



HALF-YEAR REPORT
June 30th 2022

BLANK PAGE

Corporate Boards

Board of Directors for the 2021-2023 three-year period

<i>Chairperson</i>	Azzurra Caltagirone
<i>Vice Chairperson</i>	Alessandro Caltagirone Francesco Caltagirone
<i>Directors</i>	Federica Barbaro ¹ Tatiana Caltagirone Massimo Confortini ¹ Mario Delfini Francesco Gianni ¹ Annamaria Malato ¹ Valeria Ninfadoro ¹

Board of Statutory Auditors for the 2021-2023 three-year period

<i>Chairperson</i>	Antonio Staffa
<i>Statutory Auditors</i>	Dorina Casadei Edoardo Rosati

Executive Officer for Financial Reporting	Luigi Vasta
--	-------------

Independent Audit Firm	KPMG SpA
-------------------------------	----------

¹ *Independent Directors*

BLANK PAGE



CONTENTS

DIRECTORS' REPORT	7
CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS	13
NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS	21
LIST OF INVESTMENTS AT 30.06.2022	50

BLANK PAGE

DIRECTORS' REPORT

Introduction

This Report refers to the Condensed Consolidated Financial Statements at June 30th 2022, prepared in accordance with Article 154-*ter*, paragraph 3, of Legislative Decree No. 58/1998, as supplemented, and the Consob Issuers' Regulation, drawn up as per International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. They were 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 2021, with the exception of those with effect from January 1st 2022 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 2021 are shown below.

in Euro thousands

	H1 2022	H1 2021	cge.	cge.%
OPERATING REVENUES	55,856	55,800	56	0.1%
CIRCULATION REVENUES	23,382	25,313	(1,931)	(7.6%)
ADVERTISING REVENUES	27,417	27,169	248	0.9%
REVENUES FROM SERVICES	973	906	67	7.4%
OTHER CIRCULATION REVENUES	1,295	1,014	281	27.7%
OTHER REVENUES AND INCOME	2,789	1,398	1,391	99.5%
OPERATING COSTS	(56,068)	(52,728)	(3,340)	(6.3%)
RAW MATERIALS, SUPPLIES & CONSUMABLES	(5,003)	(3,525)	(1,478)	(41.9%)
LABOUR COSTS	(25,275)	(24,761)	(514)	(2.1%)
SERVICES	(25,791)	(24,442)	(1,349)	(5.5%)
EBITDA	(212)	3,072	(3,284)	n/a
AMORTISATION, DEPRECIATION, WRITE-DOWNS & PROVISIONS	(3,732)	(3,600)	(132)	(3.7%)
EBIT	(3,944)	(528)	(3,416)	n/a
FINANCIAL INCOME	12,031	9,086	2,945	32.4%
FINANCIAL CHARGES	(815)	(979)	164	16.8%
NET FINANCIAL INCOME/(CHARGES)	11,217	8,107	3,110	38.4%
PROFIT BEFORE TAXES	7,273	7,579	(306)	(4.0%)
INCOME TAXES	856	8,665	(7,809)	(90.1%)
PROFIT FOR THE YEAR	8,129	16,244	(8,115)	(50.0%)

MINORITY INTEREST	-	-	-	-
GROUP NET PROFIT	8,129	16,244	(8,115)	(50.0%)

In the first six months of 2022, the Group reported Operating Revenues of Euro 55.9 million, in line with H1 2021.

Raw material costs increased 41.9% - due to paper price increases as a result of the current geopolitical tensions and despite the lower quantity utilised in the production process.

Labour costs, including non-recurring charges of Euro 583 thousand (Euro 289 million in H1 2021) - due to the measures put in place by a number of Group companies - increased 2.1%. On a like-for-like basis, excluding these extraordinary charges, labour costs decreased 0.9% on the first half of 2021.

Other operating costs overall rose 5.5% on the first half of 2021, due to higher service costs.

EBITDA was a loss of Euro 212 thousand (EBITDA profit of Euro 3.1 million in H1 2021) and was impacted by the above-indicated increase in operating costs.

EBIT saw a loss of Euro 3.9 million (loss of Euro 528 thousand in H1 2021) and includes amortisation and depreciation of Euro 3.2 million (Euro 3.3 million in H1 2021), provisions for risks of Euro 398 thousand (Euro 52 thousand in H1 2021) and doubtful debts for Euro 164 thousand (Euro 271 thousand in H1 2021).

Net Financial Income of Euro 11.2 million increased on Euro 8.1 million for H1 2021 due to the higher dividends received on listed shares (Euro 12 million in H1 2022, compared to Euro 8.3 million in H1 2021).

The Group Profit was Euro 8.1 million (Euro 16.2 million in H1 2021), also due to the use of the realignment rules of the tax values with the statutory values of intangible assets with indefinite lives by a number of the subsidiaries.

The Group **Net Financial Position** at June 30th 2022 is as follows:

<i>(Euro thousands)</i>	30.06.2022	31.12.2021
Cash and cash equivalents	22,471	66,610
Non-current financial liabilities for leasing activities	(14,048)	(12,149)
Current financial liabilities for leasing activities	(3,543)	(3,448)
Current financial liabilities to banks	(6,529)	(5,767)
Net Financial Position / (Net Financial Debt)	(1,649)	45,246

* The Net Financial 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 financial debt was Euro 1.6 million, an increase of Euro 46.9 million on December 31st 2021 (net cash position of Euro 45.2 million), mainly due to investments in listed shares of Euro 55.6 million and the distribution of dividends for Euro 3.2 million, net of dividend income on listed shares of Euro 12 million.

Group shareholders' equity amounted to Euro 373.3 million (Euro 403 million at December 31st 2021); the decrease principally concerns the negative effect in the period from the fair value measurement of shares held by the Group, net of the period result.

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

	H1 2022	H1 2021
ROE* (<i>Net Result/Net Equity</i>)**	2.1	4.3
ROI* (<i>EBIT/total assets</i>)**	(0.8)	(0.1)
ROS* (<i>EBIT/Operating Revenues</i>)**	(7.0)	(1.0)
Equity Ratio (<i>Net equity/total assets</i>)	0.8	0.8
Liquidity Ratio (<i>Current assets/Current liabilities</i>)	1.0	2.2
Capital Invested Ratio (<i>Net equity/Non-current assets</i>)	0.9	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 financial ratios decreased on the same period of 2021, mainly due to the reduction in operating profitability due to the increase in operating costs previously commented upon and the effect of non-recurring income of a fiscal nature in the first half of 2021, as described above.

Group operating performance

- *Publishing*

Revenues from Group title paper edition sales in H1 2022 contracted by 8.4% on H1 2021 and by 7.6% including digital subscriptions and sales.

The latest available circulation data indicates a reduction of approx. 6.4%¹ in paper and digital copies sold in the January-May 2022 period compared with 2021.

¹ ADS figures (Newspaper Sales Figures) Total Paid Subscriptions Italy as defined in Regulation 2022 (January-May 2022 vs January-May 2021)

- **Advertising**

In the first six months of 2022, Group advertising revenues increased 0.9%.

Paper edition advertising revenues, considering also advertising carried out on behalf of third parties, decreased 2% on 2021, while internet advertising, considering also advertising carried out on behalf of third parties, was up 10.6% on 2021. The contribution of this segment to overall advertising revenues was 26.4%.

The market in the January - May 2022 period grew 1.2%² for print newspaper advertising, while Internet advertising rose 0.9%³.

In terms of web presence, the Caltagirone Editore network websites from January to May 2022 reported 3.46 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.

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 2022, the total headcount was 598 (584 at December 31st 2021); the first half average headcount was 588 (593 in 2021).

² FCP Assostampa Research Centre figures January-May 2022 with corresponding period of 2021

³ FCP Assointernet Research Centre figures January-May 2022 with corresponding period of 2021

⁴ Audiweb figures Total Audience average January - May 2022 (including TAL)

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 2022, no market risks or uncertainties substantially differing from those evident in the 2021 Annual Accounts emerged and therefore the relative management strategy remains unchanged. Please refer to the specific section of this report with reference to the risks related to ongoing geopolitical tensions.

Principal uncertainties and going concern

The continuation of the general sector crisis does not 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 2022, 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

On April 21st 2022, Mr. Albino Majore resigned from his position as director for personal reasons.

The Board of Directors on March 8th 2022 confirmed for 2022 Mr. Luigi Vasta as the Executive Officer for Financial Reporting of the company.

2022 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 2022

No significant subsequent events took place.

Rome, July 26th 2022

For the Board of Directors

The Chairperson

Ms. Azzurra Caltagirone



CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2022

Consolidated Balance Sheet

Assets

(in Euro thousands)

	note	30.06.2022	31.12.2021
Non-current assets			
Intangible assets with definite life	1	375	487
Intangible assets with indefinite life	2	103,003	103,003
<i>Newspaper titles</i>		103,003	103,003
Property, plant and equipment	3	47,571	46,705
Equity investments and non-current securities	4	215,250	196,647
Other non-current assets	5	148	135
Deferred tax assets	6	55,148	52,844
TOTAL NON-CURRENT ASSETS		421,495	399,821
Current assets			
Inventories	7	1,764	1,695
Trade receivables	8	30,080	37,065
<i>of which related parties</i>		121	167
Current financial assets	11		
Other current assets	9	2,400	3,629
<i>of which related parties</i>		1	3
Cash and cash equivalents	10	22,471	66,610
TOTAL CURRENT ASSETS		56,715	108,999
TOTAL ASSETS		478,210	508,820

Consolidated Balance Sheet

Shareholders' Equity & Liabilities

(in Euro thousands)

	note	30.06.2022	31.12.2021
Shareholders' Equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Other reserves		259,085	268,129
Profit/(loss) for the period		8,129	28,733
Group shareholders' equity		373,349	402,997
Minority interest shareholders' equity		-	-
TOTAL SHAREHOLDERS' EQUITY	11	373,349	402,997
Liabilities			
Non-current liabilities			
Employee benefits	12	13,952	13,870
Non-current provisions	13	94	115
Non-current financial liabilities	14	14,048	12,149
<i>of which related parties</i>		12,515	10,979
Other non-current liabilities	15	1,436	1,368
Deferred tax liabilities	6	19,026	20,089
TOTAL NON-CURRENT LIABILITIES		48,556	47,591
Current liabilities			
Current provisions	13	9,672	9,782
Trade payables	16	17,404	19,844
<i>of which related parties</i>		311	674
Current financial liabilities	14	10,072	9,215
<i>of which related parties</i>		2,899	2,800
Current income tax payables	6	577	1,064
Other current liabilities	15	18,580	18,327
<i>of which related parties</i>		18	26
TOTAL CURRENT LIABILITIES		56,305	58,232
TOTAL LIABILITIES		104,861	105,823
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		478,210	508,820

Consolidated Income Statement

(in thousands of Euro)

	Note	H1 2022	H1 2021
Revenues	17	53,067	54,402
<i>of which related parties</i>		127	160
Other operating revenues	18	2,789	1,398
<i>of which related parties</i>		35	36
TOTAL REVENUES		55,856	55,800
Raw material costs	19	(5,003)	(3,525)
Labour costs	12	(25,275)	(24,761)
<i>of which non-recurring charges</i>		(583)	(289)
Other operating charges	20	(25,791)	(24,442)
<i>of which related parties</i>		(563)	(442)
TOTAL COSTS		(56,068)	(52,728)
EBITDA		(212)	3,072
Amortisation and depreciation		(1,356)	(1,472)
Amort. leased assets		(1,814)	(1,805)
Provisions		(398)	(52)
Doubtful debt provision		(164)	(271)
Amortisation, depreciation, provisions and write-downs	21	(3,732)	(3,600)
EBIT		(3,944)	(528)
Financial income		12,031	9,086
<i>of which related parties</i>		-	7,575
Financial charges		(815)	(979)
<i>of which related parties</i>		(81)	(21)
Net financial income	22	11,217	8,107
PROFIT/(LOSS) BEFORE TAXES		7,273	7,579
Income taxes	6	856	8,665
NET PROFIT/(LOSS)		8,129	16,244
Group Net Profit/(loss)		8,129	16,244
Minority interest share		-	-
Basic and diluted earnings per share	23	0.076	0.152

Consolidated Comprehensive Income Statement

(in Euro thousands)

	Note	H1 2022	H1 2021
Net profit for the period		8,129	16,244
Items which are not reclassified subsequently to profit/(loss) for the year			
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect		5,723	(14)
Profit/(loss) from the valuation of Investments in equity instruments net of the tax effect	4	(40,226)	20,282
Total other items of the Comprehensive Income Statement	23	(34,503)	20,268
Total comprehensive profit/(loss) for the period		(26,374)	36,512
Attributable to:			
Parent Company shareholders		(26,374)	36,512
Non-controlling interests		-	-

Statement of Changes in Consolidated Shareholders' Equity

<i>(in Euro thousands)</i>	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 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 transactions 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
Total comprehensive profit/(loss) for the period	-	-	-	20,282	(14)	16,244	36,512	-	36,512
Other changes					(19)		(19)		(19)
Balance at June 30th 2021	125,000	(18,865)	(23,641)	16,910	260,114	16,244	375,762	-	375,762
Balance at January 1st 2022	125,000	(18,865)	(23,641)	31,693	260,077	28,733	402,997	-	402,997
Prior year result carried forward					28,733	(28,733)	-		-
Dividends			0		(3,204)		(3,204)		(3,204)
Amount set aside to BoD					(74)		(74)		(74)
Total transactions with shareholders	-	-	-	-	25,455	(28,733)	(3,278)	-	(3,278)
Change in fair value reserve				(40,226)			(40,226)		(40,226)
Change in other provisions					5,723		5,723		5,723
Net Profit/(loss)						8,129	8,129		8,129
Total comprehensive profit/(loss) for the period	-	-	-	(40,226)	5,723	8,129	(26,374)	-	(26,374)
Other changes					4		4		4
Balance at June 30th 2022	125,000	(18,865)	(23,641)	(8,533)	291,259	8,129	373,349	-	373,349

Consolidated Cash Flow Statement

in Euro thousands

	NOTE	H1 2022	H1 2021
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	10	66,610	100,496
Net profit/(loss) for the period		8,129	16,244
Amortisation and depreciation		3,170	3,277
(Revaluations) and write-downs		164	271
Net financial income/(charges)		(11,217)	(8,106)
Income taxes		(856)	(8,665)
Changes in employee provisions		(383)	(479)
Changes in current and non-current provisions		(131)	(167)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		(1,124)	2,375
(Increase) Decrease in inventories		(68)	(402)
(Increase) Decrease in Trade receivables		6,821	7,174
Increase (Decrease) in Trade payables		(2,440)	(1,435)
Change in other current and non-current liabilities		1,541	(2,002)
Change in deferred and current income taxes		190	30
OPERATING CASH FLOW		4,920	5,740
Dividends received		12,015	8,338
Interest paid		(297)	(259)
Other income (charges) received/paid		(37)	748
Income taxes paid		(805)	(521)
A) CASH FLOW FROM OPERATING ACTIVITIES		15,796	14,046
Investments in intangible fixed assets		(72)	(75)
Investments in tangible fixed assets		(92)	(97)
Non-current investments and securities		(63,082)	(20,605)
(Increase) Decrease in equity investments and current securities		7,531	-
B) CASH FLOW FROM INVESTING ACTIVITIES		(55,715)	(20,777)
Change in current financial liabilities		(1,016)	(4,079)
Dividends Distributed		(3,204)	-
C) CASH FLOW FROM FINANCING ACTIVITIES		(4,220)	(4,079)
D) Effect exc. diffs. on cash & cash equivalents		-	-
Change in net liquidity		(44,139)	(10,810)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	22,471	89,686

BLANK PAGE



NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
June 30th 2022

BLANK PAGE

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 2022, 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%)

FGC SpA 31,500,750 shares (25.201%)

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 2022 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 2022.

Compliance with international accounting standards approved by the European Commission

The condensed consolidated half-year financial statements at June 30th 2022 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 preparing the Annual Accounts and must be read together with the 2021 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 2021, 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 2022.

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”). No changes on December 31st 2021 are reported.

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

	<i>Registered Office</i>	30.06.2022	31.12.2021	Activities
Caltagirone Editore SpA	Rome	Parent	Parent	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	Rome	100%	100%	printing
Imprese Tipografiche Venete Srl	Rome	100%	100%	printing
P.I.M. Srl	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

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

Accounting standards and amendments to standards adopted by the Group

a) From January 1st 2022, the Group adopted the following new accounting standards:

- 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.

The adoption of the new standards applicable from January 1st 2022 did not have significant effects.

b) Accounting Standards and interpretations on Standards effective from the periods subsequent to 2022 and not adopted in advance by the Group:

- 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. This document, adopted by the European Union through Regulation No. 357 of March 2nd 2022, is applicable to financial statements for fiscal years beginning on, or after, January 1st 2023.
- 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. This document, adopted by the European Union through Regulation No. 357 of March 2nd 2022, is applicable to financial statements for fiscal years beginning on, or after, January 1st 2023.
- On May 18th 2017 and subsequently amended on June 25th 2020, the IASB published "IFRS 17 Insurance Contracts." IFRS 17, which replaces IFRS 4 Insurance Contracts, is effective for financial statements for fiscal years beginning on or after January 1st 2023. Early application is permitted for entities that already apply IFRS 9 Financial Instruments or begin applying this standard from the date of first application of IFRS 17. 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. This document was adopted by the European Union under Regulation No. 2036 of November 19th 2021.

Any effects that the new accounting standards, amendments and interpretations 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 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 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 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.
- On December 9th 2021, the IASB published the document "Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendments add new transition options to IFRS 17 to simplify operational complexities and accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of IFRS 17. Allows comparative information on financial assets to be presented in a manner more consistent with IFRS 9 Financial Instruments. 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.

The standards are not expected to have a material impact on the Group's condensed consolidated financial statements.

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 2022 of Euro 130 million compared to a Group net equity of Euro 373.3 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.

Implications of geopolitical tensions on the condensed interim consolidated financial statements at June 30th 2022

At the end of February, the economic environment, already highly complicated in view of the raw material supply challenges, the inflationary pressures and the still uncertain health situation, featured the heightening of tensions between Russia and Ukraine. The Caltagirone Editore Group has no direct exposure to these markets despite being affected by the general increase in paper prices.

ASSETS

1. Intangible assets with definite life

<i>Historical cost</i>	Patents	Trademarks and Concessions	Other	Total
01.01.2021	1,570	935	6,764	9,269
Increases		16	167	183
Decreases				-
Reclassifications				-
31.12.2021	1,570	951	6,931	9,452
01.01.2022	1,570	951	6,931	9,452
Increases	8	62	2	72
Decreases				-
Reclassifications				-
30.06.2022	1,578	1,013	6,933	9,524

<i>Amortisation & loss in value</i>	Patents	Trademarks and Concessions	Other	Total
01.01.2021	1,570	723	6,110	8,403
Increases	-	85	477	562
Decreases				-
31.12.2021	1,570	808	6,587	8,965
01.01.2022	1,570	808	6,587	8,965
Increases	1	39	144	184
Decreases				-
30.06.2022	1,571	847	6,731	9,149

<i>Net value</i>				
01.01.2021	-	212	654	866
31.12.2021	-	143	344	487
30.06.2022	7	166	202	375

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:

<i>Historical cost</i>	Goodwill	Newspaper titles	Total
01.01.2021	189,596	286,794	476,390
Increases			-
Decreases			-
31.12.2021	189,596	286,794	476,390
01.01.2022	189,596	286,794	476,390
Increases			-
Decreases			-
30.06.2022	189,596	286,794	476,390

<i>Write-downs</i>	Goodwill	Newspaper titles	Total
01.01.2021	189,596	183,791	373,387
Increases			-
Decreases			-
31.12.2021	189,596	183,791	373,387
01.01.2022	189,596	183,791	373,387
Increases			-
Decreases			-
30.06.2022	189,596	183,791	373,387

<i>Net value</i>			
01.01.2021	-	103,003	103,003
31.12.2021	-	103,003	103,003
30.06.2022	-	103,003	103,003

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

	01.01.2021	Increases/(Decreases)	Write-downs	31.12.2021
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

	01.01.2022	Increases/(Decreases)	Write-downs	30.06.2022
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 possible losses in value on these assets at June 30th 2022 had occurred.

In particular, in accordance with IAS 36, this analysis concerned mainly the development of the weighted average cost of capital ("WACC") and the differences observed in the main 2022 income statement accounts compared to 2022 budget forecasts and the 2023-2026 planning drawn up and approved for the preparation of the annual consolidated financial statements at December 31st 2021. This analysis did not reveal any potential impairment indicators requiring further exploration by the directors.

In light of the above, a valuation exercise was conducted as of the reference date based on the same set of information and assumptions considered as of December 31st 2021 - with particular reference to the projected values of the Group's business plan referring to the 2022–2026-time horizon (The "Plan") -, updating as of June 30th 2022, the estimates related to the following elements:

- wacc;
- projected values of the main operating, financial and asset figures referring to the years 2023-2026;

The wacc value determined at June 30th 2022, at 6.6%, is higher than that calculated as of December 31st 2021 (6.0 percent) by a differential of 60 basis points.

With regard to the forecast values of the Group's main operating, financial and asset figures, once the asset values were updated as of the reporting date, the estimates of some of the Group's operating figures referring to the years 2023-2026 were restated to mainly take into account of current and prospective inflationary dynamics.

In the light of the results of the year conducted, which were also supported by evaluations carried out by an outside professional, no impairment losses were recognised in relation to indefinite life intangible assets.

3. Property, plant and equipment

<i>Historical cost</i>	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other Assets	Total
01.01.2021	60,292	98,333	809	14,057	21,227	194,718
Increases	-	106	-	12,194	111	12,411
Decreases	-	-	-	(143)	(32)	(175)
Reclassifications	-	33	-	-	(59)	(26)
31.12.2021	60,292	98,472	809	26,108	21,247	206,928
01.01.2022	60,292	98,472	809	26,108	21,247	206,928
Increases	-	20	-	3,772	72	3,864
Decreases	-	-	-	(12)	-	(12)
Reclassifications	-	-	-	-	-	-
30.06.2022	60,292	98,492	809	29,867	21,319	210,779

<i>Depreciation & loss in value</i>	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other Assets	Total
01.01.2021	31,117	95,000	806	7,066	20,310	154,299
Increases	1,542	553	1	3,570	335	6,001
Decreases	-	-	-	-	(51)	(51)
Reclassifications	-	-	-	-	(26)	(26)
31.12.2021	32,659	95,553	807	10,636	20,568	160,223
01.01.2022	32,659	95,553	807	10,636	20,568	160,223
Increases	762	263	-	1,814	146	2,985
Decreases	-	-	-	-	-	0
30.06.2022	33,421	95,816	807	12,450	20,714	163,208

<i>Net value</i>						
01.01.2021	29,175	3,333	3	6,991	917	40,419
31.12.2021	27,633	2,919	2	15,472	679	46,705
30.06.2022	26,871	2,676	2	17,417	605	47,571

“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.

4. Equity investments and non-current securities

Equity investments and non-current securities	01.01.2021	Increases/(Decreases)	Fair value change	31.12.2021
Investments in other companies valued at cost	1,210			1,210
Investments in equity instruments	106,950	51,335	37,152	195,437
Total	108,160	51,335	37,152	196,647

Equity investments and non-current securities	01.01.2022	Increases/(Decreases)	Fair value change	30.06.2022
Investments in other companies valued at cost	1,210			1,210
Investments in equity instruments	195,437	63,082	(44,479)	214,040
Total	196,647	63,082	(44,479)	215,250

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

Holdings in other companies	%	01.01.2021	Increases/(Decreases)	Write-downs	31.12.2021
Ansa	6.71	1,198			1,198
Other minor		12			12
Total		1,210	-	-	1,210

Holdings in other companies		01.01.2022	Increases/(Decreases)	Write-downs	30.06.2022
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	01.01.2021	Increases	Decreases	Fair value change	31.12.2021
Assicurazioni Generali SpA	106,950	22,468	-	34,526	163,944
Poste Italiane SpA	-	27,410	(5,301)	2,124	24,233
Italgas SpA	-	16,455	(9,697)	502	7,260
Total	106,950	66,333	(14,998)	37,152	195,437

	01.01.2022	Increases	Decreases	Fair value change	30.06.2022
Assicurazioni Generali SpA	163,944	-	-	(29,920)	134,024
Mediobanca SpA	-	61,137	-	(8,273)	52,864

Poste Italiane SpA	24,233	1,946	-	(5,687)	20,492
Italgas SpA	7,260	-	-	(600)	6,660
Total	195,437	63,082	-	(44,479)	214,040

Number

	01.01.2021	Increases	Decreases	31.12.2021
Assicurazioni Generali SpA	7,500,000	1,300,000	-	8,800,000
Poste Italiane SpA	-	2,600,000	(500,000)	2,100,000
Italgas SpA	-	3,000,000	(1,800,000)	1,200,000
	01.01.2022	Increases	Decreases	30.06.2022
Assicurazioni Generali SpA	8,800,000	-	-	8,800,000
Mediobanca SpA	-	6,400,000	-	6,400,000
Poste Italiane SpA	2,100,000	200,000	-	2,300,000
Italgas SpA	1,200,000	-	-	1,200,000

The valuation at fair value of these investments at June 30th 2022 was recorded to the Comprehensive Income Statement in the Shareholders' Equity reserve for a negative Euro 44.5 million, excluding the positive tax effect of Euro 4.3 million.

During the year, the Group also purchased and sold 1,775,000 Atlantia S.p.A. shares on the market, realising a capital gain, net of the tax effect, of Euro 5,723 thousand to the comprehensive income statement.

	01.01.2021	Increases	Decreases	31.12.2021
Fair Value reserve	(3,645)	37,152	-	33,507
Tax effect	273	-	(2,089)	(1,816)
Fair value reserve, net of tax effect	(3,372)	37,152	(2,089)	31,691
Changes in the period				35,063
	01.01.2022	Increases	Decreases	30.06.2022
Fair Value reserve	33,507	-	(44,479)	(10,972)
Tax effect	(1,816)	4,253	-	2,437
Fair value reserve, net of tax effect	31,691	4,253	(44,479)	(8,535)
Changes in the period				(40,226)

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 148 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:

	01.01.2021	Provisions	Utilisations	Other changes	31.12.2021
Deferred tax assets	53,389	1,114	(1,400)	(259)	52,844
Deferred tax liabilities	27,548	1,945	(11,209)	1,805	20,089
Total	25,841	(831)	9,809	(2,064)	32,755

	01.01.2022	Provisions	Utilisations	Other changes	30.06.2022
Deferred tax assets	52,844	2,378	(771)	697	55,148
Deferred tax liabilities	20,089	763	(64)	(1,762)	19,026
Total	32,755	1,615	(707)	2,459	36,122

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 2022.

The income taxes for the period consist of:

	30.06.2022	30.06.2021
IRAP	51	79
Substitute tax on realignment	-	1,153
Current taxes	51	1,232
Provision for deferred tax liabilities	763	1,089
Utilisation of deferred tax liabilities	(64)	(11,145)
Deferred tax liabilities	699	(10,056)
Recording of deferred tax assets	(2,378)	(498)
Utilisation of deferred tax assets	771	657
Deferred tax assets	(1,607)	159
Total income taxes	(856)	(8,665)
Current and deferred IRES tax	(1,048)	(7,463)
Current and deferred IRAP tax	192	(2,355)
Substitute tax on realignment	-	1,153
Total income taxes	(856)	(8,665)

7. Inventories

Inventories at June 30th 2022 amount to Euro 1,764 thousand (Euro 1,695 thousand at December 31st 2021) 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 68 thousand and is included in the account Raw material costs.

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:

	30.06.2022	31.12.2021
Trade receivables	35,590	43,301
Doubtful debt provision	(5,675)	(6,451)
Trade receivables	29,915	36,850
Trade receivables - related parties	121	168
Advances to suppliers	44	47
Total trade receivables	30,080	37,065

Trade receivables principally relate to Group advertising revenues from the advertising agency Piemme SpA (Euro 26,205 thousand).

9. Other current assets

The breakdown is as follows:

	30.06.2022	31.12.2021
Employee receivables	14	15
VAT receivables	67	165
Other receivables	1,390	3,037
Prepaid expenses	929	412
Total other current assets	2,400	3,629

10. Cash and cash equivalents

The breakdown is as follows:

	30.06.2022	31.12.2021
Bank and postal deposits	22,449	66,585
Cash and valuables in hand	21	26
Total cash and cash equivalents	22,471	66,610

The decrease in cash and cash equivalents at June 30th 2022 was mainly due to net investments in listed shares of Euro 55.6 million and the distribution of dividends of Euro 3.2 million, net of dividends received on listed shares of Euro 12 million.

SHAREHOLDERS' EQUITY & LIABILITIES

11. Shareholders' Equity

	30.06.2022	31.12.2021
Share Capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Share Premium Reserve	459,126	459,126
Legal reserve	25,000	25,000
Treasury shares	(23,641)	(23,641)
Reserve for treasury shares	23,641	23,641
Fair Value reserve	(2,807)	31,693
IAS 19 post-employment benefit reserve	(2,418)	(2,418)
Other reserves	18,210	18,209
Prior year results	(238,026)	(263,481)
Net Profit/(loss)	8,129	28,733
Group net equity	373,349	402,997
Minority interest N.E.	-	-
Total net equity	373,349	402,997

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 2022, Caltagirone Editore SpA had 18,209,738 treasury shares in portfolio, comprising 14.57% of the share capital.

The fair value reserve, negative for Euro 2.8 million, which includes the net change for the period – a decrease of Euro 40.2 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:

	30.06.2022	31.12.2021
Net liability at beginning of period	13,870	14,802
Current cost for the year (service cost)	106	197
Interest charge (interest cost)	465	-
Actuarial profits/(losses)	-	36
(Services paid)	(489)	(1,165)
Net liability at end of period	13,952	13,870

Employee numbers and cost

	H1 22	H1 21
Wages and salaries	18,022	17,860
Social security charges	5,357	5,297
Employee provisions	1,174	1,179
Other costs	721	425
Total labour costs	25,275	24,761

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 2022 of Euro 583 thousand (Euro 289 thousand in H1 2021).

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

	30.06.2022	31.12.2021	Average 2022	Average 2021
Executives	18	16	17	16
Managers & white-collar	168	164	166	167
Journalists and collaborators	341	333	334	337
Blue-collar	71	71	71	73
Total	598	584	583	593

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

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1 st 2021	8,202	132	3,590	11,924
Provisions	32		67	99
Utilisations	(1,355)	(39)	(732)	(2,126)
Balance at December 31st 2021	6,879	93	2,925	9,897
Of which:				
Current portion	6,879		2,903	9,782
Non-current portion		93	22	115
Total	6,879	93	2,925	9,897
Balance at January 1 st 2022	6,879	93	2,925	9,897
Provisions	398		295	693
Utilisations	(450)	(21)	(353)	(824)
Balance at June 30th 2022	6,827	72	2,867	9,766
Of which:				
Current portion	6,827		2,845	9,672
Non-current portion		72	22	94

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

	30.06.2022	31.12.2021
Payables for leasing assets	1,533	1,170
Payables for leased assets to companies under common control	12,515	10,979
Non-current financial liabilities	14,048	12,149
Bank payables	6,529	5,767
Payables for leasing assets	644	648
Payables for leased assets to companies under common control	2,899	2,800
Current financial liabilities	10,072	9,215

15. Other current and non-current liabilities

	30.06.2022	31.12.2021
Other non-current liabilities		
Other payables	429	94
Deferred income	1,007	1,274
Total	1,436	1,368
Other current liabilities		

Social security institutions	2,479	3,797
Employee payables	6,006	4,445
VAT payables	627	49
Withholding taxes	1,286	1,763
Other payables	6,789	7,054
Payables to related companies	18	26
Deferred income	1,375	1,193
Total	18,580	18,327

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

	30.06.2022	31.12.2021
Trade payables	17,093	19,170
Payables to related companies	311	674
Total	17,404	19,844

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 2022	H1 2021
Circulation Revenues	23,382	25,313
Advertising revenues	27,417	27,169
Revenues from digital services	973	906
Other Circulation Revenues	1,295	1,014
Total revenues from sales and services	53,067	54,402
of which related parties	127	160

18. Other operating income

	H1 2022	H1 2021
Operating grants	1,225	205
Recovery of expenses from third parties	417	385
Rent, leases and hire charges	36	36
Prior year income	90	21
Other revenue	1,021	751
Total other operating revenues	2,789	1,398
of which related parties	35	36

19. Raw material costs

	H1 2022	H1 2021
Paper	3,991	2,889
Other publishing materials	1,080	1,038
Change in inventory of raw materials and goods	(68)	(402)
Total raw materials costs	5,003	3,525

The increase in raw material costs is due to paper price increases as a result of the current geopolitical tensions and despite the lower quantity utilised in the production process.

20. Other operating costs

	H1 2022	H1 2021
Distribution fees	4,750	5,218
Editorial services	4,445	4,356
Transport and delivery	2,297	2,513
Commissions and agent costs	2,163	2,072
Misc. services	2,332	1,618
Maintenance and repair costs	1,495	1,416
Consulting	1,405	1,249
Outside contractors	595	510
Directors and Statutory Auditors fees	583	743
Utilities and power	903	601
Advertising & promotions	643	408
Cleaning and security	661	561
Other costs	2,042	1,761
Total service costs	24,314	23,026
Rental	58	63
Hire	212	261
Total rent, lease and hire costs	270	324
Other operating charges	1,207	1,092
Total other costs	1,207	1,092
Total other operating costs	25,791	24,442
<i>of which related parties</i>	563	442

21. Amortisation, depreciation, provisions & write-downs

	H1 2022	H1 2021
Amortisation of intangible assets	185	259
Depreciation of property, plant & equipment	1,172	1,213
Amortisation for leased assets	1,813	1,805
Provision for risks and charges	398	52
Doubtful debt provision	164	271
Total amortisation, depreciation, provisions & write-downs	3,732	3,600

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

22. Net financial income/(charges)

	30.06.2022	30.06.2021
Financial income		
Dividends	12,015	8,338
Income from derivatives transactions	-	738
Other financial income	16	10
Total	12,031	9,086
of which related parties	-	7,575
Financial charges		
Interest on bank accounts	(65)	(103)
Financial charges on post-em. bens.	(465)	(204)
Banking commissions and charges	(137)	(92)
Int. on leased assets IFRS 16	(95)	(34)
Derivatives fair value	-	(516)
Other financial expenses	(53)	(30)
Total	(815)	(979)
Financial result	11,216	8,107

The dividends included in financial income relates to the shareholding in Assicurazioni Generali SpA for Euro 9.4 million, Atlantia for Euro 1.3 million, Poste Italiane SpA for Euro 932 thousand and Italgas SpA for Euro 354 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 2022	H1 2021
Net Profit	8,129	16,244
Number of ordinary shares in circulation (thousands)	106,790	106,790
Basic earnings/(loss) per share	0.08	0.15

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.

Dividends totaling Euro 3.2 million were distributed in 2022.

24. Other comprehensive income statement items

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

	30.06.2022			30.06.2021		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Profit/(loss) from the valuation of Investments in equity instruments	(44,479)	4,253	(40,226)	21,469	(1,187)	20,282
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	7,530	(1,807)	5,723	(14)		(14)
Total	(36,949)	2,446	(34,503)	21,455	(1,187)	20,268

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	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
31.12.2021							
Trade receivables	26	7	92	43	167	37,065	0.5%
Other current assets			3		3	3,629	0.1%
Non-current financial liabilities			10,979		10,979	12,149	90.4%
Trade payables	600		74		674	19,844	3.4%
Current financial liabilities			2,800		2,800	9,215	30.4%
Other current liabilities			26		26	18,327	0.1%
Income statement transactions							
30.06.2021							
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%

30.06.2022	Parent	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Trade receivables	9		111		121	30,080	0.4%
Other current assets			1		1	2,400	0.0%
Non-current financial liabilities			12,515		12,515	14,048	89.1%
Trade payables	300		11		311	17,404	1.8%
Current financial liabilities			2,899		2,899	10,072	28.8%
Other current liabilities			18		18	18,580	0.1%
Income statement transactions							
Revenues			127		127	53,067	0.2%
Other operating income			35		35	2,789	1.3%
Other operating costs	300		263		563	25,791	2.2%
Financial income					-	12,031	0.0%
Financial charges			81		81	815	9.9%

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 2022.

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

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.

<i>In thousands of Euro</i>		Publishing	Other activities	Unallocated items and eliminations	Caltagirone Editore Group
	30.06.2021				
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
Result before taxes					7,579
Income taxes					8,665
Net Result					16,244
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

<i>In thousands of Euro</i>		Publishing	Other activities	Unallocated items and eliminations	Caltagirone Editore Group
	30.06.2022				
Segment revenues		55,869	230	(243)	55,856
Inter-segment revenues		(18)	(225)	243	-
Operating grants		55,851	5		55,856
Segment EBITDA		685	(896)		(212)
Depreciation, amortisation, provisions & write-downs		(3,621)	(111)		(3,732)
EBIT		(2,936)	(1,007)	-	(3,944)
Net financial result				11,217	11,217
Result before taxes					7,273
Income taxes					856
Net Result					8,129
Segment assets		254,484	223,726		478,210
Segment liabilities		97,943	6,918		104,861
Investments in intangible and tangible fixed assets		3,925	11		3,936

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:

<i>In thousands of Euro</i>	30.06.2022	31.12.2021	30.06.2021
A. Liquidity	22,471	66,610	89,686
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquidity (A)+(B)+(C)	22,471	66,610	89,686
E. Current financial debt	6,529	5,767	5,563
<i>of which related parties</i>			
F. Current portion of non-current financial debt	3,543	3,448	2,885
G. Current financial debt (E)+(F)	10,072	9,215	8,448
H. Net current financial debt (G)--(D)	(12,399)	(57,395)	(81,238)
I. Non-current financial debt	14,048	12,149	2,467
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current debt (I)+(J)+(K)	14,048	12,149	2,467
M. Total financial debt (H + L)	1,649	(45,246)	(78,771)

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:

	31.12.2021	Note	Level 1	Level 2	Level 3	Total
Capital instruments		4	195,437			195,437
Total assets			195,437	-	-	195,437
	30.06.2022	Note	Level 1	Level 2	Level 3	Total
Equity investments and non-current Securities		4	214,040			214,040
Total assets			214,040	-	-	214,040

In H1 2022 there were no transfers between the various levels.

Subsequent events to June 30th 2022

No significant subsequent events took place.

LIST OF INVESTMENTS AT 30.06.2022

COMPANY	REGISTERED OFFICE	SHARE CAPITAL	CURR.	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	2,267,000.00	Euro	74.99%	IL GAZZETTINO SpA	25.01%
IMPRESSE TIPOGRAFICHE VENETE Srl	ROME	1,730,000.00	Euro	45.90%	IL GAZZETTINO SpA	54.10%
P.I.M. PUBBLICITA' ITALIANA MULTIMEDIA Srl	ROME	1,800,000.00	Euro	42.00%	IL GAZZETTINO SpA	58.00%

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 2022.

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 2022

The Chairman
Mrs. Azzurra Caltagirone

The Executive Responsible
Mr. Luigi Vasta