

**KEY FINANCIAL DATA**  
**at June 30, 2020**

Company performance has followed a positive trend during the period in question, showing a clear improvement on the 2019 half year results. Revenues from sales of goods and services increased significantly in connection with publications sold at newsstands, digital sales and television production. This increase in sales has allowed the effect of falls in online advertising, caused by the Covid emergency and the lockdown in Italy which forced the closure of many businesses and suspension of various advertising campaigns, to be handled. The results shown in the 2020 first half financial statements are therefore particularly positive, precisely because the Covid emergency might have had various negative consequences on our industry. Our publications and television productions were in fact a fundamental component in the information landscape, providing support for our readers and subscribers at a particularly difficult time. Our Company stood out for having succeeded in keeping its staff fully operational, albeit largely working from home, without needing to make use of government support measures, such as the *Cassa Integrazione* temporary redundancy scheme. The strategy underpinning the three-year business plan is confirmed, namely a conviction about the importance of growth in the digital domain, together with a strengthening of the traditional market, trends which the first half of 2020 have only made clearer. The latter, although subject to difficult conditions and generalised decline, has shown strong potential for recovery in the business we manage. At the same time the digital sphere has shown an ability to accelerate growth in volumes following the production of suitable content for informational requirements. Following the first half year results, our Company will therefore commit even more wholeheartedly to producing distinctive content able to exploit its unexpressed potential and generate the revenues needed to achieve the business plan targets. At a time of great uncertainty for the country's economy, and great uncertainty in the publishing industry, the plan to diversify and the distinctive values in content constitute the foundations upon which the sustainability and growth of our Company will be built.

<b>Profit and Loss Account at Value of Production and Value Added</b>				
	<b>30.06.20</b>	<b>% P. V.</b>	<b>30.06.19</b>	<b>% P. V.</b>
Revenues from sales and services	15,616,400	78,96%	12.957.602	85,48%
Variations of inventory of raw and auxiliary materials, consumables and supplies	12,166	0,06%	(27.665)	(0,18%)
Internal production of fixed assets	3,843,300	19,43%	2.104.429	13,88%
Other revenues	305,785	1,55%	124.662	0,82%
<b>Production value</b>	<b>19,777,651</b>	<b>100,00%</b>	<b>15.159.028</b>	<b>100,00%</b>

<b>Revenues from sales and services</b>						
<i>(in thousands of Euros)</i>	<b>Value at 30.06.20</b>	<b>% on revenues</b>	<b>Value at 30.06.19</b>	<b>% on revenues</b>	<b>Variat.</b>	<b>Var %</b>
Publishing sector	11,531	73,84%	9,499	73,31%	2,033	21,40%
Media content sector	2,201	14,09%	1,284	9,91%	917	71,40%
Advertising sector	1,884	12,07%	2,175	16,78%	-290	-13,36%
<b>Total</b>	<b>15,616</b>	<b>100,00%</b>	<b>12,958</b>	<b>100,00%</b>	<b>2,659</b>	<b>20,52%</b>

In analysing changes in revenues from the sale of goods and services, we note the following:

**Publishing division:** this sub-category essentially comprises revenues from sales of the daily newspaper from newsstands, subscriptions to the monthly FQMillennium, sales of the Paper First series of books from newsstands and in bookshops, sales of subscriptions to the paper and digital versions of the daily newspaper and supporters of the website. The significant positive change in revenues is attributable: (i) to an increase of more than 21% in newsstand sales of the daily newspaper; (ii) an increase of 51% in sales of the Paper First series; (iii) a decrease of 25% in revenues for sales of the FQ Millennium monthly and an approximately 24% increase in revenues from subscriptions to publications, so that the overall increase is in excess of 20%.

**Media content division:** this sub-category comprises revenues from the granting of television content usage rights, both to national television broadcasters and through the TV LOFT app, and sales of theatrical shows. Revenues have increased by over 71% compared to the same period last year.

**Advertising division:** this sub-category essentially covers revenues from (i) sales of advertising in the daily newspaper (ii) sales of advertising on the website and (iii) advertising in the monthly. The volume of advertising sales has decreased by around 13% overall compared to the prior period. In detail, advertising sales show an increase of circa 27% in the daily newspaper and a decrease of circa 20% on the website. The reduction in analysing sales should be analysed in the light of the advertising market in general, which has been strongly impacted by the crisis caused by the Covid-19 pandemic. Indeed, during the period the national data shows a decrease in advertising of approximately 27%.

From an analysis of the reclassified profit and loss statement, an inversion in the trend in the gross margin can be seen. The significant increase in revenues represents an evident consequence of developments in the company derived from investments in digital transformation and diversification. A combination of these two factors has had a positive impact on margin, which has increased significantly compared to both the first half of 2019 and the full year results to 31 December.

In detail: (i) cost of sales expressed as a proportion of revenues is equivalent to 3%, a decrease compared to the comparative period; (ii) services costs represent 45% of revenues, a decrease of 5 percentage points. Within this number, costs relating to the publishing division as a proportion of revenues have fallen slightly, whereas there has been an increase in general consulting costs connected with compliance requirements for AIM-listed companies; (iii) lease costs are in line with the growth of the department managing technological development and marketing activities in Milan, and the Loft productions business unit, which in the first half has overseen the fitting out of the television studio, with the associated technical and personnel set-up, for the filming of the programme “SonoLeVenti”; (iv) the incidence of personnel costs when set against sales has decreased by over 4 percentage points, whereas there has been an increase in terms of the absolute values, in line with the planned growth in the number of human resources in the organisation supporting technological and production developments; (v) depreciation and amortisation are equivalent to over 11% of sales, representing +2% and €820k more than the prior year. €2,208k out of the total first half P&L charge relates to intangible asset amortisation. The proportion attributable to investments in LOFT production, in which the Company holds full copyright and exploitation rights over time, represents 90%.

**Main financial data:**

<i>(in thousands of Euro)</i>	<b>30.06.20</b>	<b>% P.V.</b>	<b>30.06.19</b>	<b>% P.V.</b>
Production value	19,778	100,00%	15,159	100,00%
EBITDA	2,509	12,69%	398	2,63%
EBIT	228	1,15%	-1,078	-7,11%
EBT	229	1,16%	-1,073	-7,08%

Net result	73	0,37%	-862	-5,69%
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EBITDA is defined as: result for the year, adjusted by the following components: (i) income taxes for the year, (ii) financial components and (iii) depreciation and amortization of tangible and intangible assets, write-downs and other provisions.

EBIT is defined as: result for the year, adjusted by the following components: (i) income taxes for the year, (ii) financial components.

EBT is defined as: result for the year, adjusted by the following components: (i) income tax for the year.

**Net Financial Position:**

<b>Net Financial Position</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
<i>Current financial receivables</i>		
Liquidity - cash and cash equivalent	(3,251,487)	(1,138,763)
<i>Current financial payables</i>		
Current financial payables	207,183	-
<b>Current Net Financial Position</b>	<b>(3,044,304)</b>	<b>(1,138,763)</b>
<i>Non-current financial payables</i>		
Non-current financial payables	2,487,500	-
<b>Net Financial Position</b>	<b>(556,804)</b>	<b>(1,138,763)</b>

The Current Net Financial Position, for approximately Euro 3,044 thousand, is composed exclusively of cash and cash equivalent net of a financial debt consisting of a current account opening, used temporarily and occasionally. Non-current financial payables are made up of a loan of Euro 2,500 thousand, destined for investments, with repayment in 60 months, 12 of which are pre-amortisation. The Company deemed it useful to rebalance the financial structure between short and medium term sources and uses.

Below is an analysis of the cash flows for the first half of 2020, compared with those for the same period of the previous year:

<i>(in thousands of Euros)</i>		
	<b>30.06.20</b>	<b>30.06.19</b>
Profit (loss) of the year before taxes on the income, interests and dividends	228	(1,078)
Adjustments for non-monetary elements	2,592	1,878
Changes in net working capital	1,335	100
Other adjustments	(355)	(87)
<b>Cash flow from operating activities (A)</b>	<b>3,800</b>	<b>813</b>
<b>Cash flow from investment activities (B)</b>	<b>(4,364)</b>	<b>(3,252)</b>
<b>Cash flow from financing activities (C)</b>	<b>2,677</b>	<b>2,917</b>
<b>Increase (decrease) of cash and cash equivalents (A±B±C)</b>	<b>2,113</b>	<b>478</b>
Cash and cash equivalents at the beginning of the year	541	2,212
Cash and cash equivalents at the end of the year	2,654	2,690
<b>Changes in cash and cash equivalents</b>	<b>2,113</b>	<b>478</b>

**Main consolidated balance sheet and financial results at 30 June 2020:**

Below is the information regarding the main balance sheet indicators as at 30 June 2020, compared with 31 December 2019.

<b>Financial Statement of Assets and Liabilities</b>					
<b>COMMITMENTS</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>FONTI</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Intangible fixed assets	8,430,455	6,635,247	Share capital	2,500,000	2,500,000
Tangible fixed assets	211,093	223,703	Reserves	3,090,442	3,104,100
Financial fixed assets	1,150,606	1,144,098	Retained earnings (losses)	-	35,407
			Profit (loss) for the year	73,148	-1,492,384
<b><i>FixedAset</i></b>	<b><i>9,792,154</i></b>	<b><i>8,003,048</i></b>	<b><i>Net worth</i></b>	<b><i>4,206,614</i></b>	<b><i>4,147,123</i></b>
Cash and cash equivalents	266,539	250.720	Consolidated liabilities	5,574,766	2,739,000
Deferred Liquidity	6,665,740	7.079.725			
Instant Liquidity	2,653,159	540.435	Current liabilities	9,596,212	8,987,805
<b><i>Circulating asset</i></b>	<b><i>9,585,438</i></b>	<b><i>7,870,880</i></b>	<b><i>Liabilities</i></b>	<b><i>15,170,978</i></b>	<b><i>11,726,805</i></b>
<b><i>Invested capital</i></b>	<b><i>19,377,592</i></b>	<b><i>15,873,928</i></b>	<b><i>Financing capital</i></b>	<b><i>19,377,592</i></b>	<b><i>15,873,928</i></b>

Gross investments in intangible fixed assets amounted to Euro 4,327 thousand, gross of Euro 324 thousands of fixed assets in progress as at 31.12.2019 which entered into operation in the first half of 2020, and essentially refer to (i) production of television content for Euro 4,039 thousand, for which the company holds all copyright and economic exploitation rights over time; (ii) costs for the development and expansion of the technological infrastructure and for the restyling of the new newspaper, for a total of Euro 288 thousand.

Shareholders' Equity increased by approximately Euro 59 thousand also considering the result for the first half of 2020. The positive variation is due to the net profit recorded in the first half of the year net of a slight increase in the negative reserve for own shares. The company still holds a package of treasury shares equal to 9.46% of the share capital which will be subject to a subsequent placement transaction as soon as market conditions permit, destined to finance a subsequent step of business development.

#### **Significant events during the six-month period ended at June, 30 2020**

During the period under review, the Company recorded a positive trend and a clear improvement compared to the first half of 2019. Revenues from sales and services increased significantly for both newsstand and digital publications and television productions. The increase in sales also made it possible to absorb the decline in online advertising resulting from the Covid emergency and the lockdown of the country, which forced the closure of several activities or at least the suspension of several advertising

campaigns. The Company has also distinguished itself for having managed to keep its staff structure fully operational, albeit largely in smart working, without using social security benefits, such as redundancy funds.

### **Significant events after the six-month period ended at June, 30 2020**

In consideration of the epidemiological situation caused by Covid-19, it should be noted that all possible actions have been taken to ensure the safety of employees and collaborators within the company's offices in Rome and Milan, while at the same time managing to maintain the production levels necessary to ensure current volumes. The latter, despite the complexity of the management of production activities in this context, are continuing on a regular and seamless basis.

### **Business outlook**

The general economic situation and that of the advertising sector in particular could affect the performance in the second half of 2020. However, the Company is taking all possible actions to maintain current business volumes and in line with operational forecasts and consequent production programs. The business outlook suggests the ability to ensure levels of financial flows that allow for the management of normal production activities and planned investments on a regular basis.

### **Documentation**

Attached to this press release are the Statement of Assets and Liabilities, Income Statement and Cash Flow Statement for the interim period from 1 January 2020 to 30 June 2020.

**Attached are the Statement of Assets and Liabilities, Income Statement and Cash Flow Statement of the Company.**

**1. Statement of Assets and Liabilities**

	30/06/2020	31/12/2019
<b>Assets</b>		
<b>B) Fixed assets</b>		
I – Intangible fixed assets	-	-
1) start-up and capital costs	1,001,326	988,893
4) concessions, licenses, trademarks and similar rights	19,392	24,073
6) assets under construction and payments on account	612,064	807,607
7) other	6,797,673	4,814,674
<i>Total intangible fixed assets</i>	<i>8,430,455</i>	<i>6,635,247</i>
II – Tangible fixed assets	-	-
4) other assets	211,093	223,703
<i>Total tangible fixed assets</i>	<i>211,093</i>	<i>223,703</i>
III – Financial fixed assets	-	-
1) shareholdings in	-	-
b) parent companies	932,939	932,939
<i>Total shareholdings</i>	<i>932,939</i>	<i>932,939</i>
2) receivables	-	-
b) receivables from parent companies	122,177	121,277
due within the next year	58,500	27,000
due after the next year	63,677	94,277
d-bis) other receivables	89,882	89,882
due within the next year	4,124	4,124
due after the next year	85,758	85,758
<i>Total receivables</i>	<i>212,059</i>	<i>211,159</i>
4) active derivative financial instruments	5,608	-
<i>Total financial fixed assets</i>	<i>1,150,606</i>	<i>1,144,098</i>
<i>Total fixed assets (B)</i>	<i>9,792,154</i>	<i>8,003,048</i>
<b>C) Current asset</b>		
I - Inventories	-	-
1) raw, subsidiary and consumable materials	177,995	174,342

	30/06/2020	31/12/2019
4) finished products and goods	88,544	76,378
<i>Total inventories</i>	<i>266,539</i>	<i>250,720</i>
II - Receivables	-	-
1) trade receivables	4,198,967	4,087,782
due within the next year	4,198,908	4,087,782
due after the next financial year	59	-
5-bis) tax receivables	443,224	1,027,014
due within the next one year	443,224	1,027,014
5-ter) pre-paid taxes	742,379	798,216
5-quater) from third parties	320,683	328,082
due within the next one year	320,683	328,082
<i>Total receivables</i>	<i>5,705,253</i>	<i>6,241,094</i>
III – Financial assets not of a fixed nature	-	-
6) other assets	598,328	598,328
<i>Total financial assets not of a fixed nature</i>	<i>598,328</i>	<i>598,328</i>
IV – Cash and cash equivalents	-	-
1) bank and postal deposit	2,648,029	538,023
3) cash at bank and in hand	5,130	2,412
<i>Total cash and cash equivalents</i>	<i>2,653,159</i>	<i>540,435</i>
<i>Total current assets (C)</i>	<i>9,223,279</i>	<i>7,630,577</i>
<b>D) Accrual and deferred income</b>	<b>362,159</b>	<b>240,303</b>
<i>Total assets</i>	<i>19,377,592</i>	<i>15,873,928</i>
<b>Liabilities</b>		
<b>A) Shareholders' equity</b>	<b>4,206,614</b>	<b>4,147,123</b>
I – Share capital	2,500,000	2,500,000
IV – Legal reserve	500,000	500,000
VI – Other reserves, indicated separately	-	-
Extraordinary reserve	3,694,856	3,694,856
<i>Total other reserve</i>	<i>3,694,856</i>	<i>3,694,856</i>
VII - Reserve for transactions to hedge expected cash flows	4,262	-

	30/06/2020	31/12/2019
VIII – Profit (loss) carried forward	(1,456,976)	35,407
IX – Profit (loss) of the year	73,148	(1,492,384)
X – Negative reserve for purchase of own shares	(1,108,676)	(1,090,756)
Total shareholders' equity	4,206,614	4,147,123
<b>B) Provisions for risks and charges</b>		
2) for taxes, including deferred taxes	1,346	-
4) other	636,289	641,989
<i>Total for risks and charges</i>	<i>637,635</i>	<i>641,989</i>
<b>C) Employee severance indemnity</b>	<b>2,242,448</b>	<b>2,097,011</b>
<b>D) Payables</b>		
4) payables to banks	2,694,683	-
due within the next year	207,183	-
due after the next year	2,487,500	-
12) tax payables	4,441,634	3,718,577
due within the next year	4,441,634	3,718,577
13) amounts payable to social security institutions	345,291	444,255
due within the next year	345,291	444,255
14) other receivables	943,992	1,012,179
due within the next year	943,992	1,012,179
12) tax payables	2,344,581	2,531,000
due after the next year	2,344,581	2,531,000
<i>Total receivables</i>	<i>10,770,181</i>	<i>7,706,011</i>
<b>E) Accrual and deferred income</b>	<b>1,520,714</b>	<b>1,281,794</b>
<i>Total liabilities</i>	<i>19,377,592</i>	<i>15,873,928</i>

## 2. Income statement

	30/06/2020	30/06/2019
<b>A) Production value</b>		
1) revenues from sales and services	15,616,400	12,957,602
2) variations of inventory of raw and auxiliary materials, consumables and supplies	12,166	(27,665)



	30/06/2020	30/06/2019
4) increases in fixed assets for internal works	3,843,300	2,104,429
5) other revenues and income	-	-
other	305,785	124,662
<i>Total other revenues and income</i>	<i>305,785</i>	<i>124,662</i>
<i>Total production value</i>	<i>19,777,651</i>	<i>15,159,028</i>
<b>B) Cost of production</b>		
6) for raw and auxiliary materials, consumables and supplies	613,029	822,205
7) for services	8,905,808	7,603,847
8) for use of assets owned by others	1,013,608	654,808
9) for personnel	-	-
a) salaries and wages	4,659,099	4,001,847
b) social security	1,480,417	1,283,288
c) employee severance indemnity	248,330	219,960
e) other costs	89,607	75,164
<i>Total personnel costs</i>	<i>6,477,453</i>	<i>5,580,259</i>
10) amortization, depreciation and impairment	-	-
a) depreciation of intangible fixed assets	2,208,360	1,399,354
b) depreciation of tangible fixed assets	43,081	32,152
<i>Total amortization, depreciation and impairment</i>	<i>2,251,441</i>	<i>1,431,506</i>
11) variations of inventory of raw and auxiliary materials, consumables and supplies	(3,653)	(88,801)
12) provisions for risks	30,218	45,000
14) other operating costs	262,140	188,320
<i>Total of cost of production</i>	<i>19,550,044</i>	<i>16,237,144</i>
<b>Difference between value and costs of production (A - B)</b>	<b>227,607</b>	<b>(1,078,116)</b>
<b>C) Financial revenues and expenses</b>		
16) other financial revenues	-	-
a) from receivables recorded under fixed assets	-	-
from affiliated companies	-	-
<i>Total financial revenues from receivables recorded under fixed assets</i>	<i>-</i>	<i>-</i>

	30/06/2020	30/06/2019
c) from securities included under the working capital which are not shareholdings	6,043	6,599
d) revenues different from the previous	-	-
other	14	1,196
<i>Total revenues different from the previous</i>	14	1,196
<i>Total of other financial revenues</i>	6,057	7,795
17) Interests and financial expenses	-	-
other	5,328	3,162
<i>Total interests and financial expenses</i>	5,328	3,162
17-bis) exchange gains and losses	701	76
<i>Total financial revenues and expenses (15+16-17+-17-bis)</i>	1,430	4,709
<b>D) Value adjustment on financial assets</b>	-	-
18) revaluations	-	-
c) of securities included under assets forming part of working capital which are not investments	-	186
<i>Total revaluations</i>	-	186
<i>Total value adjustments to financial assets (18-19)</i>	-	186
<b>Result before taxes (A-B+-C+-D)</b>	<b>229,037</b>	<b>(1,073,221)</b>
<b>20) Current, deferred and prepaid taxes on the income of the year</b>		
current taxes	100,052	8,185
deferred and prepaid taxes	55,837	(219,478)
<i>Total current, deferred and prepaid taxes on the income of the year</i>	155,889	(211,293)
<b>21) Profit (loss) for the year</b>	<b>73,148</b>	<b>(861,928)</b>

### 3. Cashflow statement, indirect method

	Amount at 30/06/2020	Amount at 30/06/2019
<b>A) Cash flows from operating activities (indirect method)</b>		
Profit (loss) for the year	73,148	(861,928)
Income taxes	155,889	(211,293)
Payable (receivable) interest	(1,430)	(4,633)

	Amount at 30/06/2020	Amount at 30/06/2019
<i>1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances</i>	227,607	(1,077,854)
Adjustments to non monetary items that were not offset in the net working capital.		
Allocation to preserves	340,665	446,204
Depreciation of fixed assets	2,251,441	1,431,506
<i>Total adjustments for non-monetary items that were not offset in the net working capital</i>	2,592,106	1,877,710
<i>2) Cash flow before changing net working capital</i>	2,819,713	799,856
Changes in net working capital		
Decrease/(increase) in inventory	(15,819)	(61,136)
Decrease/(increase) in payables to customers	(111,185)	301,348
Increase/(Decrease) in trade payables	723,057	1,061,752
Decrease/(Increase) in accrued income and prepayments	(121,856)	(320,419)
Increase/(decrease) in accrued income and prepayments	238,920	(75,611)
Other decreases/(Other increases) in net working capital	622,174	(805,774)
<i>Total changes in net working capital</i>	1,335,291	100,160
<i>3) Cash flow after changes in net working capital</i>	4,155,004	900,016
Other adjustments		
Interest received/(paid)	1,430	4,633
(Income tax paid)	(155,889)	211,293
(Use of funds)	(200,928)	(303,051)
<i>Total other adjustments</i>	(355,387)	(87,125)
<b><i>Cash flow from operating activity (A)</i></b>	<b>3,799,617</b>	<b>812,891</b>
<b>B) Cash flow from investment activity</b>		
Tangible fixed assets		
(Investments)	(30,471)	(111,356)
Intangible assets		
(Investments)	(4,326,677)	(2,800,173)
Financial fixed assets		
(Investments)	(6,508)	(340,390)

	Amount at 30/06/2020	Amount at 30/06/2019
Not fixed financial assets		
(Investments)		(186)
<b>Cash flow from investment activity (B)</b>	<b>(4,363,656)</b>	<b>(3,252,105)</b>
<b>C) Cash flow from financing activity</b>		
Own resources		
Opening of bank loan	2,694,683	
Own resources		
Transfer/(purchase) of own shares	(17,920)	2,917,440
<b>Cash flow from financing activity (C)</b>	<b>2,676,763</b>	<b>2,917,440</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>2,112,724</b>	<b>478,226</b>
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	538,023	2,211,105
Money and equivalents on hand	2,412	709
Total of cash and cash equivalents at the beginning of the year	540,435	2,211,814
Cash and cash equivalents at the end of the year		
Bank and postal deposits	2,648,029	2,689,530
Money and equivalents on hand	5,130	510
Total cash and cash equivalents at the end of the year	2,653,159	2,690,040