

**2024
HALF-YEAR FINANCIAL
REPORT**





ARNOLDO MONDADORI EDITORE S.p.A.

Share Capital Euro 67,979,168.40

Registered Office in Milan

Administrative Offices in Segrate (Milan)

CONTENTS

COMPOSITION OF CORPORATE BODIES	11
MONDADORI GROUP STRUCTURE	12
MONDADORI GROUP ORGANIZATION CHART	13
DIRECTORS' REPORT ON OPERATIONS AT 30 JUNE 2024	14
MONDADORI GROUP HIGHLIGHTS AT 30 JUNE 2024	15
PERFORMANCE OF MAIN INCOME INDICATORS	17
CONSOLIDATED FINANCIAL HIGHLIGHTS IN FIRST HALF 2024	18
PERFORMANCE BY BUSINESS AREA	34
STATEMENTS OF FINANCIAL POSITION	50
PERSONNEL	55
SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024	57
SIGNIFICANT EVENTS AFTER 30 June 2024	60
GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED	62
OUTLOOK FOR THE YEAR	64
MONDADORI GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024	65
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	66
CONSOLIDATED INCOME STATEMENT	68
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	69
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	70
CONSOLIDATED STATEMENT OF CASH FLOWS	72
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION PURSUANT TO CONSOB REGULATION no. 15519 OF 27 JULY 2006	73
EXPLANATORY NOTES	76
CERTIFICATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 81-TER OF CONSOB REGULATION NO 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS	127

COMPOSITION OF CORPORATE BODIES

CORPORATE OFFICES AND SUPERVISORY BODIES

Board of Directors*

CHAIRMAN

Marina Berlusconi

CEO

Antonio Porro

DIRECTORS

Pier Silvio Berlusconi

Elena Biffi**

Pietro Bracco**

Francesco Currò

Alessandro Franzosi

Paola Elisabetta Galbiati**

Danilo Pellegrino

Riccardo Perotta**

Cristina Rossello

Marina Rubini**

Board of Statutory Auditors*

CHAIRMAN

Sara Fornasiero

STANDING AUDITORS

Francesca Meneghel

Ezio Maria Simonelli

ALTERNATE AUDITORS

Mario Civetta

Annalisa Firmani

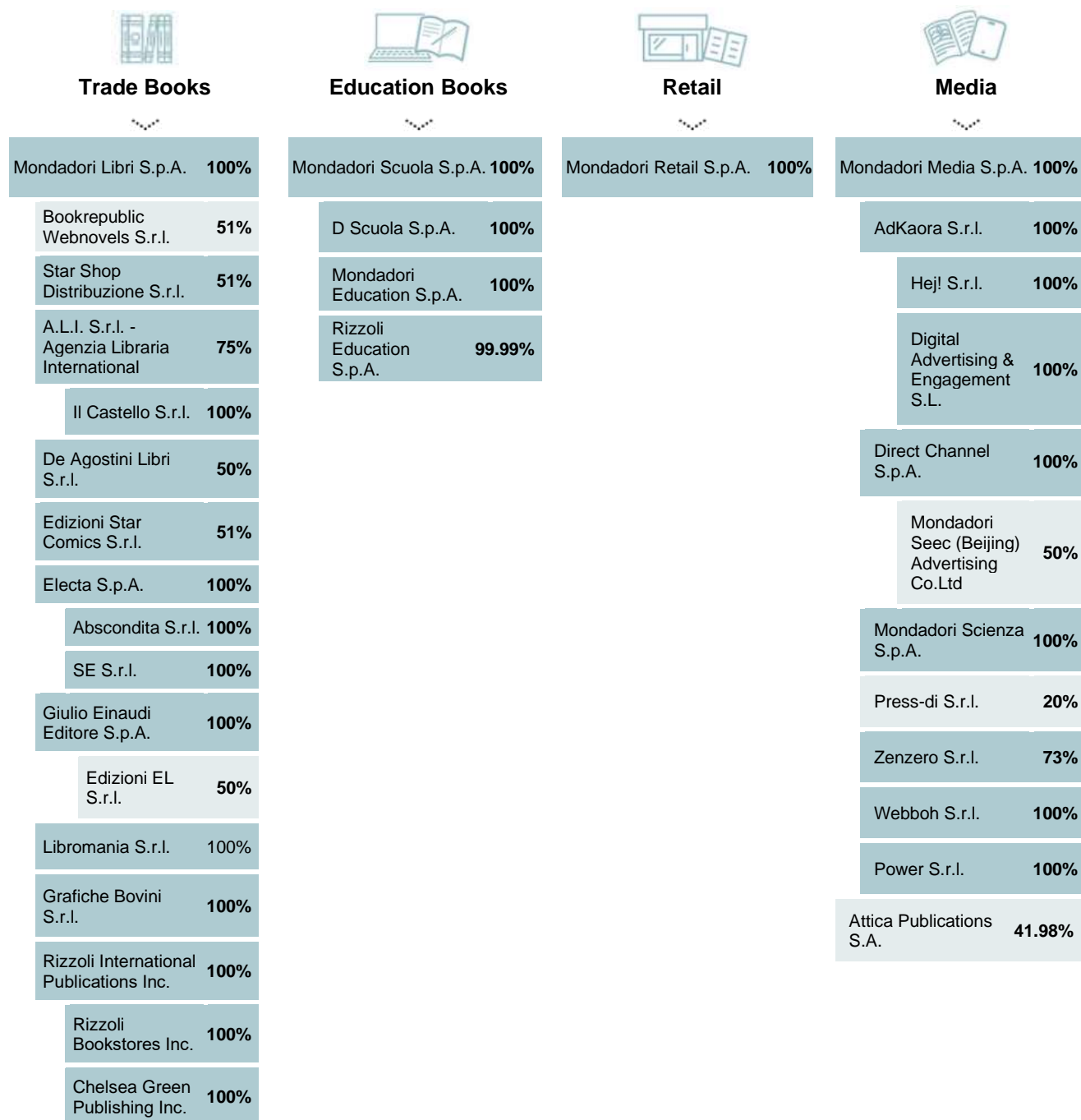
Emilio Gatto

*The Board of Directors and the Board of Statutory Auditors currently in office were appointed by the Shareholders' Meeting of 24 April 2024

** Independent Director

MONDADORI GROUP STRUCTURE

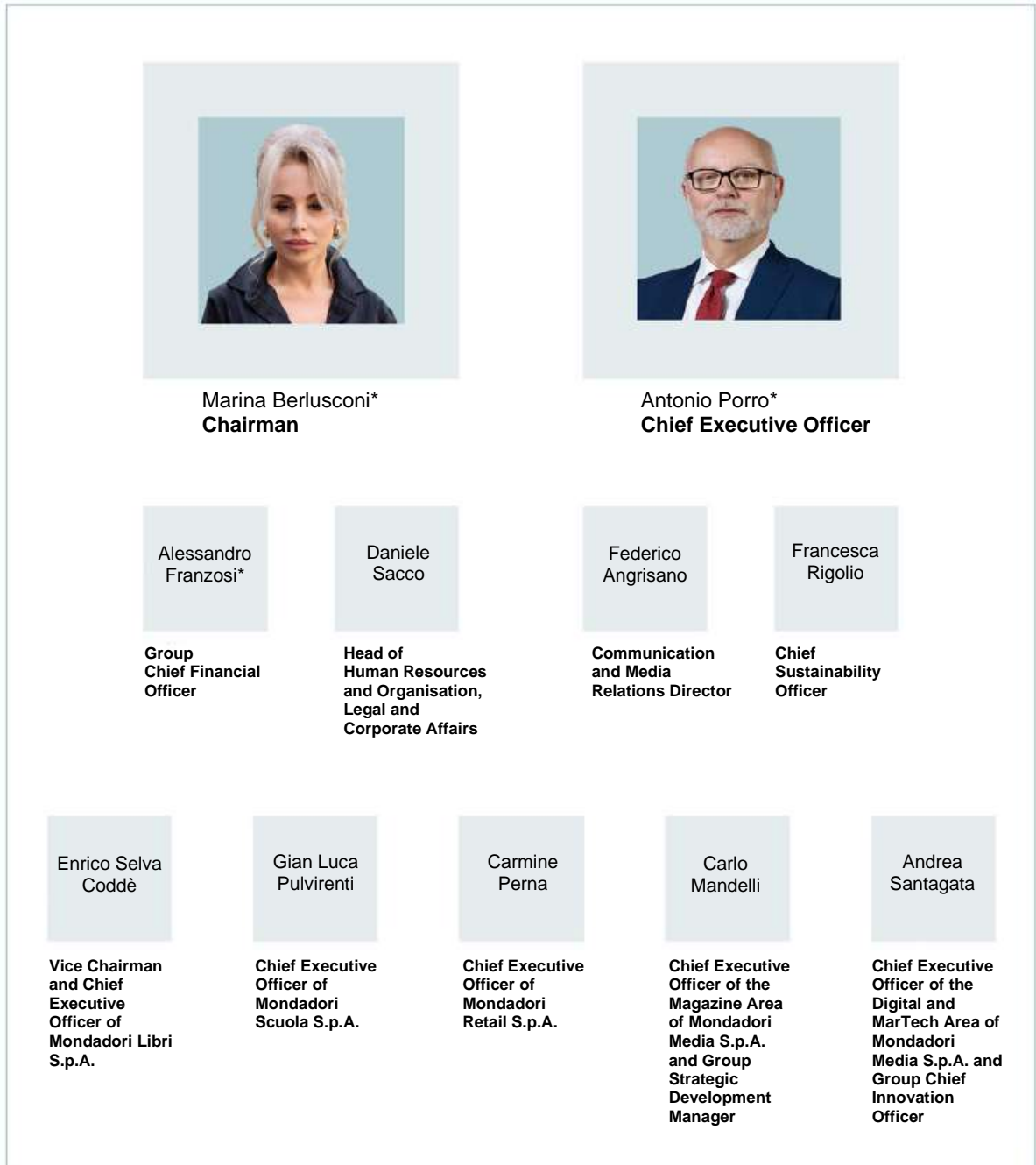
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Updated situation at 30 June 2024

Key: Subsidiaries Associates

MONDADORI GROUP ORGANIZATION CHART



At 30 June 2024

* Members of the Board of Directors

**Directors' Report on
Operations at 30 June
2024**

Mondadori Group Highlights at 30 June 2024

(Euro/millions)	1H 2024	1H 2023	% Chg.
Income Statement			
Revenue	387.2	362.4	6.8%
Adjusted EBITDA*	40.9	38.2	7.0%
EBITDA	42.4	40.3	5.1%
EBIT	12.7	14.0	(8.9%)
Adjusted EBIT**	15.4	14.7	4.8%
Group's net profit	7.1	12.2	(42.1%)
Adjusted Net Profit***	9.0	8.5	5.7%
Business Areas			
Revenue	387.2	362.4	6.8%
Trade Books	188.5	172.9	9.0%
Education Books	61.1	57.9	5.7%
Retail	91.4	83.9	8.9%
Media	72.0	68.7	4.8%
Corporate & Shared Services	22.1	21.1	4.7%
Intercompany	(48.0)	(42.1)	13.9%
Adjusted EBITDA	40.9	38.2	7.0%
Trade Books	27.7	26.2	5.6%
Education Books	1.9	2.3	n.s.
Retail	5.3	4.2	25.5%
Media	10.1	9.0	12.2%
Corporate & Shared Services	(3.4)	(3.0)	n.s.
Intercompany	(0.7)	(0.6)	n.s.
Balance Sheet			
Group Equity	260.9	239.9	8.8%
Net Invested Capital	554.6	526.1	5.4%
Net Financial Position no IFRS 16	211.9	215.2	(1.6%)
Net Financial Position IFRS 16	293.3	285.5	2.7%
Operating and Financial Indicators			
Adj. EBITDA on Revenue (%)	10.6%	10.6%	
Net result on Revenue (%)	2.0%	3.4%	
Human resources			
End-of-year headcount	2,088	1,923	8.6%

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 amortisation deriving from the purchase price allocation of the companies acquired in the last 5 years and the impairment of intangible assets.

*** Adjusted Net Profit is calculated excluding income and expenses of a non-ordinary nature, depreciation and amortisation deriving from the purchase price allocation of the companies acquired in the last 5 years and the impairment of intangible assets net of the related tax effect. Any non-recurring tax expense/income is also excluded.

PERFORMANCE OF MAIN INCOME INDICATORS

The first half of the current financial year saw our Group continue to **develop its core businesses**, focusing in particular on **strengthening its presence in book publishing**, as well as launch a new initiative in the field of Artificial Intelligence.

During these early months, in fact, Mondadori has:

- finalised the acquisition of 51% of **Star Shop**, a company that distributes and manages sales outlets in the comics segment;
- reached another milestone along the growth path, also outside the domestic trade market, through the completion of the acquisition of 100% of **Chelsea Green Publishing**, with a view to strengthening its publishing portfolio on matters of sustainability and consolidating its presence in the United States of America and the United Kingdom;
- launched “**PLAI**”, an accelerator dedicated to start-ups in the area of Generative Artificial Intelligence, with which the Group intends to create a technological hub that will make it possible to identify the most innovative initiative in the fields in which it works (publishing, education, retail, media and advertising), with the aim of consolidating its leadership position and achieving potential further competitive advantage.

The **Trade Books** area recorded **significant growth in revenues, of around 10%** and performance, in terms of sell-out, which, particularly in the second quarter, was considerably better than that recorded by the book market in Italy. These results have successfully strengthened its **leadership position on the national scene**, where it can today boast a market share of **27.7%**: the achievement of these objectives was made possible thanks to the high quality of the publishing plan, thanks to

which the Group was able, during the period under review, to place 6 of the 10 best-sellers “in value” and win the **Strega Prize** with “*L’età fragile*” by Donatella Di Pietrantonio, published by Einaudi.

The **Retail** area continued along the transformation and development path launched in recent years and successfully posted **around 4% organic revenue growth**, which, thanks to the excellent results booked by the physical stores, took the **share of the Book market to 12.7%** (up 0.3% compared with 30 June 2023). The growth compared with the same period of the previous year, including comics (direct and franchised) of **Star Shop** is about **9%**.

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). During the financial year 2024, the Group preferred to anticipate the production of textbooks, so as to optimise promotion during the adoption campaign.

At a consolidated level, during the first half of FY 2024, the Group recorded **growth of around 7% in both revenues and Adjusted EBITDA** and, at the same time, confirmed its capacity to guarantee **solid cash generation with LTM cash flow from ordinary operations of approximately € 67 million**.

In light of the results achieved in the first half, **the outlook for 2024 remains confirmed**, as detailed below.

CONSOLIDATED FINANCIAL HIGHLIGHTS IN FIRST HALF 2024

(Euro/millions)	1st half 2024		1st half 2023		Change %
Revenue	387.2		362.4		6.8%
Industrial product cost	125.6	32.5%	113.7	31.4%	10.5%
Variable product costs	49.2	12.7%	45.1	12.4%	9.0%
Other variable costs	68.6	17.7%	64.0	17.7%	7.1%
Structural costs	32.1	8.3%	29.7	8.2%	7.8%
Extended labour cost	74.9	19.4%	72.5	20.0%	3.4%
Other expense (income)	(4.2)	(1.1%)	(0.9)	(0.2%)	n.s.
Adjusted EBITDA	40.9	10.6%	38.2	10.6%	7.0%
Restructuring	0.1	0.0%	0.3	0.1%	n.s.
Extraordinary expense (income)	(1.6)	(0.4%)	(2.4)	(0.7%)	n.s.
EBITDA	42.4	11.0%	40.3	11.1%	5.1%
Depreciation and amortisation	21.9	5.7%	19.1	5.3%	15.0%
Depreciation and amortisation IFRS 16	7.8	2.0%	7.3	2.0%	6.1%
EBIT	12.7	3.3%	14.0	3.9%	(8.9%)
Financial expense (income)	2.3	0.6%	2.5	0.7%	(8.4%)
Financial expense IFRS16	1.3	0.3%	1.0	0.3%	35.9%
Expense (income) from investments	(0.2)	(0.1%)	(1.8)	(0.5%)	n.s.
EBT	9.4	2.4%	12.3	3.4%	(23.7%)
Tax expense (income)	1.4	0.4%	(0.1)	0.0%	n.s.
Minorities	0.8	0.2%	0.1	—%	n.s.
Group's net profit	7.1	1.8%	12.2	3.4%	(42.1%)

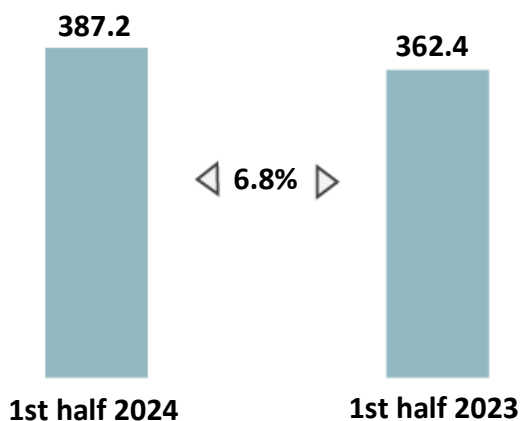
Cost of personnel includes costs for collaborations and temporary employment.

ALTERNATIVE PERFORMANCE MEASURES

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

INCOME STATEMENT

REVENUE



Consolidated revenue for the first half of FY 2024 amounted to € **387.2** million (€ 362.4 million during the same period of 2023), **growing by 6.8%** over the previous year. Net of the change in consolidation scope between the two periods under review, resulting from the consolidation of the companies Star Shop (from 1 February) and Chelsea Green Publishing (from 1 May), **organic revenue growth** was **3.8%**.

In the **Trade Books** area, revenues **rose by 9.0%**, or by **3.4% on a like-for-like scope**, net of the consolidation of the distribution business of Star Shop and Chelsea Green Publishing. This increase is even more important if we consider that 2023 had benefited from the huge commercial success of “Spare. Il Minore” (Spare), published by Mondadori, and should be assessed in connection with the positive publishing performance (in particular of Sperling & Kupfer and Rizzoli) on the digital channels too as well as with a timing effect relative to special initiatives and the sale of rights.

In the **Education Books** area, during the first half of 2024, the school business recorded total revenues of € 61.1 million, **up 5.7%** compared with the first half of 2023 (€ 57.9 million), with a positive change that is mainly due to the bringing forward of sales to top accounts.

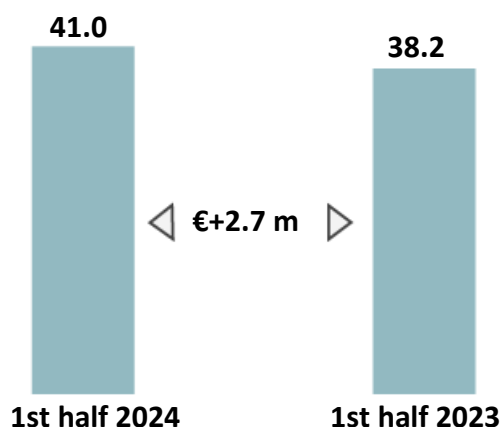
During the half-year under review, the **Retail** area experienced **growth of 8.9%** compared with the previous year, also thanks to the consolidation of the retail business of Star Shop, net of which growth came to **3.6%**. This positive performance was **driven by the Book product**, sales of which **recorded a 3.9% increase** (€ +3.0 million), in particular in directly-managed book stores, despite the negative impact (estimated as approximately € 1 million) of the temporary closure of the Marcianise Bookstore for complete renovation.

The **Media** area presented revenues of € 72.0 million, **up by approximately 5%** compared with the previous year, thanks to the **significant increase of the digital component, which, for the first time ever, has more than offset the structural downturn recorded by the traditional businesses**: the **digital businesses**, which account for **approximately 43% of the area’s total revenues**, have shown, during the first six months of FY 2024, **comprehensive growth of 26.5%**, deriving in particular from the positive performance of the MarTech segment and excellent results of the social agency business launched early 2023.

REVENUE by Business Area (Euro/millions)	1H 2024	1H 2023	Change %
Trade Books	188.5	172.9	9.0%
Education Books	61.1	57.9	5.7%
Retail	91.4	83.9	8.9%
Media	72.0	68.7	4.8%
Corporate & Shared Services	22.1	21.1	4.7%
Total aggregated revenue	435.1	404.5	7.6%
Intercompany	(48.0)	(42.1)	13.9%
Total consolidated revenue	387.2	362.4	6.8%

Starting 1 February 2024, revenue deriving from Star Shop's distribution business is included in the Trade Books area, whilst revenue from the retail business (directly operated stores and franchisees) is accounted for in the Retail area.

EBITDA



Adjusted EBITDA for H1 2024 was **€ 40.9 million, up 7.0%** on the € 38.2 million recorded for H1 2023, mainly thanks to the Trade Books, Retail and Media areas.

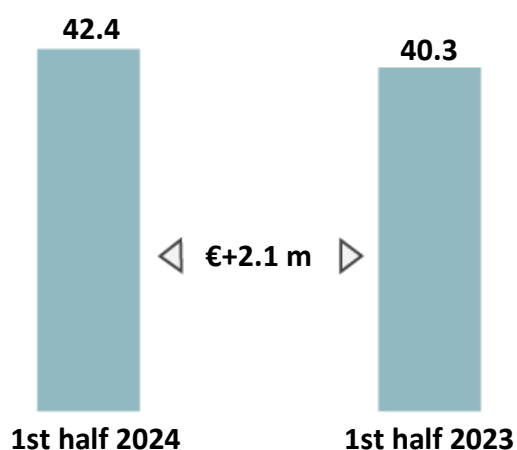
More specifically, the various business segments achieved the following results:

- the **Trade Books** area showed an adjusted EBITDA of € 27.7 million, **up by approximately 6% (€ +1.5 million)**, to a large extent due to the improvement in the profitability of publishing houses, as a result in particular of the growth of digital revenues and lesser incidence of industrial costs (paper, first and foremost);
- the **Education Books** highlighted a positive result of € 1.9 million during the first half of the

year, which is lower than that recorded during the same period of 2023 (€ 2.3 million), due to the temporary effect deriving from the bringing forward of production of new textbooks, made available to the sales network so as to optimise their promotion during the adoption campaign, which drew to a close in May;

- the **Retail** area presented a result of **€ 5.3 million, up by more than 25%** compared to H1 2023 (€ +1.1 million), attributable to the growth in revenue, in particular of the Book product, and the continued development and renewal of the direct store network;
- during the quarter under review, the **Media** area recorded an **increase of € 1.1 million**, showing around **12% growth** compared with the same period of the previous year, due to the growth of the digital business, particularly in the MarTech segment;
- the **Corporate & Shared Services** area recorded a negative margin of € 3.4 million, slightly worse than the € -3.0 million in H1 2023, as a result of the higher costs linked to certain innovation projects, including that relating to the launch of **PLAI**, the Mondadori Group's accelerator in the field of Generative Artificial Intelligence.

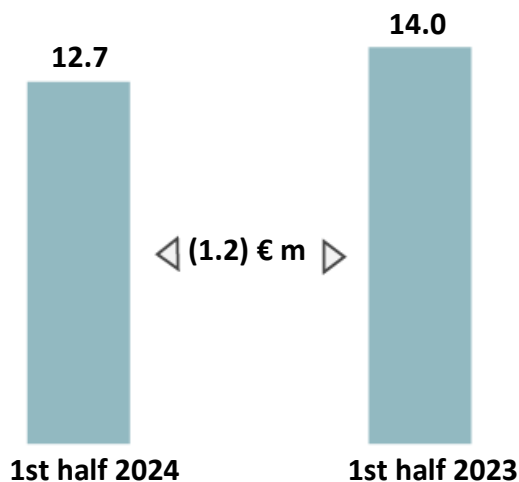
Adj. EBITDA by business area (Euro/millions)	1H 2024	1H 2023	Change
Trade Books	27.7	26.2	1.5
Education Books	1.9	2.3	(0.4)
Retail	5.3	4.2	1.1
Media	10.1	9.0	1.1
Corporate & Shared Services	(3.4)	(3.0)	(0.4)
Intercompany	(0.7)	(0.6)	(0.2)
Total ADJUSTED EBITDA	40.9	38.2	2.7



Group **EBITDA** for the first half of FY 2024 amounted to **€ 42.4 million**, compared to € 40.3 million at 30 June 2023, showing an **improvement of approximately € 2.1 million** attributable to the favourable trend in the operating components mentioned above and the recognition in the current year, in the Media area, of the release of certain provision for risks allocated to cover liabilities that did not ultimately arise, despite the net capital gain tied to the sale of the brands *Grazia* and *Icon* recorded during the first half of 2023.

EBITDA by Business Area (Euro/millions)	1H 2024	1H 2023	Change
Trade Books	27.4	26.0	1.4
Education Books	2.0	2.2	(0.3)
Retail	5.3	4.2	1.1
Media	12.0	11.6	0.4
Corporate & Shared Services	(3.5)	(3.1)	(0.4)
Intercompany	(0.7)	(0.6)	(0.2)
Total EBITDA	42.4	40.3	2.1

EBIT



- and for an amount of € 1.4 million, from the accounting effects of the PPA process relative to the M&A transactions completed during previous years, in particular in the Trade Books area.

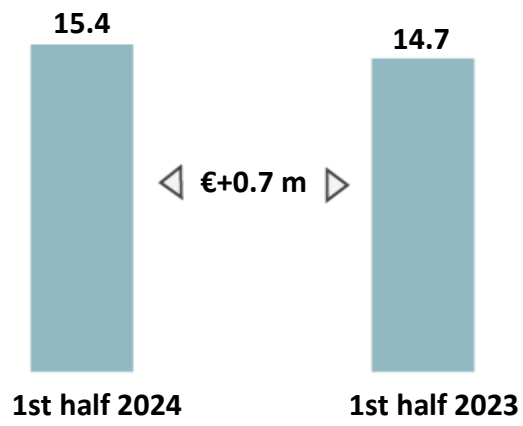
Neutralising the extraordinary items and the amortisation of the allocation of the purchase price allocation for the companies acquired in the last 5 years, the period's **Adjusted EBIT** would stand at € 15.4 million, **up by approximately 5%** compared with the € 14.7 million of the same half of the previous year.

The Mondadori Group's EBIT for the first half of 2024 **was positive for € 12.7 million**, showing a slight decrease compared to the same **period in 2023, amounting to € 1.2 million**, attributable to the higher amortisation and depreciation recorded in the period in question, for approximately € 3 million, mainly deriving from:

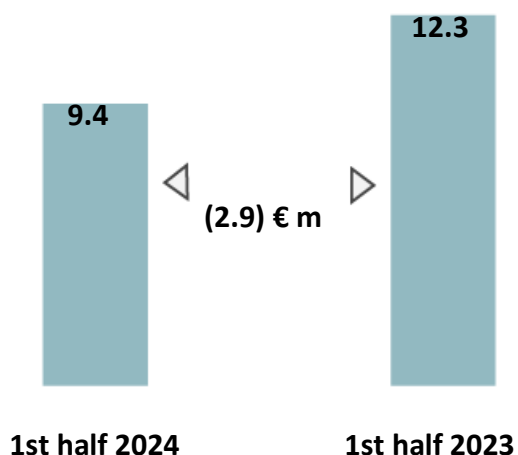
- for € 1.5 million (of which € 0.25 million deriving from the project for the new flagship store in Piazza Duomo), higher investments made during the last twelve months

EBIT by Business Area (Euro/millions)	1H 2024	1H 2023	Change
Trade Books	22.2	22.4	(0.2)
Education Books	(8.8)	(7.9)	(0.9)
Retail	(0.5)	(0.8)	0.3
Media	8.4	8.9	(0.5)
Corporate & Shared Services	(7.8)	(8.1)	0.3
Intercompany	(0.7)	(0.6)	(0.2)
Total EBIT	12.7	14.0	(1.2)

ADJUSTED EBIT



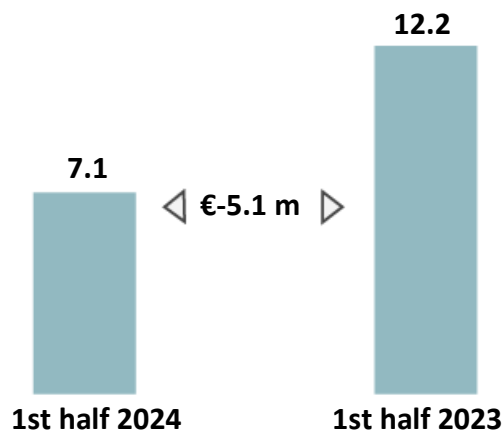
CONSOLIDATED RESULT BEFORE TAX



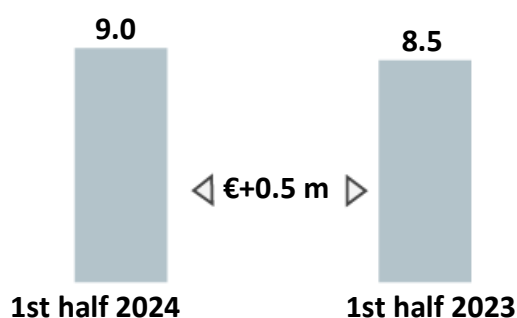
The **consolidated result before tax** for the first half of FY 2024 was positive for € **9.4** million, **approximately € 3 million lower** than € **12.3** million at 30 June 2023, as a result of the above dynamics, joined by the lower contribution, **for approximately € 1.6 million, from the earnings of associates**, which in the first half of 2023 had benefited from the income entered – in accordance with IFRS3 – equal to € 1.3 million for the fair value revaluation of the investment in the company A.L.I. and the capital gain arising from the sale of the investment in S.E.E. (publisher of *Il Giornale*) of € 0.4 million.

Financial expense grew by € **0.2 million** in total as a result of greater charges linked to the IFRS 16 debt (€ +0.3 million), despite a downturn to bank financial expense, insofar as the higher cost of debt (the “all-in-cost” – i.e. including accessory expenses – came to 2.53% compared with 2.19% at 30 June 2023) was more than offset by a lesser average debt.

NET PROFIT



The Group's net profit at 30 June 2024, after minority interests, was positive for € 7.1 million, down by approximately € 5 million compared to 12.2 in the first half of 2023, of which approximately € 3 million arising from the non-ordinary dynamics described previously and the remaining € 2 million resulting from a greater share of the profit attributable to minority interests (€ +0.7 million) and higher tax expense.



The tax component for the first half of FY 2024 are, in fact, negative for € 1.4 million compared to a positive € 0.1 million at 30 June 2023: the result from the first half of 2023 had benefited from the recognition of non-taxable income or income subject to reduced taxation such as the capital gains arising from the sales of magazines and of the investment in SEE, as well as the contributions in the Media area.

Adjusted Net Profit, neutralised of the extraordinary components (including capital gains) and amortisation deriving from the purchase price allocation of the companies acquired, **would be € 9.0 million, up by approximately 6%** compared with the € 8.5 million of the first half of the previous year.

FINANCIAL RESULTS

NET INVESTED CAPITAL

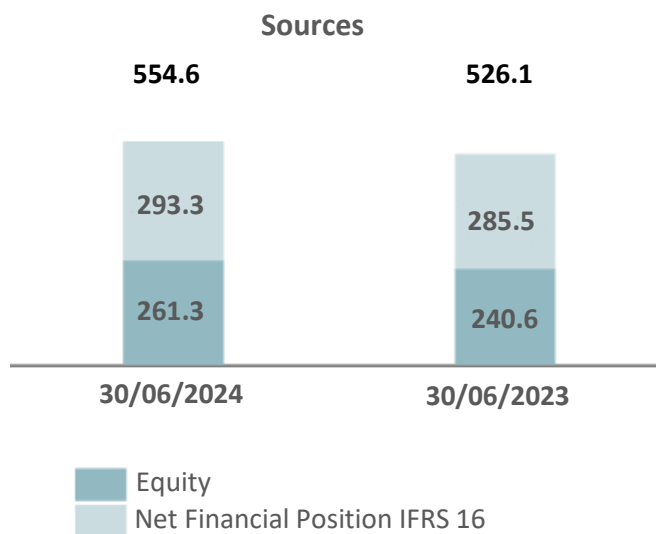
The Group's **Net Invested Capital at 30 June 2024** came to **€ 554.6 million**, up, by 5.4%, on the € 526.1 million at 30 June 2023, mainly due to the acquisitions completed in the last twelve months.

The Group's **Net Working Capital** amounted to € 100.1 million, up approximately 4% from the € 96.4 million in the prior twelve months.

Net Fixed Assets are € **516.1** million, up 3.5% compared with the € 498.7 million at 30 June 2023, mainly due to the consolidation of the companies acquired recently, as well as investments made in the Retail area for the opening of new book stores (in particular the flagship store of Piazza Duomo in Milan) and the renovation of the Segrate headquarters.

Excluding the effects of IFRS 16, Net Fixed Assets come to € 439.1 million, up on the € 431.5 million of 2023 due to the aforementioned effects.

SOURCES

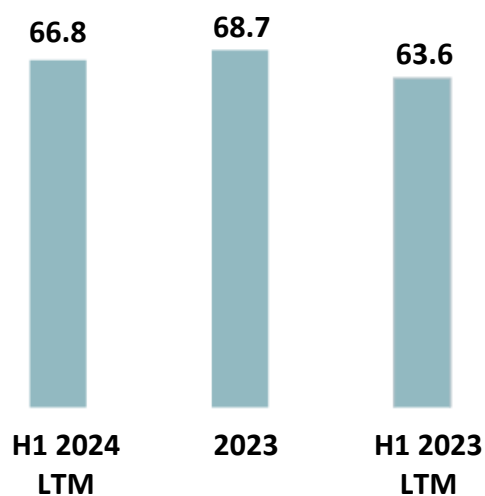


Consolidated equity at 30 June 2024 **increased by over € 20 million** compared to the same date of the previous year, despite the accounting of approximately € 31 million in dividends, due to the **Group's positive net profit** recognised in the last twelve months.

The Net Financial Position excluding IFRS 16 at 30 June 2024 came to € -211.9 million (net debt), an **improvement of approximately € 3 million** compared with the € -215.2 million of the first half of 2023, despite the mentioned distribution of dividends and cash-out relating to the acquisitions of Star Shop and Chelsea Green Publishing as a result of the **business's significant cash generation**.

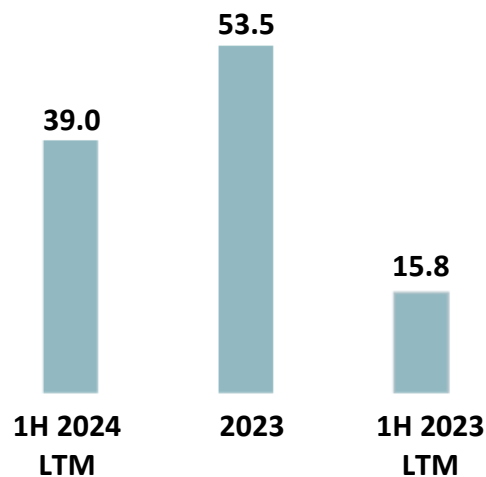
Net Financial Position gross of IFRS 16 at 30 June 2024 stood at **€ -293.3 million** (net debt), from € -285.5 million at 30 June 2023, due to an IFRS 16 debt component of € -81.4 million, up by approximately € 11 million due to the renovation and development of the network of directly-managed book stores in the Retail area in addition to the acquisitions finalised in 2024 in the Trade Books area.

CASH FLOW FROM ORDINARY OPERATIONS



Cash flow from **ordinary operations** (after cash-out for financial expense and tax) in the twelve months prior to 30 June 2024 amounted to approximately **€ 67 million** and allows the Group to continue to strengthen its financial structure.

FREE CASH FLOW



At 30 June 2024, **extraordinary cash flow of the twelve months previous was negative by approximately € 28 million**, mainly due to net cash-outs related to net balance of **acquisitions and disposals for around € 15 million**, restructuring costs for around € 6 million and the renovation of the Segrate headquarters for approximately € 3 million.

Consequently, **LTM Free Cash Flow at 30 June 2024 was positive for € 39.0 million**, confirming the Group's capacity to finance its inorganic growth policy and the continuous increase in efficiency of the Group structures.

Finally, during the period under review, the Group recorded **dividends for its shareholders (50% already distributed) for approximately € 31 million**.

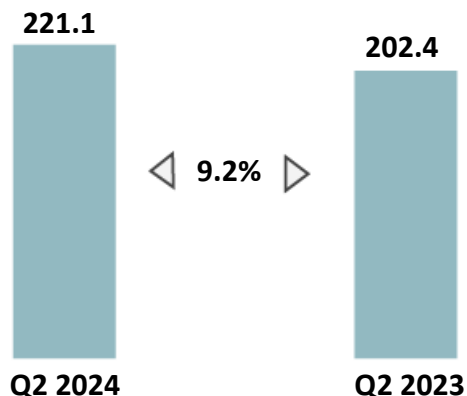
CONSOLIDATED FINANCIAL HIGHLIGHTS IN SECOND QUARTER 2024

(Euro/millions)	Q2 2024		Q2 2023	Change %	
Revenue	221.1		202.4		9.2%
Industrial product cost	68.8	31.1%	57.5	28.4%	19.7%
Variable product costs	26.5	12.0%	24.1	11.9%	10.2%
Other variable costs	38.8	17.6%	35.0	17.3%	10.8%
Structural costs	16.6	7.5%	15.3	7.6%	8.9%
Extended labour cost	37.1	16.8%	36.5	18.0%	1.9%
Other expense (income)	(2.9)	(1.3%)	0.2	0.1%	n.s.
Adjusted EBITDA	36.1	16.3%	33.8	16.7%	6.7%
Restructuring	0.1	0.0%	0.1	0.0%	24.5%
Extraordinary expense (income)	(0.7)	(0.3%)	(1.9)	(0.9%)	n.s.
EBITDA	36.7	16.6%	35.7	17.6%	2.8%
Depreciation and amortisation	11.2	5.1%	9.9	4.9%	13.8%
Depreciation and amortisation IFRS 16	4.0	1.8%	3.6	1.8%	12.0%
EBIT	21.4	9.7%	22.2	11.0%	(3.5%)
Financial expense (income)	1.5	0.7%	1.7	0.8%	(14.8%)
Financial expense IFRS16	0.7	0.3%	0.6	0.3%	20.6%
Expense (income) from investments	(0.3)	(0.1%)	(1.2)	(0.6%)	n.s.
EBT	19.6	8.9%	21.1	10.4%	(7.3%)
Tax expense (income)	5.6	2.5%	3.5	1.7%	n.s.
Net result for the period (group and non-controlling interests)	14.0	6.3%	17.6	8.7%	(20.4%)
Minorities	(0.2)	(0.1%)	0.2	0.1%	n.s.
Group's net profit	14.2	6.4%	17.4	8.6%	(18.6%)

Cost of personnel includes costs for collaborations and temporary employment.

INCOME STATEMENT

REVENUE



The **consolidated revenues** of the second quarter of 2024 came to € **221.1** million, an increase of over 9% compared to the same quarter of the previous year: like-for-like, **the organic performance of revenues recorded growth of 5.6%**.

In the **Trade Books** area, revenues recorded **two-figure growth of 12.5%**, also thanks to the 2024 consolidation of Star Shop and Chelsea Green Publishing: net of these changes in scope, **the area's organic growth is 5%** thanks to the significant publishing performance of the Group's publishing houses (in particular Sperling & Kupfer).

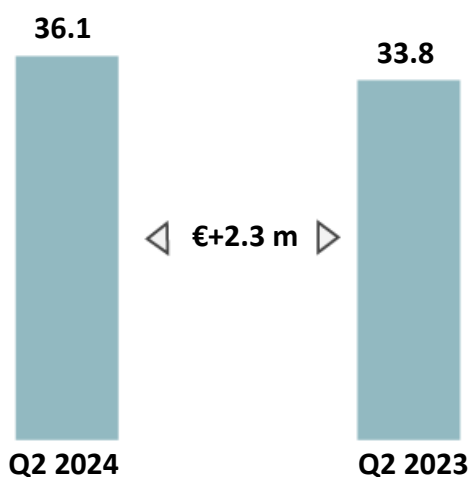
Revenues generated in the second quarter of the year by the educational publishing houses (**Education Books**) were up by **5.2%**, mainly due to different timing – compared with the previous year – in making sales to top accounts.

The **Retail** area recorded **8.8% growth** compared with the same quarter of the previous year, also thanks to the contribution made by the change in scope linked to Star Shop comics: **organic growth was 2.1%, driven by the book product, which recorded an increase of around 3%**; net of the negative impact deriving from the temporary closure of the Marcanise store, during the quarter under review, **organic growth** would come to **4.5%**.

The **Media** area presented revenues **up by 9.9%** thanks to the significant growth (approximately 24%) of revenues deriving from **advertising income, both digital** (approximately **+28%**) and **print** (approximately **+14%**), as well as to the positive performance of the Interni event, compared with the same quarter of the previous year, which more than offset the structural decline of circulation revenue.

REVENUE by Business Area (Euro/millions)	Q2 2024	Q2 2023	Change %
Trade Books	96.7	86.0	12.5%
Education Books	52.0	49.4	5.2%
Retail	46.0	42.2	8.8%
Media	40.0	36.4	9.9%
Corporate & Shared Services	11.3	10.8	5.4%
Total aggregated revenue	245.9	224.7	9.5%
Intercompany	(24.9)	(22.3)	11.6%
Total consolidated revenue	221.1	202.4	9.2%

EBITDA

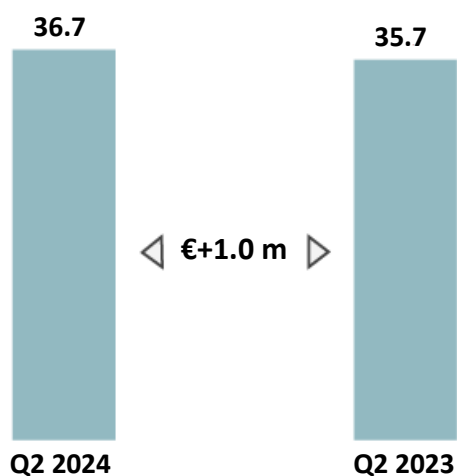


Adjusted EBITDA for the second quarter of 2024 was € 36.1 million, an increase of almost € 2 million on the € 33.8 million recorded for Q2 of 2023.

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

- the **Trade Books** area showed a substantially stable adjusted EBITDA;
- the **Education Books** area showed a **margin increase of € 1.6 million**, due to higher revenues recorded during the quarter;
- the **Retail** area recorded an **improvement of € 0.5 million**, thanks to the growth in revenues, particularly from the Book product;
- the **Media** area recorded an **increase of € 0.8 million**, due to the growth of business in the digital segment;
- the **Corporate & Shared Services** area booked a negative margin of € 2.1 million, stable compared to Q2 2023;
- the intercompany margin showed an increasing trend as a result of the increase in the value of the products of the Group's publishing houses (stocked) at the Retail outlets, also due to the expansion of the scope of consolidation.

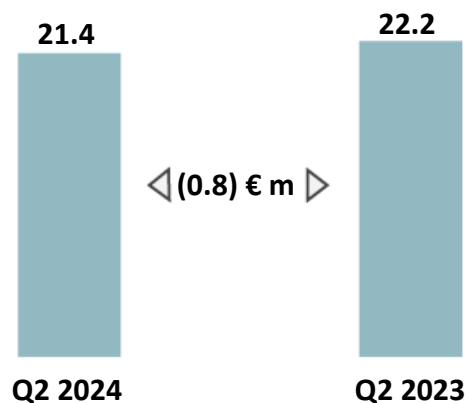
Adj. EBITDA by business area (Euro/millions)	Q2 2024	Q2 2023	Change
Trade Books	12.9	13.1	(0.1)
Education Books	15.7	14.0	1.6
Retail	3.0	2.5	0.5
Media	7.0	6.2	0.8
Corporate & Shared Services	(2.1)	(2.1)	0.0
Intercompany	(0.3)	0.1	(0.5)
Total ADJUSTED EBITDA	36.1	33.8	2.3



The quarter's **EBITDA** came to € 36.7 million (€ 35.7 million in Q2 2023), showing, despite the lesser non-recurring income compared with that booked by the Media area in the second quarter of 2023 thanks to a sale of the *Grazia* and *Icon* network), an **improvement** of € 1.0 million, which reflects the positive operating trend already described.

EBITDA by Business Area (Euro/millions)	Q2 2024	Q2 2023	Change
Trade Books	12.7	12.8	(0.1)
Education Books	15.7	14.0	1.8
Retail	3.0	2.5	0.5
Media	7.8	8.4	(0.6)
Corporate & Shared Services	(2.2)	(2.1)	0.0
Intercompany	(0.3)	0.1	(0.5)
Total EBITDA	36.7	35.7	1.0

EBIT



In the fourth quarter 2024, the Mondadori Group reported a negative **EBIT** of € 21.4 million, showing a **reduction of € 0.8 million** compared to the same period of the previous year. Despite the positive operating performance of all business areas that had led to an improvement in the profitability of the Group, the higher depreciation and amortisation recorded, in the amount of € 1.7 million, as a result of the growing investments as well as the consolidation of the recently acquired companies and the PPA process related to them, resulted in this downturn compared to the previous year.

Neutralising the extraordinary items and the amortisation deriving from the allocation of the purchase price allocation for the companies acquired in the last 5 years, **Adjusted EBIT** would stand at **€ 23 million, up by approximately € 1.3 million** (around +6%) compared with the second quarter of 2023.

EBIT by Business Area (Euro/millions)	Q2 2024	Q2 2023	Change
Trade Books	9.9	10.0	(0.9)
Education Books	10.3	8.7	1.5
Retail	0.0	(0.1)	0.0
Media	5.9	7.1	(1.2)
Corporate & Shared Services	(4.4)	(4.6)	0.2
Intercompany	(0.3)	0.1	(0.5)
Total EBIT	21.4	22.2	(0.8)

**PERFORMANCE
BY BUSINESS
AREA**

PERFORMANCE BY BUSINESS AREA

(Euro/millions)	Revenue		Adjusted EBITDA		EBITDA		Depreciation and amortisation, and write-downs		Operating income (loss)	
	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023
Trade Books	188.5	172.9	27.7	26.2	27.4	26.0	(5.2)	(3.6)	22.2	22.4
Education Books	61.1	57.9	1.9	2.3	2.0	2.2	(10.8)	(10.1)	(8.8)	(7.9)
Retail	91.4	83.9	5.3	4.2	5.3	4.2	(5.8)	(5.0)	(0.5)	(0.8)
Media	72.0	68.7	10.1	9.0	12.0	11.6	(3.6)	(2.7)	8.4	8.9
Corporate & Shared Services	22.1	21.1	(3.4)	(3.0)	(3.5)	(3.1)	(4.3)	(4.9)	(7.8)	(8.1)
Intercompany	(48.0)	(42.1)	(0.7)	(0.6)	(0.7)	(0.6)	—	—	(0.7)	(0.6)
Consolidated total	387.2	362.4	40.9	38.2	42.4	40.3	(29.7)	(26.4)	12.7	14.0

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

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;
- 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 was functional to the vertical integration project along the book value chain (consolidated as of 1 January 2023);
- as of 1 February 2024, the company **Star Shop Distribuzione** (held 51%), operating in the distribution of third party publishers on the comics channel;
- the art and illustrated book publishing business, in which the Group operates with the brands **Electa** (specialised in visual arts, design and architecture) and **Abscondita and SE**. 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 markets with the brands Rizzoli, Rizzoli New York, Rizzoli Electa and Universe, with the

Rizzoli Bookstore situated in New York and **Chelsea Green Publishing**, a publishing house focussed on sustainability topics, operating in the United States of America and the United Kingdom, which Rizzoli International Publications acquired on 1 May 2024.

Relevant market performance

The second quarter of 2024 showed **significant growth on the book market, of 4.1%** (in value)¹, highlighting a performance that most definitely bucked the trend of the downturn recorded during the first part of this year, which had instead suffered from the publication, during the first quarter of 2023, of the huge success “Spare. Il minore” (Spare), Prince Harry's biography, published by Mondadori.

Breaking down the performance in the second quarter into the various segments that make up the Trade publishing market, it can be seen that the positive performance was the result of significant growth in the Miscellaneous segment, up 4.4%, compared to the same quarter of the previous year, as well as a recovery in the Comics and Professional publishing segments (+1.7% and +1.4%, respectively).

Overall, the first six months showed a **substantially stable trend in terms of value compared to the previous year (-0.1%)**.

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 – showed a slight growth (+0.2%), while **Paperbacks** (“catalogue titles”) showed a **decrease of 1.9%** on 30 June of the previous year.

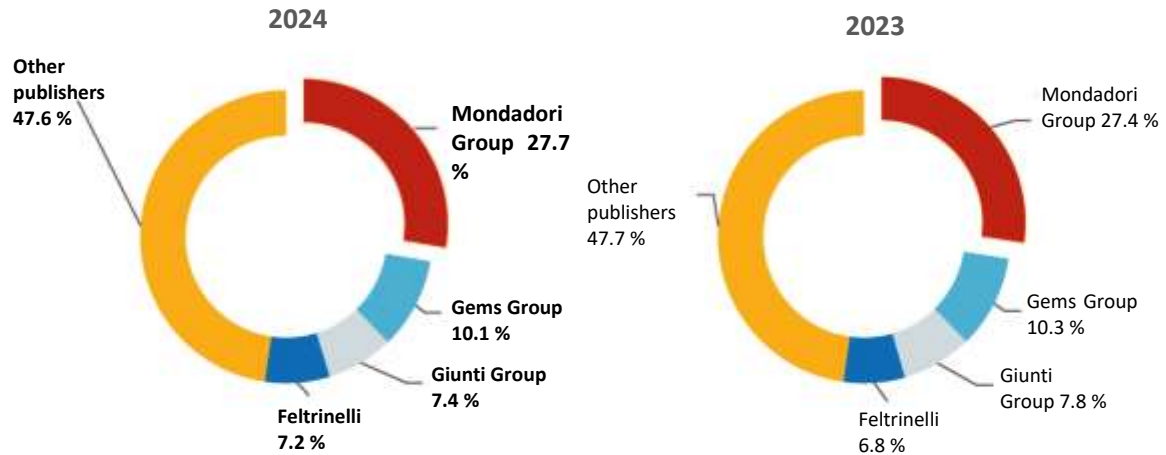
Against this backdrop, the Mondadori Group’s publishing houses, in the second quarter of 2024, **posted nearly twice as much growth as the reference market, 7.6%; thanks to this performance, the Group’s overall growth in the**

¹ Source: GfK, June 2024

first six months was 1%, well outperforming the market.

The Mondadori Group has consolidated its national leadership with a market share of 27.7% at June 2024 (27.4% in June 2023).

TRADE MARKET SHARES



Source: GfK, June 2024 (in terms of value)

As evidence of the quality of the publishing plan and the depth/assortment of its catalogue, during the first six months of the year, the Mondadori Group successfully positioned 872 titles in the classification of the top 2,500 books sold in value (876 titles in June 2023), as well as 6 titles in the classification of the top ten best-sellers², as shown in the table below.

We also note that in July the Mondadori Group, through the Einaudi publishing house, won the 78th edition of the Strega Prize with “L’età fragile” by Donatella Di Pietrantonio.

#	Title	Author	Publisher
1	Un animale selvaggio (A Wild Animal)	Dicker Joel	LA NAVE DI TESEO
2	L’orizzonte della notte	Carofiglio Gianrico	EINAUDI
3	Quando muori resta a me	Zerocalcare	BAO PUBLISHING
4	La portalettere	Francesca Giannone	NORD
5	Tutti i particolari in cronaca	Manzini Antonio	MONDADORI
6	Tra il silenzio e il tuono	Vecchioni Roberto	EINAUDI
7	Dare la vita	Michela Murgia	RIZZOLI
8	Cuore nero	Avallone Silvia	RIZZOLI
9	L’educazione delle farfalle	Donato Carrisi	LONGANESI
10	Cuore nascosto	Ozpetek Ferzan	MONDADORI

² Source: GfK, June 2024 (ranking in terms of cover value)

The economic performance of the Trade Books Area

Trade Books (Euro/millions)	H1 2024	H1 2023	% Chg.
Revenue	188.5	172.9	9.0%
Adj. EBITDA	27.7	26.2	5.6%
EBITDA	27.4	26.0	5.4%
EBIT	22.2	22.4	(0.9%)
PPA effects	1.6	0.8	100.0%
EBIT excl. PPA	23.8	23.2	2.6%

Revenue

Revenue in the first half of 2024 amounted to € **188.5 million, up by 9%** compared with the same period of the prior year **(+3.4% on a like-for-like basis)**, divided as follows:

- **+5.1% publishing houses**, despite the fact that 2023 had benefited from the huge success of the publication of "Spare. Il minore" (Spare), published by Mondadori, as a result of the positive publishing performance (in particular Sperling & Kupfer and Rizzoli), on digital channels too, and a timing effective relative to special initiatives and the sale of rights;
- **-7.7% of Electa**, which suffered, compared with the first half of 2023, the end (at end April) of the concession for ticketing and services

provided in the Roman archaeological area of the Coliseum, as well as the presence during the previous year of various important exhibitions and shows that had been launched in 2022;

- **+3.9% of Rizzoli International Publications**, thanks to the good performance by both the publishing business and the New York bookstore, as well as the contribution made by the consolidation of Chelsea Green Publishing starting 1 May 2024;
- **+66.3% in third party publisher distribution and services businesses**, which benefited from the **consolidation**, starting 1 February 2024, of the distribution business of **Star Shop**.

Trade Books Revenue (Euro/millions)	H1 2024	H1 2023	Change %
Publishing houses	136.7	130.1	5.1%
Electa/Abscondita (art, exhibitions and museums)	11.2	12.1	(7.7%)
Rizzoli International Publications	20.5	18.8	3.9%
Distribution and other services	21.3	12.8	66.3%
Intercompany	(1.1)	(0.9)	n.s.
Total revenue	188.6	172.9	9.0%

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

- **Mondadori:** in Italian Fiction, worthy of note are "Tutti i particolari in cronaca" by A. Manzini, in Non-Fiction "Cuore nascosto" by F. Ozpetek and in Miscellaneous "Quando inizia la felicità" by G. Gotto and "La meraviglia del tutto" by P. Angela and M. Polidoro.

- **Einaudi:** in Stile Libero, we note "L'orizzonte della notte" by G. Carofiglio and "Pioggia" by M. De Giovanni, in Italian narrative "Tra il silenzio e il tuono" by R. Vecchioni. The good performance of the latest novel by P. Auster, "Baumgartner" and all his backlist.
- **Piemme:** in Non-Fiction "In nome della libertà" by P. Del Debbio. In Italian Fiction "Un giorno di calma apparente" by A. J. Seaman. In the

Children's segment, moreover, the publisher retained its leading position with the titles of Geronimo Stilton.

- **Sperling & Kupfer:** in Foreign Fiction "*Iron flame*" by R. Yarros and "*You like it darker*" by S. King, in Italian Fiction "*Game of titans*" and "*Game of gods*" by H. Riley. We note the trilogy "*Love me love me*" by S. Stefania in Paperback.
- **Rizzoli:** in Italian Fiction "*Dare la vita*" by M. Murgia and "*Cuore nero*" by S. Avallone and in Non-Fiction "*Cara Giulia*" by G. Cecchetti.
- **Mondadori Electa:** in Miscellaneous "*Zero glutine, zero rinunce*" by Diana & Alessio and "*Manipolatori*" by E. De Marco. We note the good performance of "*In cucina con la friggitrice ad aria*" by Benedetta Rossi and Buon'idea from the catalogue.
- **StarComics:** in the comics segment, the success of the series Demon Slayer, Dragon Ball and *One Piece* was consolidated also during 2024.

Revenue from the sales of **e-books and audiobooks**, which accounted for approximately **6.8%** of total publishing revenue, was **up by 15.6%** versus the first half of the previous year. Specifically:

- the number of **e-book** downloads rose by 10.0% vs H1 2023. The main e-book titles were "*L'orizzonte della notte*" by G. Carofiglio (Einaudi), "*Tutti i particolari in cronaca*" by A. Manzini (Mondadori), "*Cuore nero*" by S. Avallone (Rizzoli), "*Pioggia*" by M. De Giovanni (Einaudi), "*Il castagno dei cento cavalli*" by C. Cassar Scalia (Einaudi) and "*Save you*" by M. Kasten (Sperling & Kupfer). The e-book catalogue at 30 June 2024 counted almost 36,000 titles;

- the **audiobook** catalogue listening hours (like-for-like) grew by 16.9%. The most listened-to titles were "*Iron flame*" by R. Yarros, "*Tutti i particolari in cronaca*" by A. Manzini and "*Fourth wing*" by R. Yarros.

During the first half of FY 2024, **Electa** recorded total **revenues of € 11.2 million**, down 7.7% compared with the € 12.1 million recorded the previous year; the museum business suffered the late April conclusion of the multi-year concession of the ticketing and services provided in the Roman archaeological area of the Colosseum. In addition, as regards the exhibition business alone, the revenues of the first six months of 2023 included the queues of two important shows in Milan and Genoa. The performance of the retail business in particular the bookshop concession at the Colosseum and the Venice Biennale was positive.

During the first six months of FY 2024, **Rizzoli International Publications** recorded consolidated revenues of approximately € 20.5 million, **up 3.9%** on the same period of 2023, as a result of the launch of the book "*Barbie The world tour*" published during the highly successful film, the positive performance of the New York bookstore and the joining of the consolidation scope, starting 1 May of Chelsea Green Publishing (consolidated revenues for € 0.9 million).

Distribution and other services: revenue from the distribution of books and other services on behalf of third-party publishers in the first half of 2024 amounted to € 21.3 million, an **increase of approximately 66%** over the € 12.8 million of the same period of the previous year, due to the contribution made by the consolidation of Star Shop's distribution business (from 1 February 2024).

EBITDA

Adjusted EBITDA of the Trade Books area for the first half of 2024 came to **€ 27.7 million, showing margin growth of around 5.6% (€ 1.5 million)**, largely due to the improved profitability of the publishing houses, as a result in particular of the growth of digital revenues and lesser incidence of industrial costs (paper, first and foremost).

Reported EBITDA - of **€ 27.4 million - improved by approximately 5.4% or € 1.4 million.**

EBIT for the first half of FY 2024 came to **€ 22.2 million** compared with the € 22.4 million of 2023,

despite the fact that amortisation was around € 1.6 million higher, due to both the increase in ordinary amortisation/depreciation and the PPA process relative in particular to the company A.L.I. (€ +0.9 million vs H1 2023).

Net of the amortisation deriving from the Purchase Price Allocation process of the companies acquired, the EBIT of the Trade Books area would have **increased by 2.6%** over the same half of the previous year.

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 (Mondadori Education and D Scuola), both with its own brands and through the distribution of third-party publishers (mainly for the teaching of foreign languages).

In terms of **School textbooks** publishing, in FY 2023, the Mondadori Group publishing houses achieved a **market share** (adoptions) of **32%**, confirming its leadership in the secondary school sector.

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.

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 definitive market shares for FY 2024 will be available at end October but for now are expected to remain essentially stable.

The economic performance of the Education Books Area

Education Books (Euro/millions)	H1 2024	H1 2023	% Chg.
Revenue	61.1	57.9	5.7%
Adj. EBITDA	1.9	2.3	(18.5%)
EBITDA	2.0	2.2	(11.9%)
EBIT	(8.8)	(7.9)	n.s.
PPA effects	1.6	1.6	—%
EBIT excl. PPA	(7.2)	(6.3)	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, the revenue achieved in the first half of the financial year typically accounts for approximately 25% of the annual figure.

During the first half of 2024, the area's business recorded total **revenue for € 61.1 million, up 5.7%** compared with the first half of 2023 (€ 57.9 million in the same period of 2023), with a positive change that is due to the bringing forward of supplies to top accounts.

EBITDA

Adjusted EBITDA in the first half of the current financial year for the Education Books area stood at € 1.9 million, a decrease from the € 2.3 million, as a result of the advanced production of the new textbooks made available to the sales network to support their promotion. We would recall, in fact, that the period result is clearly impacted by the seasonality of the business, with all the costs of the operational structure and development of the textbooks marketed during the adoption campaign completed at the end of the month of May being recorded during the first half.

Net of amortisation deriving from the purchase price allocation of D Scuola, EBIT of the Education Books area during the half-year under review would come to € -7.2 million.

The trend recorded by **reported EBITDA** is in line with the operating dynamics described previously, while **EBIT** comes to € -8.8 million, compared with € -7.9 million in H1 2023.

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 and the *Bookclub* formula.

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

At the end of June, **direct stores** numbered **47 units**; in this business segment, the network renewal and development continued through:

- the transformation of existing stores through transfer/downsizing/remodelling projects; in this respect, we note the mid-July reopening of the Marcianise store after the temporary closure to reduce the sales surface area;
- the selective development of the network, based on a format that is now consolidated in terms of dimensions and value proposition with a clear focus on the book product: direct stores will in fact continue to grow throughout 2024, as shown by the openings of the Milan bookstore in Via Marghera in February and that of Aprilia in late April.

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; the opening of new bookshops and the refitting of existing bookshops continued, in parallel with the closure of smaller “Mondadori Point” brand outlets.

Relevant market performance

The **book market** in Italy in the first six months of the year remained **basically stable** (-0.1%) compared to the same period in 2023; in this context, note **growth in the physical channel (+1.3%)** and the concurrent negative performance of the online channel (estimated at -2.4%), even if gradually recovering in the second quarter.

The Mondadori Group's Retail area recorded **growth of 2.3%** in H1 2024, continuing to *outperform the market*; consequently, **Mondadori Retail's market share in the Book product stands at 12.7% (up 0.3% compared to 30 June 2023)**, driven by an excellent performance of the direct and franchised stores and a good performance of the online channel.

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 by the **Income Statement for the first half of 2024, which highlights further growth in revenue and margins in the Retail area**; we also note that starting 1 February 2024, revenue from the Star Shop business (directly operated stores and franchisees) is booked to this business area.

Retail (Euro/millions)	1H 2024	1H 2023	% Chg.
Revenue	91.4	83.9	8.9%
Adj. EBITDA	5.3	4.2	25.5%
EBITDA	5.3	4.2	25.5%
EBIT	(0.5)	(0.8)	n.s.

Revenue

In the first six months of the year, the Retail area recorded revenue for **€ 91.4 million**, with an **increase of € 7.5 million (+8.9%)**, making for **+3.6% at an organic level** (i.e. net of the revenue of the Star Shop comic stores, consolidated as of 1 February 2024).

The organic growth in revenue would have been even more significant (equal to +4.9%) without the negative impact of the temporary closure of the Bookstore in Marcianise, due to major renovation work carried out on this store, which had a negative impact in terms of missed sales for over € 1 million in the first half of the current year.

The continuous work to develop and renew the existing stores and the focus on the core business of books have enabled the Mondadori Store network to enjoy particularly great dynamism in the revenues of the Book product, whose period growth came to **€ 2.5 million (+3.9%)**.

Revenue (Euro/millions)	1H 2024	1H 2023	Change %
Directly-managed bookstores	34.0	31.9	6.6%
Franchised bookstores	41.5	39.9	4.0%
Online	5.7	5.7	—%
Store	81.2	77.5	4.8%
Bookclub and other*	10.2	6.3	61.9%
Total revenue	91.4	83.9	9.0%

*Includes revenue deriving from the management (direct and franchised) of Star Shop comics, consolidated starting 1 February 2024

In the same way, growth also continues of the Extra-Book product, which records an improvement of +10.9% on last year, equal to € +1.0 million.

The revenue trend by channel is as follows:

An analysis of the sales by channel reveals:

- further growth in revenues of **directly-managed bookstores (+6.6%** compared with the previous year), despite the negative impact of the previously-mentioned temporary closure of the Marcianise bookstore, without which, growth would have stood at **+10%** compared with the previous year;
- the continuous growth of **franchisee bookstores (+4.0% vs H1 2023)**;
- a substantial stability of the **on-line channel (+0.5% compared to the previous year)**;
- significant growth in the Bookclub and Other, as a result of the consolidation of revenues deriving from the (direct and franchised) comic

stores of Star Shop, consolidated starting 1 February 2024, despite the reduction in Bookclub revenues.

As far as the product categories are concerned:

- the **Book** area, which is the Mondadori Group's core business, was the main component of product revenue (**more than 80% of the total**), **up comprehensively by 3.9%** on the first half of 2023, driven by the excellent performance of physical stores;
- the **Extra Book** turnover has shown a positive trend (+10.9% vs H1 2023), thanks to the growth in the Impulse sector (stationery and gifts).

EBITDA

In the first six months of the current financial, the Retail area posted an **Adjusted EBITDA** of € 5.3 million, highlighting **significant growth, of 25.5%**, compared with the first half of 2023 (€ +1.1 million), confirming progression and a constant improvement in performance that has been ongoing for several years now.

Adjusted EBITDA also suffered the negative impact (€ 0.5 million) of the specified restoration project of the Marcianise bookstore, without which Adjusted EBITDA growth would have been around **35%** compared with the same period of the previous year.

These results were 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 was 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, coming in at € 5.3 million, has also recorded the same **major increase** compared with the previous year, whilst **EBIT, of € -0.5 million** has recorded an improvement of € **0.3 million** compared with H1 of FY 2023, due to the higher amortisation/depreciation recorded during the period under review of the current year.

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 (12 at 30 June 2024) 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 **Webboh**, the company acquired in 2023, 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 2024, the Mondadori Group retained its position as **Italy's top multimedia publisher**:

- in the **print** segment with **12 magazines** and **8.7 million readers**³, Mondadori's market share (in terms of circulation) stood at **20.2%**, down slightly versus June 2023 (20.5%)⁴;
- on the **web** with **12 brands** and approximately **30 million average unique users per month**⁵; the figures recorded for May alone in relation to **Cross Audience** (Web and Social unduplicated) would show approximately **33 million unique users** with a reach of 74.2%;
- in **social media** with a **fan base** at 30 June 2024 of **around 108 million** and over **120 profiles**, including those relating to the **GialloZafferano** brand, there were more than 70 million followers.

Relevant market performance

The relevant markets in the first five months⁶ of FY 2024 performed as follows:

- the advertising market (excluding searches, social networks, classified and OTT) increased by an overall 4.5% versus the prior year; individual segments performed as follows: digital +4.5% (excluding Over The Top), TV +5.57%, newspapers -8.3%, radio +8.8% and magazines substantially unchanged (-0.1%)⁷;
- the magazines circulation market declined by 6.0%⁸;
- the add-ons market fell by 12.3%⁹.

³Source: Audipress I, 2024

⁴Internal source: Press di, May 2024, in terms of value

⁵Source: Comscore, February 2024

⁶At the date on which this Report was prepared, the advertising market data relative to H1 was not yet available

⁷Source: Nielsen, May 2024

⁸Internal source: Press di, May 2024, in terms of value

⁹Internal source: Press di, May 2024, in terms of value

Performance of the Media Area

Media (Euro/millions)	1H 2024	1H 2023	% Chg.
Revenue	72.0	68.7	5%
Adj. EBITDA	10.1	9.0	12%
EBITDA	12.0	11.6	3%
EBIT	8.4	8.9	(6%)

In the first half of FY 2024, revenue in the Media area amounted to € 72.0 million, and posted an **increase** of 5% since the previous year, stemming from the **strong growth in the Digital component, which, for the first time, more than offset the structural downturn of the component linked to traditional activities.**

Specifically:

- the **digital business**, which accounts for **approximately 43% of the area's total revenues**, showed, during the first six months of FY 2024, **26.5% growth in advertising revenue**, deriving in particular from the positive performance of the MarTech segment and the excellent results recorded by the social agencies and by Webboh, activities launched early 2023;

traditional print business was **down 7%**, mainly due to the structural decline of add-on sales and readership during the half-year under review, an improvement on the trend recorded during the first quarter, as the **second quarter of the year held out better (-0.9%)**.

As regards the single components of revenue, the following is noted:

Media (Euro/millions)	1H 2024	1H 2023	Change %
Circulation	22.7	24.5	(7.5%)
Add-on sales	4.9	6.7	(26.6%)
<i>Print Advertising</i>	7.7	6.8	13.6%
<i>Digital Advertising</i>	30.7	24.3	26.5%
Total Advertising	38.4	31.1	23.7%
Distribution/Other revenue	6.0	6.4	(7.1%)
Total revenue	71.9	68.7	4.8%

- advertising** revenues – equal to approximately € 38 million – showed an **increase of around 24%**, thanks to both the **growth that, as mentioned, characterised the digital business (+26.5%)**, and to the print area (+13.6%), impacted by the positive performance of the

Interni event and the new advertising concession-holder appointed for the brands *TV Sorrisi & Canzoni*, *Chi* and *Focus*;

- circulation** revenue (newsstands + subscriptions) **fell by 7.5%**. We note that the performance of the magazine *TV Sorrisi &*

Canzoni, which accounts for approximately 50% of the total, was better than the overall trend of circulation revenue, booking a smaller decline of only 5.0%.

- Revenues deriving from **add-on products** (DVDs, CDs, miscellaneous objects and books) sold together with the Mondadori newspapers, **declined by around 27%**, an improvement on the trend seen during the first six months as a result of the increase in the number of initiatives of the Books area compared with the same period of the previous year.
- Other revenue, which includes revenue from subscription management and non-profit systems, recorded **a decrease** on the same period of the previous year, mainly due to fewer brand stretching initiatives linked to the magazines.

EBITDA

Adjusted EBITDA for the Media area came to **€ 10.1 million** in H1 of FY 2024, showing **growth of approximately 12%** compared with the previous year, due to the digital business segment.

The **EBITDA margin** for the area recorded an **increase of 1 percentage point, from 13.1% to 14.1%**.

Specifically:

- in the **print** area, despite the decline in revenues and lesser income deriving from government contributions, the downturn to the margin was minor thanks to the action taken to rationalise the asset portfolio (which privileged business offering more stable profit levels), the reduction of costs incurred in purchasing paper and the constant optimisation of the cost structure;
- in the **digital** area, Adj. EBITDA was up by around € 1.3 million compared with the same period of the previous year, thanks to the higher revenue recorded.

Reported EBITDA came to **€ 12.0 million**, up on the € 11.6 million for the first half of FY 2023, despite a lesser positive contribution made by extraordinary items (we would recall, in particular, the capital gain deriving from the sale of *Grazia* and *Icon* booked during H1 of FY 2023).

As a result, **EBIT** was a positive **€ 8.4 million**, a slight reduction compared with the € 8.9 million at 30 June 2023, despite to the described improvement in operating trends, as a result of the higher amortisation and depreciation, partly deriving from the reduction in the residual useful life to 10 years of *TV Sorrisi & Canzoni*, applied starting 1 January 2024.

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 during the first half of FY 2024 recorded an increase of approximately 4.7% compared with the same period of 2023, essentially consist of the remuneration of services supplied to subsidiaries and associates.

The area **adjusted EBITDA** is negative for € 3.4 million and is slightly worse than that € -3.0 million of FY 2023, due to the higher costs linked to certain special projects, including the launch of **PLAI**, the Mondadori Group accelerator dedicated to start-ups in the field of the Generative Artificial Intelligence.

Including non-ordinary items, total **EBITDA** confirmed the same dynamics.

The area's **EBIT**, of € -7.8 million, instead recorded an improvement compared with the same half of the previous year (€ -8.1 million in H1 2023) due to the lesser amortisation linked to the end of the amortisation period of the SAP implementation project.

Corporate & Shared Services (Euro/millions)	1H 2024	1H 2023	Change
Revenue	22.1	21.1	1.0
Adj. EBITDA	(3.4)	(3.0)	(0.4)
EBITDA	(3.5)	(3.1)	(0.4)
EBIT	(7.8)	(8.1)	0.3

STATEMENTS OF FINANCIAL POSITION

The **Net Financial Position of the Mondadori Group** (excluding IFRS16) at 30 June 2024 reflects a net debt of **€ 211.9 million, down approximately € 3 million** on the € -215.2 million of 30 June 2023, despite the cash-out incurred to pay the dividends to shareholders and acquire Star Shop and Chelsea Green Publishing, thanks to the **significant cash generated by the Group's businesses in the last 12 months**.

The **IFRS 16 Net Financial Position** came to € -293.3 million, from € -285.5 million recorded at 30 June 2023, including an IFRS 16 debt component of € -81.4 million, up approximately € 70 million on the previous twelve months.

Net financial position (Euro/millions)	30/06/2024	31 December 2023	30/06/2023
Cash and cash equivalents	18.0	49.7	24.4
Assets (liabilities) from derivative financial instruments	5.1	5.7	9.5
Other financial assets (liabilities)	(43.8)	(25.9)	(26.1)
Loans (short and medium/long term)	(191.1)	(115.7)	(223.0)
Held-for-sale financial assets (liabilities)	0.0	0.0	0.0
Net financial position excluding IFRS16	(211.9)	(86.1)	(215.2)
Financial payables IFRS 16	(81.4)	(72.5)	(70.3)
Total net financial position	(293.3)	(158.6)	(285.5)

The overall credit lines available to the Group at 30 June 2024 amounted to € 630.4 million, € 402.5 million of which committed.

The Group's short-term loans, amounting to € 227.9 million, € 80.0 million of which drawn down at 30 June 2024, included overdraft credit lines on current accounts, advances subject to collection and "hot money" flows.

Committed lines of credit consist of the pool loan agreement (Banco BPM, BNL, Intesa Sanpaolo and Unicredit), amounting to an original € 450.0 million (€ 402.5 million at 30 June 2024), stipulated in May 2021 and maturing on 31 December 2026:

(Euro/millions)	Line of Credit	Of which: unutilised	Of which with interest rate hedge
Term Loan A	47.5 ¹⁰	—	47.5
RCF	125.0 ¹¹	125.0	—
Acquisition Line C	230.0 ¹²	165.0	60.0
Total	402.5	290.0	107.5

An analysis of the Group's Cash Flow in the 12 months prior to 30 June 2024, compared to FY 2023, is provided below:

(Euro/millions)	30 June 2024 LTM	31 December 2023
Initial NFP IFRS 16	(285.5)	(177.4)
Financial liabilities application of IFRS 16	(70.3)	(71.3)
Initial NFP NO IFRS 16	(215.2)	(106.1)
Adjusted EBITDA (NO IFRS 16)	137.3	135.4
NWC and provisions	(12.0)	(6.6)
CAPEX NO IFRS16	(39.1)	(38.0)
Cash flow from operations	86.3	90.7
Financial income (expense) no IFRS16	(5.1)	(5.1)
Tax	(14.5)	(16.9)
Cash flow from ordinary operations	66.8	68.7
Restructuring	(5.7)	(4.8)
Share capital increase/dividends non-controlling interests and associates	(0.1)	0.8
Purchase/disposal	(15.2)	(5.4)
Other income and expenditure	(6.8)	(6.0)
Cash flow from extraordinary operations	(27.8)	(15.3)
Free cash flow	39.0	53.5
Shareholder dividends	(31.3)	(28.7)
Tot. cash flow	7.7	24.8
Change in Valuation of Derivatives	(4.4)	(4.7)
Net financial position excluding IFRS16	(211.8)	(86.1)
IFRS 16 effects in the period	(11.1)	(1.2)
Final net financial position	(293.3)	(158.6)

Cash generation over the twelve months prior to 30 June 2024 is structured as follows.

- **Cash flow from ordinary operations** is **positive for € 66.8 million**, essentially in line with the figure recorded in FY 2023; **business profitability**, net of the negative dynamic of working capital, partly recorded in the Trade Books as a result of the change in revenue mix in favour of the physical channel compared with e-commerce and partly by the decline in

the Media Print business and **investments of approximately € 39 million**, generated **cash flow from operations of € 86.3 million**; the cash-outs relative to payment of tax and financial expense absorbed € 19.5 million.

- **Cash flow from non-ordinary operations** came to a **negative € 27.8 million** and included mainly cash-out for:

¹⁰Maturities: 3 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%)

¹¹Bullet loan, coming to maturity on 31 December 2026

¹²Final 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 used at 30 June 2024 is € 65 million; exposure is hedged at a fixed rate (-0.098%) for € 60.0 million and at a variable rate for € 5.0 million.

- **acquisitions that, net of disposals, amount to approximately € 15.2 million** and that mainly comprise the price for the purchase of 51% of **Star Shop**, paid on 1 February 2024, equal to approximately € 8 million (including the payable for put/call options relative to the residual 49% of the capital) and the purchase of 100% of **Chelsea Green Publishing** of € 5 million;
- restructuring costs of € 5.7 million;
- investments allocated to the requalification and renovation of the offices of the Segrate headquarters for approximately €3 million.

Below are the investments incurred by the Group during the two periods (12 months) broken down by business area, highlighting the lesser CAPEX recorded by the Retail area (for approximately € 2.5 million) impacted in particular, during the first half of 2023, by the project for the restoration of the flagship store in Piazza Duomo, Milan.

Consequently, the total **Free Cash Flow** generated by the Group in the twelve months prior to 30 June 2024 was **€ 39.0 million** before booking € 31.3 million in dividends, of which 50% distributed in May 2024 (the remaining 50% will be paid in November 2024).

CapEx by Sector of Activity	30/06/2024	31 December
	LTM	2023
		FY
Trade Books	4.2	3.0
Education Books	20.0	19.1
Retail	6.9	9.5
Media	1.1	1.0
Corporate & Shared Services	6.9	5.4
Total	39.1	38.0

Below is a summary of the Group's financial position at 30 June 2024 versus the same period of the previous year.

(Euro/millions)	30 June 2024	30 June 2023	% Chg.
Trade receivables	183.2	158.6	15.5%
Inventory	177.9	177.1	0.4%
Trade payables	248.2	229.9	8.0%
Other assets/ (liabilities)	(12.8)	(9.4)	n.s.
Net working capital from continuing operations	100.1	96.4	3.8%
Discontinued or discontinuing assets (liabilities)	0.0	0.0	n.s.
Net working capital	100.1	96.4	3.8%
Intangible assets	387.9	386.1	0.5%
Property, plant and equipment	37.0	31.4	17.7%
Investments	14.2	14.0	1.7%
Net fixed assets with no rights of use IFRS16	439.1	431.5	1.8%
Assets from rights of use IFRS16	77.0	67.1	14.7%
Net fixed assets with rights of use IFRS16	516.1	498.7	3.5%
Provision for risks	33.3	40.5	(17.7%)
Post-employment benefits	28.3	28.4	(0.4%)
Provisions	61.6	68.9	(10.6%)
Net invested capital	554.6	526.1	5.4%
Share Capital	68.0	68.0	—%
Reserves	185.9	159.7	16.4%
Profit (loss) for the year	7.1	12.2	n.s.
Group shareholders' equity	260.9	239.9	8.8%
Minority shareholders' equity	0.4	0.7	(41.6%)
Equity	261.3	240.6	8.6%
Net financial position excluding IFRS16	211.9	215.2	(1.6%)
Net Financial Position IFRS 16	81.4	70.3	15.8%
Net financial position	293.3	285.5	2.7%
Sources	554.6	526.1	5.4%

The Group's **Net Invested Capital** at 30 June 2024 came to **€ 554.6 million, up by 5.4%** on the € 526.1 million at 30 June 2023, mainly due to the acquisitions completed in the last twelve months.

The Group's **Net Working Capital** amounted to **€ 100.1 million**, up approximately 4% from the € 96.4 million in the previous 12 months.

More specifically, the trend of key balance sheet figures versus 30 June 2023:

- **trade receivables** grew by approximately 16% (€ 25 million), mainly concentrated in the Trade Books area, as a result of the increase in revenues and the discontinuity in scope between the two periods;
- **inventories** recorded essential stability with respect to the previous year (+0.4%);
- **trade payables** are up 8.0% (approximately € 18 million) compared with 30 June 2023, partly brought about by the acceleration of the business and partly by the discontinuity of scope in the Trade Books area;
- **intangible assets** rose by approximately € 2 million versus June 2023, due to the booking of the goodwill and other intangible assets relating to the recent acquisitions net of the impairment test conducted in December 2023 (specifically regarding the change in the residual life of the brand *TV Sorrisi & Canzoni* in the Media area and the start-up of *Piemme* in the Trade Books area) and the amortisation recorded during the last twelve months;

- **tangible assets** increased by approximately € 6 million, mainly due to changes in scope made during the last twelve months and investments made for the opening of new stores in the Retail area, in particular Piazza Duomo, Milan, and the renovation of the Segrate headquarters;
- **right-of-use assets** recorded growth of **14.7%** (approximately € 10 million) deriving in particular from the development and renovation of the network of stores of the Retail area and discontinuity of scope of the Trade Books area;
- the value of **investments** was substantially stable on the figure at 30 June 2023;
- **provisions** (provision for risks and post-employment benefits) declined by around 11% compared with 30 June 2023, due to the release of certain provision for risks allocated to guarantee against potential liabilities that ultimately did not arise.

Consolidated shareholders' equity at 30 June 2024 – of **€ 261.3 million** – **increases by approximately € 20 million** compared with the previous year, confirming the significant degree of capitalisation achieved by the Group, despite the accounting of approximately € 31 million of dividends and the reduction of the reserve that includes the measurement of derivatives for about € 3 million, as a result of the **Group's positive net profit** booked during the last twelve months (about € 57 million).

PERSONNEL

HEADCOUNT

Group employees – on both permanent and fixed-term contracts – amounted to **2,088, up by 8.6%** versus 1,923 resources at 30 June 2023 (+165 units).

Neutralising the effect of the changes in scope – namely acquisitions in the Trade Books area of Star Shop (whose workforce is temporary attributed to the Trade Books area) and Chelsea Green Publishing and the Media Digital area of the Spanish company Adgage – **the Group's workforce would show a slight increase (+1.6%)** compared with the previous 12 months.

Group employees at 30 June 2024:

Headcount by Business Area	30/06/2024	30/06/2023	Change %
Trade Books	730	604	20.9%
Education Books	292	290	0.7%
Retail	331	306	8.2%
Media	428	417	2.6%
Corporate & Shared Services	307	306	0.3%
Total	2,088	1,923	8.6%

In the **Trade Books** area, net of the employees who joined the Group following the acquisition of Star Shop, the headcount has grown by 2.2%.

In the **Education Books** area, the headcount was basically stable versus the previous year.

The **Retail** area workforce is up by 8.2%, despite the action taken to increase efficiency in both the central structures and the organisational structure of the network of directly-managed

stores as a result of the opening of certain directly owned sales outlets.

The trend recorded by the **Media** area on a like-for-like basis is down by 1.2% due in particular to the efficiencies recorded in the area relating to traditional business.

The headcount of the **Corporate & Shared Services** area recorded a stable trend, down 1.6% net of the addition of certain staff functions deriving from the integration of Star Shop.

€ millions	2024	2023	Change %
Cost of enlarged personnel (before restructuring)	74.9	72.5	3.4%

The **cost of personnel** during the first six months of FY 2024 was € 74.9 million, **up 3.4%** compared with the same period of FY 2023: the like-for-like comparison, having neutralised scope changes, shows **substantial stability** (€ +0.3 million).

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

Below are the main extraordinary transactions and the most important events that took place in the first six months of 2024.

On **1 February 2024**, through its subsidiary Mondadori Libri S.p.A., the Mondadori Group finalised **the acquisition of 51% of the share capital of Star Shop Distribuzione S.r.l.**, which operates in the comic book and gadget segment and is particularly active in the distribution of third-party publishers in the comic book shop channel and in the management of sales outlets - direct and affiliated - in the same segment.

As communicated to the market on 29 June 2023, following authorisation by the Italian Antitrust Authority pursuant to Law 287/1990 - as previously announced on 3 November 2023 -, the transaction is effective as of the same date, from which date Mondadori has also fully consolidated the company.

As previously stated, the acquisition makes it possible to replicate in the comics segment the vertically-integrated business model with which the Mondadori Group already operates in the book segment.

Under the agreement, Sergio Cavallerin and Matteo Cavallerin - who founded and successfully managed the company - retain management responsibility and continue to hold the role of Executive Directors in the Company.

The **price**, based on an Enterprise Value of € 9 million, covering 100% of the Company, is **€ 4.6 million**, entirely paid in cash at closing, and was subject to adjustment based on the effective net financial position at the closing date.

As previously stated, the agreement includes 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.

On **15 April 2024**, the **agreement** was signed for **the acquisition** by the subsidiary Rizzoli International Publications Inc., of **100% of the share capital of Chelsea Green Publishing Company**, a transaction that was then completed on 1 May. Founded 40 years ago by Ian and Margo Baldwin, Chelsea Green Publishing is based in **Vermont (USA)** and in the UK through its subsidiary Chelsea Green Publishing UK Ltd. Its **editorial focus is sustainability** - particularly green, health and wellness issues - and promoting cultural diversity.

The Mondadori Group already has a presence in the United States through its subsidiary Rizzoli International Publications Inc., a leading publisher of illustrated English-language books on Lifestyle and Interior Design, which has also owned the historic Rizzoli bookstore in New York for the past 60 years.

With the acquisition of Chelsea Green Publishing, the Mondadori Group took a **further step on its international development journey in English-speaking markets**, which recently began with the establishment of London-based Rizzoli UK.

Consideration for the transaction, which was paid fully in cash on the closing date, is set at **\$ 5 million** (on a debt-and-cash free basis) and was subject to adjustment according to the NFP on the closing date. In the last approved financial statements (2022), the company reported **consolidated revenue of USD 8.1 million and an operating income of USD 1.1 million**.

On **24 April 2024**, the Shareholders' Meeting of the Company, among other resolutions, appointed the new corporate bodies, who will remain in office for three years until the approval of the financial statements for the year ending 31 December 2026.

The new **Board of Directors** consists of 12 members:

- Marina Berlusconi (Chairman), Antonio Porro, Pier Silvio Berlusconi, Alessandro Franzosi, Danilo Pellegrino, Elena Biffi, Francesco Currò, Cristina Rossello, Paola Elisabetta Galbiati, Marina Rubini, Riccardo Perotta (from the majority list presented by the shareholder Fininvest S.p.A.);

- Pietro Bracco (from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The Shareholders' Meeting also appointed the new **Board of Statutory Auditors**, composed as follows:

- Sara Fornasiero as Chairperson (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors);
- Ezio Maria Simonelli and Francesca Meneghel as Standing Auditors (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);
- Annalisa Firmani and Emilio Gatto, as Alternate Auditors (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);
- Mario Civetta, as Alternate Auditor (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The Board of Directors of Arnoldo Mondadori Editore S.p.A., which met after the Shareholders' Meeting, chaired by Marina Berlusconi, **confirmed Antonio Porro as Chief Executive Officer**, granting him the relating management powers.

The Board of Directors also appointed the members of the following **Committees** in compliance with the principles established by the Corporate Governance Code:

- Control, Risk and Sustainability Committee: Paola Elisabetta Galbiati (Chairman), Pietro Bracco and Cristina Rossello;
- Remuneration and Appointments Committee: Elena Biffi (Chairman), Paola Elisabetta Galbiati and Cristina Rossello;
- Related Party Committee: Riccardo Perotta (Chairman), Elena Biffi and Marina Rubini.

The Board also appointed, until expiry of its term, therefore, until approval of the financial statements for the year ending 31 December 2026:

- Paola Elisabetta Galbiati as Lead Independent Director;
- Alessandro Franzosi as Financial Reporting Manager.

On **20 May 2024**, the Mondadori Group launched a new initiative called "PLAI", the start-up accelerator that seeks to transform ideas based on the exploitation of artificial intelligence into successful businesses.

With PLAI, the Mondadori Group has set itself the following objectives:

- to create a technological hub that can identify highly innovative initiatives in the sectors in which it operates: publishing, education, retail, media and advertising;
- to position itself right at the heart of the artificial intelligence revolution, becoming the core of a national and international community of innovators;
- to create industrial value and competitive advantage through focussed investments in start-ups in the AI sector.

PLAI WILL operate in the pre-seed and seed phases, selecting, for each annual acceleration cycle, 10 Italian and international start-ups, which will be supported with an initial investment of € 100 thousand each, in exchange for a minority share. The total financial commitment of the Mondadori Group is approximately € 6 million, to be invested during the three-year period 2024-2026.

PURCHASE OF TREASURY SHARES

At **30 June 2024**, Arnoldo Mondadori Editore S.p.A. held 548,471 treasury shares, equal to **0.21% of the share capital**. No acquisitions were made in FY 2024.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

Below are the main extraordinary transactions and the most important events that took place after the end of the first half of the FY 2024.

On **22 July 2024**, the Mondadori Group defined - as a result of the acceptance of a binding offer - the essential terms and conditions for the **acquisition, by its subsidiary Mondadori Media, of 51% of the share capital of Waimea S.r.l.**, the company that holds all the intellectual property and economic exploitation rights pertaining to the image of **Benedetta Rossi** and **Marco Gentili**. Waimea is 97.9% owned by Benedetta Rossi and Marco Gentili (individually and through the company **Maui Media**) and 2.10% in equal amounts by Emiliano Messeni and Marco Iacobellis.

Benedetta Rossi is Italy's best-known creator in the food & cooking sector. Her content creation activities range from the digital sphere - where she has a **total social media fan base of over 17 million followers and 4 million unique monthly users of her website** (Audiweb, May 2024) - to traditional media including, in particular, TV, where she has for many years starred in various programmes dedicated to cooking. Benedetta Rossi is also **the most important cookbook author of recent years**, with **9 books** published with the Mondadori Group between 2016 and 2023, **selling over 1.5 million copies in total**.

As a result of this transaction, through the coordinated and synergistic management of activities linked to the *Fatto in casa da Benedetta* and *GialloZafferano* brands, **the Mondadori Group intends to create the leading multimedia player in the food & cooking sector**, both in digital and traditional media. The more than 87 million followers worldwide that Benedetta and GialloZafferano together will be able to reach will make them the world's second most important social media operator in the food & cooking sector (internal processing of market data).

Future development will rest on the centrality of Benedetta Rossi as the person who can guarantee quality and reliability. The strategic partnership is also intended, through greater investment aimed at growing the company through which Benedetta currently operates, to

broaden the media success already achieved in the food & cooking sector into new neighbouring sectors and towards new opportunities, even by diversifying the current business model.

The transaction involves the initial acquisition by Mondadori of 51% of the share capital of Waimea - whose revenues and EBITDA in 2023 amounted to € 4.5 million and € 2.7 million respectively - on terms that reflect an Enterprise Value (for 100% of the company) of € 13.5 million, on a cash&debt free basis. Consequently, **the price, which will be paid in full in cash on the closing date, is € 6.9 million**. The terms of the transaction also provide for a variable component (so-called earn-out) - to be defined on the basis of the results of the two-year period 2023-2024 and of the financial year 2026 - the value of which, also due a contractual "cap" mechanism, is expected to reach a total amount not exceeding € 3.2 million. Following the acquisition, the ownership structure of Waimea will see Mondadori Media holding 51% and Benedetta Rossi and Marco Gentili (through Maui Media) 49%.

The agreements signed also provide for put & call options on a further 19% stake in Waimea's share capital (exercisable after the approval of the 2028 financial statements), the exercise terms/strike price of which are linked to Waimea's performance (turnover and EBITDA) in 2028. Exercising these options would allow Mondadori Media to increase its stake in the company to 70% , while keeping Benedetta Rossi and Marco Gentili shareholders at 30%, consistent with the long-term strategic partnership established by the transaction.

Benedetta Rossi and Marco Gentili will remain directors with full autonomy in the management of the business. Advertising sales will continue to be managed by the advertising concessionaire Talks.

Finalisation of the offer documentation and closing of the transaction are expected to take place by the end of 2024.

OTHER INFORMATION

In the reporting period, Arnoldo Mondadori Editore S.p.A. did not carry out any development activities. At closure or during the period, it did not hold any shares in parent companies, not even through trusts or trustees.

RELATED PARTY TRANSACTIONS

In compliance with the provisions set out in Article 5, paragraph 8, and Article 13, paragraph 3, of the “Regulation in the matter of transactions with related parties” issued by CONSOB through Resolution 17221 of 12 March 2010 and subsequent amendments (the “CONSOB Regulation”), the following is reported relating to the half year of reference:

- no transactions of greater significance were concluded;
- no changes or developments relating to the transactions with related parties illustrated in the most recent Annual Report are reported that had a significant impact on the Company’s equity or performance in the year of reference.

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

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

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

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

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

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

Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net profit for the period before income tax, other financial

income and expense, amortisation, 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)	H1 2024	1H 2023
Gross Operating Profit - EBITDA (as shown in the financial statements)	42,411	40,347
Restructuring costs under "Cost of personnel"	139	279
Expenses related to acquisition and sale of companies and business units, sundry expense (income) and cost of services	(1,649)	(2,382)
Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations)	40,900	38,244

With regard to adjusted EBITDA in the first half of financial year 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”.

With regard to adjusted EBITDA in the first half of financial year 2024 the following items were excluded from EBITDA:

- restructuring costs for a total amount of € 0.1 million, included in “Cost of personnel” in the income statement;
- income of a non-ordinary nature for a total of € 1.6 million, included in “Sundry expense (income)” and “Cost of services”.

Operating result (EBIT): net profit 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 income and expense of non-ordinary nature, as defined previously, depreciation and amortisation deriving from the Purchase Price Allocation of companies acquired in the last five years, and the write-downs of intangible assets.

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

Net Profit adjusted: this is the net profit excluding income and expense of non-ordinary nature, amortisation and depreciation deriving from the purchase price allocation of companies acquired in the last five years and write-downs of intangible assets net of the related tax effect and gross of any non-recurring tax expense/income.

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 cashfunds 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

In light of the results achieved in the first half and the reference markets scenario, **the Group believes it can confirm the previously communicated guidance for the 2024 financial year.**

Income Statement

- **low single-digit revenue growth;**
- **mid-single-digit growth in the Adjusted EBITDA**, with **margins** expected to remain stable at around **17%**, thanks to targeted pricing policies and the further reduction of paper and printing costs.

Financial data

In the financial year 2024, the Group is expected to **confirm the significant cash generation capacity** and therefore an **Ordinary Cash Flow** of around **€ 70 million**, despite higher investments for approximately € 4 million allocated to the renovation and energy efficiency measures of a printing facility of the Group, including from a sustainable perspective.

For the Board of Directors

Chairman
Marina Berlusconi



**Mondadori Group
Consolidated
Financial Statements
at 30 June 2024**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets (Euro/thousands)	Notes	30/06/2024	31/12/2023
Intangible assets	9	387,875	385,116
Land and building		—	—
Plant and equipment		10,283	10,982
Other fixed assets		26,728	23,748
Property, plant and equipment	10	37,011	34,730
Rights-of Use-Assets	11	77,041	68,762
Equity-accounted investees		13,952	13,340
Other investments		260	260
Total investments	12	14,212	13,600
Non-current financial assets	24	8,045	8,688
Deferred tax assets	13	62,329	65,788
Other non-current assets	14	1,598	1,726
Total non-current assets		588,111	578,410
Tax receivables	15	18,818	15,541
Other current assets	16	88,310	74,195
Inventory	17	177,898	149,940
Trade receivables	18	183,235	164,438
Other current financial assets	24	944	2,111
Cash and cash equivalents	24	17,990	49,724
Total current assets		487,195	455,949
Discontinued or discontinuing operations		—	1,685
Total Assets		1,075,306	1,036,044

Liabilities (Euro/thousands)	Notes	30/06/2024	31/12/2023
Share Capital		67,979	67,979
Treasury shares		(1,018)	(2,371)
Other reserves and profit/loss carried forward		186,873	160,064
Profit (loss) for the year		7,082	62,411
Group equity	19	260,916	288,083
Share capital and reserves attributable to non-controlling interests		421	755
Total Equity		261,337	288,838
Provisions	20	33,281	40,839
Post-employment benefits	21	28,332	29,191
Non-current financial liabilities	24	101,038	95,638
Financial liabilities IFRS 16	24	66,748	59,275
Deferred tax liabilities	13	39,985	42,365
Other non-current liabilities		—	—
Total non-current liabilities		269,383	267,308
Income tax payables	15	1,512	12,972
Other current liabilities	22	142,384	145,651
Trade payables	23	248,239	257,069
Payables to banks and other financial liabilities	24	137,829	50,998
Financial liabilities IFRS 16	24	14,620	13,208
Total current liabilities		544,585	479,899
Liabilities disposed or being disposed of		—	—
Total liabilities		1,075,306	1,036,044


CONSOLIDATED INCOME STATEMENT

(Euro/thousands)	Notes	2024	2023
Revenue from sales and services	25	387,170	362,381
Decrease (increase) in inventory	17	(19,687)	(24,163)
Cost of raw and ancillary materials, consumables and goods	26	82,269	77,778
Cost of services	27	217,777	207,872
Cost of personnel	28	70,594	68,319
Sundry expense (income)	29	(6,194)	(7,773)
EBITDA		42,411	40,347
Amortisation and impairment loss on intangible assets	9	17,882	15,774
Depreciation and impairment loss on property, plant and equipment	10	4,056	3,299
Amortisation/depreciation and impairment loss of assets from rights of use	11	7,767	7,319
Operating income (loss)		12,705	13,955
Financial expense (income)	30	3,572	3,448
Expense (income) from investments	31	(232)	(1,771)
Result before tax		9,365	12,278
Income tax	32	1,443	(89)
Result from continuing operations		7,922	12,367
Result from discontinued or discontinuing operations		—	—
Net profit		7,922	12,367
Attributable to:			
- Non-controlling interests		840	146
- Parent Company shareholders		7,082	12,221
Net earnings per share (in Euro units)	33	0.027	0.047
Diluted net profit per share (in Euro units)	33	0.027	0.047

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Euro/thousands)	2024	2023
Net profit	7,922	12,367
<i>Items reclassifiable to income statement</i>		
Profit and loss deriving from the conversion of currency denominated financial statements of foreign companies	665	(400)
Other profit (loss) from equity-accounted investees	(80)	(224)
Effective part of profit/(loss) on cash flow hedge instruments	(644)	(963)
Profit and loss deriving from held-for-sale assets (fair value)		
Tax effect on other profit (loss) reclassifiable to income statement	154	231
<i>Items reclassified to income statement</i>		
Effective part of profit/(loss) on cash flow hedge instruments	—	—
Profit and loss deriving from held-for-sale assets (fair value)	—	—
Tax effect on other profit (loss) reclassifiable to income statement	—	—
<i>Items not reclassifiable to income statement</i>		
Actuarial profit (loss)	(93)	(223)
Tax effect on other profit (loss) not reclassifiable to income statement	17	53
Total other profit (loss) net of tax effect	20	(1,526)
Total net profit (loss)	7,942	10,841
Attributable to:		
- Non-controlling interests	840	133
- Parent Company shareholders	7,102	10,708

For the Board of Directors
The Chairman
Marina Berlusconi



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2023 AND 2024

Euro/thousands	Notes	Share Capital	Treasury shares	Performance share reserve	Reserve for cash flow hedge	Fair value reserve
Balance at 01 January 2023		67,979	(2,024)	1,731	9,072	—
- Allocation of result		—	—	—	—	—
- Dividends payment		—	—	—	—	—
- Change in consolidation scope		—	—	—	—	—
- Transactions on treasury shares		—	(347)	—	—	—
- Performance shares		—	—	(65)	—	—
- Other changes		—	—	—	—	—
- Comprehensive profit (loss)		—	—	—	(732)	—
Balance at 30 June 2023	19	67,979	(2,371)	1,666	8,340	—
Balance at 01 January 2024		67,979	(2,371)	2,331	5,484	—
- Allocation of result		—	—	—	—	—
- Dividends payment		—	—	—	—	—
- Change in consolidation scope		—	—	—	—	—
- Transactions on treasury shares		—	1,353	—	—	—
- Performance shares		—	—	(690)	—	—
- Other changes		—	—	—	—	—
- Comprehensive profit (loss)		—	—	—	(489)	—
Balance at 30 June 2024	19	67,979	(1,018)	1,641	4,995	—

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2023 AND 2024

Currency reserve	Post-employment discounting reserve	Other reserves	Profit (loss) for the period	Total Group equity	Minority shareholders' equity	Total
1,739	699	128,300	52,067	259,563	1,263	260,826
—	—	52,067	(52,067)	—	—	—
—	—	(29,214)	—	(29,214)	(3)	(29,217)
—	—	—	—	—	—	—
—	—	(813)	—	(1,160)	—	(1,160)
—	—	591	—	526	—	526
—	79	(601)	—	(522)	(672)	(1,194)
(471)	(157)	(153)	12,221	10,708	133	10,841
1,268	621	150,177	12,221	239,901	721	240,622

Currency reserve	Post-employment discounting reserve	Other reserves	Profit (loss) for the period	Total Group equity	Minority shareholders' equity	Total
888	512	150,851	62,411	288,084	755	288,839
—	—	62,411	(62,411)	—	—	—
—	—	(31,309)	—	(31,309)	—	(31,309)
—	14	(14)	—	—	—	—
—	—	—	—	1,353	—	1,353
—	—	—	—	(690)	—	(690)
—	—	(3,624)	—	(3,624)	(1,173)	(4,797)
676	(76)	(91)	7,082	7,102	840	7,942
1,564	450	178,224	7,082	260,916	422	261,338

For the Board of Directors
The Chairman
Marina Berlusconi



CONSOLIDATED STATEMENT OF CASH FLOWS

Euro/thousands	30/06/2024	30/06/2023
Net profit	7,082	12,221
Adjustments		
Depreciation and amortisation, and write-downs	29,706	26,392
Income tax for the period	1,443	(89)
Performance Shares	614	526
Provisions (utilization) and post-employment benefits	(3,058)	(2,259)
Capital loss (gain) from the disposal of intangible assets, property, plant and equipment, investments	(1)	(1,166)
Capital loss (gain) from the measurement of financial assets	—	—
(Income) expense of equity-accounted investees	(232)	(580)
Net financial expense on loans, leases and derivative transactions	5,038	4,484
Other non-monetary adjustments to assets held for sale	—	(6,379)
Cash flow generated from operations	40,592	33,150
(Increase) decrease in trade receivables	(11,227)	24,424
(Increase) decrease in inventory	(12,356)	(20,847)
Increase (decrease) in trade payables	(20,944)	(43,423)
Income tax payments	(12,660)	(13,638)
Advances and post-employment benefits	(1,860)	(1,732)
Net change in other assets/liabilities	(27,390)	(22,604)
Cash flow generated from (absorbed by) assets held for sale	—	374
Cash flow generated from (absorbed by) operations	(45,845)	(44,296)
Price collected (paid) net of cash transferred/acquired	(9,517)	10,972
(Purchase) disposal of intangible assets	(16,534)	(14,585)
(Purchase) disposal of property, plant and equipment	(7,129)	(8,681)
(Purchase) disposal of investments	1,225	917
(Purchase) disposal of financial assets	1,187	1,418
Cash flow generated from (absorbed by) assets held for sale	—	—
Cash flow generated from (absorbed by) investing activities	(30,768)	(9,959)
Net change in financial liabilities	87,927	83,481
Payment of net financial expense on loans and transactions with derivatives	(1,584)	(1,109)
Net refund leases	(8,858)	(8,184)
Interest on leases	(1,296)	(954)
(Purchase) disposal of treasury shares	—	(347)
Dividends distributed	(31,309)	(29,214)
Cash flow generated from (absorbed by) assets held for sale	—	—
Cash flow generated from (absorbed by) financing activities	44,880	43,673
Increase (decrease) in cash and cash equivalents	(31,733)	(10,582)
Cash and cash equivalents at beginning of the period	49,724	34,941
Cash and cash equivalents end of period	17,991	24,359

For the Board of Directors
The Chairman
Marina Berlusconi



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

Assets (Euro/thousands)		30/06/2024	of which related parties (note 36)	31/12/2023	of which related parties (note 36)
Intangible assets	9	387,875	—	385,116	—
Land and building		—	—	—	—
Plant and equipment		10,283	—	10,982	—
Other fixed assets		26,728	—	23,748	—
Property, plant and equipment	10	37,011	—	34,730	—
Rights-of Use-Assets	11	77,041	—	68,762	—
Equity-accounted investees		13,952	—	13,340	—
Other investments		260	—	260	—
Total investments	12	14,212	—	13,600	—
Non-current financial assets	24	8,045	2,950	8,688	2,950
Deferred tax assets	13	62,329	9,985	65,788	10,674
Other non-current assets	14	1,598	—	1,726	—
Total non-current assets		588,111	12,935	578,410	13,624
Tax receivables	15	18,818	2,957	15,541	3,458
Other current assets	16	88,310	132	74,195	126
Inventory	17	177,898	—	149,940	—
Trade receivables	18	183,235	11,237	164,438	10,246
Other current financial assets	24	944	—	2,111	—
Cash and cash equivalents	24	17,990	—	49,724	—
Total current assets		487,195	14,326	455,949	13,830
Discontinued or discontinuing operations		—	—	1,685	—
Total Assets		1,075,306	27,261	1,036,044	27,454

Liabilities (Euro/thousands)		30/06/2024	of which related parties (note 36)	31/12/2023	of which related parties (note 36)
Share Capital		67,979		67,979	
Treasury shares		(1,018)	—	(2,371)	—
Other reserves and profit/loss carried forward		186,873	—	160,064	—
Profit (loss) for the year		7,082	—	62,411	—
Group equity	19	260,916	—	288,083	—
Share capital and reserves attributable to non-controlling interests		421		755	
Total Equity	19	261,337	—	288,838	—
Provisions	20	33,281	—	40,839	—
Post-employment benefits	21	28,332	—	29,191	—
Non-current financial liabilities	24	101,038	—	95,638	—
Financial liabilities IFRS 16	24	66,748	—	59,275	—
Deferred tax liabilities	13	39,985	—	42,365	—
Other non-current liabilities		—	—	—	—
Total non-current liabilities		269,383	—	267,308	—
Income tax payables	15	1,512	—	12,972	—
Other current liabilities	22	142,384	64	145,651	67
Trade payables	23	248,239	3,438	257,069	3,348
Payables to banks and other financial liabilities	24	137,829	—	50,998	—
Financial liabilities IFRS 16	24	14,620	—	13,208	—
Total current liabilities		544,585	3,502	479,898	3,415
Liabilities disposed or being disposed of		—	0	—	—
Total liabilities		1,075,306	3,502	1,036,044	3,415

CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 of 27 July 2006

(Euro/thousands)	2024	of which related parties (note 36)	of which non- recurring (income) expense (note 35)	2023	of which related parties (note 36)	of which non- recurring (income) expense (note 35)
Revenue from sales and services	387,170	33,220	—	362,381	37,200	—
Decrease (increase) in inventory	(19,687)	—	—	(24,163)	—	—
Cost of raw and ancillary materials, consumables and goods	82,269	16	—	77,778	71	—
Cost of services	217,777	8,140	—	207,872	9,333	—
Cost of personnel	70,594	(87)	—	68,319	(119)	—
Sundry expense (income)	(6,194)	(25)	—	(7,773)	58	(2,880)
EBITDA	42,411	25,176	—	40,347	27,857	2,880
Amortisation and impairment loss on intangible assets	9 17,882	—	—	15,774	—	—
Depreciation and impairment loss on property, plant and equipment	10 4,056	—	—	3,299	—	—
value of assets for rights	11 7,767	—	—	7,319	—	—
Operating income (loss)	12,705	25,176	—	13,955	27,857	2,880
Financial expense (income)	30 3,572	(51)	—	3,448	(47)	—
Expense (income) from other investments	31 (232)	—	—	(1,771)	—	(416)
Result before tax	9,365	25,227	—	12,278	27,904	3,296
Income tax	32 1,443	(1,950)	—	(89)	(1,849)	(749)
Result from continuing operations	7,922	27,177	—	12,367	29,753	4,045
Result from discontinued or discontinuing operations	—	—	—	—	—	—
Net profit	7,922	27,177	—	12,367	29,753	4,045
Attributable to:						
- Non-controlling interests	840	—	—	146	—	—
- Parent Company shareholders	7,082	27,177	—	12,221	29,753	4,045

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 Gian Battista Vico 42, Milan (Italy), and headquarters in Strada privata Mondadori, Segrate/Milan, is listed on the STAR segment of the Electronic Stock Market (MTA) of Borsa Italiana S.p.A..

The publication of the consolidated financial statements of the Mondadori Group for the period ended 30 June 2024 was authorized by the Board of Directors’ resolution of 31 July 2024.

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 reports at 31 December 2023 and 30 June 2023.

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 2024, the Mondadori Group completed the following extraordinary transactions:

- with effect from 1 January 2024, the acquisition of 100% of Studio Editoriale S.r.l., a company specialised in the publication of trial copies, for the price of € 200 thousand;
- with effect from 1 February, the acquisition of 51% of Star Shop Distribuzione S.r.l., a company involved in the distribution and direct sale of comics through its own and franchise sales outlets; the share purchase agreement provides for two call/put options in favour of Mondadori/the sellers, for the transfer of ownership of 24.5% of the shares each, to be exercised after the approval of the financial statements for the financial years 2025 and 2028;

- with effect from 1 May, the acquisition of 100% of the shares of Chelsea Green Publishing Inc., American publishing house focussed on the publication of works about sustainability topics, structured into green, health and well-being, as well as the optimisation of cultural diversities.

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 an economic scenario still partly impacted by the international geopolitical scenario marked by the Russia-Ukraine conflict and tensions in the Middle East. The same accounting standards adopted for the preparation of the annual financial statements for the year ended 31 December 2023 have been used herein. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Changes in accounting standards

Below are the amendments to the accounting standards, which apply for the first time in 2024 and which had no impact on the Group's condensed consolidated half-year financial statements:

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*
- *Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*
- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

Pillar II

Starting from tax period 2024, the FININVEST Group, of which the Mondadori Group is a part, joined the scope of application of the Pillar 2/GloBE rules.

More specifically, these rules came into force in Italy on 1 January 2024 under Italian Legislative Decree no. 209/2023 implementing Directive no. 2523/2022/EU.

Very briefly, the Pillar 2 rules state that Group entities (wherever they may be located) shall be subject to effective income tax at a rate of at least 15%, to be determined on the basis of a careful calculation based on the accounting and tax data of such entities, aggregated by country. Where the tax level in a given country is below 15%, a top-up tax will be applied to bring the amount up to 15%. As required by accounting standard IAS 12 (in particular by the "Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules"), and OIC 25, the FININVEST Group has carried out a first, preliminary analysis in order to identify the scope of application and potential impact of this new legislation on the jurisdictions of its consolidation scope, also using the transitional safe harbours ("TSH") applicable in the three years 2024-2026 (the "transitional period"), as envisaged by the OECD Guidelines.

On the basis of the current data – for FININVEST S.p.A. and its subsidiaries – the company FININVEST takes on the role of "Ultimate Parent Entity" (or "UPE") and Arnoldo Mondadori Editore S.p.A. takes on the role of "Partially-Owned Parent Entity" or "POPE"). Both the company and the Fininvest Group are continuing the analyses of the potential impact of the Pillar 2 rules, also in light of the new regulations, including the publication of Ministerial Decree of 20 May 2024 on the application of the transitional safe harbours in Italy.

At present, and while awaiting additional regulatory changes and clarifications on the matter and additional analyses, during the first half of 2024, no circumstances arose such as to suggest any substantive differences from what was declared in the report to the financial statements for the year ended 31 December 2023.

These analyses are based on an analysis of the regulations that the group is currently still assessing and implementing on data that is not yet final (insofar as the real impact of the regulations can only be verified once we have all data for the whole of the 2024 tax period, which is the first tax period of application of such regulations).

Consequently, the results of such preliminary analysis may differ from the effective results recorded at the first actual application of Pillar 2 regulations.

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, unchanged in comparison with the information given at 31 December 2023, are: Trade Books, Education Books, Retail, Media and Corporate & Shared Services.

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.

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 and agents 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

Acquisition of 51% of Star Shop Distribuzione S.r.l.

On 1 February 2024, through its subsidiary Mondadori Libri S.p.A., the Mondadori Group completed the acquisition of 51% of Star Shop Distribuzione S.r.l., a company operating in the comics segment, both with the distribution of the product of third-party publishers and the direct sale in its owned and franchised stores.

The contract for the purchase and sale of the shares includes a call/put option in the favour of the parties for the transfer of the remaining share in two tranches of 24.5% each, to be exercised after approval of the 2025 and 2028 financial statements.

The price for the purchase of 51% was € 4,569 thousand, to which the financial debt must be added, entered in respect of the valuation of the options, estimated at 30 June 2024 as € 3,263 thousand.

Acquisition of 100% of Chelsea Green Publishing Inc.

On 15 April 2024, the agreement was signed for the acquisition of 100% of the share capital of the American publishing house Chelsea Green Publishing Inc., with effect as of 1 May.

The company, which also operates in the UK through its subsidiary Chelsea Green Publishing UK Ltd., is focussed on the publication of works on sustainability.

The price of the transaction was \$ 5,246 thousand.

For 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 fair 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:

- market capitalisation as at 30 June 2024, amounting to € 638 million, up from December 2023 (€ 561 million) and June 2023 (€ 524 million), is well above the net equity figure recorded of € 261.3 million;
- the most recent reports drawn up by financial analysts on Mondadori shares give “buy” or “outperform” indications, with a target price of between € 2.80 and € 3.70, against a share price on 30 June 2024 of € 2.44;
- at 30 June 2024, the WACC for the various reference geographic areas and clusters had reduced considerably from the figures used in the impairment process performed when preparing the FY 2023 financial statements;
- in reference to the international geopolitical situation, also at the end of the first half of 2024, what was indicated in the half-year and annual financial reports of 2022 and 2023, is confirmed; the Russia-Ukraine conflict and that involving the Middle East have not had any direct impact on the economic and financial performance of the Mondadori Group. These areas, in fact, are not markets used to release publishing productions nor for the supply of services offered by Mondadori, nor does the Group purchase any raw materials, goods or services from these geographic areas.
- In the first half of 2024, 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 with the exception of the education segment, due to the bringing forward of the printing and distribution of trial copies and promotional products in support of the promotion of new editorial products.

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 2024 with the forecasts for the same period included in the Medium-Term Plan approved by the Board of Directors on 15 February 2024 and used for the impairment test for the purpose of the 2023 financial statements;
- the full-year 2024 forecast figures included in the medium-term Plan with those included in the latest forecast prepared for 2024.

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 € 387,875 thousand, increased by € 2,759 thousand versus 31 December 2023.

Intangible assets (Euro/thousands)	30/06/2024	31/12/2023
Intangible assets with finite useful life	134,484	138,700
Intangible assets with indefinite useful life	253,392	246,416
Total intangible assets	387,875	385,116

"Intangible assets with finite useful life", amounting to € 134,484 thousand, down versus € 138,700 thousand at 31 December 2023, 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 a finite useful life (Euro/thousands)	Titles	Trademarks	Customer lists	Software, licenses, patents and rights	Development costs	Other assets, assets in progress and advances	Total
Historic cost at 31 December 2022	90,365	29,774	1,861	79,682	74,870	17,314	293,866
Investments	—	5,363	14,437	3,163	10,411	14,256	47,629
Disposals	—	(520)	—	—	—	—	(520)
Change in scope	—	228	—	909	—	302	1,439
Other changes	—	—	—	3,638	6,940	(10,632)	(53)
Historic cost at 31 December 2023	90,365	34,845	16,298	87,392	92,221	21,241	342,361
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	2,542	1,753	1,909	10,829	17,792	613	35,438
Write-downs (write-backs)	6,256	—	—	—	106	—	6,362
Disposals	—	(156)	—	—	—	—	(156)
Change in scope	—	228	—	773	—	—	1,001
Other changes	—	—	—	44	(151)	(62)	(169)
Accumulated amortisation and impairment losses at 31/12/2023	60,109	19,195	2,449	44,498	73,169	4,241	203,661
Net value at 31/12/2022	39,054	12,404	1,321	46,830	19,448	13,624	132,681
Net value at 31/12/2023	30,256	15,651	13,849	42,894	19,052	17,000	138,700

Investments in the first half of 2024 amounted to € 13,664 thousand, mainly represented by the costs for the creation of new publications in the educational area (€ 5,782 thousand reported under "Development costs" and € 4,080 thousand under "Assets in progress") and investments being made to switch the Group's IT infrastructure to cloud technology.

Intangible assets with a finite useful life (Euro/thousands)	Titles	Trademarks	Customer lists	Software, licenses, patents and rights	Development costs	Other assets, assets in progress and advances	Total
Historic cost at 31 December 2023	90,365	34,845	16,298	87,392	92,221	21,241	342,361
Investments	—	—	—	368	6,531	6,765	13,664
Disposals	—	—	—	—	—	—	—
Change in scope	—	4	—	337	—	18	359
Other changes	—	4	—	1,890	7,728	(9,629)	(7)
Historic cost at 30 June 2024	90,365	34,853	16,298	89,987	106,480	18,395	356,378
Accumulated amortisation and impairment losses at 31/12/2023	60,109	19,195	2,449	44,498	73,169	4,241	203,661
Depreciation and amortisation	1,582	1,249	954	4,803	8,945	349	17,882
Write-downs (write-backs)	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—
Change in scope	—	1	—	315	—	3	319
Other changes	—	4	—	—	(31)	59	32
Accumulated amortisation and impairment losses at 30/06/2024	61,691	20,449	3,403	49,616	82,083	4,652	221,894
Net value at 31/12/2023	30,256	15,650	13,849	42,894	19,052	17,000	138,700
Net value at 30/06/2024	28,674	14,404	12,895	40,371	24,397	13,743	134,484

"Intangible assets with indefinite useful life" amounted to € 253,392 thousand, an increase of € 6,976 thousand, and included the value of trademarks and publishing series in the Books Area and goodwill.

Intangible assets with indefinite useful life (Euro/thousands)	Trademarks and series	Goodwill	Total
Historic cost at 31 December 2022	83,161	166,366	249,527
Investments	847	6,903	7,750
Disposals	—	—	—
Change in scope	—	—	—
Other changes	—	(15)	(15)
Historic cost at 31 December 2023	84,008	173,254	257,262
Impairment loss at 31/12/2022	992	8,919	9,911
Write-downs (write-backs)	—	935	935
Other changes/disposals	—	—	—
Impairment loss at 31/12/2023	992	9,854	10,846
Net value at 31/12/2022	82,169	157,447	239,616
Net value at 31/12/2023	83,016	163,400	246,416

From the purchases completed during the first half of 2024, 51% of Star Shop Distribuzione S.r.l., 100% of Chelsea Green Publishing Inc. and Studio Editoriale S.r.l., a difference is revealed between the prices paid and the net assets acquired, provisionally entered under goodwill; upon completion of the purchase price allocation process, the definitive allocation will be made.

It is specified that in respect of the acquisition of Star Shop Distribuzione S.r.l., the Group has opted to book the specified difference according to the partial goodwill method, entering the relevant 49% share as a reduction of the equity reserves.

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 (Euro/thousands)	Trademarks and series	Goodwill	Total
Historic cost at 31 December 2023	84,008	173,254	257,262
Investments	—	6,959	6,959
Disposals	—	—	—
Change in scope	—	—	—
Other changes	—	17	17
Historic cost at 30 June 2024	84,008	180,230	264,238
Impairment loss at 31/12/2023	992	9,854	10,846
Write-downs (write-backs)	—	—	—
Other changes/disposals	—	—	—
Impairment loss at 30/06/2024	992	9,854	10,846
Net value at 31/12/2023	83,016	163,400	246,416
Net value at 30/06/2024	83,016	170,376	253,392

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

Amortisation, depreciation and write-downs of the first half of 2024 total € 17,882 thousand, up on the € 15,774 thousand of the same period of 2023, mainly as a result of the greater amortisation deriving from the review of the residual useful life of the magazine TV Sorrisi & Canzoni, applied at 1 January 2024, the purchases completed in 2023 and the greater investments made, particularly in the Education Books area.

Amortisation and impairment loss on intangible assets (Euro/thousands)	2024	2023
Titles	1,582	1,271
Trademarks	1,249	649
Customer lists	954	233
Software, licenses, patents and rights	4,803	5,406
Development costs	8,945	7,942
Other intangible assets	349	273
Total amortization of intangible assets	17,882	15,774
Write-downs of intangible assets	—	—
Write-backs of intangible assets	—	—
Total write-downs (write-backs) of intangible assets	—	—
Total amortization and impairment loss on intangible assets	17,882	15,774

The availability and use of intangible assets recognized 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 2024 amounted to € 37,011 thousand; the increase compared to 31 December 2023, of € 2,281 thousand, of € 1,419 thousand was due to changes in the scope of consolidation.

The table below shows a breakdown of "Property, plant and equipment" in 2023 and in first half 2024:

Property, plant and equipment (Euro/thousands)	Plant and equipment	Other tangible assets	Total
Historic cost at 31 December 2022	22,426	71,198	93,624
Investments	2,160	9,037	11,197
Disposals	(3,892)	(7,491)	(11,383)
Change in scope	9,825	2,543	12,368
Other changes	2,680	(2,975)	(295)
Historic cost at 31 December 2023	33,200	72,312	105,512
Accumulated amortisation and impairment losses at 31/12/2022	19,147	50,344	69,491
Depreciation and amortisation	2,132	4,833	6,965
Write-downs (write-backs)	27	19	46
Disposals	(3,886)	(7,442)	(11,328)
Change in scope	4,806	1,533	6,339
Other changes	(9)	(723)	(731)
Accumulated amortisation and impairment losses at 31/12/2023	22,218	48,563	70,781
Net value at 31/12/2022	3,279	20,854	24,133
Net value at 31/12/2023	10,982	23,748	34,730

Investments made during the first half of 2024, of € 4,759 thousand, are mainly investments to renew the Segrate offices, the purchase of a new printer by Grafiche Bovini S.r.l. and costs incurred by Mondadori Retail S.p.A. for the plants, furnishings and interventions on the leased buildings relative to the opening of new bookstores or restyling work on existing sales outlets.

Property, plant and equipment (Euro/thousands)	Plant and equipment	Other tangible assets	Total
Historic cost at 31 December 2023	33,200	72,312	105,512
Investments	298	4,461	4,759
Disposals	—	(50)	(50)
Change in scope	280	2,495	2,775
Other changes	122	65	187
Historic cost at 30 June 2024	33,900	79,283	113,183
Accumulated amortisation and impairment losses at 31/12/2023	22,218	48,563	70,781
Depreciation and amortisation	1,172	2,884	4,056
Write-downs (write-backs)	—	—	—
Disposals	—	(36)	(36)
Change in scope	224	1,107	1,331
Other changes	3	37	40
Accumulated amortisation and impairment losses at 30/06/2024	23,617	52,555	76,172
Net value at 31/12/2023	10,982	23,748	34,730
Net value at 30/06/2024	10,283	26,728	37,011

“Other fixed assets” is broken down as follows:

Other fixed assets (Euro/thousands)	30/06/2024	31/12/2023
Industrial and commercial equipment	426	367
Electronic office machinery	4,742	4,101
Office furniture, facilities and fittings	7,541	5,255
Motor and transport vehicles	227	196
Leasehold improvements	10,572	10,247
Other tangible assets and fixed assets in progress	3,219	3,583
Total other fixed assets	26,728	23,748

Depreciation of property, plant and equipment

Amortisation and depreciation, and write-downs for the half-year totals € 4,056 thousand, an increase compared with the € 3,299 thousand of the first half of 2023, mainly due to the changes in the consolidation scope and investments made by Mondadori Retail S.p.A. in the sales outlets, including, in particular, the bookstore of Piazza Duomo.

Depreciation and impairment loss on property, plant and equipment (Euro/thousand)	2024	2023
Buildings	—	—
Plant and equipment	1,172	993
Equipment	69	76
Electronic office machinery	987	926
Furniture and furnishings	620	421
Motor and transport vehicles	54	54
Leasehold improvements	1,150	826
Other tangible assets	4	4
Total depreciation of property, plant and equipment	4,056	3,299
Write-downs of tangible assets	—	—
Write-backs of tangible assets	—	—
Total write-downs (write-backs) of property, plant and equipment	—	—
Total depreciation and impairment loss on tangible assets	4,056	3,299

11. ASSETS FROM RIGHTS OF USE

Assets from rights of use, recorded in accordance with IFRS 16, amounted to € 77,041 thousand, increasing by € 8,279 thousand versus 31 December 2023.

This change is due to the change in consolidation scope for € 3,054 thousand and for the remainder mainly to the Retail Area, for the opening of new stores, and Rizzoli International Publications Inc., for the renewal of the lease contract on the American office.

Assets from rights of use (Euro/thousands)	Rights of use buildings	Rights of use motor vehicles	Rights of use hardware	Total
Historic cost at 31 December 2022	97,315	1,811	1,306	100,432
Investments	15,326	553	29	15,908
Disposals	(15,576)	—	—	(15,576)
Other changes	5,447	—	—	5,447
Historic cost at 31 December 2023	102,512	2,364	1,335	106,211
Amortisation fund at 31 December 2022	29,897	1,290	792	31,979
Depreciation and amortisation	14,301	403	262	14,966
Disposals	(10,033)	—	—	(10,033)
Other changes	537	—	—	537
Amortisation fund at 31 December 2023	34,702	1,693	1,054	37,449
Net value at 31/12/2022	67,420	520	514	68,454
Net value at 31/12/2023	67,810	671	281	68,762

Assets from rights of use (Euro/thousands)	Rights of use buildings	Rights of use motor vehicles	Rights of use hardware	Total
Historic cost at 31 December 2023	102,512	2,364	1,335	106,211
Investments	10,969	—	12	10,981
Disposals	(1,287)	—	—	(1,287)
Other changes	4,357	(123)	—	4,235
Historic cost at 30 June 2024	116,552	2,242	1,347	120,140
Amortisation fund at 31 December 2023	34,701	1,693	1,054	37,449
Depreciation and amortisation	7,477	153	137	7,767
Disposals	(772)	—	—	(772)
Other changes	(1,222)	(123)	—	(1,344)
Amortisation fund at 30 June 2024	40,184	1,724	1,191	43,099
Net value at 31/12/2023	67,810	671	281	68,762
Net value at 30/06/2024	76,368	518	156	77,041

12. INVESTMENTS

"Equity-accounted investees" and "Investments in other companies", amounting to € 14,212 thousand, increased by € 612 thousand.

Investments (Euro/thousands)	30/06/2024	31/12/2023
Equity-accounted investees	13,952	13,340
Investments in other companies	260	260
Total investments	14,212	13,600

The value of "Equity-accounted investees", of € 13,952 thousand, increases as a result of the investment made in BookRepublic Webnovels S.r.l., net of the half-year results.

In 2024 the Group received dividends amounting to € 1,070 thousand, distributed by Edizioni EL S.r.l..

Equity-accounted investees - Details (Euro/thousands)	30/06/2024	31/12/2023
Investments in joint ventures:		
- Edizioni EL S.r.l.	3,545	4,114
- Attica Publications Group	7,405	7,287
- Mondadori Seec Advertising Co. Ltd	870	1,242
- BookRepublic Webnovels S.r.l.	1,466	0
Total investments in joint ventures	13,286	12,643
Investments in associates:		
- Press-Di Distribuzione Stampa Multimedia S.r.l.	633	664
- Editrice AAM TerranuovaS.r.l.	33	33
Total investments in associates	666	697
Total equity-accounted investees	13,952	13,340

The value of "Investments in other companies", of € 260 thousand, is unchanged compared with 31 December 2023.

Investments in other companies – Details (Euro/thousands)	30/06/2024	31/12/2023
Investments in other companies:		
- 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
Total investments in other companies	260	260

13. PRE-PAID TAX ASSETS AND DEFERRED TAX LIABILITIES

"Deferred tax assets", amounting to € 62,329 thousand, and "Deferred tax liabilities", amounting to € 39,985 thousand, respectively decreased by € 3,459 thousand and € 2,380 thousand.

(Euro/thousands)	30/06/2024	31/12/2023
IRES on tax losses	286	286
Pre-paid IRES	56,777	60,065
Pre-paid IRAP	5,266	5,437
Total pre-paid tax assets	62,329	65,788
Deferred IRES	34,878	36,983
Deferred IRAP	5,107	5,382
Total deferred tax liabilities	39,985	42,365

The reduction in value of “Pre-paid tax assets” is due to the evolution of taxed provisions and other temporary differences.

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 2024-2026 Medium-Term Plan, which was approved by the Board of Directors on 15 February 2024.

Components that led to the recognition of pre-paid tax

(Euro/thousands)	30/06/2024			31/12/2023		
	Total	Current tax rate	Prepaid tax assets	Total	Current tax rate	Prepaid tax assets
Difference between book value and tax value of intangible assets	5,879	(*)	1,412	7,846	(*)	1,883
Difference between book value and tax value of investment property and investments in property, plant and equipment	1,829	(*)	439	1,675	(*)	402
Provision for bad debts	14,402	(*)	3,482	14,889	(*)	3,598
Write-down of inventory	31,442	(*)	7,582	34,128	(*)	8,225
Write-down of advances to authors	62,112	(*)	14,919	56,488	(*)	13,569
Provisions	33,282	(*)	7,988	41,232	(*)	9,896
Post-employment benefits	397	(*)	95	558	(*)	134
Elimination of intercompany income	8,133	(*)	1,952	7,013	(*)	1,683
Returns to receive	31,262	(*)	7,503	36,957	(*)	8,870
Amendment rights to existing tax consolidation	42,010	(*)	10,082	43,038	(*)	10,329
Other temporary differences	5,348	(*)	1,323	5,990	(*)	1,476
Total for IRES purposes	236,096		56,777	249,814		60,065
Difference between book value and tax value of intangible assets	4,540	(*)	177	6,527	(*)	254
Difference between book value and tax value of investment property and investments in property, plant and equipment	338	(*)	13	287	(*)	11
Write-down of inventory	27,848	(*)	1,086	30,645	(*)	1,195
Write-down of advances to authors	60,699	(*)	2,367	55,115	(*)	2,149
Provisions	1,406	(*)	55	1,672	(*)	65
Post-employment benefits	111	(*)	4	137	(*)	5
Elimination of intercompany income	8,103	(*)	316	6,974	(*)	272
Returns to receive	31,262	(*)	1,219	36,957	(*)	1,441
Other temporary differences	714	(*)	29	1,098	(*)	45
Total for IRAP purposes	135,021		5,266	139,412		5,437

(*)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 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)	30/06/2024			31/12/2023		
	Total	Current tax rate	Deferred tax	Total	Current tax rate	Deferred tax
Difference between book value and tax value of intangible assets	130,300	(*)	31,272	137,355	(*)	32,902
Difference between book value and tax value of investment property and investments in property, plant and equipment	—	(*)	—	—	(*)	63
Post-employment benefits	2,202	(*)	529	2,003	(*)	481
Other temporary differences	12,822	(*)	3,077	14,737	(*)	3,537
Total for IRES purposes	145,324		34,878	154,095		36,983
Difference between book value and tax value of intangible assets	130,757	(*)	5,099	137,755	(*)	5,363
Difference between book value and tax value of investment property and investments in property, plant and equipment	186	(*)	8	238	(*)	19
Total for IRAP purposes	130,943		5,107	137,993		5,382

(*) 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.

14. Other non-current assets

The balance of “Other non-current assets”, amounting to € 1,598 thousand, includes the medium/long-term share of the receivable accrued on the sale of Società Europea di Edizioni S.p.A. (€ 1,322 thousand) and decreases by € 128 thousand as a result of the partial offsetting of the credit entered in respect of the purchase of instrumental assets in accordance with Law no. 178/2020.

Other non-current assets (Euro/thousands)	30/06/2024	31/12/2023
Guarantee deposits	173	152
Others	1,425	1,574
Total other non-current assets	1,598	1,726

15. Tax receivables and payables

Tax receivables (Euro/thousands)	30/06/2024	31/12/2023
Receivables from the tax authorities for IRAP	598	1,226
Receivables from the tax authorities for IRES	68	421
Receivables from Fininvest for IRES	2,957	1,119
Receivables from the tax authorities for IVA	11,392	9,346
Receivables from the tax authorities for direct tax to recover and advances on disputes	3,802	3,429
Total tax assets	18,818	15,541

At 30 June 2024, "Tax receivables" amounted to € 18,818 thousand, up by € 3,277 thousand versus the prior year, due mainly to the seasonal nature of 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 towards determining a credit balance with Fininvest for IRES and the increase of the VAT credit.

"Receivables from the tax authorities for IRAP" decrease compared with 31 December 2023, as a result of the postponing of payment of the first instalment to July.

"Receivables from the tax authorities for direct tax to recover and advances on disputes", amounting to € 3,802 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.

Income tax payables (Euro/thousands)	30/06/2024	31/12/2023
Payables to the tax authorities for IRAP	908	451
Payables to the tax authorities for IRES	604	469
Payables to Fininvest for IRES	—	12,052
Total income tax payables	1,512	12,972

Income tax payables, which amounted to € 1,512 thousand, decreased by € 11,460 thousand, due to the payment of payables accrued in the previous year, with the exception of IRAP which is paid in July, 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

“Other current assets”, amounting to € 88,310 thousand, rose by € 14,115 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 the education business;
- the increase in net advances to authors, also due to the extension of the scope of consolidation;
- the increase in accrued income relative to service and maintenance fees for IT equipment and outsourced services, for which the annual amount is billed at the start of the year.

The value of “Other receivables”, amounting to € 1,603 thousand, includes receivables arising from the sale of magazines and Società Europea di Edizioni S.p.A.

Other current assets (Euro/thousands)	30/06/2024	31/12/2023
Receivables due from agents	7,798	214
Receivables from authors	131,409	123,315
Provision for advances to authors	(71,719)	(65,606)
Receivables from suppliers and associates	7,861	6,955
Accrued income and deferred expenses	11,225	7,395
Other receivables from associates and affiliates	132	393
Other receivables	1,603	1,530
Total other current assets	88,310	74,195

17. INVENTORY

The value of “Inventory”, of € 177,898 thousand, increases by € 27,958 thousand compared with 31 December 2023 due to the contribution made by the companies acquired in 2024, equal to € 5,643 thousand and the seasonality of the education business, which entails the printing and storage of textbooks before their subsequent sale, mainly concentrated in the third quarter.

Inventory (Euro/thousands)	30/06/2024	31/12/2023
Raw and ancillary materials and consumables	19,085	16,272
Write-down of raw and ancillary materials and consumables	(1,107)	(1,069)
Total raw and ancillary materials and consumables	17,978	15,203
Work in progress and semi-finished goods	11,836	11,562
Write-down of work in progress and semi-finished goods	(1,163)	(1,154)
Total work in progress and semi-finished goods	10,673	10,408
Finished products and goods	229,924	205,867
Write-down of finished products and goods	(80,677)	(81,538)
Total finished products and goods	149,248	124,329
Total inventory	177,898	149,940

"Raw and ancillary materials and consumables", amounting to € 17,978 thousand, increased by € 2,775 thousand, for the Education Books area, to cope with the particularly significant production in the third quarter.

The value of "Work in progress and semi-finished goods", amounting to € 10,673 thousand, is substantially in line with that of December 2023.

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

The amount of finished products, of € 149,248 thousand, increased by € 24,919 thousand, compared to 31 December 2023, mainly due to:

- the contribution of the new companies acquired during H1 2024 (€ 5,643 thousand);
- growth in the costs of raw materials and printing and packaging services;
- textbook printing, which as usual takes place mainly in the second and third quarters of the year, which led to an increase in inventory of finished products in the Education segment of € 14,176 thousand;
- the anticipation of the publishing production of Rizzoli International Publications Inc., to limit the printing costs, which has led to a greater value of stored product of € 2,932 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 (Euro/thousands)	Raw material	Work in progress and semi-finished goods	Finished products and goods
Balance at 31 December 2022	926	1,627	73,796
Changes in the year:			
- allocation	204	226	12,272
- utilizations	(128)	(687)	(9,213)
- other changes	67	(12)	4,683
Balance at 31 December 2023	1,069	1,154	81,538
Changes in the year:			
- allocation	38	0	1,278
- utilizations	0	0	(2,805)
- other changes		9	666
Balance at 30 June 2024	1,107	1,163	80,677

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 (Euro/thousands)	2024	2023
Changes in finished products and goods	(15,235)	(19,932)
Allocation to the provision for write-downs of finished products and goods	1,278	5,016
Utilization of the provision for write-downs of finished products and goods	(2,805)	(7,338)
Total changes in finished products and goods	(16,762)	(22,255)
Changes in work in progress and semi-finished goods	(150)	265
Allocation to the provision for write-downs of work in progress and semi-finished goods	0	0
Utilization of the provision for work in progress and semi-finished goods	0	(162)
Total changes in work in progress and semi-finished goods	(150)	103
Changes in raw and ancillary materials and consumables		
Allocation to the provision for write-downs of raw and ancillary materials and consumables	(2,813)	(2,092)
Utilization of the provision for write-downs of raw and ancillary materials and consumables	38	118
Utilization of the provision for write-downs of raw and ancillary materials and consumables	0	(37)
Total changes in raw and ancillary materials and consumables	(2,775)	(2,011)
Total decrease (increase) in inventory	(19,687)	(24,163)

18. TRADE RECEIVABLES

The amount of "Trade receivables", of € 183,235 thousand, increased by € 18,797 thousand, compared to € 164,438 thousand at 31 December 2023.

Trade receivables (Euro/thousands)	30/06/2024	31/12/2023
Gross receivables from customers	171,998	147,853
Receivables from associates	3,342	15,983
Receivables from parent companies	6	6
Receivables from affiliates	7,889	596
Total trade receivables	183,235	164,438

In addition to the change in the consolidation scope, which resulted in a net value of trade receivables of € 6,326 thousand, an increase is recorded of € 39,255 thousand in the Education Books Area, which made the first sales to top and wholesale customers, while in the Trade Books Area and the Retail Area, where the peak of sales coincides with the Christmas period, the balance decreased by € 13,581 thousand and € 10,156 thousand, respectively.

In the Media Area, receivables from customers grow by € 3,288 thousand as a result of the positive performance of revenues, particularly in the digital segment.

“Receivables from associates”, amounting to € 3,342 thousand, are mainly represented by Press-Di Distribuzione Stampa e Multimedia S.r.l. and Edizioni EL S.r.l.; compared with 31 December 2023, they record a significant reduction, as a result of the sale of the share held in Mediamond S.p.A., which from 1 January 2024 is no longer considered an associate but rather an affiliate.

This is why the balance of “Receivables from affiliates” increases from € 596 to € 7,889 thousand.

Trade receivables - Receivables from customers (Euro/thousands)	30/06/2024	31/12/2023
Gross receivables from customers	245,766	233,685
Customers – returns to receive	(59,923)	(71,396)
Provision for bad debts	(13,845)	(14,436)
Total trade receivables	171,998	147,853

The value of the provision for bad debts, which amounted to € 13,845 thousand, was not significantly different from the value as at 31 December 2023; the enlargement of the scope of consolidation contributed € 116 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 (Euro/thousands)	30/06/2024	31/12/2023
Balance at beginning of year	14,436	14,060
Changes in the year:		
- allocation	708	3,168
- utilizations	(1,428)	(3,318)
- changes in consolidation scope and other changes	129	526
Total provision for bad debts	13,845	14,436

There were no trade receivables due over five years.

19. EQUITY

Equity at 30 June 2024, amounting to € 261,337 thousand, including third party shareholder reserves of € 421 thousand, changes to which are detailed in the specific statement, decreased by € 27,501 thousand, compared with 31 December 2023.

The most significant changes are the half-year result, which is positive for € 7,922 thousand, the dividends resolved to be paid to shareholders for € 31,309 thousand, the reduction in the cash flow hedge reserve in the amount of € 1,577 thousand, due to the adjustment of the interest rate derivative to fair value as at 30 June 2024 and the reduction in the reserve set aside for the Performance Share Plan, following the attribution of shares of the 2021-2023 Plan.

It is specified that in respect of the acquisition of Star Shop Distribuzione S.r.l., the Group has opted to book the specified difference according to the partial goodwill method, entering the relevant 49% share as a reduction of the equity reserves for € 3,267 thousand.

Equity attributable to non-controlling interests of € 421 thousand refers to Rizzoli Education S.p.A. and De Agostini Libri S.r.l..

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

20. PROVISIONS

The value of "Provisions", which amounted to € 33,281 thousand, decreased by € 7,558 thousand, due to new provisions of € 646 thousand and utilizations of provisions accrued in previous years of € 8,204 thousand.

The most significant changes regard:

- the reduction in the "Other provisions for risks" of € 2,732 thousand, mainly due to the cessation of the risk relating to the contractual guarantees given when selling the magazines for € 2,500 thousand;
- the decrease in the provision for restructuring costs, due to the closure of some positions.

Provisions (Euro/thousands)	31/12/2023	Alloc.	Utilization s	Other changes	30/06/2024
Provision for agents' contractual risks	2,364	—	(102)	—	2,263
Provision for personnel downsizing risks	7,994	—	(4,667)	—	3,327
Provision for legal risks	10,041	114	(355)	—	9,800
Provision for investment risks	—	—	—	—	—
Provision for tax disputes	—	300	—	—	300
Provision for contractual commitments	5,782	232	(348)	—	5,667
Provision for contractual commitments ad agency	1,461	—	—	—	1,461
Other provisions for risks	13,195	—	(2,732)	—	10,463
Total provisions	40,839	646	(8,204)	—	33,281

21. POST-EMPLOYMENT BENEFITS

“Post-employment benefits” of € 28,332 thousand record an overall decrease of € 859 thousand, despite the contribution made by new companies joining the Group for € 355 thousand.

Specifically:

- indemnities to be paid to employees go from € 14,127 thousand to € 13,904 thousand, mainly due to the liquidations paid to staff adhering to the early retirement offer;
- indemnities payable to the sales network decreased from € 15,042 thousand to € 14,407 thousand, due to the usual turnover of agents, most of which is attributable to the Education Books Area.

Post-employment benefits (Euro/thousands)	30/06/2024	31/12/2023
Provision for post-employment benefits (TFR)	13,904	14,127
Provision for supplementary agents' indemnity (FISC)	14,407	15,042
Provision for pensions and similar obligations	22	22
Total post-employment benefits	28,332	29,191

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	30/06/2024	31/12/2023
Economic assumptions:		
- increase in cost of living	2.50%	2.50%
- discounting rate	3.61%	3.17%
Demographic assumptions:		
- probability of death	IPS55 tables	IPS55 tables
- probability of disability	INPS-2000 tables	INPS-2000 tables
- probability of leaving for other reasons	From 1.66% to 16.52%	From 1.66% to 16.52%
- retirement age	Regulations in force	Regulations in force

Actuarial assumptions to measure FISC	30/06/2024	31/12/2023
Economic assumptions:		
- discounting rate	3.61%	3.17%
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 3.17% to 3.61%, led to a decrease in the provision for post-employment benefits of € 235 thousand.

Post-employment benefits cost items, booked under income statement, include the service cost of companies with less than 50 employees for € 73 thousand, financial expense of € 216 thousand, and the portion paid into the supplementary pension scheme for € 3,227 thousand.

The changes in the "Provision for supplementary agents' indemnity" reflect the turnover occurring in the Group's sales force during H1 2024; 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 (Euro/thousands)	Provision for post-employment benefits (TFR)	FISC	Provision for retirement
Balance at 31 December 2023	14,127	15,042	22
Changes in 2024:			
- allocations	73	298	—
- utilizations	(1,266)	(594)	—
- reversals	—	—	—
- interest costs	216	—	—
- changes in consolidation scope and other changes	753	(340)	—
Balance at 30 June 2024	13,904	14,407	22

22. OTHER CURRENT LIABILITIES

The value of "Other current liabilities", amounting to € 142,384 thousand, decreased by € 3,267 thousand compared to 31 December 2023, despite the change in the scope of consolidation, the contribution of which in 2024 was € 1,495 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 (Euro/thousands)	30/06/2024	31/12/2023
Customer advances	2,901	3,057
Tax payables	5,666	6,957
Owed to social security and pension bodies	11,830	13,561
Payables to associates and affiliates	64	66
Other payables	121,923	122,009
Total other current liabilities	142,384	145,651

Details of "Other payables".

Other current liabilities – Other payables (Euro/thousands)	30/06/2024	31/12/2023
Payroll and other payables to personnel	19,386	20,105
Payables due to authors	74,965	70,930
Payables to subscription and instalment customers	16,705	17,073
Other payables, accrued liabilities and deferred income	10,867	13,901
Total other payables	121,923	122,009

23. TRADE PAYABLES

“Trade payables”, amounting to € 248,239 thousand, decreased by € 8,830 thousand versus 31 December 2023, despite the contribution made by the companies that joined the Group during the half-year under review amounting to € 6,841 thousand.

The reduction in the balance involved the Trade Books Area and Retail Area, respectively for € 6,736 thousand and € 14,034 thousand, as a result of the seasonal nature of business activities, which peak during the Christmas period, and the Media Area for € 1,840 thousand, due to the lesser purchases in print.

The Education Books Area increases the balance for € 5,444 thousand as a result of the bringing forward of production and the procurement of raw materials.

Trade payables (Euro/thousands)	30/06/2024	31/12/2023
Payables to suppliers	244,801	252,064
Payables to associates	2,771	3,922
Payables to parent companies	9	19
Payables to affiliates	658	1,063
Total trade payables	248,239	257,069

“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 € 3,922 thousand to € 2,771 thousand, is attributable to the lower trade relations with Publitalia '80 S.p.A.

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.

Net financial position (Euro/thousands)	30/06/2024	31/12/2023
Non-current financial assets	8,045	8,688
Current financial assets	944	2,111
Cash and cash equivalents	17,990	49,724
Non-current financial liabilities	(101,038)	(95,638)
Current financial liabilities	(137,829)	(50,998)
Financial assets (liabilities) from discontinued operations	—	—
Net financial position before IFRS 16	(211,888)	(86,113)
Financial liabilities IFRS 16	(81,368)	(72,483)
Financial liabilities IFRS 16 discontinued operations	—	—
Net financial position including IFRS 16 effect	(293,256)	(158,596)

The net financial position, according to the format recommended by CONSOB shown below, which does not include "Non-current financial assets" amounting to € 8,045 thousand, stood at € -301,301 thousand.

Net financial position (Euro/thousands)	30/06/2024	31/12/2023
-Cash	198	1,785
-Bank deposits	17,484	47,648
-Post office accounts	308	291
A Cash and cash equivalents	17,990	49,724
B Cash equivalents	—	—
C Other current financial assets	944	2,111
D Liquidity (A+B+C)	18,934	51,835
-Current bank payables	(211)	(471)
-Other current financial payables	(19,735)	(4,307)
E Current financial debt (including debt instruments, excluding current portion of non-current financial debt)	(19,947)	(4,778)
-Loans	(117,883)	(46,220)
F Current portion of non-current financial debt	(117,883)	(46,220)
G Current financial debt (E+F)	(137,829)	(50,998)
H Net current financial debt (G-D)	(118,896)	837
-Loans	(73,242)	(69,472)
-Financial liabilities IFRS 16	(81,368)	(72,483)
-Derivatives and other financial liabilities	(27,795)	(26,166)
I Non-current debt (excluding current portion and debt instruments)	(182,406)	(168,121)
J Debt instruments	—	—
K Trade payables and other non-current payables	—	—
L Non-current financial debt (I+J+K)	(182,406)	(168,121)
M Total financial debt (H+L)	(301,301)	(167,284)

Financial assets

The value of "Non-current financial assets" of € 8,045 thousand decreased by € 643 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 (Euro/thousands)	30/06/2024	31/12/2023
Financial receivables from associates	2,950	2,950
Financial receivables	—	—
Assets resulting from derivative instruments	5,095	5,738
Total non-current financial assets	8,045	8,688

“Other current financial assets”, amounting to € 944 thousand, decrease by € 1,167 thousand as a result of the conclusion of the largest part of museum activities at the Roman archaeological area.

Other current financial assets (Euro/thousands)	30/06/2024	31/12/2023
Financial receivables from customers	—	—
Financial receivables from associates	—	—
Financial receivables from parent companies	—	—
Financial receivables from affiliates	—	—
Financial receivables from others	944	2,111
Total financial receivables	944	2,111
Financial assets at fair value with adjustments recognized in the income statement	—	—
Available-for-sale financial assets	—	—
Assets resulting from derivative instruments	—	—
Total other current financial assets	944	2,111

Cash and cash equivalents

The item, amounting to € 17,990 thousand, dropped by € 31,734 thousand compared with 31 December 2023, when the temporary surplus liquid funds held in current accounts was in line with the seasonality in the Group’s financial management. The fair value of cash and cash equivalents at 30 June 2024 was equal to the relevant book value.

Cash and cash equivalents (Euro/thousands)	30/06/2024	31/12/2023
Cash and cash on hand	198	1,785
Bank deposits	17,484	47,648
Post office accounts	308	291
Total cash and cash equivalents	17,990	49,724

Non-current financial liabilities

“Non-current financial liabilities” mainly include:

- the amortised costs of the Line A Amortising Term Loan and the use of Line C of the pool loan, coming to maturity in December 2026, totalling € 73,242 thousand;
- consideration, with deferred payment, related to certain acquisitions concluded in recent years, amounting to € 27,795 thousand.

Non-current financial liabilities	Effective interest rate	Maturity between 1 and 5 years	Maturity over 5 years	30/06/2024	31/12/2023
Loans	0.76%	73,242	—	73,242	69,472
Liabilities from derivatives		—	—	—	—
Other financial payables		21,353	6,442	27,795	26,167
Total non-current financial liabilities		94,596	6,442	101,038	95,638

Payables to banks and other current financial liabilities

“Payables to banks and other current financial liabilities” amounted to € 137,829 thousand and mainly included:

- the portions of Term Loan A and Line C of the pool loan, maturing in December 2024, amounting to € 37,500 thousand; "Hot Money" financing, maturing in July-August 2024, amounting to € 80,000 thousand;
- other financial payables for € 19,735 thousand, include € 15,649 thousand for the second tranche of dividends due for payment in November 2024 and € 2,370 thousand for prices, with deferred payment, in relation to various acquisitions completed during recent years.

Payables to banks and other current financial liabilities (Euro/thousands)	Effective interest rate	30/06/2024	31/12/2023
Bank deposits		211	471
Loans	2.37%	117,883	46,220
Financial payables to associates		—	—
Other financial payables		19,735	4,307
Total payables to banks and other current financial liabilities		137,829	50,998

At 30 June 2024, the Leverage Ratio Financial Covenant (Net Financial Position resulting from the consolidated half-year report) amounted to € 211,888 thousand, far below the cap of € 280,000 thousand set out in the pool loan agreement.

Changes in committed credit lines:

(Euro/thousands)	31/12/2023	Utilizations	Repayments	Other changes	30/06/2024
Line A maturing in 2026	45,878	—	—	389	46,267
Line C maturing in 2026	59,788	5,000	—	51	64,839
Total	105,666	5,000	—	440	111,106

Assets and liabilities resulting from derivative instruments

Assets and liabilities resulting from derivative instruments - Details (Euro/thousands)	Type of derivative instrument	Fair value at 30/06/2024	Fair value at 31/12/2023
Non-current financial assets (liabilities) -Rate derivatives	Cash flow hedge	5,095	5,738

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 € 5,095 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 € 47.5 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 92% 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 (Euro/thousands)	30/06/2024	31/12/2023

Initial balance gross of the tax effect	(7,215)	(11,938)
Amount recognised in the period	(1,532)	601
Amount endorsed from reserve and recognised in the income statement:		
- adjustments to expense	50	115
- adjustments to income	2,125	4,007
Final balance gross of the tax effect	(6,572)	(7,215)
Inefficient part of hedge	—	—

Financial liabilities IFRS 16

“Financial liabilities IFRS 16” rose by € 8,885 thousand, mainly concentrated in the Retail Area, going from € 72,483 thousand at 31 December 2023 to € 81,368 thousand.

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

Financial liabilities IFRS 16 (Euro/thousands)	Maturity between 1 and 5 years	Maturity over 5 years	30/06/2024	31/12/2023
Non-current financial liabilities IFRS 16	51,724	15,024	66,748	59,275
Current financial liabilities IFRS 16			14,620	13,208
Total financial liabilities IFRS 16	51,724	15,024	81,368	72,483

25. REVENUES FROM SALES AND SERVICES

Consolidated revenues for the first half of 2024 amounted to € 387,170 thousand, up 6.8% compared to € 362,381 thousand for the previous year; like-for-like, and therefore net of the consolidation of the companies Star Shop Distribuzione S.r.l. and Chelsea Green Publishing Inc., organic revenue growth was 3.8%.

In the Trade Books area, a 9.7% increase was recorded (3.4% like-for-like), thanks to the positive publishing performance of Sperling & Kupfer and Rizzoli.

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 2024, they amounted to € 61,141 thousand, an increase of 5.7% due to an advance on supplies to top accounts.

The Retail area grew by 3.6% on the first half of the prior year, driven by the book product, whose sales rose by 3.9%.

The Media area recorded revenues rising by 4.8% as a result of the significant increase in the digital component and advertising income on print, which more than offset the structural reduction seen in circulation revenues and income from sales of add-on products.

Revenue from sales and services (Euro/thousands)	2024	2023	% Difference
Trade Books	189,701	172,949	9.7%
Education Books	61,141	57,856	5.7%
Retail	86,925	83,882	3.6%
Media	71,960	68,697	4.8%
Other Business and Corporate	22,103	21,119	4.7%
Aggregate revenue	431,830	404,503	6.8%
Intercompany revenue	(44,660)	(42,123)	6.5%
Total revenue from sales and services	387,170	362,381	6.8%

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 € 82,269 thousand, increased by € 4,491 thousand, 5.8%, as a result:

- of the change in consolidation scope for € 7,405 thousand, due to the purchase of comics to be distributed by Star Shop Distribuzione S.r.l.;
- of the reduction in the Trade Books Area, equal to € 341 thousand, due to the lower paper purchase costs, partly offset by the greater supplies of publishing products and merchandising in the museum bookshops and the higher volumes of product distributed by A.L.I.-Agenzia Libreria International S.r.l.;
- of the reduction in the Education Books Area, equal to € 1,157 thousand, mainly due to lesser supplies of publishing products of distributed publishers;
- of lower purchases of raw materials and products to be remarketed in the Media Area, for € 826 thousand;
- of lower purchases of products and merchandise to be remarketed in the shops of Mondadori Retail S.p.A. for € 574 thousand, due to the review of shop formats and the rationalisation of the commercial offer.

Cost of raw and ancillary materials, consumables and goods (Euro/thousands)	2024	2023
Cost of raw materials	27,628	30,619
Goods for re-sale	53,861	47,422
Consumables, maintenance and other materials	780	(263)
Total cost of raw and ancillary materials, consumables and goods	82,269	77,778

27. COST OF SERVICES

“Cost of services”, amounting to € 217,777 thousand, increased by € 9,905 thousand; compared to the previous year, the most significant changes regarded:

- costs for “Rights & Royalties”, which increased by € 2,051 thousand, due to the extended scope of consolidation (€ +156 thousand), the positive trend in revenues in the Trade Books Area (€ +2,214 thousand) and in the Education Books Area (€ +161 thousand), partly offset by the decrease in the magazine publishing business, which generated lower costs;
- costs for “Processing” increased by € 2,985 thousand due to the change in consolidation scope (€ +281 thousand) and the greater publishing production of the Trade Books Area (€ +3,520 thousand), partly offset by the reduction in the Media Area activities for € 743 thousand;
- the “Publisher’s share”, which has grown by € 3,066 thousand, due to the positive performance of Adkaora S.r.l., Hej! S.r.l. and Digital Advertising & Engagement SA.

Cost of services (Euro/thousands)	2024	2023
Rights and royalties	44,920	42,869
Commissions and costs for agents	17,026	16,644
Processing	63,209	60,225
Logistics	16,722	17,086
Consultancy services and third-party collaborations	14,794	14,974
Newsstand channel fee and subscription management	6,708	7,511
Purchase of advertising space and promotion expenses	9,658	8,973
Publisher’s share	11,203	8,137
Travel, gifts and entertainment expenses	3,169	2,766
Directors’ and statutory auditors’ fees	1,872	1,684
Insurance	1,002	917
Telephone and postal expenses	1,882	2,398
Catering, security and cleaning services	2,038	1,838
Maintenance costs	1,436	1,358
Market surveys, news agencies	1,182	1,258
Bank services and commissions	944	770
IT services and administrative area	5,642	5,594
Rents and service expenses	8,736	8,225
Temporary work fees	2,826	2,549
Other services	2,809	2,097
Total cost of services	217,777	207,872

“Directors’ and statutory auditors’ fees” comprised fees paid to Directors and Statutory Auditors for € 1,506 thousand and € 366 thousand, respectively.

28. COST OF PERSONNEL

Group employees – on both permanent and fixed-term contracts – amounted to 2,088, up by 8.6% versus 1,923 resources at 30 June 2023.

Neutralising the effect of the changes that have occurred in scope, represented by Star Shop Distribuzione S.r.l. and Chelsea Green Publication Inc., acquired during the first half of 2024, and by Digital Advertising & Engagement SA, acquired during the second half of 2023, the Group's workforce has increased like-for-like by 1.6%.

Headcount	Actual 30/06/2024	Actual 30/06/2023	Average 2024	Average 2023
Executives	112	104	109	104
White collars, middle managers and journalists	1,886	1,788	1,848	1,777
Manual workers	90	31	79	32
Total	2,088	1,923	2,036	1,913

The cost of personnel during the first half of 2024 was € 70,594 thousand, up € 2,275 thousand; after neutralising the changes in scope, which result in a higher cost of € 2,119 thousand, the cost of labour is in line with that of the first half of 2023. "Other costs" show the net balance between recognised redundancy incentives and the utilisation of the respective provisions set aside in previous years.

Cost of personnel (Euro/thousands)	2024	2023
Wages and salaries	52,421	50,591
Social security expense	14,927	14,695
Share of post-employment benefits to increase provision for post-employment benefits	73	42
Supplementary pension scheme plans	3,227	3,180
Other costs	(54)	(189)
Total cost of personnel	70,594	68,319

29. SUNDRY EXPENSE (INCOME)

In the first half of 2024, net income amounted to € 6,194 thousand, a decrease of € 1,579 thousand compared to 30 June 2023; the change mainly concerned income.

Sundry expense (income) (Euro/thousands)	2024	2023
Other revenues and income	(7,316)	(11,434)
Other operating expense	1,122	3,661
Total sundry expense (income)	(6,194)	(7,773)

The reduction in the balance of “Other revenues and income”, which has gone from € 11,434 to 7,316 thousand, is due to the income, entered during the previous year, in connection with the sales of business units consisting of the magazines Grazia and Icon for € 2,880 thousand and the greater contributions received for the production and distribution of newspapers, included under “Others”.

Sundry expense (income) – Other revenue and income (Euro/thousands)	2024	2023
Capital gains from the disposal of fixed assets and business units	6	2,880
Contingent assets	1,096	1,202
Others	6,213	7,352
Total other revenues and income	7,316	11,434

Below is a breakdown of “Other operating expense”, which amounted to € 1,122 thousand, a decrease of € 2,539 thousand, mainly due to lower losses from credit management and the release of certain provisions, including that relating to the contractual guarantees given at the time of the sale of the magazines, for € 2,500 thousand.

Sundry expense (income) – Other operating expense (Euro/thousands)	2024	2023
Receivables management	288	1,205
Reimbursements and settlements, net of the use of provisions	641	681
Contributions and grants	1,172	940
Contingent liabilities	154	31
Capital loss from the disposal of fixed assets and business units	—	26
Other tax and duties	1,563	1,810
Sundry expenses	(2,696)	(1,032)
Total other operating expense	1,122	3,661

30. FINANCIAL EXPENSE (INCOME)

Net financial expense at 30 June 2024 amounted to € 3,572 thousand and increased by € 124 thousand versus the prior year, due mainly to:

- the higher "Interest expense on loans", which went from € 2,769 thousand to 3,283 thousand, as a result of the increase in Euribor rates (3.87% compared with 3% in the first half of 2023), almost entirely offset by the higher “Financial income from derivatives”, which went from € 1,681 thousand to 2,751 thousand, as a result of the hedging of the medium/long-term pool loan at a negative fixed rate;
- ancillary financing expenses of € 440 thousand, a decrease of € 115 thousand, related to the portions of the amortised cost pertaining to the half-year;
- lower costs for the discounting of deferred payments for € 103 thousand;
- higher costs for the application of standard IFRS 16, in the amount of € 342 thousand, also due to the extension of the consolidation scope.

Financial expense (income)	2024	2023
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(Euro/thousands)		
Interest from banks and post offices	(94)	(71)
Financial income from derivatives	(2,175)	(1,681)
Financial income	(65)	(32)
Other interest	(51)	(47)
Total interest and other financial income	(2,385)	(1,831)
Interest expense to banks	47	19
Interest expense on loans	3,283	2,769
Financial expense from derivatives	—	—
Ancillary expense on loans	440	555
Commission on loans	318	303
Other impairment charges (income) IFRS 9	—	—
Financial expense from discounting of deferred payments	—	103
Financial expense from discounting of assets/liabilities	216	269
Other interest expense	323	304
Total interest and other financial expense	4,627	4,322
Realised positive currency differences	(26)	(54)
Unrealised positive currency differences	(11)	(6)
Realised negative currency differences	36	42
Unrealised negative currency differences	35	21
Total exchange losses (gains)	34	3
Expense (income) from financial assets	—	—
Financial expense IFRS 16	1,296	954
Total financial expense (income)	3,572	3,448

31. EXPENSE (INCOME) FROM INVESTMENTS

The impacts on the income statement deriving from the valuation of investments in joint ventures, associates and undertakings in which the Group holds a minority interest, amounting to € 232 thousand, were less positive than those recorded in H1 2023, which included the following non-recurring effects:

- the capital gain realised by the transfer of Società Europea di Edizioni S.p.A., equal to € 1,191 thousand;
- the income entered in accordance with IFRS 3 for the fair value measurement of the share already held in A.L.I.- Agenzia Libreria International S.r.l. at the time control was acquired over the company, equal to € 1,300 thousand.

Expense (income) from investments (Euro/thousands)	2024	2023
- Edizioni EL S.r.l.	(501)	(527)
- Attica Publications Group	(208)	(76)
- Press-Di Distribuzione and Multimedia S.r.l.	32	(93)
- Mondadori Seec Advertising Co. Ltd	381	503
- BookRepublicWebnovels S.r.l.	64	—
- Mediamond S.p.A.	—	128
- Digital Advertising & Engagement S.A.	—	10
- Società Europea di Edizioni S.p.A.	—	775
	(232)	720
Capital gain on the sale of Società Europea di Edizioni S.p.A.	—	(1,191)

Fair value measurement of A.L.I.-Agenzia Libreria International S.r.l.	—	(1,300)
	—	(2,491)
Total expense (income) from investments	(232)	(1,771)

32. INCOME TAX

At 30 June 2024, "Income tax" came to € 1,443 thousand, up € 1,532 thousand compared with the income of € 89 thousand of H1 2023, characterised by various components of the result at reduced tax rates, including the capital gain realised on the sale of the magazines and the share held in Società Europea di Edizioni S.p.A..

During the first half of this financial year, moreover, an improvement was recorded in the profitability of the Group's core business.

Income tax (Euro/thousands)	2024	2023
IRES on income for the year	2,097	1,220
IRAP for the year	1,177	1,172
Total current taxes	3,274	2,392
Deferred/pre-paid tax for IRES	1,419	(357)
Deferred/pre-paid tax for IRAP	(105)	(59)
Total deferred/pre-paid tax	1,315	(416)
Other tax items	(3,146)	(2,064)
Total income tax expense for the year	1,443	(89)

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.

	2024	2023
Net profit for the period (Euro/000)	7,082	12,221
Weighted average number of outstanding ordinary shares (no./000)	260,363	260,376
Basic earnings per share (Euro)	0.027	0.047

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.

	2024	2023
Net profit for the period (Euro/000)	7,082	12,221
Weighted average number of outstanding ordinary shares (no./000)	260,363	260,376
Number of options with diluted effect (no./000)	645	630
Diluted earnings per share (Euro)	0.027	0.047

34. Commitments and contingent liabilities

Commitments

At 30 June 2024, the Mondadori Group had commitments underwritten for a total of € 55,118 thousand (€ 53,426 thousand at 31 December 2023), consisting of guarantees issued on VAT receivables subject to reimbursement and prize contest transactions, of leases contracts and letters of patronage.

Contingent liabilities

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 (years 2004-2005).

With regard to IRAP 2004, the Court of Cassation, by order No. 3380 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. The Revenue Agency entered an appearance, abandoning the dispute. In judgement no. 1896/2023, filed on 9 June 2023, the Lombardy Tax Court of Second Instance acknowledged the abandonment of the tax claim.

Instead, as regards the finding relating to the withholding on interest in the year 2004, with the same judgement no. 1896/2023 mentioned previously, the Lombardy Tax Court of Second Instance confirmed the legitimacy of the recovery as taxation. On 25 January 2024, the Company filed an appeal against this judgement before the Court of Cassation. The Revenue Agency did not enter an appearance and the hearing has not yet been scheduled.

In connection with the specified dispute regarding withholdings on interest in 2004, after the company lost in the second instance proceedings, on 25 September 2023, the Revenue-Collections Agency served the Company with the payment notice by means of which it demanded, by way of provisional collection pending judgement, payment of € 647 thousand by way of "IRPEF withholdings", sanctions and interest. The Company has paid the amount demanded but has appealed to the Milan Tax Court of First Instance to have partial annulment, complaining that it is unlawful for € 174 thousand, as this is interest unduly calculated on amounts paid at the time by the Company in a provisional manner, pending judgement, and due to it by way of reimbursement. The hearing for discussion was held last 11 March 2024 but the judgement has not yet been filed.

As regards the finding relating to the withholding on interest in the year 2005, after the Regional Tax Court of Milan, with judgement no. 6900/2017 rejected the appeal, the Company appealed to Cassation. In a judgement filed on 8

March 2023, the Court of Cassation declared that the matter in dispute in relation to the notification of the penalties had ceased and the Court referred the dispute to the second instance Court of Justice on matters of taxation. In particular, the Supreme Court of Cassation, upholding the Company's arguments, followed the interpretative position expressed on the subject of the "beneficial owner" by the Court of Justice in its most recent rulings, which were also implemented in the national context, and, to that effect, the court quashed the contested decision, referring the case back to the second instance Court of Justice, in a different composition, for the assessment of the factual elements of the case. By appeal filed on 26 October 2023, the Company resumed the case before the Lombardy Tax Court of Second Instance. By judgement no. 1377, filed on 13 May 2024, this Court denied the classification as beneficial owner, recalling and upholding the conclusions already drawn by the same Court for the previous year, 2004 (for which the related sentence in Cassation is currently pending).

The deadline for filing an appeal in Cassation against this judgement passes on 14 December 2024. The Company is currently deciding how to proceed.

For the above indicated 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.

On 24 January 2023, the Revenue Agency – Regional Directorate of Lombardy – Major Taxpayers Office, notified communication of start of audit for IRES, IRAP and VAT purposes on tax year 2017. It was concluded on 26 September 2023 with the notification of the formal report of findings, which showed a finding relative to transfer pricing regulations pursuant to Article 110, subsection 7 of the Consolidated Law on Income Tax, relative to the rate applied by the Company to the subsidiary Mondadori France, to which it had granted a loan. According to the auditors, the active rate that the Company had applied to the subsidiary is not consistent with transfer pricing regulations, consequently impacting the income statement in terms of greater interest income (and consequently higher IRES taxable income).

The assessment, which confirmed the findings set forth in the formal report of findings, despite the brief submitted by the Company, was notified by certified e-mail on 18 December 2023.

Before the deadline for preparing the appeal passed, on 12 February 2024, the Consolidating Company Fininvest S.p.A. submitted the IPEC Form, whereby it requested that previous losses be discounted, thereby reducing the higher taxable income assessed by 80% and consequently redetermining sanctions and interest.

On 18 April 2024, the Company filed an appeal against this deed; the hearing for discussion has not yet been scheduled.

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 2024, the Mondadori Group did not recognise any non-recurring income; during the previous financial year, the amount of € 4,045 thousand is due to the effects deriving from the sale of magazines and the stake held in Società Europea di Edizioni S.p.A., net of the related tax effects.

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.

Financial payables	Income tax payables	Other liabilities	Revenue(*)	Purchase of raw materials	Purchase of services	Cost of personnel	Other expense (income)	Financial expense (income)
					19		—	
			2					(20)
		—	(3,042)	16	2			
			300				(25)	
		13	26,441			7,784	(87)	(31)
—	—	13	23,701	16	7,786	(87)	(25)	(51)

Financial payables	Income tax payables	Other liabilities	Revenue(*)	Purchase of raw materials	Purchase of services	Cost of personnel	Other expense (income)	Financial expense (income)
		11			—			
					8			
					7			
			13		22			
			19		1			
					492			
		32	381		5			
		—			—			
			2		10			
			11					
		8	9,095		(210)			
—	—	51	9,520	—	335	—	—	—
—	—	64	33,221	16	8,140	(87)	(25)	(51)

RELATED PARTY TRANSACTIONS:
BALANCE SHEET FIGURES AS AT 31 DECEMBER 2023 AND INCOME STATEMENT FIGURES AS AT 30 JUNE 2023

(Euro/thousands)	Trade receivables	Financial receivables	Tax receivables	Other business	Trade payables
Parent companies:					
- Fininvest S.p.A.	6	—	1,119	10,329	19
Associates					
- Attica Publications Group	—	500	—	—	—
- Edizioni EL S.r.l.	1,076	—	—	15	2,971
- Mediamond S.p.A.	11,670	—	—	289	319
- Mondadori Seec Advertising Co. Ltd	450	—	—	—	67
- Digital Advertising & Engagement S.L.	—	—	—	—	—
- Press-di Distribuzione Stampa e Multimedia S.r.l.	2,787	2,450	—	—	566
Total associates	15,983	2,950	—	304	3,922
Affiliates:					
- RTI - Reti Televisive Italiane S.p.A.	575	—	—	104	51
- Publitalia '80 S.p.A.	2	—	—	—	1,006
- Banca Mediolanum S.p.A.	—	—	—	—	—
- TaoDue S.r.l.	—	—	—	—	—
- Il Teatro Manzoni S.p.A.	11	—	—	—	—
- MFE - MediaForEurope NV (formerly Mediaset S.p.A.)	6	—	—	—	—
- Fininvest Real Estate&Services S.p.A.	—	—	—	—	—
- Digitalia'08 S.r.l.	—	—	—	—	—
- Monradio S.r.l.	—	—	—	—	—
Total affiliates	596	—	—	104	1,063
Other companies:					
- Società Europea di Edizioni S.p.A.	—	—	—	—	—
Total related parties	16,585	2,950	1,119	10,737	5,005

related parties from discontinued operations

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

Financial payables	Income tax payables	Other liabilities	Revenue(*)	Purchase of raw materials	Purchase of services	Cost of personnel	Other expense (income)	Financial expense (income)
—	12,052	—	—	—	19	—	—	—
—	—	—	1	—	—	—	—	(17)
—	—	1	(3,042)	15	5	—	—	—
—	—	10	9,016	3	(365)	—	56	—
—	—	—	300	—	—	—	(5)	—
—	—	—	38	—	435	—	—	—
—	—	32	30,231	—	8,926	(119)	—	(30)
—	—	43	36,544	18	9,001	(119)	51	(47)

Financial payables	Income tax payables	Other liabilities	Revenue(*)	Purchase of raw materials	Purchase of services	Cost of personnel	Other expense (income)	Financial expense (income)
—	—	12	479	10	16	—	4	—
—	—	—	—	33	140	—	—	—
—	—	11	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	11	(16)	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	7	—	—	—
—	—	—	—	—	—	—	4	—
—	—	23	656	53	313	—	7	—
—	12,052	66	37,200	71	9,333	(119)	58	(47)

37. FAIR VALUE MEASUREMENT

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

Financial assets (liabilities) (Euro/thousands)	Fair value at 30/06/2024	Fair value hierarchy	Measurement method and main inputs
Interest rate swap contracts	5,095	Level 2	Discounted cash flow. Future cash flows are discounted based on the forward rate curve expected at the end of the period and on the contractual fixing rates, also taking the counterparty default risk into account
Investments	260	Level 3	Fair value determined using measurement techniques with regard to market variables and unobservable data

38. OPERATING SEGMENTS

The disclosure required by IFRS 8 – Operating segments – is provided by taking into account the Group's organizational structure, based on which the periodic reporting is made, used by the Top Management to define actions and strategies, evaluate investment opportunities and allocate resources; compared with 31 December 2023, no changes have been made to representation.

Segment reporting: figures at 30 June 2024

(Euro/thousands)	Trade Books	Education Books	Retail	Media	Corporate & Shared Services	Unallocated items and consolidation adjustments	Consolidated result
Revenue from sales and services from external customers	168,250	61,141	86,451	71,845	22,103	(44,673)	387,170
Revenue from sales and services from other sectors	21,464	1,843	474	115	20,777	(44,673)	—
EBITDA	27,406	1,970	5,284	11,951	(3,484)	(717)	42,411
Operating income (loss)	22,168	(8,829)	(521)	8,373	(7,768)	(717)	12,705
Financial expense (income)	42	(1,040)	493	85	4,002	(9)	3,572
Expense (income) from equity-accounted investees	(437)	—	—	205	—	—	503
Result before tax and non-controlling interests	22,563	(7,789)	(1,014)	8,083	(11,770)	(708)	9,365
Income tax	—	—	—	—	1,443	—	1,443
Result attributable to non-controlling interests	813	—	—	27	—	—	840
Profit/(loss) from discontinued operations	—	—	—	—	—	—	—
Net profit	21,750	(7,788)	(1,014)	8,056	(13,213)	(708)	7,082
Depreciation and amortisation, and write-downs	5,238	10,799	5,806	3,579	4,284	—	29,706
Non-monetary costs	7,566	1,557	(274)	114	326	—	9,288
Non-recurring income (expense)	—	—	—	—	—	—	—
Investments	11,616	9,933	1,171	1,554	4,123	—	28,397
Equity-accounted investees	5,045	—	—	8,907	—	—	13,952
Total assets	438,720	448,667	129,101	140,380	199,535	(281,098)	1,075,306
Total liabilities	245,997	101,586	118,358	102,185	522,226	(276,383)	813,969

	Revenue from sales and services	Fixed assets
Italy	342,894	420,191
Other EU countries	18,973	
USA	21,105	4,695
Other extra EU countries	4,198	
Consolidated result	387,170	424,886

Income statement figures at 30 June 2023 and balance sheet figures at 31 December 2023

(Euro/thousands)	Trade Books	Education Books	Retail	Media	Corporate & Shared Services	Unallocated items and consolidation adjustments	Consolidated result
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
Operating income (loss)	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	2,591	19,017	9,509	1,655	5,412	—	38,184
Equity-accounted investees	4,147	—	—	10,877	—	—	15,025
Total assets	453,977	492,344	144,547	150,205	218,953	(419,854)	1,040,173
Total liabilities	234,004	98,866	132,771	119,675	583,335	(417,317)	751,334

	Revenue from sales and services	Fixed assets
Italy	326,942	418,046
Other EU countries	11,919	
USA	19,068	1,799
Other extra EU countries	4,452	
Consolidated result	362,381	419,845

39. EVENTS OCCURRING AFTER YEAR END

Acquisition of Waimea S.r.l.

On 22 July 2024, the Mondadori Group defined, through the acceptance of a binding offer, the acquisition of 51% of the share capital of Waimea S.r.l., the company that holds all the intellectual property and economic exploitation rights pertaining to the image of Benedetta Rossi and Marco Gentili.

The transaction takes place on the basis of an Enterprise Value (for 100% of the company) on a cash&debt-free basis of € 13.5 million; therefore, the price to be paid at closing, expected by end 2024, is € 6.9 million.

The agreement also provides for a variable component (so-called earn-out) - to be defined on the basis of the results of the two-year period 2023-2024 and of the financial year 2026 - the value of which, also due a contractual "cap" mechanism, is expected to reach a total amount not exceeding € 3.2 million.

The agreements signed also provide for put & call options on a further 19% stake in Waimea's share capital (exercisable after the approval of the 2028 financial statements), the exercise terms/strike price of which are linked to Waimea's performance (turnover and EBITDA) in 2028. The exercise of these options would allow Mondadori to increase its stake to 70%, keeping Benedetta Rossi and Marco Gentili as 30% shareholders.

Benedetta Rossi is Italy's best-known creator in the food & cooking sector. Her content creation activities range from the digital sphere to traditional media including, in particular, TV, where she has for many years starred in various programmes dedicated to cooking.

Benedetta Rossi is also the most important cookbook author of recent years, with 9 books published with the Mondadori Group between 2016 and 2023, selling over 1.5 million copies in total.

As a result of this transaction, through the coordinated and synergistic management of activities linked to the *Fatto in casa da Benedetta* and *GialloZafferano* brands, the Mondadori Group intends to create the leading multimedia player in the food & cooking sector, both in digital and traditional media.

40. OTHER INFORMATION

Macroeconomic and climate effects

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.

For more information, refer to the Annual Financial Report for FY 2023.

For the Board of Directors
The Chairman
Marina Berlusconi



**CERTIFICATION
OF THE
CONSOLIDATED
FINANCIAL
STATEMENTS**

CERTIFICATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 81-TER OF CONSOB REGULATION NO 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS

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, par. 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 2024.

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 2024 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 2024:

1) 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;

2) agree with the results of the accounting records and entries;

3) 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.

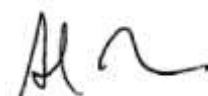
3.2 the interim report on operations includes a reliable analysis of the significant events that took place in the first six months of the year and their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining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

31/07/2024

Chief Executive Officer
Antonio Porro



Financial Reporting Manager
Alessandro Franzosi





#PalazzoMondadori as we see it

Palazzo Mondadori is one of the images that usually evokes the story of our Company. Its architecture and unmistakable reinforced concrete arches are appreciated and recognised worldwide. On social media, the Group's office stars in a monthly column dedicated to the most evocative photographs taken by our people.



Arnoldo Mondadori Editore S.p.A.

Review report on the interim condensed consolidated
financial statements at June 30, 2024

(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 2024. 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, 2024 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 1st, 2024

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