CALTAGIRONE EDITORE

HALF-YEAR REPORT

June 30th 2021

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Corporate Boards

Board of Directors

Chairperson	Azzurra Caltagirone
Vice-Chairman	Alessandro Caltagirone Francesco Caltagirone
Directors	Federica Barbaro [1] Tatiana Caltagirone Massimo Confortini [1] Mario Delfini Francesco Gianni [1] Albino Majore Annamaria Malato [1] Valeria Ninfadoro [1]

Board of Statutory Auditors

Chairman	Antonio Staffa
Statutory Auditors	Dorina Casadei Edoardo Rosati

Executive Officer for Financial Reporting	Luigi Vasta
Independent Audit Firm	KPMG SpA

[1] *Independent Directors*

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CONTENTS

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DIRECTORS' REPORT

Introduction

This Report refers to the Condensed Consolidated Financial Statements at June 30th 2021, prepared in accordance with Article 154-*ter*, paragraph 3, of Legislative Decree 58/1998 as supplemented and the Consob Issuers' Regulation.

The Report was prepared in accordance with International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and was drawn up according to IAS 34 – Interim Financial Reporting, applying the same accounting standards adopted in the preparation of the Consolidated Financial Statements at December 31st 2020, with the exception of those with effect from January 1st 2021 described in the paragraph "Accounting standards and amendments to standards adopted by the Group" in the Notes to the condensed consolidated half-year financial statements, to which reference should be made.

Operational Overview

The key financial results compared to the first half of 2020 are shown below.

in thousands of Euro	*H1 2021*	*H1 2020*	*cge.*	*cge.%*
OPERATING REVENUES	**55,800**	**54,627**	**1,173**	**2.1%**
CIRCULATION REVENUES	25,313	26,559	(1,246)	(4.7%)
ADVERTISING REVENUES	27,169	25,299	1,870	7.4%
REVENUES FROM SERVICES	896	1,259	(363)	(28.8%)
OTHER CIRCULATION REVENUES	1,014	179	835	n/a
OTHER REVENUES AND INCOME	1,408	1,331	77	5.8%
OPERATING COSTS	**(52,728)**	**(56,441)**	**3,713**	**6.6%**
RAW MATERIALS, SUPPLIES & CONSUMABLES	(3,525)	(4,013)	488	12.2%
LABOUR COSTS	(24,761)	(26,492)	1,731	6.5%
OTHER OPERATING CHARGES	(24,442)	(25,936)	1,494	5.8%
EBITDA	**3,072**	**(1,814)**	**4,886**	**269.3%**
AMORTISATION, DEPRECIATION, WRITE-DOWNS & PROVISIONS	(3,600)	(25,695)	22,095	86.0%
EBIT	**(528)**	**(27,509)**	**26,981**	**98.1%**
FINANCIAL INCOME	9,086	3,253	5,833	179.3%
FINANCIAL CHARGES	(979)	(419)	(560)	(133.7%)
FINANCIAL RESULT	**8,107**	**2,834**	**5,273**	**186.1%**
PROFIT/(LOSS) BEFORE TAXES	**7,579**	**(24,675)**	**32,254**	**n/a**
INCOME TAXES	8,665	6,524	2,141	32.8%

NET PROFIT/(LOSS)	**16,244**	**(18,151)**	**34,395**	**n/a**
MINORITY INTEREST	-	-	-	0.0%
GROUP NET PROFIT/(LOSS)	**16,244**	**(18,151)**	**34,395**	**n/a**

In the first six months of 2021, the Group reported Operating Revenues of Euro 55.8 million, up 2.1% on H1 2020, following an increase in advertising revenues (+7.4%) and net of the decrease in circulation revenues (-4.7%).

Raw material costs decreased 12.2%, due to the lower quantities utilised in the production process and to the reduced cost of paper.

Labour costs, including non-recurring charges of Euro 289 thousand (Euro 992 million in H1 2020) - due to the measures put in place by a number of Group companies - decreased 6.5%. On a like-for-like basis, excluding these extraordinary charges, labour costs decreased 4% on the first half of 2020.

Other operating costs contracted overall by 5.8%, due to the ongoing cost-cutting by the subsidiaries, particularly regarding service costs.

EBITDA reported a profit of Euro 3.1 million (loss of Euro 1.8 million in H1 2020).

EBIT saw a loss of Euro 528 thousand (loss of Euro 27.5 million in H1 2020) and includes amortisation and depreciation of Euro 3.3 million (Euro 3.2 million in H1 2020), provisions for risks of Euro 52 thousand (Euro 30 thousand in H1 2020) and doubtful debts for Euro 271 thousand (Euro 468 thousand in H1 2020). It should be noted that the first half of 2020 included write-downs of intangible assets with an indefinite useful life of Euro 22 million made in accordance with the relevant accounting standards, with the write-down due to a contraction in business following the COVID-19 pandemic.

Net Financial Income of Euro 8.1 million increased on Euro 2.8 million for H1 2020 due to the higher dividends received on listed shares (Euro 8.3 million in H1 2021 compared to Euro 3.3 million in H1 2020).

The Group Net Result reports a profit of Euro 16.2 million (loss of Euro 18.2 million in the first half of 2020), also due to the use of the realignment rules by some subsidiaries.

The Group **Net Cash Position** at June 30th 2021 is as follows:

in thousands of Euro	**30.06.2021**	**31.12.2020**
Cash and cash equivalents	89,686	100,496
Non-current financial liabilities for leasing activities	(2,467)	(3,562)
Current financial liabilities for leasing activities	(2,885)	(3,503)
Current financial liabilities to banks	(4,639)	(7,413)
Other current financial liabilities	(924)	-
Net Financial Position	**78,771**	**86,018**

* The Net Cash Position in accordance with Consob Communication DEM 6064291 of July 28th 2006 is illustrated at Note 27 of the Notes to Condensed Consolidated Half-Year Financial Statements.

The net cash position amounted to Euro 78.8 million, a decrease of Euro 7.2 million on December 31st 2020 (Euro 86 million) mainly due to investments in listed shares of Euro 20.6 million, net of dividend income on listed shares of Euro 8.3 million and positive cash flow.

Group shareholders' equity amounted to Euro 375.8 million (Euro 339.3 million at December 31st 2020); the increase concerns the positive effect in the period from the fair value measurement of shares held by the Group and the net profit.

The financial ratios that Management considers key to control operating management are presented below:

	H1 2021	**H1 2020**
ROE* *(Net Result/Net Equity)***	4.3	(5.1)
ROI* *(EBIT/total assets)***	(0.1)	(5.8)
ROS* *(EBIT/Operating Revenues)***	(1.0)	(50.4)
Equity Ratio *(Net equity/total assets)*	0.8	0.8
Liquidity Ratio *(Current assets/Current liabilities)*	2.2	2.7
Capital Invested Ratio *(Net equity/Non-current assets)*	1.1	1.1

* percentage values

** For definitions of "Net Result" and "EBIT", reference should be made to the income statement attached to the present report

The balance sheet indicators confirm the Group's financial equilibrium, with strong stability, the capacity to meet short-term commitments through liquid funds and finally equilibrium between own funds and fixed assets.

The earnings ratios improved against H1 2020, primarily due to better operating profitability, as described above.

Group operating performance

- *Publishing*

Revenues from Group title paper and digital edition sales in H1 2021 contracted 4.7% on the same period of 2020.

The latest available circulation data indicates a reduction of approx. 5.2%[1] in paper and digital copies sold in the January-May 2021 period compared with 2020.

- *Advertising*

In the first six months of 2021, Group advertising revenues increased 7.4%.

Paper edition advertising revenues, also including third party advertising, grew 6.8% on 2020.

Internet advertising, including third party advertising, rose 8.4% on 2020. The contribution of this segment to overall advertising revenues was 24.1%.

The market in the January - May 2021 period grew 7.4%[2] for print newspaper advertising, while Internet advertising rose 27.2%[3].

In terms of web presence, the Caltagirone Editore network websites from January to May 2021 reported 3.49 million unique average daily users Total Audience (PC and mobile)[4].

Related party transactions

"Related" party transactions, as set out in IAS 24, including inter-company transactions, are not atypical or unusual and form part of the ordinary business activities of the companies of the Group. They are regulated at market conditions and take account of the characteristics of the goods and services provided and in the interest of the Group.

[1] ADS figures (Newspaper Sales Figures) Total Paid Subscriptions Italy as defined in Regulation 2021 (January-May 2021 vs January-May 2020)
[2] FCP Assostampa Research Centre figures January-May 2021 with corresponding period of 2020
[3] FCP Assointernet Research Centre figures January-May 2021 with corresponding period of 2020
[4] Audiweb figures Total Audience average January - May 2021 (including TAL)

The Parent Company in the period did not carry out significant transactions nor significant levels of ordinary transactions requiring communication to the Supervisory Authority under the Consob Regulation concerning related party transactions adopted with Resolution No. 17221 of March 12th 2010.

The information on related party transactions, including those required by Consob communication of July 28th 2006, is shown in Note 26 of the Condensed Consolidated Half-Year Financial Statements.

Other information

During the period the Caltagirone Editore Group did not carry out any research and development activity.

The Parent Company is not subject to management and co-ordination in accordance with the applicable regulation, as its management body has full decision-making autonomy.

At June 30th 2021, total headcount was 594 (596 at December 31st 2020); the first half average headcount was 596.

Risk management

Caltagirone Editore Group's business is generally subject to the following risks: market risk (raw materials prices and the movements in listed share prices), credit risk, interest rate risk and liquidity risk. The management of Group financial risk is undertaken through directives and the control of all operations which strictly concern the composition of the financial and/or commercial assets and liabilities.

In the first half of 2021, no market risks or uncertainties substantially differing from those evident in the 2020 Annual Accounts emerged and therefore the relative management strategy remains unchanged.

Principal uncertainties and going concern

Following on from that stated in the paragraph concerning management risks, the continuation of the general sector crisis does not however cause concern in relation to the going concern principle in that the Group has adequate levels of liquidity and of own funds, while no uncertainties exist that could compromise the capacity of the Group to carry out its operating activities.

Treasury Shares

At June 30th 2021, Caltagirone Editore SpA had 18,209,738 treasury shares in portfolio, comprising 14.57% of the share capital for a value of Euro 23,640,924.

Corporate Governance

The Shareholders' Meeting of April 26th 2021 appointed the new Board of Directors, comprising 11 members, to remain in office for the 2021 - 2023 three-year period and until approval of the 2023 Annual Accounts. The following persons were elected: Alessandro Caltagirone, Azzurra Caltagirone, Francesco Caltagirone, Tatiana Caltagirone, Federica Barbaro, Massimo Confortini, Mario Delfini, Francesco Gianni, Albino Majore, Annamaria Malato and Valeria Ninfadoro.

The Shareholders' Meeting appointed the Board of Statutory Auditors for the 2021 - 2023 three-year period, to remain in office until the approval of the 2023 Annual Accounts. The following persons were elected: Antonio Staffa, as Chairperson, Dorina Casadei and Edoardo Rosati as Statutory Auditors, Fabiana Flamini and Gerardo Pennasilico as Alternate Auditors.

On April 26th 2021 the Board of Directors appointed Azzurra Caltagirone as Chairperson and Alessandro Caltagirone and Alessandro Caltagirone as Vice Chairs. The Board at the same meeting assessed the Directors Francesco Gianni, Federica Barbaro, Massimo Confortini, Annamaria Malato and Valeria Ninfadoro as independent in accordance with the applicable regulation.

The Board thereafter appointed, for the 2021 - 2023 three-year period, the members of the Control and Risks Committee as Directors Massimo Confortini (Chairperson), Tatiana Caltagirone, Federica Barbaro, Mario Delfini and Albino Majore, and the members of the Independent Directors Committee to assess related party transactions as Directors Francesco Gianni, Massimo Confortini, Annamaria Malato, Valeria Ninfadoro and Federica Barbaro. The same Board meeting appointed for 2021 the Executive Officer for Financial Reporting of the Company as Luigi Vasta.

2021 Outlook

The Group has maintained the initiatives targeting the growth of multi-media editions and an improved internet presence in order to expand new advertising streams and acquire new readers.

The Group will also continue to implement measures to limit all discretionary costs and to reduce direct and operative overheads.

Subsequent events to June 30th 2021

No significant subsequent events took place.

Rome, July 26th 2021

For the Board of Directors

The Chairperson

Ms. Azzurra Caltagirone

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CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2021

Balance Sheet

Assets

(in thousands of Euro)	note	*30.06.2021*	*31.12.2020*
Non-current assets			
Intangible assets with definite life	1	682	866
Intangible assets with indefinite life	2	103,003	103,003
Newspaper titles		*103,003*	*103,003*
Property, plant and equipment	3	37,563	40,419
Equity investments and non-current securities	4	150,233	108,159
Other non-current assets	5	127	135
Deferred tax assets	6	52,944	53,389
TOTAL NON-CURRENT ASSETS		**344,552**	**305,971**
Current assets			
Inventories	7	1,994	1,592
Trade receivables	8	33,586	41,031
of which related parties		*117*	*208*
Tax receivables	6	-	41
Other current assets	9	1,596	1,024
of which related parties		*3*	*3*
Cash and cash equivalents	10	89,686	100,496
TOTAL CURRENT ASSETS		**126,862**	**144,184**
TOTAL ASSETS		**471,414**	**450,155**

Balance Sheet

Shareholders' Equity & Liabilities

(in thousands of Euro)	note	*30.06.2021*	*31.12.2020*
Shareholders' Equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Reserves		253,383	277,411
Profit/(loss) for the period		16,244	(44,277)
Group shareholders' equity		**375,762**	**339,269**
Minority interest shareholders' equity		-	-
TOTAL SHAREHOLDERS' EQUITY	11	**375,762**	**339,269**
Liabilities			
Non-current liabilities			
Employee benefits	12	14,527	14,802
Non-current provisions	13	148	155
Non-current financial liabilities	14	2,467	3,562
of which related parties		*1,100*	*1,936*
Other non-current liabilities	15	1,452	1,859
Deferred tax liabilities	6	18,394	27,548
TOTAL NON-CURRENT LIABILITIES		**36,988**	**47,926**
Current liabilities			
Current provisions	13	11,609	11,769
Trade payables	16	18,212	19,647
of which related parties		*501*	*248*
Current financial liabilities	14	8,448	10,916
of which related parties		*2,180*	*2,783*
Current income tax payables	6	699	-
Other current liabilities	15	19,696	20,628
of which related parties		*27*	*33*
TOTAL CURRENT LIABILITIES		**58,664**	**62,960**
TOTAL LIABILITIES		**95,652**	**110,886**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**471,414**	**450,155**

Consolidated Income Statement

(in thousands of Euro)	Note	*H1 2021*	*H1 2020*
Revenues	17	54,392	53,296
of which related parties		*160*	*134*
Other operating revenues	18	1,408	1,331
of which related parties		*36*	*36*
TOTAL REVENUES		**55,800**	**54,627**
Raw material costs	19	(3,525)	(4,013)
Labour costs	12	(24,761)	(26,492)
of which non-recurring charges		*(289)*	*(992)*
Other operating charges	20	(24,442)	(25,936)
of which related parties		*(442)*	*(381)*
TOTAL COSTS		**(52,728)**	**(56,441)**
EBITDA		**3,072**	**(1,814)**
Amortisation & depreciation		(1,472)	(1,405)
Amort. leased assets		(1,805)	(1,792)
Provisions		(52)	(30)
Write-down of intangible assets with indefinite life		-	(22,000)
Write-down of receivables and other fix assets		(271)	(468)
Amortisation, depreciation, provisions and write-downs	21	**(3,600)**	**(25,695)**
EBIT		**(528)**	**(27,509)**
Financial income		9,086	3,253
of which related parties		*7,575*	*3,250*
Financial charges		(979)	(419)
of which related parties		*(21)*	*(35)*
Net financial income	22	**8,107**	**2,834**
PROFIT/(LOSS) BEFORE TAXES		**7,579**	**(24,675)**
Income taxes	6	8,665	6,524
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**16,244**	**(18,151)**
NET PROFIT/(LOSS)		**16,244**	**(18,151)**
Group Net Profit/(loss)		16,244	(18,151)
Minority interest share		-	-
Basic earnings/(loss) per share	23	0.152	(0.170)
Diluted earnings/(loss) per share	23	0.152	(0.170)

Consolidated Comprehensive Income Statement

(in thousands of Euro)	**H1 2021**	**H1 2020**
Net profit/(loss) for the period	**16,244**	**(18,151)**
Items which are not reclassified subsequently to profit/(loss) for the period		
Profit/(loss) from the valuation of Investments in equity instruments net of the tax effect	20,282	(31,757)
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	(14)	
Total other items of the Comprehensive Income Statement	**20,268**	**(31,757)**
Comprehensive profit/(loss) for the period	**36,512**	**(49,908)**
Attributable to:		
Parent Company shareholders	36,512	(49,908)
Minority interest	-	-

Statement of Changes in Consolidated Shareholders' Equity

(in thousands of Euro)	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Result for the period	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2020	**125,000**	**(18,865)**	**(23,641)**	**21,087**	**335,278**	**(30,649)**	**408,210**	**-**	**408,210**
Prior year result carried forward					(30,649)	30,649	**-**		**-**
Total operations with shareholders	**-**	**-**	**-**	**-**	**(30,649)**	**30,649**	**-**	**-**	-
Change in fair value reserve				(31,757)			**(31,757)**		**(31,757)**
Net profit/(loss)						(18,151)	**(18,151)**		**(18,151)**
Comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(31,757)**	**-**	**(18,151)**	**(49,908)**	**-**	**(49,908)**
Balance at June 30th 2020	**125,000**	**(18,865)**	**(23,641)**	**(10,670)**	**304,629**	**(18,151)**	**358,302**	**-**	**358,302**
Balance at January 1st 2021	**125,000**	**(18,865)**	**(23,641)**	**(3,372)**	**304,424**	**(44,277)**	**339,269**	**-**	**339,269**
Prior year result carried forward					(44,277)	44,277	**-**		**-**
Total operations with shareholders	**-**	**-**	**-**	**-**	**(44,277)**	**44,277**	**-**	**-**	-
Change in fair value reserve				20,282			**20,282**		**20,282**
Change in other provisions					(14)		**(14)**		**(14)**
Net profit/(loss)						16,244	**16,244**		**16,244**
Comprehensive profit/(loss) for the period	**-**	**-**	**-**	**20,282**	**(14)**	**16,244**	**36,512**	**-**	**36,512**
Other changes					(19)		**-** **19**		**(19)**
June 30th 2021	**125,000**	**(18,865)**	**(23,641)**	**16,910**	**260,114**	**16,244**	**375,762**	**-**	**375,762**

Consolidated Cash Flow Statement

in thousands of Euro	NOTES	*H1 2021*	*H1 2020*
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10**	**100,496**	**112,368**
Net profit/(loss) for the period		16,244	(18,151)
Amortisation & depreciation		3,277	3,197
(Revaluations) and write-downs		271	22,468
Net financial income/(charges)		(8,106)	(2,834)
(Gains)/losses on disposals		-	(14)
Income taxes		(8,665)	(6,524)
Changes in employee provisions		(479)	(542)
Changes in current and non-current provisions		(167)	123
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**2,375**	**(2,277)**
(Increase) Decrease in inventories		(402)	(344)
(Increase) Decrease in Trade receivables		7,174	7,677
Increase (Decrease) in Trade payables		(1,435)	(1,927)
Change in other current and non-current liabilities		(2,002)	(1,667)
Change in deferred and current income taxes		30	22
OPERATING CASH FLOW		**5,740**	**1,484**
Dividends received		8,338	3,250
Interest received		10	-
Interest paid		(259)	(279)
Other income (charges) received/paid		738	3
Income taxes paid		(521)	-
A) CASH FLOW FROM OPERATING ACTIVITIES		**14,046**	**4,458**
Investments in intangible fixed assets		(75)	(510)
Investments in tangible fixed assets		(97)	(360)
Non-current investments and securities		(20,605)	-
Sale of intangible and tangible assets		-	373
B) CASH FLOW FROM INVESTING ACTIVITIES		**(20,777)**	**(497)**
Change in current financial liabilities		(4,079)	(3,463)
C) CASH FLOW FROM FINANCING ACTIVITIES		**(4,079)**	**(3,463)**
D) Effect exc. diffs. on cash & cash equivalents		-	-
Change in net liquidity		**(10,810)**	**498**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**10**	**89,686**	**112,866**

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NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2021

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Introduction

Caltagirone Editore SpA (the Parent Company) is a limited liability company, listed on the Milan Stock Exchange, operating in the publishing sector with its registered office in Rome (Italy), Via Barberini, No, 28, with duration until 2100.

At June 30th 2021, the shareholders with holdings above 3% of the share capital, as per the shareholders' register, the communications received in accordance with Article 120 of Legislative Decree No. 58 of February 24th 1998, and other information available are:

- Francesco Gaetano Caltagirone 75,955,300 shares (60.76%).

  The above investment is held indirectly through the companies:

  Parted 1982 Srl 44,454,550 shares (35.56%)

  Gamma Srl 9,000,750 shares (7.20%)

  FGC SpA 22,500,000 shares (18.00%)

The company in addition holds 18,209,739 treasury shares, equal to 14.57% of the share capital.

At the date of the preparation of this report, the ultimate holding company was FGC SpA, due to the shares held through subsidiary companies.

The Consolidated Condensed Financial Statements at June 30th 2021 include the Condensed Half-Year Financial Statements of the Parent Company and its subsidiaries (together the "Group"). For the consolidation, the financial statements prepared by the Directors of the individual consolidated companies were used.

This half-year report was authorised for publication by the Board of Directors on July 26th 2021.

Compliance with international accounting standards approved by the European Commission

The condensed consolidated half-year financial statements at June 30th 2021 of the Caltagirone Editore Group, drawn up for the Parent Company and subsidiaries on the basis of the going concern assumption, were prepared as per Article 154-*ter*, paragraph 3 of Legs. Decree No. 58/1998 and subsequent amendments and supplements and in accordance with Articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the balance sheet date, in addition to the preceding

International Accounting Standards (IAS). For simplicity, all the standards and interpretations are hereafter stated simply as “IFRS”.

In particular, this Condensed Consolidated Half-Year Financial Statements prepared in accordance with IAS 34, do not contain the extent of information required for Annual Accounts and must be read together with the 2020 Consolidated Financial Statements filed at the registered office of the company Caltagirone Editore S.p.A. in via Barberini, No. 28 Rome and available from the website www.caltagironeeditore.com.

The financial statements conform with the Annual Accounts in application of the updated version of IAS 1 – Presentation of Financial Statements.

The accounting standards adopted in the preparation of these Condensed Consolidated Half-Year Financial Statements are the same as those utilised for the Group annual consolidated financial statements at December 31st 2020, with the exception of those specifically applicable to interim reports, and those described below in the “Accounting standards and amendments to standards adopted by the Group” paragraph, effective from January 1st 2020.

Basis of presentation

The Condensed Consolidated Financial Statements are presented in Euro and the amounts are shown in thousands, except where otherwise indicated. They comprise the Balance Sheet, the Consolidated Income Statement, the Comprehensive Consolidated Income Statement, the Statement of changes in Shareholders’ Equity, the Consolidated Cash Flow Statement and these Notes to the financial statements.

The Balance Sheet is presented in a format which separates the current and non-current assets and liabilities. The Income Statement and the Comprehensive Income Statement are classified on the basis of the nature of the costs, the Comprehensive Income Statement, beginning with the result for the period, highlights the effects of profits and losses recognised directly to equity, the statement in changes in Shareholders’ Equity outlines the changes in the period to the individual accounts comprising Net Equity, while the cash flow statement is presented utilising the indirect method.

The IFRS were applied in accordance with the “Framework for the preparation and presentation of financial statements” and no matters arose which required recourse to the exceptions permitted by IAS 1, paragraph 17.

It is recalled that Consob, resolution No, 15519 of July 27th 2006 requires that the above financial statements report, where the amounts are significant, additional sub-accounts to those already specifically required by IAS 1 and other international accounting standards in order to show the balances and transactions with related parties as well as the relative income statement accounts relating to non-recurring, unusual or atypical operations.

The assets and liabilities are shown separately and without any offsetting.

Use of estimates

The preparation of the condensed consolidated half-year financial statements require the Directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, in addition to the disclosure. The final outcome of the accounts in the financial statements, which use the above-mentioned estimates and assumptions, may differ from those reported in the financial statements due to the uncertainty which characterises the assumptions and conditions upon which the estimates are based.

The estimates and assumptions are reviewed periodically and the effects of all variations recorded in the income statement, when they relate only to that year. When the revision relates to both current and future periods (for example the revision of the useful life of fixed assets), the changes are recorded in the period in which the revision is made and in the relative future periods.

Some valuation processes, in particular the determination of any reduction in fixed assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

Similarly, the actuarial valuations necessary for the determination of the employee benefit plans based on IAS 19 are normally calculated in the preparation of the annual accounts.

Income taxes are calculated according to the best estimate of the average expected rate at consolidated level for the entire year and the expectations for the recovery of deferred tax assets based on projections for future assessable income, considering also the nature of the circumstances determining them.

Consolidation scope

The consolidation scope includes the Parent Company and all of its subsidiaries, directly or indirectly held (hereinafter the "Group").

The list of subsidiaries included in the consolidation scope is as follows:

	Registered Office	**30.06.2021**	**31.12.2020**	**Activities**
Caltagirone Editore SpA	Rome	Parent Company	Parent Company	finance
Il Messaggero SpA	Rome	100%	100%	publishing
Il Mattino SpA	Rome	100%	100%	publishing
Piemme SpA	Rome	100%	100%	advertising
Leggo Srl	Rome	100%	100%	publishing
Finced Srl	Rome	100%	100%	finance
Ced Digital & Servizi Srl	Rome	100%	100%	publishing
Corriere Adriatico Srl	Rome	100%	100%	publishing
Quotidiano Di Puglia Srl	Rome	100%	100%	publishing
Il Gazzettino SpA	Rome	100%	100%	publishing
Stampa Venezia Srl *(1)*	Rome	100%	100%	printing
Imprese Tipografiche Venete Srl *(1)*	Rome	100%	100%	printing
P.I.M. Srl *(1)*	Rome	100%	100%	advertising
Servizi Italia 15 Srl	Rome	100%	100%	services
Stampa Roma 2015 Srl	Rome	100%	100%	printing
Stampa Napoli 2015 Srl	Rome	100%	100%	printing

(1) Held by Il Gazzettino SpA

For the list of investments included in the consolidation scope, reference should be made to the table attached to the present Report.

Accounting standards and amendments to standards adopted by the Group

a) *From January 1st 2021, the Group adopted the following new accounting standards:*

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, which was endorsed by the EU on January 13th 2021 with Regulation No. 25. The objective of the document is to modify the existing standards affected by the reform to include some practical expedients and some facilitations, thereby limiting the accounting impacts resulting from the reform of IBORs.
- Amendments to IFRS 4 Contracts - deferral of IFRS 9, which was endorsed by the EU on December 16th 2020 with Regulation No. 2097. The objective of the document is to clarify a number of applicational aspects of IFRS 9 before the definitive application of IFRS 17.

The adoption of the new standards applicable from January 1st 2021 did not have significant effects.

b) *Accounting Standards and interpretations on Standards effective from the periods subsequent to 2021 and not adopted in advance by the Group:*

- *Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020* designed to make specific improvements to those standards. This document, adopted by the European Union with Regulation No. 1080 of June 28th 2021, is applicable from periods beginning on, or subsequent to, January 1st 2022.

Any effects that the amendments may have on the Group financial disclosure are currently being evaluated.

c) *Accounting standards, amendments and interpretations not yet endorsed by the European Union*

At the date of the approval of these condensed consolidated half-year financial statements, the IASB had issued (however not yet approved by the European Union) a number of accounting standards, interpretations and amendments - some still in the consultation phase - in relation to which we highlight:

- On May 18th 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces the current IFRS 4. The new standard on insurance contracts improves transparency on profit sources and on the quality of profits realised and ensures a high level of results comparability, introducing a single standard for the recognition of revenues which reflects the services provided. On June 25th 2020, the IASB published the document "*Amendments to IFRS 17*", which includes some changes to IFRS 17 and the deferral of the entry into force of the new accounting standard to January 1st 2023. At the reporting date, the endorsement process was ongoing.
- On January 23rd 2020, the IASB published amendments to IAS 1. The document "*Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*" provides that a liability is classified as current or non-current according to the rights existing at the date of the financial statements. In addition, it states that the classification is not affected by the entity's expectation to exercise its rights to defer settlement of the liability. Finally, it is clarified that this regulation refers to the transfer

of cash, equity instruments, other assets or services to the counterparty. The amendments were initially due to come into force from January 1st 2022, however the IASB, with a second document published on July 15th 2020 titled "*Classification of Liabilities as Current or Non-current – Deferral of Effective Date"*, has deferred their entry into force to January 1st 2023. Early application is permitted. At the reporting date, the endorsement process was ongoing.

- On February 12th 2021, the IASB published "*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2*: *Disclosure of Accounting policies,* with the aim of improving the information provided about the accounting standards and accounting policies adopted in order to provide users of the financial statements with more useful information. The amendments are applied to financial statements concerning periods beginning from January 1st 2023. Early application is permitted. The endorsement process is still in progress.
- On February 12th 2021, the IASB published "*Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors*: *Definition of Accounting Estimates,"* with the goal of distinguishing changes in accounting principles from changes in accounting estimates. The amendments are applied to financial statements concerning periods beginning from January 1st 2023. Early application is permitted. The endorsement process is still in progress.
- The IASB, on March 31st 2021, published the amendment entitled "*Amendments to IFRS 16 Leases: Covid 19-Related Rent Concessions beyond June 30th 2021",* with which it amended *IFRS 16 Leases* in order to extend for a further twelve months, until June 30th 2022, the practical expedient introduced by the document "*Covid 19-Related Rent Concessions"* published on May 28th 2020 and relating to the accounting by lessees of *rent concessions* obtained as a result of the COVID-19 pandemic. This practical expedient is optional, does not apply to lessors, and allows lessees not to account for rent concessions (rent suspensions, deferrals of lease payments due, rent reductions over a period of time, possibly followed by rent increases in future periods) as lease modifications if they are a direct result of the COVID-19 pandemic and meet certain conditions. The 2021 amendments to *IFRS 16* come into force from the financial statements of the financial years starting from or after April 1st 2021, but may be applied early to the financial statements of previous financial years whose publication has not yet been authorised. The endorsement process is still in progress.

- On May 7th 2021, the IASB published the document "*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction".* The amendments require entities preparing financial statements to recognise deferred taxes on transactions that result in an equivalent amount of taxable and deductible temporary differences upon initial recognition. The amendments are effective for the years beginning on or after January 1st 2023. Earlier application is permitted. The endorsement process is still in progress.

Any effects that the newly applied accounting standards, amendments and interpretations may have on the Group financial disclosure are currently being evaluated.

Value of the Group

The Stock Market capitalisation of Caltagirone Editore is currently lower than the net equity of the Group (Stock Market capitalisation at June 30th 2021 of Euro 119.5 million compared to a Group net equity of Euro 375.8 million), significantly lower than the valuations based on the fundamentals of the Group expressed by its value in use.

The capacity to generate cash flows or the establishment of specific fair values (cash and cash equivalents, equity instruments and Publishing Titles) may justify this difference; stock market prices in fact also reflect circumstances not strictly related to the Group, with expectations focused on the short-term.

ACTIVITIES

1. Intangible assets with definite life

Historical cost	Patents	Trademarks and Concessions	Other	Total
01.01.2020	**1,570**	**673**	**6,426**	**8,669**
Increases		215	385	**600**
Decreases				**0**
Reclassifications		47	(47)	**0**
31.12.2020	**1,570**	**935**	**6,764**	**9,269**
01.01.2021	**1,570**	**935**	**6,764**	**9,269**
Increases		4	71	**75**
Decreases				**0**
Reclassifications				**0**
30.06.2021	**1,570**	**939**	**6,835**	**9,344**

Amortisation & loss in value	Patents	Trademarks and Concessions	Other	Total
01.01.2020	**1,563**	**626**	**5,671**	**7,860**
Increases	7	97	439	**543**
Decreases				**0**
31.12.2020	**1,570**	**723**	**6,110**	**8,403**
01.01.2021	**1,570**	**723**	**6,110**	**8,403**
Increases		42	217	259
Decreases				0
30.06.2021	**1,570**	**765**	**6,327**	**8,662**

Net value				
01.01.2020	**7**	**47**	**755**	**809**
31.12.2020	**0**	**212**	**654**	**866**
30.06.2021	**-**	**174**	**508**	**682**

The amortisation rates used are shown below:

Category	Average rate
Industrial patents and intel. property rights	26.5%
Trademarks, concessions and licenses	10.0%
Other	28.0%

2. Intangible assets with indefinite life

The indefinite intangible assets, composed entirely of the newspaper titles, are not amortised, but subject at least annually to verifications to determine the existence of any loss in value.

The table below shows the movements in the intangible assets with indefinite life:

Historical cost	Goodwill	Newspaper titles	Total
01.01.2020	**189,596**	**286,794**	**476,390**
Increases			**-**
Decreases			**-**
31.12.2020	**189,596**	**286,794**	**476,390**
01.01.2021	**189,596**	**286,794**	**476,390**
Increases			-
Decreases			-
30.06.2021	**189,596**	**286,794**	**476,390**

Write-downs	Goodwill	Newspaper titles	Total
01.01.2020	**189,596**	**126,391**	**315,987**
Increases		57,400	**57,400**
Decreases			**-**
31.12.2020	**189,596**	**183,791**	**373,387**
01.01.2021	**189,596**	**183,791**	**373,387**
Increases			-
Decreases			-
30.06.2021	**189,596**	**183,791**	**373,387**

Net value			
01.01.2020	**-**	**160,403**	**160,403**
31.12.2020	**-**	**103,003**	**103,003**
30.06.2021	**-**	**103,003**	**103,003**

The breakdown of the balance relating to the newspaper titles is shown below:

	01.01.2020	Increases/(Decreases)	Write-downs	31.12.2020
Il Messaggero S.p.A.	90,808		(38,800)	52,008
Il Mattino S.p.A	22,796		(2,000)	20,796
Quotidiano Di Puglia Srl	4,531		(4,100)	431
Corriere Adriatico Srl	6,078		(4,000)	2,078
Il Gazzettino S.p.A.	36,187		(8,500)	27,687
Other minor newspaper titles	3			3
Total	**160,403**	**-**	**(57,400)**	**103,003**

	01.01.2021	Increases/(Decreases)	Write-downs	30.06.2021
Il Messaggero S.p.A.	52,008			52,008
Il Mattino S.p.A	20,796			20,796
Quotidiano Di Puglia Srl	431			431
Corriere Adriatico Srl	2,078			2,078
Il Gazzettino S.p.A.	27,687			27,687
Other minor newspaper titles	3			3
Total	**103,003**			**103,003**

In order to assess whether to carry out impairments tests on the Group's intangible assets with indefinite life, comprising the Newspaper Titles, an analysis was carried out to establish if the significant events (so called "trigger events") which indicate the existence of losses in value on these assets at June 30th 2021 had occurred.

In particular, in accordance with IAS 36, this analysis concerned the development of the weighted average cost of capital ("WACC") and the differences observed in the main 2021 income statement accounts compared to 2021 budget forecasts and the 2022-2025 planning drawn up and approved for the preparation of the annual consolidated financial statements at December 31st 2020. This analysis did not reveal any impairment indicators requiring further exploration by the directors.

3. Property, plant and equipment

"Land and Buildings" include operating offices and facilities for the printing of newspapers.

The account "Plant and machinery" is mainly composed of the presses belonging to Group publishing companies.

"Right of use assets" almost exclusively comprise the lease contracts for offices and press rooms, whose total discounted value is recognised to property, plant and equipment as per IFRS 16.

The account "Other assets" includes, in addition to computers, servers and network appliances, leasehold improvements and restructuring relating to rented offices. Depreciation is calculated based on the duration of the contract, which is lower than the useful life of the asset.

No financial charges were capitalised.

Historical cost	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other Assets	Total
01.01.2020	60,292	98,254	806	12,658	21,037	**193,047**
Increases		79	3	1,769	366	**2,217**
Decreases				- 370	(176)	**(546)**
Reclassifications						**0**
31.12.2020	**60,292**	**98,333**	**809**	**14,057**	**21,227**	**194,718**
01.01.2021	60,292	98,333	809	14,057	21,227	**194,718**
Increases		26		30	41	**97**
Decreases				(143)	(65)	**(208)**
Reclassifications					86	**86**
30.06.2021	**60,292**	**98,359**	**809**	**13,944**	**21,289**	**194,693**

Depreciation & loss in value	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other Assets	Total
01.01.2020	29,553	94,424	805	3,393	20,064	**148,239**
Increases	1,564	570	1	3,673	378	**6,186**
Decreases					(126)	**(126)**
Reclassifications		6			(6)	**0**
31.12.2020	**31,117**	**95,000**	**806**	**7,066**	**20,310**	**154,299**
01.01.2021	31,117	95,000	806	7,066	20,310	**154,299**
Increases	771	273	1	1,805	427	**3,277**
Decreases				(208)	(237)	**(445)**
Reclassifications						**0**
30.06.2021	**31,888**	**95,273**	**807**	**8,663**	**20,500**	**157,131**
Net value						
01.01.2020	**30,739**	**3,830**	**1**	**9,265**	**973**	**44,808**
31.12.2020	**29,175**	**3,333**	**3**	**6,991**	**917**	**40,419**
30.06.2021	**28,404**	**3,086**	**2**	**5,281**	**789**	**37,562**

4. Equity investments and non-current securities

Equity investments and non-current securities	01.01.2020	Increases/(Decreases)	Fair value change	31.12.2020
Investments in other companies valued at cost	1,210			1,210
Investments in equity instruments	119,567	12,369	(24,987)	106,949
Total	**120,777**	**12,369**	**(24,987)**	**108,159**

Equity investments and non-current securities	01.01.2021	Increases/(Decreases)	Fair value change	30.06.2021
Investments in other companies valued at cost	1,210			1,210
Investments in equity instruments	106,949	20,605	21,469	149,023
Total	**108,159**	**20,605**	**21,469**	**150,233**

The breakdown of the account investments in other companies is as follows:

Investments in other companies	%	01.01.2020	Increases/(Decreases)	Write-downs	31.12.2020
Ansa	6.71	1,198			1,198
Other minor		20		(8)	12
Total		**1,218**	**-**	(8)	**1,210**

Investments in other companies		01.01.2021	Increases/(Decreases)	Write-downs	30.06.2021
Ansa	6.71	1,198			1,198
Other minor		12			12
Total		**1,210**	**-**	**-**	**1,210**

The company ANSA is the leading news agency in Italy and a leader worldwide; ANSA is a cooperative of 34 members, including the leading publishers of national newspapers, created with a mission to publish and circulate news.

The investments in other companies are valued at fair value or, where the development plans are not available, at cost, adjusting for impairments where present.

During the period, no impairment indicators were identified and therefore no impairment test was carried out.

The breakdown of the account "Investments in equity instruments", valued at fair value to other comprehensive income items, is as follows:

Investments in equity instruments		**01.01.2020**	**Increases**	**Decreases**	**Fair value change**	**31.12.2020**
Assicurazioni Generali SpA		119,567	12,370		(24,987)	106,950
	Total	**119,567**	**12,370**	**-**	**(24,987)**	**106,950**
		01.01.2021	**Increases**	**Decreases**	**Fair value change**	**30.06.2021**
Assicurazioni Generali SpA		106,950			19,837	126,787
Italgas SpA		-	5,427		84	5,511
Poste Italiane SpA		-	15,178		1,547	16,725
	Total	**106,950**	**20,605**	**-**	**21,468**	**149,023**

Number

	01.01.2020	**Increases**	**Decreases**	**31.12.2020**
Assicurazioni Generali SpA	6,500,000	1,000,000		7,500,000
	01.01.2021	**Increases**	**Decreases**	**30.06.2021**
Assicurazioni Generali SpA	7,500,000			7,500,000
Italgas SpA	-	1,000,000		1,000,000
Poste Italiane SpA	-	1,500,000		1,500,000

The valuation at fair value of these investments at June 30th 2021 was recorded to the Comprehensive Income Statement in the Shareholders' Equity reserve for a positive Euro 21.5 million, excluding the negative tax effect of Euro 1.2 million.

	01.01.2020	**Increases**	**Decreases**	**31.12.2020**
Fair Value reserve	21,342		(24,987)	(3,645)
Tax effect	(255)	528		273
Fair value reserve, net of tax effect	**21,087**	**528**	**(24,987)**	**(3,372)**
Changes in the period				**(24,459)**

	01.01.2021	**Increases**	**Decreases**	**30.06.2021**
Fair Value reserve	(3,645)	21,468		17,823
Tax effect	273		(1,187)	(914)
Fair value reserve, net of tax effect	**(3,372)**	**21,468**	**(1,187)**	**16,909**
Changes in the period				**20,281**

In relation to the disclosure required by IFRS 13, concerning the so-called "hierarchy of fair value", these instruments belong to level one, as concerning financial instruments listed on an active market.

5. Other non-current assets

The account, amounting to Euro 127 thousand, relates entirely to receivables for deposits due within five years.

6. Deferred taxes, payables for current taxes and income taxes for the period

The movements are shown below of the deferred tax assets and liabilities:

	01.01.2020	Provisions	Utilisations	Other changes	31.12.2020
Deferred tax assets	53,616	2,672	(3,330)	431	53,389
Deferred tax liabilities	40,986	1,945	(15,141)	(242)	27,548
Total	**12,630**	**727**	**11,811**	**673**	**25,841**

	01.01.2021		Provisions	Utilisations	Other changes	30.06.2020
Deferred tax assets	53,389		498	(657)	(286)	52,944
Deferred tax liabilities	27,548		1,089	(11,145)	902	18,394
Total	**25,841**	**-**	**591**	**10,488**	**(1,188)**	**34,550**

The uses of deferred tax liabilities relate mainly to the decision taken by the management of some subsidiaries to realign the statutory and fiscal values of intangible assets with an indefinite life in accordance with current legislation, which consequently led to the reversal of deferred tax liabilities allocated on the previous difference between the statutory and fiscal values of the publications of the companies that opted for realignment.

On the basis of the plans drawn up by the Group companies and taking account of the timing differences and, due to the fact that fiscal losses are not time-limited, it is considered that the Group will have, in the coming years, sufficient assessable income to recover the deferred tax assets recorded in the financial statements at June 30th 2021.

The income taxes for the period consist of:

	30.06.2021	30.06.2020
IRAP	79	42
Substitute tax on realignment	1,153	-
Current taxes	**1,232**	**42**
Provision for deferred tax liabilities	1,089	948
Utilisation of deferred tax liabilities	(11,145)	(5,628)
Deferred tax liabilities	**(10,056)**	**(4,680)**
Recording of deferred tax assets	(498)	(2,423)
Utilisation of deferred tax assets	657	537

Deferred tax assets	**159**	**(1,886)**
Total income taxes	**(8,665)**	**(6,524)**
Current and deferred IRES tax	(7,463)	(5,904)
Current and deferred IRAP tax	(2,355)	(620)
Substitute tax on realignment	1,153	-
Total income taxes	**(8,665)**	**(6,524)**

7. Inventories

Inventories at June 30th 2021 amount to Euro 1,994 thousand (Euro 1,592 thousand at December 31st 2020) and consist exclusively of raw materials (principally paper and ink), ancillary and consumables.

The change of inventory recorded in the income statement amounts to a decrease of Euro 402 thousand and is included in the account Raw material costs (see Note 19).

Inventories are measured at the lower of the purchase price, calculated using the weighed average cost method, and the realisable value. There is no inventory provided as a guarantee on liabilities.

8. Trade receivables

The breakdown is as follows:

	30.06.2021	**31.12.2020**
Trade receivables	40,442	48,162
Doubtful debt provision	(7,011)	(7,361)
Trade receivables	**33,431**	**40,801**
Trade receivables - related parties	117	208
Advances to suppliers	38	22
Total trade receivables	**33,586**	**41,031**

Trade receivables principally relate to Group advertising revenues from the advertising agency Piemme SpA (Euro 29,398 thousand).

9. Other current assets

The breakdown is as follows:

	30.06.2021	31.12.2020
Employee receivables	27	19
VAT receivables	68	102
Other receivables	654	527
Prepaid expenses	847	376
Total other current assets	**1,596**	**1,024**

10. Cash and cash equivalents

The breakdown is as follows:

	30.06.2021	31.12.2020
Bank and postal deposits	89,648	100,455
Cash in hand and similar	38	41
Total cash and cash equivalents	**89,686**	**100,496**

The reduction in cash and cash equivalents at June 30th 2021 is essentially due to the acquisition of listed shares for Euro 20.6 million, net of dividends received on listed shares of Euro 8.3 million.

SHAREHOLDERS' EQUITY & LIABILITIES

11. Shareholders' Equity

	30.06.2021	31.12.2020
Share Capital	125,000	125,000
Listing charges	(18,865)	(18,865)
Share Premium Reserve	459,126	459,126
Legal reserve	25,000	25,000
FTA Reserve	16,927	16,927
Treasury shares	(23,641)	(23,641)
Reserve for treasury shares	23,641	23,641
Fair Value reserve	16,910	(3,372)
IAS 19 post-employment benefit reserve	(2,454)	(2,454)
Other reserves	1,388	1,388
Prior year results	(263,514)	(219,204)
Net profit/(loss)	16,244	(44,277)
Group net equity	**375,762**	**339,269**
Minority interest N.E.	-	-
Total net equity	**375,762**	**339,269**

The Share capital amounts to Euro 125 million, consisting of 125,000,000 ordinary shares at a nominal value of Euro 1 each.

All of the ordinary shares issued are fully paid-in. There are no shares subject to guarantees or restrictions on the distribution of dividends. At June 30th 2021, Caltagirone Editore SpA had 18,209,738 treasury shares in portfolio, comprising 14.57% of the share capital.

The fair value reserve, positive for Euro 16.9 million, which includes the net change for the period – an increase of Euro 20.3 million - to adjust the market value of investments in equity instruments

12. Employee benefits

Employee benefit plans

The movements in the Employee benefits provision were as follows:

	30.06.2021	31.12.2020
Net liability at beginning of period	**14,802**	**15,405**
Current cost in the period (service costs)	108	194
Interest charge (interest cost)	204	102
Actuarial profits/(losses)	-	269
(Services paid)	(587)	(1,168)
Net liability at end of period	**14,527**	**14,802**

Employee numbers and cost

	H1 21	H1 20
Wages and salaries	17,860	18,334
Social security expenses	5,297	5,764
Employee provisions	1,179	768
Other costs	425	1,626
Total labour costs	**24,761**	**26,492**

The account wages and salaries and social charges reflects the benefits of the restructuring and reorganisation plans undertaken in previous years, under which the workforce was re-sized (see also the average workforce reported below).

Other costs include charges concerning labour disputes, leaving incentives and the social security institution contributions from the restructuring also carried out in the first half of 2021 of Euro 289 thousand (Euro 992 thousand in H1 2020).

The following table shows the average number of employees by category:

	30.06.2021	31.12.2020	Average 2021	Average 2020
Executives	15	17	16	16
Managers & white-collar	168	166	174	161
Journalists	338	337	340	343
Blue-collar	73	76	74	78
Total	**594**	**596**	**604**	**598**

13. Provisions for risks and charges (current and non-current)

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1st 2020	9,327	95	1,748	**11,170**
Provisions	305	37	2,295	**2,637**
Utilisations	(1,430)		(453)	**(1,883)**
Balance at December 31st 2020	**8,202**	**132**	**3,590**	**11,924**
Of which:				
Current portion	8,202		3,567	**11,769**
Non-current portion	0	132	23	**155**
Total	**8,202**	**132**	**3,590**	**11,924**
Balance at January 1st 2021	8,202	132	3,590	**11,924**
Provisions	52		80	**132**
Utilisations	(141)	(6)	(152)	**(299)**
Balance at June 30th 2021	**8,113**	**126**	**3,518**	**11,757**
Of which:				
Current portion	8,113		3,496	**11,609**
Non-current portion	0	126	22	**148**
Total	**8,113**	**126**	**3,518**	**11,757**

The provision for legal disputes refers principally to the provisions made mainly by the Group's publishing companies against probable liabilities prevalently deriving from damages requested for slander and from employees. The provision was estimated taking into consideration the nature of the business, based on experience in similar cases and on all the information available at the date of preparation of these condensed consolidated half-year financial statements.

The agent's indemnity provision, which reflects the best estimate of the risk connected to the termination of the mandate conferred to agents in accordance with law, refers to the company Piemme SpA, advertising agency.

The provisions for other risks principally include residual charges relating to the restructuring plans by some companies of the Group.

14. Non-current and current financial liabilities

	30.06.2021	31.12.2020
Payables for leasing assets	2,467	3,562
Non-current financial liabilities	**2,467**	**3,562**
Bank payables	4,639	7,413
Payables for leasing assets	2,885	3,503
Fair value of derivative instruments	924	-
Current financial liabilities	**8,448**	**10,916**

15. Other current and non-current liabilities

	30.06.2021	31.12.2020
Other non-current liabilities		
Other payables	312	609
Deferred income	1,140	1,250
Total	**1,452**	**1,859**
Other current liabilities		
Social security institutions	2,473	3,868
Employee payables	6,504	4,845
VAT payables	552	306
Withholding taxes	1,244	1,592
Other payables	6,165	8,519
Payables to related companies	27	33
Deferred income	1,429	1,465
Total	**18,394**	**20,628**

Other payables include Euro 4.9 million as the amount available to the Board of Directors in accordance with Article 25 of the By-Laws which establishes the allocation to this account of 2% of net profit for the full year.

16. Trade payables

	30.06.2021	31.12.2020
Trade payables	17,711	19,399
Payables to related companies	501	248
Total	**18,212**	**19,647**

Trade payables principally refer to operating subsidiaries in the publishing sector and relate to the purchase of raw materials, services and capital expenditures. The book value of the trade payables reported above approximates their fair value.

There are no payables due over 12 months.

INCOME STATEMENT

17. Revenues

	H1 2021	H1 2020
Circulation Revenues	25,313	26,559
Advertising revenues	27,169	25,299
Revenues from digital services	896	1,259
Other Circulation Revenues	1,014	179
Total Revenues	**54,392**	**53,296**
of which related parties	*160*	*134*

18. Other operating income

	H1 2021	H1 2020
Recovery of expenses from third parties	385	140
Capital grant contributions	205	133
Rental income	36	66
Prior year income	21	30
Other revenues	761	962
Total other operating revenues	**1,408**	**1,331**
of which related parties	*36*	*36*

19. Raw material costs

	H1 2021	H1 2020
Paper	2,889	3,342
Other publishing materials	1,038	1,015
Change in inventory of raw materials and goods	(402)	(344)
Total raw materials costs	**3,525**	**4,013**

20. Other operating costs

	H1 2021	H1 2020
Distribution fees	5,218	5,721
Editorial services	4,356	4,354
Transport and delivery	2,513	2,860
Commissions and agent costs	2,072	1,955
Misc. services	1,618	1,794
Maintenance and repair costs	1,416	1,426
Consulting	1,249	1,256
Outside contractors	510	495
Directors and Statutory Auditors fees	743	808
Utilities and power	601	613
Advertising & promotions	408	466
Cleaning and security	561	559
Other costs	1,761	2,179
Total service costs	**23,026**	**24,486**
Rental	63	126
Hire	261	318
Total rent, lease and hire costs	**324**	**444**
Other operating charges	1,092	1,006
Total other costs	**1,092**	**1,006**
Total other operating costs	**24,442**	**25,936**
of which related parties	*442*	*381*

21. Amortisation, depreciation, provisions & write-downs

	H1 2021	H1 2020
Amortisation of intangible assets	259	150
Depreciation of property, plant & equipment	1,213	1,255
Amortisation for leased assets	1,805	1,792
Provision for risks and charges	52	30
Write-downs: Intangible Assets with Indefinite Useful Life	-	22,000
Doubtful debt provision	271	468
Total amortisation, depreciation, provisions & write-downs	**3,600**	**25,695**

The depreciation of tangible fixed assets principally relates to the depreciation on printing and rotary plant.

22. Net financial income/(charges)

Financial income	H1 2021	H1 2020
Dividends	8,338	3,250
Income from derivatives transactions	738	
Other financial income	10	3
Total	**9,086**	**3,253**
of which related parties	*7,575*	*3,250*
Financial charges		
Interest on bank accounts	(103)	(129)
Financial charges on post-em. bens.	(204)	(140)
Banking commissions and charges	(92)	(76)
Int. on leased assets IFRS 16	(34)	(43)
Derivatives fair value	(516)	
Other financial expenses	(30)	(31)
Total	**(979)**	**(419)**
of which related parties	*21*	*35*
Financial result	**8,107**	**2,834**

The dividends included in financial income relates to the shareholding in Assicurazioni Generali SpA for Euro 7.6 million, Poste Italiane for Euro 486 thousand, and Italgas SpA for Euro 277 thousand.

23. Earnings per share

The basic earnings (loss) per share is calculated by dividing the Group net result for the period by the weighted average number of ordinary shares outstanding in the period.

	H1 2021	H1 2020
Net Result	16,244	(18,151)
Number of ordinary shares in circulation (thousands)	106,790	106,790
Basic earnings/(loss) per share	**0.15**	**(0.17)**

The diluted result per share is identical to the basic result per share as at the date of the present financial statements there were no securities which may be converted into shares.

In 2021 no dividends were distributed.

24. Other comprehensive income statement items

The breakdown of the other comprehensive income statement items, excluding the tax effects, is reported below:

	30.06.2021			30.06.2020		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Profit/(loss) from the valuation of Investments in equity instruments	21,469	(1,187)	20,282	(32,013)	256	(31,757)
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	(14)		(14)			
Total	**21,455**	**(1,187)**	**20,268**	**(32,013)**	**256**	**(31,757)**

25. Related party transactions

Transactions with companies under common control

The transactions of Group companies with related parties generally relate to normal operations and are regulated at market conditions. They principally relate to the exchange of goods, the provision of services, and the provision and use of financial resources by associated companies and subsidiaries excluded from the consolidation scope, as well as with other companies belonging to the Caltagirone Group or under its common control.

There are no atypical or unusual transactions which are not within the normal business operations; the following table reports the values.

	Parent	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions 31.12.2020						
Trade receivables		208		**208**	**41,031**	0.5%
Other current assets		3		**3**	**1,024**	0.3%
Non-current financial liabilities		1,936		**1,936**	**3,562**	54.4%
Trade payables	200	48		**248**	**19,647**	1.3%
Current financial liabilities		2,783		**2,783**	**10,916**	25.5%
Other current liabilities		33		**33**	**20,628**	0.2%
Income statement transactions 30.06.2020						
Revenues		134		**134**	**53,295**	0.3%
Other operating income		36		**36**	**1,332**	2.7%
Other operating costs	200	181		**381**	**25,936**	1.5%
Financial income			3,250	**3,250**	**3,253**	99.9%
Financial charges		35		**35**	**419**	8.4%

30.06.2021	Parent	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions						
Trade receivables		117		**117**	**33,586**	0.3%
Other current assets		3		**3**	**1,596**	0.2%
Non-current financial liabilities		1,100		**1,100**	**2,467**	44.6%
Trade payables	444	57		**501**	**18,212**	2.8%
Current financial liabilities		2,180		**2,180**	**8,448**	25.8%
Other current liabilities		27		**27**	**19,696**	0.1%
Income statement transactions						
Revenues		160		**160**	**54,392**	0.3%
Other operating income		36		**36**	**1,408**	2.6%
Other operating costs	200	242		**442**	**24,442**	1.8%
Financial income			7,575	**7,575**	**9,086**	83.4%
Financial charges		21		**21**	**979**	2.1%

Trade receivables principally concern commercial transactions for the sale of advertising space.

Trade payables to Parent Companies refer to the invoices received from Caltagirone SpA for services performed during the first half of 2021 and previously.

Operating revenues principally concern the advertising carried out with Group newspapers by companies under common control.

The account financial income relates to dividends received from Assicurazioni Generali SpA.

26. Business segment information

The disclosures required in accordance with IFRS 8 on the segment information are provided below. The Caltagirone Editore Group, in consideration of the economic and financial relations between the various Group companies and the interdependence between the publishing activities of the various Group newspapers and the advertising activity carried out by the Group agency, operates within a single sector, defined as a distinctly identifiable part of the Group, which provides a set of related products and services and is subject to differing risks and benefits from the other sectors of Group activity. This vision is used by Management to carry out an analysis of operational performance and for the specific management of related risks. The Group operates exclusively in Italy and bases sector performance on turnover volumes and EBITDA from ordinary operations.

in thousands of Euro	***Publishing***	***Other activities***	***Unallocated items and eliminations***	***Caltagirone Editore Group***
H1 2020				
Segment revenues	**54,663**	**250**	**(286)**	**54,627**
Inter-segment revenues	(36)	(250)	286	-
Operating grants	54,627	-		54,627
Segment EBITDA	**(1,191)**	**(623)**		**(1,814)**
Depreciation, amortisation, provisions & write-downs	(25,586)	(109)		(25,695)
EBIT	**(26,777)**	**(732)**	**-**	**(27,509)**
Net financial result			**2,834**	2,834
Profit/(loss) before taxes				**(24,675)**
Income taxes				6,524
Profit/(loss)				**(18,151)**

	Publishing	***Other activities***	***Unallocated items and eliminations***	***Caltagirone Editore Group***
Segment assets	264,210	212,378		476,588
Segment liabilities	111,290	6,996		118,286
Investments in intangible and tangible fixed assets	870			870

in thousands of Euro	***Publishing***	***Other activities***	***Unallocated items and eliminations***	***Caltagirone Editore Group***
H1 2021				
Segment revenues	**55,748**	**291**	**(239)**	**55,800**
Inter-segment revenues	(14)	(225)	239	-
Operating grants	55,734	66		55,800
Segment EBITDA	**3,413**	**(341)**		**3,072**
Depreciation, amortisation, provisions & write-downs	(3,492)	(108)		(3,600)
EBIT	**(79)**	**(449)**	**-**	**(528)**
Net financial result			**8,107**	8,107
Profit before taxes				**7,579**
Income taxes				8,665
Profit				**16,244**

	Publishing	***Other activities***	***Unallocated items and eliminations***	***Caltagirone Editore Group***
Segment assets	188,417	282,997		471,414
Segment liabilities	86,649	9,003		95,652
Investments in intangible and tangible fixed assets	172			172

27. Net Financial Position

Details are provided of short and medium/long-term loans in accordance with the recommendations of Consob communication No. 6064293 of July 28th 2006, updated on the basis of the Call to attention No. 5/21 of April 29th 2021. As a result of this update, the comparative balances reported have also been adjusted:

In thousands of Euro	**30.06.2021**	**31.12.2020**	**30.06.2020**
A. Cash	38	41	44
B. Bank deposits	89,648	100,455	112,822
C. Other current financial assets	-	-	-
D. Liquidity (A)+(B)+(C)	**89,686**	**100,496**	**112,866**

E. Current financial debt	5,563	7,413	7,863
F. Current portion of non-current financial debt	2,885	3,503	2,569
G. Current financial debt (E)+(F)	**8,448**	**10,916**	**10,432**
H. Net current financial debt (G)--(D)	**(81,238)**	**(89,580)**	**(102,434)**
I. Non-current financial debt	2,467	3,562	*4,697*
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current debt (I)+(J)+(K)	**2,467**	**3,562**	**4,697**
M. Total financial debt (H + L)	**(78,771)**	**(86,018)**	**(97,737)**

28. Hierarchy of Fair Value according to IFRS 13

In relation to financial instruments recorded at Fair Value, IFRS 13 requires that these values are classified based on a hierarchy of levels which reflects the sources of the input utilised in the determination of the Fair Value. Therefore the following hierarchy levels are established:

- Level 1: determination of fair value based on prices listed in active markets by class of asset or liability subject to valuation;

- Level 2: determination of Fair Value based on input other than the listed prices included at Level 1 but which are directly observable (prices) and indirectly (derivatives from prices) on the market; instruments not characterised by sufficient level of liquidity or which do not express in a continuous manner a “binding” market listing are included in this category;

- Level 3: determination of fair value based on valuation models whose input is not based on observable market data.

The following table shows the hierarchy level for the assets and liabilities which are valued at Fair Value:

31.12.2020	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity investments and non-current Securities	4	87,555			**87,555**
Total assets		**87,555**	**-**	**-**	**87,555**

30.06.2021	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity investments and non-current Securities	4	149,023			**149,023**
Total assets		**149,023**	**-**	**-**	**149,023**
Current financial liabilities	14		(924)		**(924)**
Total liabilities		**-**	**(924)**	**-**	**(924)**

In H1 2021 there were no transfers between the various levels.

Subsequent events to June 30th 2021

No significant subsequent events took place.

LIST OF INVESTMENTS AT 30.06.2021

COMPANY	REGISTERED OFFICE	SHARE CAPITAL	CURRENCY	HOLDING DIRECT	INDIRECT THROUGH	
COMPANIES INCLUDED IN THE CONSOLIDATION UNDER THE LINE-BY-LINE METHOD						
CED DIGITAL & SERVIZI SRL	ROME	100,000.00	Euro	99.99%	FINCED Srl	0.01%
IL MESSAGGERO SpA	ROME	1,265,385.00	Euro	99.95%	FINCED Srl	0.05%
IL MATTINO SpA	ROME	500,000.00	Euro	99.95%	FINCED Srl	0.05%
PIEMME SpA	ROME	91,710.21	Euro	100.00%	FINCED Srl	0.00%
LEGGO Srl	ROME	1,000,000.00	Euro	99.95%	FINCED Srl	0.05%
FINCED Srl	ROME	10,000.00	Euro	99.99%	PIEMME SpA	0.01%
CORRIERE ADRIATICO Srl	ROME	200,000.00	Euro	99.95%	FINCED Srl	0.05%
QUOTIDIANO DI PUGLIA Srl	ROME	50,000.00	Euro	99.95%	FINCED Srl	0.05%
SERVIZI ITALIA 15 SRL	ROME	100,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA NAPOLI 2015 SRL	ROME	10,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA ROMA 2015 SRL	ROME	10,000.00	Euro	99.95%	FINCED Srl	0.05%
IL GAZZETTINO SpA	ROME	200,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA VENEZIA Srl	ROME	567,000.00	Euro	-	IL GAZZETTINO SpA	100.00%
IMPRESE TIPOGRAFICHE VENETE Srl	ROME	936,000.00	Euro	-	IL GAZZETTINO SpA	100.00%
P.I.M. PUBBLICITA' ITALIANA MULTIMEDIA Srl	ROME	1,044,000.00	Euro	-	IL GAZZETTINO SpA	100.00%

Declaration on the Condensed Consolidated Half-Year Financial Statements as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Azzurra Caltagirone, as Chairman of the Board of Directors, and Luigi Vasta, executive responsible for the preparation of the corporate accounting documents of Caltagirone Editore S.p.A., affirm, and also in consideration of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24th 1998:

   - the accuracy of the information on company operations and
   - the effective application,

   of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements for the first half-year of 2021.

2. The activity was undertaken evaluating the organisational structure and the execution, control and monitoring processes of the business activities necessary for the preparation of the condensed consolidated half-year financial statements.

   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the condensed consolidated half-year financial statements:

a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19th 2002;

b) corresponds to the underlying accounting documents and records;

c) provide a true and correct representation of the economic, balance sheet and financial situation of the issuer and of the companies included in the consolidation.

3.2 the Interim Directors' Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The interim directors' report also includes a reliable analysis of the information on transactions with related parties.

Rome, July 26th 2021

The Chairman	**The Executive Responsible**
Mrs. Azzurra Caltagirone	Mr. Luigi Vasta