
| Provision for contractual commitments ad agency | 1,529      | 30     | (56)    | 0             | 1,503      |
| Other provisions for risks                      | 13,397     | 3,500  | (1,074) | (134)         | 15,689     |
| Total provisions                                | 41,922     | 3,730  | (5,199) | 0             | 40,453     |

21. POST-EMPLOYMENT BENEFITS

“Post-employment benefits”, amounting to € 28,446 thousand, rose by € 96 thousand overall.

Specifically:

- indemnities to be paid to employees increased from € 13,795 thousand to € 14,198 thousand, due to provisions and actuarial adjustments, the change in the scope of consolidation, which generated an increase in the liability of € 874 thousand, and cash-out for settlements and advances of € 902 thousand;

- indemnities payable to the sales network decreased from € 14,533 thousand to € 14,226 thousand, due to the usual turnover of agents.

| Post-employment benefits<br>(Euro/thousands)         | 30/06/2023    | 31/12/2022    |
|------------------------------------------------------|---------------|---------------|
| Provision for post-employment benefits (TFR)         | 14,198        | 13,795        |
| Provision for supplementary agents' indemnity (FISC) | 14,226        | 14,533        |
| Provision for pensions and similar obligations       | 22            | 22            |
| <b>Total post-employment benefits</b>                | <b>28,446</b> | <b>28,350</b> |

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       | 30/06/2023             | 31/12/2022             |
|--------------------------------------------|------------------------|------------------------|
| Economic assumptions:                      |                        |                        |
| - increase in cost of living               | 3.00%                  | 3.00%                  |
| - discounting rate                         | 3.62%                  | 3.77%                  |
| Demographic assumptions:                   |                        |                        |
| - probability of death                     | IPS 55 tables          | IPS 55 tables          |
| - probability of disability                | INPS 2000 Tables       | INPS 2000 Tables       |
| - probability of leaving for other reasons | From 2.50% to 15.93%   | From 2.50% to 15.93%   |
| - retirement age                           | Applicable regulations | Applicable regulations |

| Actuarial assumptions to measure FISC        | 30/06/2023           | 31/12/2022           |
|----------------------------------------------|----------------------|----------------------|
| Economic assumptions:                        |                      |                      |
| - discounting rate                           | 3.62%                | 3.77%                |
| 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 change in the discount rate, from 3.77% to 3.62%, led to an increase in the provision for post-employment benefits of € 83 thousand.

Post-employment benefits cost items, booked under income statement, include the service cost of companies with less than 50 employees for € 51 thousand, financial expense of € 269 thousand, and the portion paid into the supplementary pension scheme for € 3,180 thousand.

The changes in the "Provision for supplementary agents' indemnity" reflect the turnover occurring in the Group's sales force during H1 2023; the item "Provisions" includes the effect of discounting.

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

| Post-employment benefits - Details<br>(Euro/thousands) | Provision for post-employment benefits | FISC          | Provision for retirement |
|--------------------------------------------------------|----------------------------------------|---------------|--------------------------|
| Balance at 31 December 2022                            | 13,795                                 | 14,533        | 22                       |
| Changes in 2023:                                       |                                        |               |                          |
| - allocations                                          | 42                                     | 647           | —                        |
| - utilizations                                         | (902)                                  | (829)         | —                        |
| - reversals                                            |                                        |               | —                        |
| - interest costs                                       | 269                                    | —             | —                        |
| - changes in consolidation scope and other changes     | 993                                    | (124)         | —                        |
| <b>Total at 30/06/2023</b>                             | <b>14,198</b>                          | <b>14,226</b> | <b>22</b>                |

## 22. OTHER CURRENT LIABILITIES

The value of “Other current liabilities”, amounting to € 141,543 thousand, decreased by € 506 thousand compared to 31 December 2022, despite the change in the scope of consolidation, the contribution of which in 2023 was € 1,896 thousand.

The reason for the decrease in the balance in question is due to the different incidence of the additional monthly payments at the end of the year compared to those paid in June, as a result of which “Tax payables”, “Owed to social security and pension bodies” and “Payroll and other payables to personnel” decreased significantly.

| Other current liabilities<br>(Euro/thousands) | 30/06/2023     | 31/12/2022     |
|-----------------------------------------------|----------------|----------------|
| Customer advances                             | 3,378          | 2,629          |
| Tax payables                                  | 6,043          | 8,737          |
| Owed to social security and pension bodies    | 11,911         | 12,769         |
| Payables to associates and affiliates         | 67             | 301            |
| Other payables                                | 120,144        | 117,612        |
| <b>Total other current liabilities</b>        | <b>141,543</b> | <b>142,049</b> |

Details of "Other payables".

| Other current liabilities – Other payables<br>(Euro/thousands) | 30/06/2023     | 31/12/2022     |
|----------------------------------------------------------------|----------------|----------------|
| Payroll and other payables to personnel                        | 17,610         | 20,271         |
| Payables to authors and associates                             | 75,937         | 74,218         |
| Payables to subscription and instalment customers              | 16,686         | 17,487         |
| Other payables, accrued liabilities and deferred income        | 9,912          | 5,636          |
| <b>Total other payables</b>                                    | <b>120,144</b> | <b>117,612</b> |

### 23. TRADE PAYABLES

“Trade payables”, amounting to € 229,925 thousand, decreased by € 22,764 thousand versus 31 December 2022, despite the contribution made by the companies that joined the Group during the half-year under review amounting to € 18,011 thousand.

The reduction in the balance affected all the business units: the Trade Books Area and the Retail Area, respectively for € 16,894 thousand and € 8,562 thousand, due to the seasonal nature of the business, which peaks during the Christmas period; the Education Books Area for € 3,798 thousand, due to the purchase of raw materials and printing services, concluded in the first half of 2023, under more favourable conditions; the Media Area for € 8,945 thousand, also due to the sale of *Grazia* and *Icon*.

| Trade payables<br>(Euro/thousands) | 30/06/2023     | 31/12/2022     |
|------------------------------------|----------------|----------------|
| Payables to suppliers              | 226,577        | 246,455        |
| Payables to associates             | 3,073          | 4,871          |
| Payables to parent companies       | 24             | 19             |
| Payables to affiliates             | 251            | 1,345          |
| <b>Total trade payables</b>        | <b>229,925</b> | <b>252,689</b> |

“Payables to affiliates” mainly refer to the distribution of the publishing product of Edizioni EL S.r.l. and the sale of merchandise in exchange for advertising pages carried out with Mediamond S.p.A.; the decrease in the balance, which fell from € 4,871 thousand to € 3,073 thousand, is attributable to the lower trade relations with Mediamond S.p.A. and Press-Di Distribuzione Stampa e Multimedia S.r.l.

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 five years.

### 24. NET FINANCIAL POSITION

The following table shows the composition of the net financial position.

| <b>Net financial position</b><br>(Euro/thousands)           | <b>30/06/2023</b> | <b>31/12/2022</b> |
|-------------------------------------------------------------|-------------------|-------------------|
| Non-current financial assets                                | 12,447            | 13,410            |
| Current financial assets                                    | 1,857             | 614               |
| Cash and cash equivalents                                   | 24,358            | 34,941            |
| Non-current financial liabilities                           | (132,787)         | (119,250)         |
| Current financial liabilities                               | (121,119)         | (36,717)          |
| Financial assets (liabilities) from discontinued operations | —                 | 857               |
| <b>Net financial position before IFRS 16</b>                | <b>(215,243)</b>  | <b>(106,145)</b>  |
| Financial liabilities IFRS 16                               | (70,275)          | (71,262)          |
| Financial liabilities IFRS 16 discontinued operations       | —                 | —                 |
| <b>Net financial position including IFRS 16 effect</b>      | <b>(285,518)</b>  | <b>(177,406)</b>  |

The net financial position, according to the format recommended by CONSOB shown below, which does not include "Non-current financial assets" amounting to € 12,447 thousand, stood at € -297,965 thousand.

| <b>Net financial position</b><br>(Euro/thousands)                                                              | <b>30/06/2023</b> | <b>31/12/2022</b> |
|----------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| - Cash                                                                                                         | 160               | 1,867             |
| - Bank deposits                                                                                                | 23,899            | 32,297            |
| - Postal deposits                                                                                              | 299               | 776               |
| A Cashfunds                                                                                                    | 24,358            | 34,941            |
| B Cash equivalents                                                                                             | —                 | —                 |
| C Other current financial assets                                                                               | 1,857             | 614               |
| <b>D Liquidity (A+B+C)</b>                                                                                     | <b>26,215</b>     | <b>35,555</b>     |
| - Current bank payables                                                                                        | (211)             | (169)             |
| - Other current financial payables                                                                             | (4,685)           | (9,857)           |
| E Current financial debt (including debt instruments, excluding current portion of non-current financial debt) | (4,896)           | (10,026)          |
| - Loans                                                                                                        | (116,223)         | (25,833)          |
| F Current portion of non-current financial debt                                                                | (116,223)         | (25,833)          |
| <b>G Current financial debt (E+F)</b>                                                                          | <b>(121,119)</b>  | <b>(35,859)</b>   |
| <b>H Net current financial debt (G-D)</b>                                                                      | <b>(94,903)</b>   | <b>(304)</b>      |
| - Loans                                                                                                        | (106,790)         | (104,608)         |
| - Financial liabilities IFRS 16                                                                                | (70,275)          | (71,262)          |
| - Derivatives and other financial liabilities                                                                  | (25,997)          | (14,642)          |
| I Non-current debt (excluding current portion and debt instruments)                                            | (203,061)         | 90,512            |
| J Debt instruments                                                                                             | —                 | —                 |
| K Trade payables and other non-current payables                                                                | —                 | —                 |
| <b>L Non-current financial debt (I+J+K)</b>                                                                    | <b>(203,061)</b>  | <b>(190,512)</b>  |
| <b>M Total financial debt (H+L)</b>                                                                            | <b>(297,965)</b>  | <b>(190,816)</b>  |

Financial assets

The value of “Non-current financial assets” of € 12,447 thousand decreased by € 963 thousand, due to the adjustment of interest rate risk derivatives to fair value.

The balance included, for € 2,450 thousand, the loan granted by Mondadori Media S.p.A. to its associate Press-Di Distribuzione e Multimedia S.r.l. and the loan to Attica Publications, amounting to € 500 thousand, both of which were already outstanding at the end of the previous year.

| Non-current financial assets<br>(Euro/thousands) | 30/06/2023 | 31/12/2022 |
|--------------------------------------------------|------------|------------|
| Financial receivables from associates            | 2,950      | 2,950      |
| Financial receivables                            | —          | —          |
| Assets resulting from derivative instruments     | 9,497      | 10,460     |
| Total non-current financial assets               | 12,447     | 13,410     |

“Other current financial assets”, amounting to € 1,857 thousand, increased by € 1,243 thousand, mainly due to museum activities, which recorded a significant increase in visitors.

| Other current financial assets<br>(Euro/thousands)                                 | 30/06/2023 | 31/12/2022 |
|------------------------------------------------------------------------------------|------------|------------|
| Financial receivables from customers                                               | —          | —          |
| Financial receivables from associates                                              | —          | —          |
| Financial receivables from parent companies                                        | —          | —          |
| Financial receivables from affiliates                                              | —          | —          |
| Financial receivables from others                                                  | 1,857      | 602        |
| Total financial receivables                                                        | 1,857      | 602        |
| Financial assets at fair value with adjustments recognized in the income statement | —          | —          |
| Available-for-sale financial assets                                                | —          | 12         |
| Assets resulting from derivative instruments                                       | —          | —          |
| Total other current financial assets                                               | 1,857      | 614        |

Cash and cash equivalents

The item amounted to € 24,358 thousand, down by € 10,583 thousand versus 31 December 2022; the fair value of cash and cash equivalents is equal to their relevant book value at 30 June 2023.

| Cash and cash equivalents<br>(Euro/thousands) | 30/06/2023    | 31/12/2022    |
|-----------------------------------------------|---------------|---------------|
| Cash and cash on hand                         | 160           | 1,867         |
| Bank deposits                                 | 23,899        | 32,297        |
| Post office accounts                          | 299           | 776           |
| <b>Total cash and cash equivalents</b>        | <b>24,358</b> | <b>34,941</b> |

## Non-current financial liabilities

“Non-current financial liabilities” mainly include:

- the amortised costs mainly of the Line A Amortising Term Loan and the use of Line C of the pool loan, coming to maturity in December 2026, totalling € 105,090 thousand;
- consideration, with deferred payment, related to certain acquisitions concluded in recent years, amounting to € 25,997 thousand.

| Non-current financial liabilities              | Effective interest rate | Maturity between 1 and 5 years | Maturity over 5 years | 30/06/2023     | 31/12/2022     |
|------------------------------------------------|-------------------------|--------------------------------|-----------------------|----------------|----------------|
| Loans                                          | 0.61%                   | 106,790                        | —                     | 106,790        | 104,608        |
| Liabilities from derivatives                   |                         | —                              | —                     | —              | —              |
| Other financial payables                       |                         | 18,468                         | 7,529                 | 25,997         | 14,642         |
| <b>Total non-current financial liabilities</b> |                         | <b>125,258</b>                 | <b>7,529</b>          | <b>132,787</b> | <b>119,250</b> |

## Payables to banks and other current financial liabilities

“Payables to banks and other current financial liabilities” amounted to € 121,119 thousand and mainly included:

- the portion of Term Loan A of the pool loan, maturing in December 2023, amounting to € 15,833 thousand; "Hot Money" financing, maturing in July-August 2023, amounting to € 100,000 thousand;
- other financial payables in the amount of € 4,685, mainly for deferred payments related to certain acquisitions concluded in recent years.

| Payables to banks and other current financial liabilities<br>(Euro/thousands) | Effective interest rate | 30/06/2023     | 31/12/2022    |
|-------------------------------------------------------------------------------|-------------------------|----------------|---------------|
| Bank deposits                                                                 |                         | 211            | 169           |
| Loans                                                                         | 2.76%                   | 116,223        | 25,833        |
| Financial payables to associates                                              |                         | —              | —             |
| Other financial payables                                                      |                         | 4,685          | 10,715        |
| <b>Total payables to banks and other current financial liabilities</b>        |                         | <b>121,119</b> | <b>36,717</b> |

At 30 June 2023, the Leverage Ratio Financial Covenant (Net Financial Position resulting from the consolidated half-year report) amounted to € 215,243 thousand, far below the cap of € 315,000 thousand set out in the pool loan agreement.

Changes in committed credit lines:

| (Euro/thousands)                                   | 31/12/2022     | Uses     | Repayments | Other changes | 30/06/2023     |
|----------------------------------------------------|----------------|----------|------------|---------------|----------------|
| Pool loan December 2017<br>Line A maturing in 2026 | 60,682         | —        | —          | 506           | 61,188         |
| Line C                                             | 59,686         | —        | —          | 50            | 59,736         |
| <b>Total</b>                                       | <b>120,368</b> | <b>—</b> | <b>—</b>   | <b>556</b>    | <b>120,924</b> |

107

### Assets and liabilities resulting from derivative instruments

| Assets and liabilities resulting from derivative instruments - Details<br>(Euro/thousands) | Type of derivative instrument | Fair value at 30/06/2023 | Fair value at 31/12/2022 |
|--------------------------------------------------------------------------------------------|-------------------------------|--------------------------|--------------------------|
| Non-current financial assets (liabilities)                                                 |                               |                          |                          |
| - Rate derivatives                                                                         | Cash flow hedge               | 9,497                    | 10,460                   |
| 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.

Assets resulting from derivative instruments amounting to € 9,497 thousand, include:

- 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), based on 100% of the Line A Amortising Term Loan of the pool loan agreement entered into in May 2021, maturing in December 2026 for a residual notional amount of € 63.3 million and a weighted average rate of -0.086%;

- 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 Line C Acquisition Line of the pool loan agreement concluded in May 2021, coming to maturity in December 2026 for a notional value of € 60 million and a weighted average rate of -0.098%.

The table below shows the hedge impact on income statement and equity:

| Cash flow hedge reserve<br>(Euro/thousands)                          | 30/06/2023 | 31/12/2022 |
|----------------------------------------------------------------------|------------|------------|
| Initial balance gross of the tax effect                              | (11,938)   | (1,081)    |
| Amount recognised in the period                                      | (704)      | (11,006)   |
| Amount endorsed from reserve and recognised in the income statement: |            |            |
| - adjustments to expense                                             | 57         | 123        |
| - adjustments to income                                              | 1,611      | 26         |
| Final balance gross of the tax effect                                | (10,974)   | (11,938)   |
| Inefficient part of hedge                                            |            |            |

Financial liabilities IFRS 16

“Financial liabilities IFRS 16”, 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, decreased by € 987 thousand, going from € 71,262 thousand at 31 December 2022 to € 70,275 thousand.

| Financial liabilities IFRS 16 (Euro/thousands) | Maturity between 1<br>and 5 years | Maturity over 5<br>years | 30/06/2023 | 31/12/2022 |
|------------------------------------------------|-----------------------------------|--------------------------|------------|------------|
| Non-current financial liabilities IFRS 16      | 42,958                            | 14,275                   | 57,233     | 58,096     |
| Current financial liabilities IFRS 16          |                                   |                          | 13,042     | 13,166     |
| Total financial liabilities IFRS 16            | 42,958                            | 14,275                   | 70,275     | 71,262     |

25. REVENUES FROM SALES AND SERVICES

Consolidated revenues for the first half of 2023 amounted to € 362,381 thousand, up 2.1% compared to € 355,079 thousand for the previous year; like-for-like, organic revenue growth was 2.7%.

In the Trade Books area, revenues increased by 18.2% (4% on a like-for-like basis), thanks to the quality of the publishing plan, also evidenced by the growing market share in this first part of the year.

In the Education Books area, revenues realised in the first half of the year typically account for less than 25% of the annual figure due to the seasonality of the business whose sales are concentrated in the second half of the year; in the first six months of 2023, they amounted to € 57,856 thousand, an increase of 16.8% due to an advance on supplies to top accounts.

The Retail area grew by 8.1% on the first half of the prior year, driven by the book product, whose sales rose by more than 9%.

In the Media Area, revenue was down by approximately 30.1%, mainly due to the changes in the scope of consolidation in the last 12 months (net of which the decrease would be 8%), as well as the reduction in circulation revenues; revenues from digital advertising increased by 14%, which now accounts for over 35% of the segment's total revenues.

| Revenues from sales and services<br>(Euro/thousands) | 1H 2023  | 1H 2022  | % Difference |
|------------------------------------------------------|----------|----------|--------------|
| Trade Books                                          | 175,510  | 148,468  | 18.2%        |
| Education Books                                      | 57,856   | 49,551   | 16.8%        |
| Retail                                               | 83,882   | 77,598   | 8.1%         |
| Media                                                | 68,697   | 98,220   | (30.1)%      |
| Other Business and Corporate                         | 21,119   | 19,670   | 7.4%         |
| Aggregate revenue                                    | 407,064  | 393,507  | 3.4%         |
| Intercompany revenue                                 | (44,683) | (38,428) | 16.3%        |
| Total revenue from sales and services                | 362,381  | 355,079  | 2.1%         |

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

26. COST OF RAW, ANCILLARY, CONSUMPTION MATERIALS AND GOODS

The “Cost of raw and ancillary materials, consumables and goods”, which amounted to € 77,778 thousand, decreased by € 274 thousand as a result:

- of the increase of € 3,900 thousand, following the change in the scope of consolidation, for the acquisitions of 2023 (Grafiche Bovini S.r.l., A.L.I.-Agenzia Libreria International S.r.l, Power S.r.l. and Webboh S.r.l.), and the second half of 2022 (Edizioni Star Comics S.r.l. and Zenzero S.r.l.), as well as the sale of the controlling stake in Press-Di Distribuzione e Multimedia S.r.l.;
- of the increase in purchases in the Education Books Area, in the amount of € 847 thousand, as the difference between higher costs for raw materials and lower supplies of publishing products from distributed publishers;
- of the increase in raw material costs in the Trade Books Area, for € 1,061 thousand;
- of lower purchases of raw materials and products to be remarketed in the Media Area, for € 2,380 thousand, also due to the lower number of titles published;
- of lower purchases of products and merchandise to be remarketed in the shops of Mondadori Retail S.p.A. for € 3,715 thousand, due to the review of shop formats and the rationalisation of the commercial offer.

| Cost of raw and ancillary materials, consumables and goods<br>(Euro/thousands) | 1H 2023 | 1H 2022 |
|--------------------------------------------------------------------------------|---------|---------|
| Cost of raw materials                                                          | 30,619  | 27,335  |
| Goods for re-sale                                                              | 47,422  | 50,042  |
| Consumables, maintenance and other materials                                   | (263)   | 675     |
| Total cost of raw and ancillary materials, consumables and goods               | 77,778  | 78,052  |

27. COST OF SERVICES

“Cost of services”, amounting to € 207,872 thousand, decreased by € 10,510 thousand; compared to the previous year, the most significant changes regarded:

- costs for "Rights & Royalties", which increased by € 2,215 thousand, due to the extended scope of consolidation (€ +2,364 thousand), the positive trend in revenues in the Trade Books Area (€ +1,095 thousand) and in the Education Books Area (€ +964 thousand), partly offset by the decrease in the magazine publishing business, which generated lower costs of € 2,146 thousand;
- costs for "Processing" decreased by € 12,720 thousand, due to the change in the scope of consolidation, in which the deconsolidation from July 2022 of Press-Di Distribuzione Stampa Multimedia S.r.l. resulted in a decrease in costs greater than those incurred by the new companies acquired in 2023, as a result of the rationalisation of print runs in the Trade Books and Education Books segments, as well as the decrease in activities in the Media Area, following the sale of *Grazia* and *Icon*;
- “Commission”, up by € 3,492 thousand, due to the effect of the change in the scope of consolidation (€ +260 thousand), the absence of the positive impact recorded in 2022 relating to the discounting of payables to the sales network (€ +1,512 thousand) and the positive trend in revenues in the Trade Books and Education Books areas;

- “Logistics” costs decreased by € 6,123 thousand, due to the deconsolidation of Press-Di Distribuzione Stampa Multimedia S.r.l. (€ -10,494 thousand), partly offset by the growth in volumes of textbooks and miscellaneous shipments;
- the “Publisher's share” increased by € 1,847 thousand, due to the activities of the new companies Power S.r.l. and Webboh S.r.l. (€ +1,385 thousand) and the positive performance of Adkaora S.r.l. and Hej! S.r.l.;
- costs for "Rents and service expenses" increased by € 2,663 thousand, due to higher fees related to the cloud service and for the assistance and management of IT infrastructures, also due to the extended scope of consolidation.

| Cost of services<br>(Euro/thousands)                 | 1H 2023        | 1H 2022        |
|------------------------------------------------------|----------------|----------------|
| Rights and royalties                                 | 42,869         | 40,654         |
| Commissions and costs for agents                     | 16,644         | 13,152         |
| Processing                                           | 60,225         | 72,945         |
| Logistics                                            | 17,086         | 23,209         |
| Consultancy services and third-party collaborations  | 14,974         | 15,516         |
| Newsstand channel fee and subscription management    | 7,511          | 8,885          |
| Purchase of advertising space and promotion expenses | 8,973          | 9,120          |
| Publisher's share                                    | 8,137          | 6,291          |
| Travel, gifts and entertainment expenses             | 2,766          | 1,626          |
| Directors' and statutory auditors' fees              | 1,684          | 1,080          |
| Insurance                                            | 917            | 1,018          |
| Telephone and postal expenses                        | 2,398          | 2,639          |
| Catering, security and cleaning services             | 1,838          | 1,725          |
| Maintenance costs                                    | 1,358          | 1,556          |
| Market surveys, news agencies                        | 1,258          | 1,046          |
| Bank services and commissions                        | 770            | 726            |
| IT services and administrative area                  | 5,594          | 6,626          |
| Rents and service expenses                           | 8,225          | 5,562          |
| Temporary work fees                                  | 2,549          | 2,115          |
| Other services                                       | 2,097          | 2,893          |
| <b>Total cost of services</b>                        | <b>207,872</b> | <b>218,382</b> |

“Directors’ and statutory auditors’ fees” comprised fees paid to Directors and Statutory Auditors for € 1,379 thousand and € 305 thousand, respectively.

28. COST OF PERSONNEL

Group employees – on both permanent and fixed-term contracts – amounted to 1,923, up by 0.3% versus 1,917 resources at 30 June 2022.

Neutralising the effect of the changes in the scope of consolidation that occurred, the Group's workforce increased by 1.3% on a like-for-like basis, particularly in the Media Digital and Trade Books areas.

| Headcount                                      | Actual<br>30/06/2023 | Actual<br>30/06/2022 | Average<br>1H 2023 | Average<br>1H 2022 |
|------------------------------------------------|----------------------|----------------------|--------------------|--------------------|
| Executives                                     | 104                  | 105                  | 104                | 103                |
| White collars, middle managers and journalists | 1,788                | 1,805                | 1,777              | 1,793              |
| Manual workers                                 | 31                   | 7                    | 32                 | 7                  |
| Total                                          | 1,923                | 1,917                | 1,913              | 1,903              |

The cost of personnel in the first half of 2023 came to € 68,319 thousand, down by € 1,632 thousand versus H1 2022: the like-for-like comparison, having neutralised all changes in scope, shows values that are essentially in line. “Other costs” show the net balance between recognised redundancy incentives and the utilisation of the respective provisions set aside in previous years.

112

| Cost of personnel<br>(Euro/thousands)                                                | 1H 2023 | 1H 2022 |
|--------------------------------------------------------------------------------------|---------|---------|
| Wages and salaries                                                                   | 50,591  | 51,377  |
| Social security expense                                                              | 14,695  | 14,999  |
| Share of post-employment benefits to increase provision for post-employment benefits | 42      | (38)    |
| Supplementary pension scheme plans                                                   | 3,180   | 3,357   |
| Other costs                                                                          | (189)   | 257     |
| Total cost of personnel                                                              | 68,319  | 69,951  |

29. SUNDRY EXPENSE (INCOME)

In the first half of 2023, net income amounted to € 7,773 thousand, an increase of € 1,821 thousand compared to 30 June 2022; the change mainly concerned expenses.

| Sundry expense (income)<br>(Euro/thousands) | 1H 2023  | 1H 2022  |
|---------------------------------------------|----------|----------|
| Other revenues and income                   | (11,434) | (11,522) |
| Other operating expense                     | 3,661    | 5,570    |
| Total sundry expense (income)               | (7,773)  | (5,952)  |

“Other revenues and income”, amounting to € 11,434 thousand, were essentially in line with the first half of 2022.

The previous year included the capital gain realised on the sale of the business unit consisting of the magazines *Donna Moderna* and *CasaFacile* for € 790 thousand, the relief received for € 6,377 thousand, to compensate the lower revenues realised in the context of the management of museum activities, and the grants received for the purchase of paper for the production of magazines for FYs 2019 and 2020, amounting to € 1,888 thousand.

The first half of 2023 includes:

- the capital gain realised on the sale of the business unit consisting of the magazines *Grazia* and *Icon*, for € 2,880 thousand;
- grants totalling € 6,738 thousand, received: for the purchase of paper, referring to the production of periodicals in 2021; for costs incurred in 2021 for the distribution of periodicals; for energy consumption; and for the purchase of capital goods pursuant to Law 178/2020.

| Sundry expense (income) – Other revenue and income<br>(Euro/thousands) | 1H 2023       | 1H 2022       |
|------------------------------------------------------------------------|---------------|---------------|
| Capital gains from the disposal of fixed assets and business units     | 2,880         | 790           |
| Contingent assets                                                      | 1,202         | 1,665         |
| Others                                                                 | 7,352         | 9,066         |
| <b>Total other revenues and income</b>                                 | <b>11,434</b> | <b>11,522</b> |

Below is a breakdown of “Other operating expense”, which amounted to € 3,661 thousand, a decrease of € 1,909 thousand, mainly due to lower losses from credit management and the release of certain provisions, as the risks for which they had been set aside in previous years were no longer present.

| Sundry expense (income)– Other operating expense<br>(Euro/thousands) | 1H 2023      | 1H 2022      |
|----------------------------------------------------------------------|--------------|--------------|
| Receivables management                                               | 1,205        | 2,018        |
| Reimbursements and settlements, net of the use of provisions         | 681          | 545          |
| Contributions and grants                                             | 940          | 741          |
| Contingent liabilities                                               | 31           | 327          |
| Capital loss from the disposal of fixed assets and business units    | 26           | 1            |
| Other tax and duties                                                 | 1,810        | 1,727        |
| Sundry expenses                                                      | (1,032)      | 210          |
| <b>Total other operating expense</b>                                 | <b>3,661</b> | <b>5,570</b> |

30. FINANCIAL EXPENSE (INCOME)

Net financial expense at 30 June 2023 amounted to € 3,448 thousand and increased by € 581 thousand versus the prior year, due mainly to:

- interest expense on loans of € 2,769 thousand, up € 2,607 thousand due to the increase in Euribor rates (3% compared to -0.44% in the first half of 2022);

- the positive impact of derivative transactions, in the amount of € 1,681 thousand, due to the full hedging of the medium/long-term pooled financing at a negative fixed rate;
- ancillary financing expenses of € 555 thousand, a decrease of € 198 thousand, related to the portions of the amortised cost pertaining to the half-year;
- higher costs for the discounting of deferred payments for € 103 thousand;
- other lower expense/higher income of € 89 thousand;
- lower expense for the application of IFRS 16, amounting to € 161 thousand.

| <b>Financial expense (income)</b><br>(Euro/thousands)    | <b>1H 2023</b> | <b>1H 2022</b> |
|----------------------------------------------------------|----------------|----------------|
| Interest from banks and post offices                     | (71)           | (20)           |
| Financial income from derivatives                        | (1,681)        | —              |
| Finance income                                           | (32)           | (37)           |
| Other interest                                           | (47)           | (12)           |
| <b>Total interest and other financial income</b>         | <b>(1,831)</b> | <b>(69)</b>    |
| Interest to banks                                        | 19             | 1              |
| Interest expense on loans                                | 2,769          | 162            |
| Financial expense from derivatives                       | —              | 439            |
| Ancillary expense on loans                               | 555            | 753            |
| Commission on loans                                      | 303            | 317            |
| Other impairment charges (income) IFRS 9                 | —              | —              |
| Financial expense from discounting of deferred payments  | 103            | —              |
| Financial expense from discounting of assets/liabilities | 269            | 80             |
| Other interest                                           | 304            | 30             |
| <b>Total interest and other financial expense</b>        | <b>4,322</b>   | <b>1,781</b>   |
| Realised positive currency differences                   | (54)           | (33)           |
| Unrealised positive currency differences                 | (6)            | (12)           |
| Realised negative currency differences                   | 42             | 74             |
| Unrealised negative currency differences                 | 21             | 10             |
| <b>Total exchange losses (gains)</b>                     | <b>3</b>       | <b>40</b>      |
| Expense (income) from financial assets                   | —              | —              |
| Financial expense IFRS 16                                | 954            | 1,115          |
| <b>Total financial expense (income)</b>                  | <b>3,448</b>   | <b>2,867</b>   |

### 31. EXPENSE (INCOME) FROM INVESTMENTS

The impact on the income statement of the valuation of investments in jointly controlled companies, associates and companies in which the Group holds a non-controlling interest, showed a significant improvement compared to H1 2022, going from € 99 thousand to € 1,771 thousand in net income.

The capital gain realised from the sale of the stake held in Società Europea di Edizioni S.p.A., amounting to € 1,191 thousand, and the income recognised in accordance with IFRS 3 for the fair value valuation of the stake already held in A.L.I.-Agenzia Libreria International S.r.l. at the time control of the company was acquired, amounting to € 1,300 thousand, more than offset the more negative results achieved in the first half of 2023 by the associates.

| Expense (income) from investments<br>(Euro/thousands)          | 1H 2023        | 1H 2022     |
|----------------------------------------------------------------|----------------|-------------|
| - Attica Publications Group                                    | (76)           | (501)       |
| - Società Europea di Edizioni S.p.A.                           | 775            | 680         |
| Capital gain on the sale of Società Europea di Edizioni S.p.A. | (1,191)        | —           |
| - GD Media Service S.r.l.                                      | —              | (66)        |
| - Edizioni EL S.r.l.                                           | (527)          | (657)       |
| -Press-Di Distribuzione e Multimedia S.r.l.                    | (93)           | —           |
| - Mediamond S.p.A.                                             | 128            | 36          |
| - Mondadori Seec Advertising Co. Ltd                           | 503            | 880         |
| - DI 2 S.r.l.                                                  | —              | (16)        |
| -Digital Advertising & Engagement S.A.                         | 10             | (5)         |
| A.L.I.-Agenzia Libreria International S.r.l.                   | (1,300)        | (450)       |
| <b>Total expense (income) from investments</b>                 | <b>(1,771)</b> | <b>(99)</b> |

### 32. INCOME TAX

“Income tax” at 30 June 2023 shows income of € 89 thousand, down on that booked for 2022 of € 1,784 thousand.

The higher tax expense was due to the change in the scope of consolidation in the amount of € 738 thousand and to the better performance achieved, partly mitigated by reduced taxation components, including capital gains realised on the sale of magazines and the stake held in Società Europea di Edizioni S.p.A..

| Income tax<br>(Euro/thousands)               | 1H 2023      | 1H 2022        |
|----------------------------------------------|--------------|----------------|
| IRES on income for the year                  | 1,220        | (668)          |
| IRAP for the year                            | 1,172        | 1,028          |
| <b>Total current tax</b>                     | <b>2,392</b> | <b>360</b>     |
| Deferred/pre-paid taxes for IRES             | (357)        | (32)           |
| Deferred/pre-paid tax for IRAP               | (59)         | (153)          |
| <b>Total deferred/pre-paid tax</b>           | <b>(416)</b> | <b>(184)</b>   |
| Other tax items                              | (2,064)      | (1,960)        |
| <b>Total income tax expense for the year</b> | <b>(89)</b>  | <b>(1,784)</b> |

33. 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.

|                                                                  | 1H 2023 | 1H 2022 |
|------------------------------------------------------------------|---------|---------|
| Net result for the period (Euro/000)                             | 12,367  | 2,240   |
| Weighted average number of outstanding ordinary shares (no./000) | 260,376 | 260,400 |
| Basic earnings per share from continuing operations (Euro)       | 0.047   | 0.011   |

|                                                                  | 1H 2023 | 1H 2022 |
|------------------------------------------------------------------|---------|---------|
| Net result for the period (Euro/000)                             | 12,221  | 2,795   |
| Weighted average number of outstanding ordinary shares (no./000) | 260,376 | 260,400 |
| Basic earnings per share (Euro)                                  | 0.047   | 0.011   |

116

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding shares is adjusted on the assumption of converting shares with a dilution effect.

|                                                                  | 1H 2023 | 1H 2022 |
|------------------------------------------------------------------|---------|---------|
| Net result for the period (Euro/000)                             | 12,367  | 2,240   |
| Weighted average number of outstanding ordinary shares (no./000) | 260,376 | 260,400 |
| Number of options with diluted effect (no./000)                  | 630     | 573     |
| Diluted earnings per share from continuing operations (Euro)     | 0.047   | 0.011   |

|                                                                  | 1H 2023 | 1H 2022 |
|------------------------------------------------------------------|---------|---------|
| Net result for the period (Euro/000)                             | 12,221  | 2,795   |
| Weighted average number of outstanding ordinary shares (no./000) | 260,376 | 260,400 |
| Number of options with diluted effect (no./000)                  | 630     | 573     |
| Diluted earnings per share (Euro)                                | 0.047   | 0.011   |

34. Commitments and contingent liabilities

Commitments

At 30 June 2023, the Mondadori Group had commitments underwritten for a total of € 50,553 thousand (€ 54,172 thousand at 31 December 2022), 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 IRAP (2004) and 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 (2005). With regard to IRAP 2004, the Court of Cassation, by order of 3 February 2022, referred the dispute back to the Court of Justice of the second instance because it found that there was a failure to state reasons in the previous judgement. By appeal filed on 28 September 2022, the Company resumed the case before the aforementioned Court. In judgement no. 1896, filed on 9 June 2023, the Lombardy Court of Second Instance, Chambers 8, noting that the tax authority abounded in its claim for IRAP purposes in relation to the supplementary client indemnity, denied, with regard to the dispute for withholding tax purposes, MISA's status as the actual beneficiary, attributing decisive importance to the absence of economic benefit derived from the transaction, since all of the interest received was used to repay the debenture loan subscribed by the American investors, thus confirming the tax claim. The same Judges also declared that the matter disputed had ceased to exist in relation to the penalty for failure to make the withholding, which was no longer due as a result of the amendments made by Legislative Decree no. 158 of 24 September 2015. The deadline for filing an appeal in Cassation against this judgement passes on 9 January 2024.

For the above indicated potential liabilities, while taking account of the substantial grounds of defence, the risk of a negative outcome is considered likely, covered by a specific provision for write-downs.

117

- 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 of Milan, 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, it referred the matter back to the Regional Tax Commission of Milan to review the merits of the appeal. The hearing before the second instance Court of Justice was held on 27 January 2023, during which the case was extinguished due to the fact that the dispute had ceased to exist;

- 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.

### **35. NON-RECURRING EXPENSE (INCOME)**

Pursuant to Consob Resolution no. 15519 of 27 July 2006, it should be noted that, in the first half of 2023, the Mondadori Group recognised non-recurring income totalling € 4,045 thousand, net of the related tax effects, deriving from the sale of magazines and the stake held in Società Europea di Edizioni S.p.A.

### **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 parent companies, affiliates and associates**

Transactions with related parties, including intercompany transactions, do not qualify as atypical or unusual transactions, and were concluded at market conditions.

**RELATED PARTY TRANSACTIONS:**  
**FIGURES AS AT 30 June 2023**

| (Euro/thousands)                           | Trade<br>receivables | Financial<br>receivables | Tax<br>receivables | Other<br>business | Trade<br>payables | Financial<br>payables | Income tax<br>payables | Other<br>liabilities | Revenues (*)  | Purchase of raw<br>materials | Purchase of<br>services | Cost of<br>personnel | Other<br>expense<br>(income) | Financial<br>expense<br>(income) |
|--------------------------------------------|----------------------|--------------------------|--------------------|-------------------|-------------------|-----------------------|------------------------|----------------------|---------------|------------------------------|-------------------------|----------------------|------------------------------|----------------------------------|
| <b>Parent companies:</b>                   |                      |                          |                    |                   |                   |                       |                        |                      |               |                              |                         |                      |                              |                                  |
| - Fininvest S.p.A.                         | —                    | —                        | 3,458              | 10,674            | 24                | —                     | —                      | —                    | —             | —                            | 19                      | —                    | —                            | —                                |
| <b>Associates</b>                          |                      |                          |                    |                   |                   |                       |                        |                      |               |                              |                         |                      |                              |                                  |
| - Attica Publications Group                | 19                   | 500                      | —                  | —                 | —                 | —                     | —                      | —                    | 1             | —                            | —                       | —                    | —                            | (17)                             |
| - Edizioni EL S.r.l.                       | 679                  | —                        | —                  | 18                | 1,802             | —                     | —                      | —                    | (3,042)       | 15                           | 5                       | —                    | —                            | —                                |
| - Mediamond S.p.A.                         | 7,438                | —                        | —                  | (21)              | 449               | —                     | —                      | 55                   | 9,016         | 3                            | (365)                   | —                    | 56                           | —                                |
| - Mondadori Seec Advertising Co.<br>Ltd    | (7)                  | —                        | —                  | —                 | 43                | —                     | —                      | —                    | 300           | —                            | —                       | —                    | (5)                          | —                                |
| - Press-di Distribuzione                   | 1,552                | 2,450                    | —                  | —                 | 512               | —                     | —                      | —                    | 30,231        | —                            | 8,926                   | (119)                | —                            | (30)                             |
| - Digital Advertising &<br>Engagement S.L. | 38                   | —                        | —                  | —                 | 267               | —                     | —                      | —                    | 38            | —                            | 435                     | —                    | —                            | —                                |
| <b>Total associates</b>                    | <b>9,720</b>         | <b>2,950</b>             | <b>—</b>           | <b>(3)</b>        | <b>3,073</b>      | <b>—</b>              | <b>—</b>               | <b>55</b>            | <b>36,544</b> | <b>18</b>                    | <b>9,001</b>            | <b>(119)</b>         | <b>51</b>                    | <b>(47)</b>                      |

**119**

**RELATED PARTY TRANSACTIONS:**  
**FIGURES AS AT 30 June 2023**

| (Euro/thousands)                        | Trade<br>receivables | Financial<br>receivables | Tax<br>receivables | Other<br>business | Trade<br>payables | Financial<br>payables | Income tax<br>payables | Other<br>liabilities | Revenues (*)  | Purchase of raw<br>materials | Purchase of<br>services | Cost of<br>personnel | Other<br>expense<br>(income) | Financial<br>expense<br>(income) |
|-----------------------------------------|----------------------|--------------------------|--------------------|-------------------|-------------------|-----------------------|------------------------|----------------------|---------------|------------------------------|-------------------------|----------------------|------------------------------|----------------------------------|
| <b>Affiliates:</b>                      |                      |                          |                    |                   |                   |                       |                        |                      |               |                              |                         |                      |                              |                                  |
| - RTI - Reti Televisive Italiane S.p.A. | 494                  | —                        | —                  | 129               | 53                | —                     | —                      | 1                    | 479           | 10                           | 16                      | —                    | 4                            | —                                |
| - Publitalia '80 S.p.A.                 | —                    | —                        | —                  | —                 | 172               | —                     | —                      | —                    | —             | 33                           | 140                     | —                    | —                            | —                                |
| - Banca Mediolanum S.p.A.               | —                    | —                        | —                  | —                 | —                 | —                     | —                      | 11                   | —             | —                            | —                       | —                    | —                            | —                                |
| - TaoDue S.r.l.                         | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —             | —                            | —                       | —                    | —                            | —                                |
| - Il Teatro Manzoni                     | 20                   | —                        | —                  | —                 | 5                 | —                     | —                      | —                    | —             | 11                           | (16)                    | —                    | —                            | —                                |
| - Mediaset S.p.A.                       | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —             | —                            | —                       | —                    | —                            | —                                |
| - Fininvest Real Estate&Services S.p.A. | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —             | —                            | 7                       | —                    | —                            | —                                |
| - Digitalia'08 S.r.l.                   | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —             | —                            | —                       | —                    | —                            | —                                |
| - Radio Mediaset S.p.A.                 | 12                   | —                        | —                  | —                 | 15                | —                     | —                      | —                    | 160           | —                            | 166                     | —                    | —                            | —                                |
| - Mediaset Italia S.p.A.                | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | 10            | —                            | —                       | —                    | —                            | —                                |
| - Publieurope Ltd                       | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | 7             | —                            | —                       | —                    | —                            | —                                |
| - Monradio S.r.l.                       | —                    | —                        | —                  | —                 | 5                 | —                     | —                      | —                    | —             | —                            | —                       | —                    | 4                            | —                                |
| <b>Total affiliates</b>                 | <b>526</b>           | <b>—</b>                 | <b>—</b>           | <b>129</b>        | <b>251</b>        | <b>—</b>              | <b>—</b>               | <b>12</b>            | <b>656</b>    | <b>53</b>                    | <b>313</b>              | <b>—</b>             | <b>7</b>                     | <b>—</b>                         |
| <b>Total related parties</b>            | <b>10,246</b>        | <b>2,950</b>             | <b>3,458</b>       | <b>10,801</b>     | <b>3,348</b>      | <b>—</b>              | <b>—</b>               | <b>67</b>            | <b>37,200</b> | <b>71</b>                    | <b>9,333</b>            | <b>(119)</b>         | <b>58</b>                    | <b>(47)</b>                      |
| related parties from discontinued       |                      |                          |                    |                   |                   |                       |                        |                      |               |                              |                         |                      |                              |                                  |

**RELATED PARTY TRANSACTIONS:**  
**BALANCE SHEET FIGURES AS AT 31 DECEMBER 2022 AND INCOME STATEMENT FIGURES AS AT 30 JUNE 2022**

| (Euro/thousands)          | Trade receivables | Financial receivables | Tax receivables | Other business | Trade payables | Financial payables | Income tax payables | Other liabilities | Revenues (*)  | Purchase of raw materials | Purchase of services | Cost of personnel | Other expense (income) | Financial expense (income) |
|---------------------------|-------------------|-----------------------|-----------------|----------------|----------------|--------------------|---------------------|-------------------|---------------|---------------------------|----------------------|-------------------|------------------------|----------------------------|
| <b>Parent companies:</b>  |                   |                       |                 |                |                |                    |                     |                   |               |                           |                      |                   |                        |                            |
| - Fininvest S.p.A.        | —                 | —                     | 159             | 11,018         | 19             | —                  | 10,061              | —                 | —             | —                         | 23                   | —                 | —                      | —                          |
| <b>Associates</b>         |                   |                       |                 |                |                |                    |                     |                   |               |                           |                      |                   |                        |                            |
| Publications              | 6                 | 500                   | —               | —              | —              | —                  | —                   | —                 | 5             | —                         | —                    | —                 | —                      | (11)                       |
| - Edizioni EL S.r.l.      | 1,081             | —                     | —               | 22             | 2,720          | —                  | —                   | —                 | (3,370)       | 12                        | 2                    | —                 | —                      | —                          |
| - Mediamond S.p.A.        | 17,948            | —                     | —               | (11)           | 1,033          | —                  | —                   | 156               | 17,519        | 342                       | (507)                | —                 | 158                    | —                          |
| - Mondadori Seec          |                   |                       |                 |                |                |                    |                     |                   |               |                           |                      |                   |                        |                            |
| Advertising Co. Ltd       | 904               | —                     | —               | —              | 94             | —                  | —                   | —                 | 1,337         | —                         | —                    | —                 | 20                     | —                          |
| - GD Media Service S.r.l. | —                 | —                     | —               | —              | —              | —                  | —                   | —                 | 37            | 232                       | 324                  | —                 | —                      | —                          |
| - Digital Advertising &   | 6                 | —                     | —               | —              | 195            | —                  | —                   | —                 | 8             | —                         | 38                   | —                 | —                      | —                          |
| - A.L.I. Agenzia Libreria | 3,948             | —                     | —               | —              | 70             | —                  | —                   | —                 | —             | —                         | —                    | —                 | —                      | —                          |
| - DI2 S.r.l.              | —                 | —                     | —               | —              | —              | —                  | —                   | —                 | —             | —                         | 3,190                | —                 | —                      | —                          |
| <b>Total associates</b>   | <b>25,798</b>     | <b>2,950</b>          | <b>—</b>        | <b>11</b>      | <b>4,871</b>   | <b>—</b>           | <b>—</b>            | <b>156</b>        | <b>15,536</b> | <b>586</b>                | <b>3,047</b>         | <b>—</b>          | <b>178</b>             | <b>(11)</b>                |

**121**

**RELATED PARTY TRANSACTIONS:  
BALANCE SHEET FIGURES AS AT 31 DECEMBER 2022 AND INCOME STATEMENT FIGURES AS AT 30 JUNE  
2022**

|                                         | Trade<br>receivables | Financial<br>receivables | Tax<br>receivables | Other<br>business | Trade<br>payables | Financial<br>payables | Income tax<br>payables | Other<br>liabilities | Revenues (*)   | Purchase of<br>raw materials | Purchase<br>of<br>services | Cost of<br>personnel | Other<br>expense<br>(income) | Financial<br>expense<br>(income) |
|-----------------------------------------|----------------------|--------------------------|--------------------|-------------------|-------------------|-----------------------|------------------------|----------------------|----------------|------------------------------|----------------------------|----------------------|------------------------------|----------------------------------|
| (Euro/thousands)                        |                      |                          |                    |                   |                   |                       |                        |                      |                |                              |                            |                      |                              |                                  |
| <b>Affiliates:</b>                      |                      |                          |                    |                   |                   |                       |                        |                      |                |                              |                            |                      |                              |                                  |
| - RTI - Reti Televisive Italiane S.p.A. | 675                  | —                        | —                  | 129               | 60                | 1,200                 | —                      | 93                   | (2,088)        | —                            | (5)                        | —                    | —                            | —                                |
| - Publitalia '80 S.p.A.                 | —                    | —                        | —                  | —                 | 1,225             | —                     | —                      | —                    | 60             | —                            | 437                        | —                    | —                            | —                                |
| - Banca Mediolanum S.p.A.               | —                    | —                        | —                  | —                 | —                 | —                     | —                      | 9                    | —              | —                            | (1)                        | —                    | —                            | —                                |
| - TaoDue S.r.l.                         | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —              | —                            | (2)                        | —                    | —                            | —                                |
| - Il Teatro Manzoni S.p.A.              | —                    | —                        | —                  | —                 | —                 | —                     | —                      | 11                   | 11             | —                            | 8                          | —                    | —                            | —                                |
| - Mediaset S.p.A.                       | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —              | —                            | —                          | —                    | —                            | —                                |
| - Fininvest Real Estate&Services S.p.A. | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —              | —                            | 7                          | —                    | —                            | —                                |
| - RMC Italia S.p.A.                     | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —              | —                            | —                          | —                    | —                            | —                                |
| - Medusa Film S.p.A.                    | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | —              | —                            | —                          | —                    | —                            | —                                |
| - Radio Mediaset S.p.A.                 | 64                   | —                        | —                  | 133               | 59                | —                     | —                      | —                    | 105            | —                            | 111                        | —                    | —                            | —                                |
| - Radio Subasio S.r.l.                  | —                    | —                        | —                  | —                 | —                 | —                     | —                      | —                    | 17             | —                            | 10                         | —                    | —                            | —                                |
| <b>Total affiliates</b>                 | <b>739</b>           | <b>—</b>                 | <b>—</b>           | <b>263</b>        | <b>1,345</b>      | <b>1,200</b>          | <b>—</b>               | <b>113</b>           | <b>(1,895)</b> | <b>—</b>                     | <b>565</b>                 | <b>—</b>             | <b>—</b>                     | <b>—</b>                         |
| <b>Other companies:</b>                 |                      |                          |                    |                   |                   |                       |                        |                      |                |                              |                            |                      |                              |                                  |
| - Società Europea di Edizioni S.p.A.    | —                    | —                        | —                  | 35                | 132               | —                     | —                      | 52                   | (4,576)        | 86                           | 123                        | —                    | —                            | —                                |
| <b>Total related parties</b>            | <b>26,555</b>        | <b>2,950</b>             | <b>159</b>         | <b>11,326</b>     | <b>6,366</b>      | <b>1,200</b>          | <b>11,898</b>          | <b>384</b>           | <b>9,065</b>   | <b>672</b>                   | <b>3,759</b>               | <b>—</b>             | <b>178</b>                   | <b>(11)</b>                      |

related parties from discontinued operations

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

37. FAIR VALUE MEASUREMENT

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

| Financial assets (liabilities)<br>(Euro/thousands) | Fair value at 30/06/2023 Fair value hierarchy | Measurement method and main inputs                                                                                                                                                                                      |
|----------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest rate swap contracts                       | 9,497 Level 2                                 | Discounted cash flow.<br>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                                        | 260 Level 3                                   | Fair value determined using measurement techniques with regard to market variables and unobservable data                                                                                                                |

38. OPERATING SEGMENTS

The reporting 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 Management to define actions and strategies, evaluate investment opportunities and allocate resources; compared with 31 December 2022, the picture has changed as a result of the separation of the data of the Books Area into Trade Books and Education Books.

Segment reporting: figures at 30 June 2023

|                                                         | Trade Books | Education Books | Retail  | Media   | Corporate & Shared Services | Unallocated items and consolidation adjustments | Consolidated result |
|---------------------------------------------------------|-------------|-----------------|---------|---------|-----------------------------|-------------------------------------------------|---------------------|
| (Euro/thousands)                                        |             |                 |         |         |                             |                                                 |                     |
| Revenue from sales and services from external customers | 152,738     | 57,856          | 83,530  | 68,580  | 21,119                      | (44,684)                                        | 362,381             |
| Revenue from sales and services from other sectors      | 22,773      | 1,762           | 352     | 116     | 19,681                      | (44,684)                                        | —                   |
| EBITDA                                                  | 25,994      | 2,235           | 4,212   | 11,570  | (3,112)                     | (552)                                           | 40,347              |
| EBIT                                                    | 22,368      | (7,905)         | (817)   | 8,916   | (8,054)                     | (552)                                           | 13,955              |
| Financial expense (income)                              | 507         | 55              | 287     | 396     | 2,203                       | —                                               | 3,448               |
| Expense (income) from equity-accounted investees        | (1,827)     | —               | —       | 472     | —                           | —                                               | 651                 |
| Result before tax and non-controlling interests         | 23,687      | (7,960)         | (1,103) | 8,047   | (9,841)                     | (552)                                           | 12,278              |
| Income tax                                              | —           | —               | —       | —       | (89)                        | —                                               | (89)                |
| Result attributable to non-controlling interests        | 151         | (1)             | —       | (4)     | —                           | —                                               | 146                 |
| Profit/(loss) from discontinued operations              | —           | —               | —       | —       | —                           | —                                               | —                   |
| Net profit                                              | 23,536      | (7,959)         | (1,103) | 8,052   | (9,752)                     | (552)                                           | 12,221              |
| Depreciation and amortisation, and write-downs          | 3,626       | 10,141          | 5,028   | 2,655   | 4,942                       | —                                               | 26,392              |
| Non-monetary costs                                      | 9,467       | 4,108           | (435)   | 198     | 234                         | —                                               | 13,571              |
| Non-recurring income (expense)                          | —           | —               | —       | 3,643   | 402                         | —                                               | 4,045               |
| Investments                                             | 23,061      | 9,086           | 3,734   | 3,432   | 1,312                       | —                                               | 40,625              |
| Equity method                                           | 3,612       | —               | —       | 10,101  | —                           | —                                               | 13,714              |
| Total assets                                            | 421,633     | 438,007         | 119,627 | 142,823 | 204,254                     | (280,185)                                       | 1,046,159           |
| Total liabilities                                       | 228,589     | 95,536          | 111,664 | 111,696 | 533,304                     | (275,252)                                       | 805,537             |

|                            | Revenues from sales and services | Fixed assets   |
|----------------------------|----------------------------------|----------------|
| Italy                      | 326,942                          | 415,679        |
| Other EU countries         | 11,919                           |                |
| USA                        | 19,068                           | 1,871          |
| Other extra EU countries   | 4,452                            |                |
| <b>Consolidated result</b> | <b>362,381</b>                   | <b>417,550</b> |

**Segment reporting: income statement figures at 30 June 2022 and balance sheet figures at 31 December 2022**

|                                                                | (Euro/thousands) |                 |                |                   |                                |                                                       | Consolidated result |
|----------------------------------------------------------------|------------------|-----------------|----------------|-------------------|--------------------------------|-------------------------------------------------------|---------------------|
|                                                                | Trade Books      | Education Books | Retail         | Media<br>Services | Corporate & Shared<br>Services | Unallocated items<br>and consolidation<br>adjustments |                     |
| <b>Revenue from sales and services from external customers</b> | <b>129,458</b>   | <b>48,592</b>   | <b>77,229</b>  | <b>98,882</b>     | <b>917</b>                     | <b>—</b>                                              | <b>355,079</b>      |
| <b>Revenue from sales and services from other sectors</b>      | <b>19,010</b>    | <b>959</b>      | <b>369</b>     | <b>(661)</b>      | <b>18,753</b>                  | <b>(38,429)</b>                                       | <b>—</b>            |
| <b>EBITDA</b>                                                  | <b>25,577</b>    | <b>(2,624)</b>  | <b>1,043</b>   | <b>8,319</b>      | <b>(3,879)</b>                 | <b>(1,681)</b>                                        | <b>26,755</b>       |
| <b>EBIT</b>                                                    | <b>24,302</b>    | <b>(12,911)</b> | <b>(3,258)</b> | <b>5,351</b>      | <b>(8,579)</b>                 | <b>(1,681)</b>                                        | <b>3,224</b>        |
| Financial expense (income)                                     | 212              | 59              | 350            | 234               | 2,012                          | —                                                     | 2,867               |
| Expense (income) from equity-accounted investees               | (1,107)          | —               | —              | 328               | —                              | —                                                     | (779)               |
| <b>Result before tax and non-controlling interests</b>         | <b>61,537</b>    | <b>(3,870)</b>  | <b>(3,608)</b> | <b>4,789</b>      | <b>(11,271)</b>                | <b>(47,121)</b>                                       | <b>457</b>          |
| Income tax                                                     | —                | —               | —              | —                 | (1,784)                        | —                                                     | (1,784)             |
| Result attributable to non-controlling interests               | (554)            | —               | —              | —                 | —                              | —                                                     | (554)               |
| Profit/(loss) from discontinued operations                     | —                | —               | —              | —                 | —                              | —                                                     | —                   |
| <b>Net profit</b>                                              | <b>62,091</b>    | <b>(3,870)</b>  | <b>(3,608)</b> | <b>4,789</b>      | <b>(9,487)</b>                 | <b>(47,121)</b>                                       | <b>2,795</b>        |
| Depreciation and amortisation, and write-downs                 | 1,275            | 10,287          | 4,301          | 2,968             | 4,701                          | —                                                     | 23,531              |
| Non-monetary costs                                             | 9,164            | 884             | (248)          | 2,244             | 159                            | —                                                     | 12,202              |
| Non-recurring income (expense)                                 | —                | —               | —              | 1,630             | —                              | —                                                     | 1,630               |
| Investments                                                    | 44,607           | 21,161          | 11,222         | 1,124             | 4,544                          | —                                                     | 82,659              |
| of Equity                                                      | 16,605           | —               | —              | 11,845            | —                              | —                                                     | 28,450              |
| <b>Total assets</b>                                            | <b>456,188</b>   | <b>458,719</b>  | <b>133,993</b> | <b>155,114</b>    | <b>207,291</b>                 | <b>(404,658)</b>                                      | <b>1,006,647</b>    |
| <b>Total liabilities</b>                                       | <b>203,927</b>   | <b>102,678</b>  | <b>127,645</b> | <b>129,704</b>    | <b>582,907</b>                 | <b>(401,040)</b>                                      | <b>745,821</b>      |

|                            | Revenues from sales and services | Fixed assets   |
|----------------------------|----------------------------------|----------------|
| Italy                      | 316,681                          | 395,688        |
| Other EU countries         | 13,121                           |                |
| USA                        | 20,012                           | 742            |
| Other extra EU countries   | 5,265                            |                |
| <b>Consolidated result</b> | <b>355,079</b>                   | <b>396,430</b> |

## 39. EVENTS OCCURRING AFTER YEAR END

### Acquisition of Digital Advertising Adgage SA

On 4 July 2023, the Mondadori Group finalised, through its subsidiary Mondadori Media S.p.A., the acquisition of a further 70% stake in Digital Advertising Adgage SA, which operates in the digital advertising sector.

The transaction, as a result of which the Mondadori Group assumes 100% control of the share capital of Digital Advertising Adgage SA, which will therefore be consolidated on a line-by-line basis as at 1 July 2023, was concluded against payment of a consideration of € 860 thousand.

The share purchase agreement also provides for the recognition of earn-outs upon approval of the 2023 and 2024 financial statements, based on the results achieved in the respective years.

## 40. OTHER INFORMATION

### Effects of the conflict between Russia and Ukraine

The Mondadori Group confirms that the effects of the conflict between Russia and Ukraine and climate change on the economic and financial situation are not significant.

128

For more information, refer to the Annual Financial Report for FY 2022.

For the Board of Directors

The Chairman

Marina Berlusconi



**CERTIFICATION OF THE  
CONSOLIDATED FINANCIAL  
STATEMENTS**

## **CERTIFICATION OF THE CONSOLIDATED 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 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, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the company 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 2023.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the Group's condensed consolidated half-year financial statements at 30 June 2023 was carried out based on a specific process defined by Arnoldo Mondadori Editore S.p.A. consistent 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 hereby certify that:

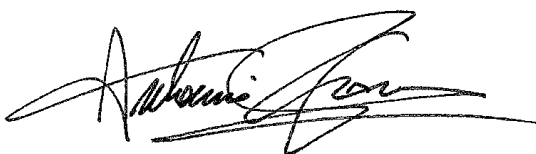
3.1 the condensed consolidated half-year financial statements at 30 June 2023:

- a) were drafted 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, as well as with the provisions set out for the implementation of Article 9 of Legislative Decree no. 38/2005;
- b) agree with the results of the accounting records and entries;
- c) provide a true and fair view of the financial position and results of operations of the Company and the group of businesses 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 interim position also includes a reliable analysis of the main transactions with related parties.

01/08/2023

CEO  
Antonio Porro



Financial Reporting Manager  
Alessandro Franzosi





# Arnoldo Mondadori Editore S.p.A.

Review report on the interim condensed consolidated  
financial statements at June 30, 2023

(Translation from the original Italian text)

## 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 2023. 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, 2023 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, August 2<sup>nd</sup>, 2023

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*