



CAIRO COMMUNICATION

Half-Year Report at 30 June 2024

English translation for convenience of international readers. Only the Italian version is authentic

Cairo Communication S.p.A.

Registered office: Via Angelo Rizzoli 8, Milan
Share capital: Euro 6,989,663.10



Board of Directors (*)

Urbano Cairo (**)	Chairman
Uberto Fornara	CEO
Daniela Bartoli	Director
Valentina Beatrice Manfredi	Director
Laura Maria Cairo	Director
Federico Cairo	Director
Roberto Cairo	Director
Massimo Ferrari	Director
Paola Mignani	Director
Marco Pompignoli	Director

Control and Risk Committee

Massimo Ferrari	Director
Daniela Bartoli	Director
Paola Mignani	Director

Remuneration and Appointments Committee

Paola Mignani	Director
Daniela Bartoli	Director
Valentina Manfredi	Director

Board of Statutory Auditors (***)

Michele Paolillo	Chairman
Gloria Marino	Standing Auditor
Maria Pia Maspes	Standing Auditor
Emilio Fano	Alternate Auditor
Francesco Brusco	Alternate Auditor

Independent Auditors (****)

Deloitte & Touche S.p.A.

(*) The Board of Directors was appointed by resolution of the Shareholders' Meeting held on 8 May 2023. The Directors are in office for the years 2023-2024-2025, therefore until the Shareholders' Meeting called to approve the financial statements for the year ending 2025

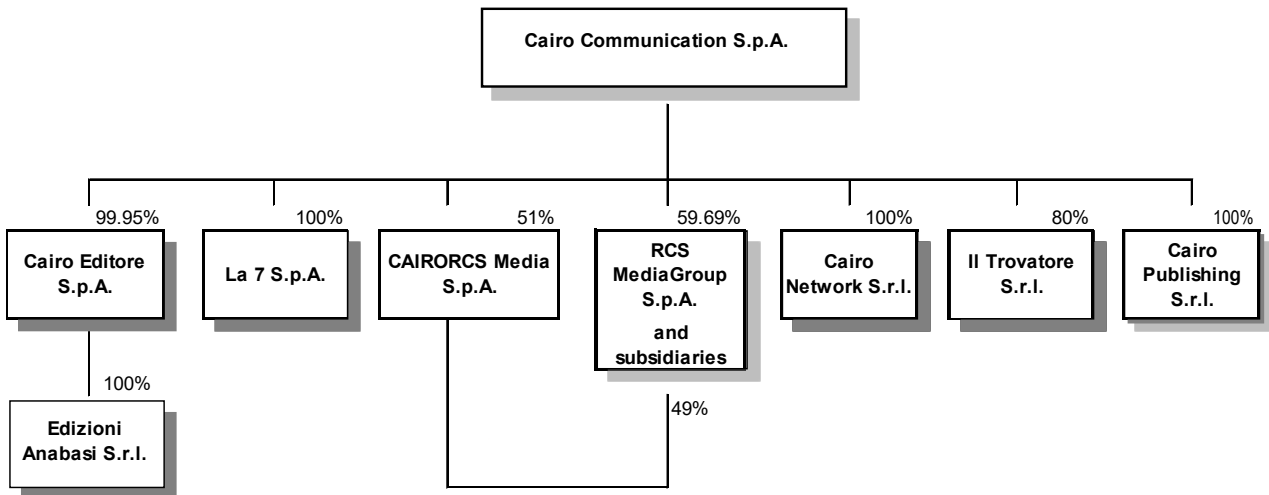
(**) Ordinary and extraordinary executive powers exercised with single signatory, as limited by the Board of Directors

(***) The Board of Statutory Auditors in office at the date of approval of this Report was appointed by resolution of the Shareholders' Meeting on 8 May 2023. The Statutory Auditors are in office for the years 2023-2024-2025, therefore until the Shareholders' Meeting called to approve the financial statements relating to the last of these years.

(****) In office until the Shareholders' Meeting called to approve the financial statements for the year ending 2028



The Group at 30 June 2024





Interim Report on Operations at 30 June 2024

In first half 2024, the Group operated as a:

- publisher of magazines and books (Cairo Editore/Editoriale Giorgio Mondadori and Cairo Publishing);
- TV (La7, La7d) and Internet (La7.it, TG.La7.it) publisher and network operator (Cairo Network);
- multimedia agency for the sale of advertising space (CAIRORCS Media);
- publisher of dailies, magazines (weeklies and monthlies) and books, in Italy and in Spain, through RCS MediaGroup, also active in the organization of major world sporting events, and in newsstand distribution through its subsidiary m-Dis.

The first half of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

The latest figures published by the IMF in July 2024 (through *World Economic Outlook - July 2024*) estimate an increase in GDP for Italy of 0.7% in 2024 and 0.9% in 2025, and an increase in GDP for Spain of 2.4% in 2024 and 2.1% in 2025. At June 2024, the inflation rate in Italy shows a YoY change of 0.8% (*ISTAT- FOI index excluding tobacco*), while in Spain the YoY year inflation rate stands at 3.4% (*National Statistics Institute - INE*).

In Italy, the advertising market in the first six months of 2024 (*Nielsen*) was up by 6.7% versus the same period of 2023, with online (excluding search, social media and over the top) and TV up by 5.4% and by 8.6%. Newspapers and magazines were down by 7.1% and by 2.8%. In first half 2024, the Spanish advertising sales market was up by 6.4% versus the same period of 2023 (*i2p, Arce Media*). Specifically, the newspaper and magazine markets decreased by 5.7% and by 0.6%, while Internet (excluding social media, search, etc.) and radio sales increased by 5.3% and by 4.8%.

On the circulation front, in the first five months of 2024, generalist newspapers and sports newspapers in Italy recorded a decline in print and digital circulation of 7.9% and 6.4%, respectively (*ADS January-May 2024*). In Spain, in first half 2024, circulation figures show a decline for generalist newspapers (-8.1%), sports newspapers (-8.4%) and business newspapers (-9.9%) (*OJD January-June 2024*).

The magazine circulation market, referring to titles reported in ADS, dropped by 9.6% at May 2024



for weeklies (print and digital copies) versus the same period of the prior year. For monthlies, the same figure for the first four months of the year shows a 7.9% decline (Internal Source based on ADS figures; weeklies with more than 48 editions and monthlies with more than 10 editions).

In first half 2024, amid uncertainty from the conflicts in Ukraine and the Middle East:

- **the Group** increased its margins (EBITDA, EBIT, and net profit) versus the results in the same period of 2023;
- **RCS's** margins (EBITDA, EBIT and net result) too were up versus first half 2023. RCS confirmed remarkable circulation levels at newsstands and continued its growth in the digital field, ranking as Italy's top online publisher also in the first five months of 2024, with an aggregate figure of 31.2 million average monthly unique users (net of duplications - *Audicom*). At end June, the total active digital customer base (digital edition, membership and m-site) of *Corriere della Sera* reached 633 thousand subscriptions (595 thousand at end 2023 - Internal Source), while the customer base of *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) reached 227 thousand subscriptions (214 thousand at end 2023 - Internal Source). Digital subscriptions grew in Spain too (digital edition and premium), reaching at June 2024 148 thousand subscriptions for *El Mundo* (136 thousand at end 2023 - Internal Source) and 96 thousand subscriptions for *Expansión* (82 thousand at end 2023 - Internal Source);
- the **TV publishing (La7) and network operator segment** achieved higher margins (EBITDA, EBIT and net result) than those achieved in the same period of 2023 and high and increasing ratings of the La7 channel (3.8% all-day share and 5.4% prime time, growing by 14% and 18% respectively versus the same period of 2023). Specifically, in the six months, La7 ranked as the third channel for ratings in the 20:00/22:30 slot with a share of 5.7% and the fourth in prime time in March, April and May. Advertising sales on La7 and La7d channels totaled approximately Euro 77.1 million (Euro 74.6 million in first half 2023);
- the **magazine publishing segment Cairo Editore**, with an EBITDA of Euro 3.3 million, also achieved higher results versus those in first half 2023 (Euro 1.7 million).

In first half 2024, consolidated gross revenue amounted to approximately Euro 595.1 million (comprising gross operating revenue of Euro 571.3 million and other revenue and income of Euro 23.8 million) versus Euro 599.2 million in first half 2023 (comprising gross operating revenue of Euro 577 million and other revenue and income of Euro 22.2 million).

EBITDA and EBIT came to Euro 90.4 million and Euro 51.1 million (Euro 80.2 million and Euro 41.1 million in the same period of the prior year). Net non-recurring expense amounted to Euro -1 million (Euro -0.6 million in first half 2023).



Profit attributable to the owners of the parent came to Euro 20.3 million (Euro 15.9 million in first half 2023).

Looking at the business segments, in first half 2024:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 3.3 million and Euro 2.7 million (Euro 1.7 million and Euro 0.8 million in first half 2023). Regarding weeklies, with approximately 0.8 million average copies sold in the first five months of 2024 (*ADS January - May 2024*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% market share. Including the average sales of titles out of the ADS survey (comprising copies sold of “*Enigmistica Più*” and of “*Enigmistica Mia*”), average copies sold were approximately 1 million;
- in the **TV publishing (La7) and network operator segment**, EBITDA grew to reach approximately Euro 6.6 million (Euro 5 million in 2023). EBIT was approximately Euro -1.5 million (Euro -3.7 million in first half 2023);
- in the **advertising segment**, EBITDA came to Euro 0.8 million (Euro 1.1 million in first half 2023) and EBIT to Euro -0.5 million (Euro -0.1 million in first half 2023);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA¹ and EBIT amounted to Euro 79.9 million and Euro 50.3 million (Euro 72.3 million and Euro 44.1 million in the same period of the prior year). Net operating revenue amounted to Euro 434.1 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 102.3 million and accounting for approximately 23.6% of total revenue. Total advertising sales from RCS online media amounted to Euro 67.6 million in first half 2024, making for 38.2% of total advertising revenue. Both Italian newspapers, *Corriere della Sera* and *La Gazzetta dello Sport*, and in Spain *Marca* and *Expansión*, retained their circulation leadership in their respective market segments (*ADS* for Italy and *OJD* for Spain). EGM's latest June 2024 “*General Media Research*” survey confirms Unidad Editorial as the leader in Spanish print media, with almost 1.6 million overall daily readers of its three daily newspapers. *Marca*, with 950 thousand readers, is the most widely read newspaper in Spain, *El Mundo* the second among generalists and third among daily newspapers with over 500 thousand readers. The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands, which counted, in the period January-May 2024, 29.4 million and 15.6 million average monthly unique users, and in the period January-May 2024, 3.8 million and 2.1 million average daily unique users (*Audicom*). The main social accounts of the *Corriere System* at

¹ Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below “Alternative Performance Measures”. As a result of these differences - regarding provisions for risks and the allowance for impairment, totaling Euro 2.1 million in first half 2024 - EBITDA shown in the RCS Half-Year Report at 30 June 2024, approved on 31 July 2024, amounted to Euro 77.7 million.



30 June 2024 reached approximately 13 million total followers (considering *Facebook, Instagram, X, LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 6.3 million (considering *Facebook, Instagram, X, TikTok* and *YouTube* - Internal Source). In Spain, as part of the online activities, *elmundo.es, marca.com* and *expansión.com* reached 39.1 million, 82.2 million and 9.1 million average monthly unique browsers in first half 2024, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 11.1 million followers for *El Mundo*, 19.4 million for *Marca* and 2.5 million for *Telva* (considering *Facebook, Instagram* and *X*) and 1.5 million for *Expansión* (considering *Facebook, Instagram, X* and *LinkedIn*).

In first half 2024, La7's average all-day share was 3.8% and 5.4% in prime time (from 8:30 PM to 10:30 PM), growing by 14% and 18% respectively versus the same period of 2023, confirming a high-quality target audience. Specifically, in the six months, La7 ranked as the third channel for ratings in the 20:00/22:30 slot with a share of 5.7% and the fourth in prime time in March, April and May. In the morning slot too (7:00/12:00), La7 achieved a 3.8% share in the six months, claiming the fifth position in the national ranking. In the first half 2024 the share of TgLa7 8 p.m. edition grows by 20%. La7d's share in first half 2024 was 0.4% in all-day and 0.5% in prime time. Starting in April, La7d's programming has been enhanced with a revamped and dynamic schedule featuring new exclusive content. The La7 channel's news and discussion programmes in first half 2024 all continued to deliver remarkable results: *Otto e Mezzo* with 7.7% average share from Monday to Friday, *TgLa7 8 p.m. edition* with 6.9% from Monday to Friday, *diMartedì* 7.7%, *Piazzapulita* 5.7%, *Propaganda Live* 6.1%, *In Altre Parole* 5.4% on Saturday, *In Onda* 6.3%, *Omnibus La7* 3.9%, *Coffee Break* 4.3% from Monday to Friday, *L'Aria che tira* 4.9%, *Tagadà* 4%, *100 minuti* 5.1%, the two specials of *In Viaggio con Barbero* 5.8%, *La Torre di Babele* 4.5%, the four specials of *Inchieste da fermo* 3.9% and *Eden un pianeta da salvare* 3%.

In first half 2024, La7 confirmed its leadership among generalist TV stations in terms of news hours (almost 14 average hours per day) and was the second channel in terms of live hours (an average of 10 and a half hours per day).

On the digital front, there were 421 thousand average daily unique users in first half 2024, and 6.3 million average monthly unique users in the period January-May 2024. Stream views were 18.4 million per month. In the six months, average monthly unique browsers of Tg.La7.it (2.8 million) grew by 69% versus the same period of 2023. At end June 2024, followers of La7 and its active programmes on Facebook, X, Instagram, Tik Tok, Whatsapp, and Threads were 7.5 million.



The main **consolidated income statement figures** in first half 2024 can be compared as follows with those of first half 2023:

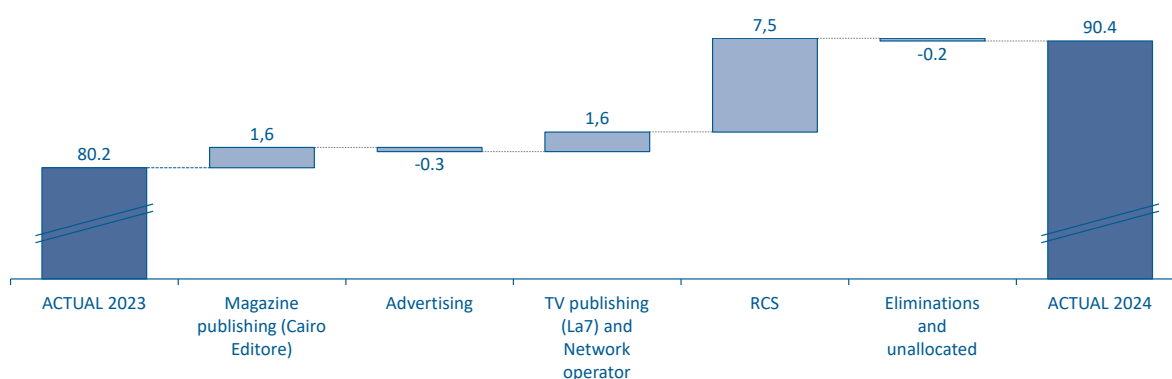
(€ millions)	30/06/2024	30/06/2023
Gross operating revenue	571.3	577.0
Advertising agency discounts	(29.4)	(29.6)
Net operating revenue	541.9	547.4
Change in inventory	0.8	0.9
Other revenue and income	23.8	22.2
Total revenue	566.6	570.5
Production costs	(311.3)	(325.1)
Personnel expense	(163.9)	(164.5)
Non-recurring income and expense	(1.0)	(0.6)
EBITDA	90.4	80.2
Amortization, depreciation, provisions and write-downs	(39.4)	(39.1)
EBIT	51.1	41.1
Other income (expense) from financial assets/liabilities	-	-
Net financial income (expense)	(6.2)	(6.1)
Profit (loss) before tax	44.9	35.1
Income tax	(11.2)	(7.2)
Non-controlling interests	(13.4)	(12.0)
Profit (loss) for the period attributable to the owners of the parent	20.3	15.9

In first half 2024, consolidated gross revenue amounted to approximately Euro 595.1 million (comprising gross operating revenue of Euro 571.3 million and other revenue and income of Euro 23.8 million) versus Euro 599.2 million in first half 2023 (comprising gross operating revenue of Euro 577 million and other revenue and income of Euro 22.2 million).

EBITDA and EBIT came to Euro 90.4 million and Euro 51.1 million (Euro 80.2 million and Euro 41.1 million in the same period of the prior year). Net non-recurring expense amounted to Euro -1 million (Euro -0.6 million in first half 2023).



The **EBITDA** trend between first half 2024 and the same period of 2023 is shown below:



Profit attributable to the owners of the parent came to Euro 20.3 million (Euro 15.9 million in first half 2023).

The Group **statement of comprehensive income** can be analyzed as follows:

€ millions	Half year ended 30/06/2024	Half year ended 30/06/2023
Profit (loss) for the year	33.7	27.9
Reclassifiable items of the comprehensive income statement		
Gains (losses) from the translation of financial statements denominated in foreign currencies	-	-
Gains (losses) from cash flow hedges	-	(0.2)
Reclassification of gains (losses) from cash flow hedges	-	(0.3)
Tax effect	-	0.2
Non-reclassifiable items of the comprehensive income statement		
Actuarial gains (losses) from defined benefit plans	0.2	0.2
Tax effect	(0.1)	(0.1)
Gains (losses) from the fair value measurement of equity instruments	(0.1)	-
Total comprehensive income for the period	33.7	27.7
- Owners of the parent	20.3	15.7
- Non-controlling interests - continuing operations	13.4	12.0
	33.7	27.7

The Group's performance can be read better by analyzing first half 2024 results by **main business segment** (magazine publishing Cairo Editore, advertising, TV publishing La7, network operator and RCS) versus those of the same period of 2023.



2024	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	34.2	192.0	59.9	451.1	(165.9)	571.3
Advertising agency discounts	-	(25.0)	-	(17.0)	12.7	(29.4)
Net operating revenue	34.2	166.9	59.9	434.1	(153.2)	541.9
Change in inventory	(0.0)	-	-	0.8	-	0.8
Other revenue and income	3.6	4.1	0.8	19.0	(3.7)	23.8
Total revenue	37.8	171.1	60.7	453.9	(156.9)	566.6
Production costs	(26.4)	(157.8)	(34.4)	(249.4)	156.7	(311.3)
Personnel expense	(7.8)	(12.5)	(19.6)	(123.9)	(0.1)	(163.9)
Non-recurring income (expense)	(0.3)	-	-	(0.7)	-	(1.0)
EBITDA	3.3	0.8	6.6	79.9	(0.2)	90.4
Amortization, depreciation, provisions and write-downs	(0.6)	(1.3)	(8.1)	(29.6)	0.2	(39.4)
EBIT	2.7	(0.5)	(1.5)	50.3	0.0	51.1
Other income (expense) from financial assets/liabilities	(0.0)	-	-	0.1	-	0.0
Net financial income	0.0	(1.4)	0.7	(5.6)	0.0	(6.2)
Profit (loss) before tax	2.7	(1.9)	(0.8)	44.8	0.0	44.9
Income tax	(0.2)	0.1	(0.0)	(11.0)	(0.0)	(11.2)
Non-controlling interests	-	0.1	-	(13.5)	(0.0)	(13.4)
Profit (loss) for the period attributable to the owners of the parent	2.5	(1.7)	(0.8)	20.3	0.0	20.3

2023	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	37.2	191.8	58.0	456.0	(166.1)	577.0
Advertising agency discounts	-	(24.6)	-	(17.4)	12.5	(29.6)
Net operating revenue	37.2	167.2	58.0	438.6	(153.6)	547.4
Change in inventory	(0.0)	-	-	0.9	-	0.9
Other revenue and income	4.7	2.7	0.4	17.1	(2.8)	22.2
Total revenue	41.9	169.9	58.4	456.6	(156.4)	570.5
Production costs	(31.9)	(156.7)	(33.7)	(259.3)	156.4	(325.1)
Personnel expense	(8.3)	(12.1)	(19.7)	(124.3)	(0.0)	(164.5)
Non-recurring income (expense)	-	-	-	(0.6)	-	(0.6)
EBITDA	1.7	1.1	5.0	72.3	0.0	80.2
Amortization, depreciation, provisions and write-downs	(0.9)	(1.2)	(8.8)	(28.3)	0.0	(39.1)
EBIT	0.8	(0.1)	(3.7)	44.1	0.0	41.1
Other income (expense) from financial assets/liabilities	-	-	-	0.0	-	0.0
Net financial income	(0.0)	(0.2)	(0.0)	(5.9)	(0.0)	(6.1)
Profit (loss) before tax	0.8	(0.2)	(3.8)	38.3	0.0	35.1
Income tax	0.6	(0.3)	0.9	(8.4)	(0.0)	(7.2)
Non-controlling interests	-	0.1	-	(12.0)	(0.0)	(12.0)
Profit (loss) for the period attributable to the owners of the parent	1.4	(0.5)	(2.9)	17.8	0.0	15.9



Gross operating revenue in first half 2024, split up by main business segment, can be analyzed as follows versus the amounts of the same period of 2023:

2024 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
TV advertising	-	77.1	52.9	0.1	(53.4)	76.7
Advertising on print media, Internet and sporting events	3.6	112.8	0.8	193.9	(106.4)	204.7
Other TV revenue	-	-	1.2	1.2	(0.1)	2.3
Magazine over-the-counter sales and subscriptions	31.0	-	-	161.9	(0.8)	192.1
VAT relating to publications	(0.5)	-	-	(1.6)	-	(2.1)
Sundry revenue	-	2.1	5.1	95.6	(5.1)	97.6
Total gross operating revenue	34.2	192.0	59.9	451.1	(165.9)	571.3
Other revenue	3.6	4.1	0.8	19.0	(3.7)	23.8
Total gross revenue	37.8	196.1	60.7	470.1	(169.5)	595.1

2023 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
TV advertising	-	74.6	50.7	0.1	(51.3)	74.2
Advertising on print media, Internet and sporting events	4.0	115.3	1.4	196.8	(108.6)	208.8
Other TV revenue	-	-	1.1	1.4	(0.1)	2.4
Magazine over-the-counter sales and subscriptions	33.7	-	-	167.0	(1.1)	199.6
VAT relating to publications	(0.5)	-	-	(1.5)	-	(2.0)
Sundry revenue	-	1.9	4.8	92.2	(5.0)	93.9
Total gross operating revenue	37.2	191.8	58.0	456.0	(166.1)	577.0
Other revenue	4.7	2.7	0.4	17.1	(2.8)	22.2
Total gross revenue	41.9	194.6	58.4	473.1	(168.9)	599.2



The main **consolidated statement of financial position figures** at 30 June 2024 can be compared as follows with those at 31 December 2023:

(€ thousands)	30/06/2024	31/12/2023
Tangible assets	104.3	107.1
Rights of use on leased assets	138.1	130.4
Intangible assets	984.2	987.3
Financial assets	33.7	35.0
Deferred tax assets	86.0	84.0
Net working capital	(33.1)	(47.1)
<u>Total assets</u>	1,313.2	1,296.7
Non-current liabilities and provisions	85.7	87.8
Deferred tax provision	163.9	163.4
(Financial position)/Net debt	15.8	4.8
Liabilities from leases (pursuant to IFRS 16)	154.8	145.4
Equity attributable to the owners of the parent	547.2	548.4
Equity attributable to non-controlling interests	345.8	346.9
<u>Total equity and liabilities</u>	1,313.2	1,296.7

In 2024, as part of the share buy-back plans, no treasury shares were sold or purchased. At 30 June 2024, Cairo Communication held a total of no. 779 treasury shares, or 0.001% of the share capital, subject to Article 2357-ter of the Italian Civil Code.

It should be noted that:

- the Shareholders' Meeting held by RCS on 8 May 2024 approved the distribution of a dividend of Euro 0.07 per share, gross of tax, with ex-dividend date on 20 May 2024, for a total of approximately Euro 36.2 million (Euro 21.7 million the share of Cairo Communication),
- the Shareholders' Meeting held by Cairo Communication on 8 May 2024 approved the distribution of a dividend of Euro 0.16 per share, gross of tax, with ex-dividend date on 27 May 2024, for a total of approximately Euro 21.5 million.

As a result of dividend distribution, the change in the net financial position at the Group level was approximately Euro 36 million.



The **consolidated net financial debt** at 30 June 2024, versus the consolidated financial statement amounts at 31 December 2023, is summarized in the table below:

Net financial position (€ millions)	30/06/2024	31/12/2023	Changes
Cash and cash equivalents	57.7	58.1	(0.4)
Other current financial assets and financial receivables	0.4	0.9	(0.5)
Current financial assets (liabilities) from derivative instruments	0.1	0.2	(0.1)
Current financial payables and payables to banks	(27.8)	(23.6)	(4.2)
Current net financial position (net financial debt)	30.3	35.6	(5.3)
Non-current financial payables	(46.1)	(40.4)	(5.7)
Non-current financial assets (liabilities) from derivative instruments	-	-	-
Non-current net financial position (net financial debt)	(46.1)	(40.4)	(5.7)
Net financial position (net financial debt)	(15.8)	(4.8)	(11.0)
Liabilities from leases (pursuant to IFRS 16)	(154.8)	(145.4)	(9.4)
Total net financial position (net financial debt)	(170.6)	(150.2)	(20.4)

Consolidated net financial debt at 30 June 2024 stood at approximately Euro 15.8 million (Euro 4.8 million at end 2023). The change versus end 2023 is explained mostly by the outlays for dividends of Euro 36 million and for technical expenditure and non-recurring expense totaling Euro 18.7 million, partly offset by the positive contribution from typical operations. Working capital is affected not only by seasonal performance, but also by the timing of the collection of tax receivables provided for the publishing industry (at 30 June 2024, Euro 34.6 million residual receivables also related to the years 2021, 2022 and 2023), as already explained in the 2023 Annual Report.

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 154.8 million, amounted to Euro 170.6 million (Euro 150.2 million at 31 December 2023).



Statement of reconciliation of Parent equity and profit and Group equity and profit

The **statement of reconciliation** of equity and profit of Cairo Communication S.p.A. and Group equity and profit can be analyzed as follows:

(€ millions)	Equity 30/06/2024	Profit (loss) for the period
Separate financial statements of Cairo Communication S.p.A.	264.5	25.9
<u>Elimination of the carrying amount of consolidated equity investments:</u>		
Difference between carrying amount of investments and their equity value	24.4	
Effects of the purchase price allocation of RCS S.p.A.	156.4	(0.3)
Share in consolidated companies' profit net of investment impairment losses		21.6
<u>Allocation of consolidation differences</u>	-	-
RCS goodwill net of tax effects	112.4	-
Other goodwill	7.2	
Elimination of intra-group profits net of income tax	(17.8)	-
Elimination of intra-group dividends		(26.9)
Consolidated financial statements of Cairo Communication	547.2	20.3

MAGAZINE PUBLISHING CAIRO EDITORE

Cairo Editore - Cairo Publishing

Cairo Editore operates in the magazine publishing segment through (i) the weeklies “*Settimanale DIPIU’*”, “*DIPIU’ TV*” and the supplements “*Settimanale DIPIU’ e DIPIU’TV Cucina e Stellare*”, “*Diva e Donna*”, the fortnightly supplement “*Cucina Mia*”, “*TV Mia*”, “*Nuovo*”, “*F*”, “*Settimanale Giallo*” “*NuovoTV*”, “*Enigmistica Più*” and “*Enigmistica Mia*”, (ii) the monthly magazines “*Natural Style*”, “*Bell’Italia*”, “*Gardenia*” and “*Arte*”.



The results achieved by the publishing segment in first half 2024 can be compared as follows with those of the same period of 2023:

Print media publishing (€ millions)	30 June 2024	30 June 2023
Gross operating revenue	34.2	37.2
Other income	3.6	4.7
Change in inventory	-	-
Total revenue	37.8	41.9
Production costs	(26.4)	(31.9)
Personnel expense	(7.8)	(8.3)
Non-recurring income and expense	(0.3)	-
EBITDA	3.3	1.7
Amortization, depreciation, provisions and write-downs	(0.6)	(0.9)
EBIT	2.7	0.8
Net financial income (expense)	-	-
Profit (loss) before tax	2.7	0.8
Income tax	(0.2)	0.6
Profit (loss) for the period	2.5	1.4

In first half 2024, amid persisting uncertainty from the conflicts in Ukraine and the Middle East, Cairo Editore improved its results versus the same period of 2023.

EBITDA and EBIT came to approximately Euro 3.3 million and approximately Euro 2.7 million (Euro 1.7 million and Euro 0.8 million in first half 2023).

The Group's weeklies reported high circulation results, with an average weekly ADS circulation in the first five months of 2024 of 251,617 copies for “*Settimanale DIPIU*”, 119,489 copies for “*DIPIU TV*”, 33,777 copies for “*Settimanale DIPIU' e DIPIU'TV Cucina*”, 78,579 copies for “*Diva e Donna*”, 137,413 copies for “*Settimanale Nuovo*”, 57,757 copies for “*F*”, 56,163 copies for “*TVMia*”, 41,635 copies for “*Settimanale Giallo*”, and 65,632 copies for “*NuovoTV*”, reaching a total of approximately 0.8 million average weekly copies sold, and making the Group the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% market share. Including the average sales of titles out of the ADS survey (comprising copies sold of “*Enigmistica Più*” and of “*Enigmistica Mia*”), average copies sold were approximately 1 million.

Cairo Editore's activities continued to focus also on enhancing the value of editorial content, developing existing brands, and launching new projects.

Below are some of the main initiatives implemented in first half 2024:

- in January, the monthly *Arte* and the *Catalogue of Modern Art* participated in Arte Fiera, and in June *Arte* was released with a special issue dedicated to the 2024 Venice Biennial. June also saw the publication of an in-depth study dedicated to Art Basel. February saw the opening of entries for the 31st Art Prize;

- in March, *Bell'Italia* unveiled the release of the first volume of *Guide Osterie d'Italia 2024*, and in June presented the new Sardinia special on newsstands with *Corriere della Sera*;
- in the six months, *Gardenia* presented the first volume of *Manuale del perfetto giardiniere*, in collaboration with the Royal Horticultural Society, hosted the *Botanica Illustrata* exhibition in collaboration with the City of Milan, and celebrated its 40th anniversary with a floral display in the courtyard of Palazzo Reale in Milan;
- in the six months, *F* appeared on newsstands with a graphic redesign under the *Evolution* project and celebrated its twelfth anniversary with the project *It's time to..*;
- *Settimanale Dipiù* celebrated its 20th anniversary with two collector's issues.

Starting with the issue following the February 2024 edition. Cairo Editore discontinued the publication of five monthly magazines (*Bell'Europa*, *In Viaggio*, *Airone*, *For Men Magazine*, *Antiquariato*). These magazines had been consistently generating negative margins for several years. In early February, two reorganization plans were signed with Cairo Editore union representatives, assisted by territorial organizations, to manage 32 declared redundancies among journalists (16) and graphic designers (16). The procedures were concluded through joint examination with the Ministry of Labour on 27 February 2024, and with the Lombardy Region on 29 February 2024, respectively. Under the plans, Cairo Editore obtained activation for CIGS for reorganization, effective for a duration of 24 months from March 2024, with a maximum allowance for 16 journalists and 16 graphic designers. The Company also obtained access to 32 early retirements (16 journalists and 16 graphic designers), in accordance with current regulations and within the limit of positions available under the allocated resources.

ADVERTISING

With regard to the advertising segment, at end 2020 Cairo Communication and RCS transferred in a newly-established investee, CAIRORCS Media S.p.A., the advertising sales business units for RCS's print and online titles in Italy and the print, television and online titles of Cairo Editore and La7, as well as certain third-party media.

The results achieved by the advertising segment in first half 2024 can be compared as follows with those of the same period of 2023:



Advertising segment <i>(€ millions)</i>	30 June 2024	30 June 2023
Gross operating revenue	192.0	191.8
Advertising agency discounts	(25.0)	(24.6)
Net operating revenue	166.9	167.2
Other income	4.1	2.7
Change in inventory	-	-
Total revenue	171.1	169.9
Production costs	(157.8)	(156.7)
Personnel expense	(12.5)	(12.1)
EBITDA	0.8	1.1
Amortization, depreciation, provisions and write-downs	(1.3)	(1.2)
EBIT	(0.5)	(0.1)
Net financial income (expense)	(1.4)	(0.2)
Profit (loss) before tax	(1.9)	(0.2)
Income tax	0.1	(0.3)
Non-controlling interests	0.1	0.1
Profit (loss) for the period	(1.7)	(0.5)

In first half 2024, EBITDA came to Euro 0.8 million and EBIT to Euro -0.5 million (Euro 1.1 and Euro -0.1 million in first half 2023).

In first half 2024:

- advertising sales on La7 and La7d channels totaled approximately Euro 77.1 million (Euro 74.6 million in first half 2023),
- advertising sales on Cairo Editore titles amounted to Euro 5 million (Euro 5.4 million in first half 2023),
- gross advertising revenue of RCS titles in Italy amounted to Euro 101.3 million (Euro 102.6 million in first half 2023).

TV PUBLISHING (La7) AND NETWORK OPERATOR

The Group started operations in the TV field in 2013, following the acquisition from Telecom Italia Media S.p.A. of the entire share capital of La7 S.r.l. (today La7 S.p.A.) as of 30 April 2013, with the upstream integration of its concessionaire business for the sale of advertising space, diversifying its publishing activities previously focused on magazines.

At the acquisition date, the financial situation of La7 had called for the implementation of a restructuring plan aimed at reorganizing and streamlining the corporate structure and at curbing costs, while retaining the high quality levels of the programming. Starting from May 2013, the Group began to implement its own plan to restructure the company, achieving, as early as the May-December eight-month period of 2013, a positive gross operating profit (EBITDA), strengthening in the years that followed the results of the cost rationalization measures implemented.

With regard to the network operator business, in 2014, the Group company Cairo Network took part



in the tender procedure opened by the Ministry of Economic Development for the assignment of rights to use TV frequencies for digital terrestrial broadcasting systems, winning the rights of use for a period of 20 years. The mux covers at least 94% of the national population, providing high-quality service levels. January 2017 marked the start of the broadcasting of La7 channels on the mux. In first half 2024, it also hosted Dazn Channel, some of Elda Srl's "Italy" and "Art" channels, and some of GMH's channels.

The results achieved by the TV publishing (La7) and network operator segment in first half 2024 can be compared as follows with those of the same period of 2023:

Television and network operator segment (€ millions)	30 June 2024	30 June 2023
Gross operating revenue	59.9	58.0
Advertising agency discounts	-	-
Net operating revenue	59.9	58.0
Other income	0.8	0.4
Change in inventory	-	-
Total revenue	60.7	58.4
Production costs	(34.4)	(33.7)
Personnel expense	(19.6)	(19.7)
EBITDA	6.6	5.0
Amortization, depreciation, provisions and write-downs	(8.1)	(8.8)
EBIT	(1.5)	(3.7)
Net financial income (expense)	-	-
Other gain (losses) from financial assets/liabilities	(0.7)	-
Profit (loss) before tax	(0.8)	(3.8)
Income tax	-	0.9
Profit (loss) for the period	(0.8)	(2.9)

In first half 2024, the TV publishing (La7) and network operator segment's EBITDA grew to reach approximately Euro 6.6 million (Euro 5 million in first half 2023), while EBIT came to approximately Euro -1.5 million (Euro -3.7 million in first half 2023).

In first half 2024, La7's average all-day share was 3.8% and 5.4% in prime time (from 8:30 PM to 10:30 PM), in both cases up versus the same period of the prior year. Specifically, in the six months, La7 ranked as the fifth channel in prime time ratings and in March, April and May the fourth. In the morning slots too (7:00/12:00), La7 achieved a 3.8% share in the six months, claiming the fifth position in the national ranking. In the first half 2024 the share of TgLa7 8 p.m. edition grows by 20%. La7d's share in first half 2024 was 0.4% in all-day and 0.5% in prime time. Starting in April, La7d's programming has been enhanced with a revamped and dynamic schedule featuring new exclusive content. The La7 channel's news and discussion programmes in first half 2024 all continued to deliver remarkable results: *Otto e Mezzo* with 7.7% average share from Monday to Friday, *TgLa7 8 p.m. edition* with 6.9% from Monday to Friday, *diMartedì* 7.7%, *Piazzapulita* 5.7%, *Propaganda Live* 6.1%, *In Altre Parole* 5.4% on Saturday, *In Onda* 6.3%, *Omnibus La7* 3.9%, *Coffee Break* 4.3% from



Monday to Friday, *L'Aria che tira* 4.9%, *Tagadà* 4%, *100 minuti* 5.1%, the two specials of *In Viaggio con Barbero* 5.8%, *La Torre di Babele* 4.5%, the four specials of *Inchieste da fermo* 3.9% and *Eden un pianeta da salvare* 3%.

In first half 2024, La7 confirmed its leadership among generalist TV stations in terms of news hours (almost 14 average hours per day) and was the second channel in terms of live hours (an average of 10 and a half hours per day).

On the digital front, there were 421 thousand average daily unique users in first half 2024, and 6.3 million average monthly unique users in the period January-May 2024. Stream views were 18.4 million per month. In the six months, average monthly unique browsers of Tg.La7.it (2.8 million) grew by 69% versus the same period of 2023. At end June 2024, followers of La7 and its active programmes on Facebook, X, Instagram, Tik Tok, Whatsapp, and Threads were 7.5 million.

Explanatory Note 28 “*Other information*” to the condensed consolidated half-year financial statements at 30 June 2024 contains a detailed description of the current developments in the legislative and regulatory framework regarding the rights to use television frequencies, following the provisions of the 2018 and 2019 Budget Laws, and of Cairo Network’s distinctive position against this backdrop.

RCS

In 2016, the Group started operations in the daily newspaper publishing segment with the acquisition of the control of RCS.

RCS, both directly and indirectly through its subsidiaries, publishes and distributes - in Italy and Spain - daily newspapers and magazines (weeklies and monthlies), and is also involved in the distribution of editorial products at newsstands.

Specifically, in Italy RCS publishes the dailies *Corriere della Sera* and *La Gazzetta dello Sport*, as well as various weeklies and monthlies such as *Io Donna*, *Oggi*, *Amica*, *Living*, *Style Magazine*, *Sportweek*, *Sette*, *Dove* and *Abitare*.

In Spain, it operates through its subsidiary Unidad Editorial S.A., publisher of the dailies *El Mundo*, *Marca* and *Expansion*, as well as several magazines such as *Telva*.

RCS is also marginally active in the Pay TV market in Italy, through the satellite and OTT TV channel *Caccia e Pesca* and also publishes the web TVs of *Corriere della Sera* and *La Gazzetta dello Sport*.

In Spain, it is active with the leading national sports radio *Radio Marca* and the web TV of *El Mundo*, and broadcasts the two digital TV channels *GOL* and *Dmax*, whose content is produced by third parties.

RCS also organizes, through RCS Sport and RCS Sports & Events, major world sporting events (such



as *Giro d'Italia*, the *UAE Tour* and the *Milano City Marathon*).

With *Solferino - i libri del Corriere della Sera*, it is active in book publishing; June 2020, instead, saw the start of activities of *RCS Academy*, the Business School of the Group.

RCS generated negative results prior to 2016, and has embarked on an operational restructuring process to restore profitability. In 2016, profit had amounted to Euro 3.5 million,² marking a return to positive territory by the RCS Group (the first time since 2010), and in 2017², 2018² 2019² 2020² 2021² 2022² and 2023² profit had amounted to Euro 71.1 million, Euro 85.2 million, Euro 68.5 million, Euro 31.7 million, Euro 72.4 million, Euro 50.1 million and Euro 57 million.

The results achieved by the RCS segment in first half 2024 can be compared as follows with those of the same period of 2023:

RCS <i>(€ millions)</i>	30 June 2024	30 June 2023
Gross operating revenue	451.1	456.0
Advertising agency discounts	(17.0)	(17.4)
Net operating revenue	434.1	438.6
Change in inventory	0.8	0.9
Other revenue and income	19.0	17.1
Total revenue	453.9	456.6
Production costs	(249.4)	(259.3)
Personnel expense	(123.9)	(124.3)
Non-recurring income and expense	(0.7)	(0.6)
EBITDA	79.9	72.3
Amortization, depreciation, provisions and write-downs	(29.6)	(28.3)
EBIT	50.3	44.1
Net financial income (expense)	0.1	(5.9)
Other gain (losses) from financial assets/liabilities	(5.6)	-
Profit (loss) before tax	44.8	38.3
Income tax	(11.0)	(8.4)
Non-controlling interests	(13.5)	(12.0)
Profit (loss) for the period	20.3	17.8

In first half 2024, against a backdrop still dominated by the uncertainty caused by the conflicts in Ukraine and the Middle East, RCS achieved - in the consolidated financial statements of Cairo Communication - an EBITDA of approximately Euro 79.9 million³ and an EBIT of Euro 50.3 million (Euro 72.3 million and Euro 44.1 million in first half 2023). Net non-recurring expense and income came to Euro -0.7 million (Euro -0.6 million in first half 2023).

In first half 2024, net operating revenue amounted to Euro 434.1 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 102.3 million and accounting for approximately

² RCS 2017, 2018, 2019, 2020, 2021, 2022 and 2023 Annual Report

³ Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below "Alternative Performance Measures". As a result of these differences - regarding provisions for risks and the allowance for impairment, totaling Euro 2.1 million in first half 2024 - EBITDA shown in the RCS Half-Year Report at 30 June 2024, approved on 31 July 2024, amounted to Euro 77.7 million.



23.6% of total revenue. Total advertising sales from RCS online media amounted to Euro 67.6 million in first half 2024, making for 38.2% of total advertising revenue.

In first half 2024, both Italian newspapers retained their circulation leadership in their respective market segments (*ADS*). In Italy, in the first five months of 2024, the average daily copies distributed including digital copies of *Corriere della Sera* amounted to 229 thousand, and those of *La Gazzetta dello Sport* to 144 thousand copies (*ADS January-May 2024*). *Corriere della Sera* was able to achieve the excellent newsstand circulation results and, most importantly, to continue the growth in digital development. *La Gazzetta dello Sport*, in the Audipress 2024/I survey, retained its position as the most-read Italian newspaper with a readership of 2.1 million.

At end June 2024, the total active digital customer base for *Corriere della Sera* (digital edition, membership and m-site) reached 633 thousand subscriptions (595 thousand at end 2023 - Internal Source), while the customer base of *Gazzetta's* pay products (which includes *G ALL*, *G+*, *GPRO* and *Fantacampionato* products) reached 227 thousand subscriptions (214 thousand at end 2023 - Internal Source).

The main digital performance indicators confirm the top market position of RCS. The *Corriere della Sera* and *La Gazzetta dello Sport* brands, in the period January-May 2024, counted 29.4 million and 15.6 million average monthly unique users, and in the period January-June 2024 3.8 million and 2.1 million average daily unique users (*Audicom*). In the first five months of 2024 too, RCS ranks as the top online publisher in Italy with an aggregate figure of 31.2 million average monthly unique users (net of duplications - *Audicom*).

The main social accounts of the *Corriere System* at 30 June 2024 reached approximately 13 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 6.3 million (considering *Facebook*, *Instagram*, *X*, *TikTok* and *YouTube* - Internal Source).

Including digital copies, in first half 2024 the average daily circulation of *El Mundo*, *Marca* and *Expansión* stood at approximately 53 thousand copies, 51 thousand copies and 22 thousand copies (*OJD*). The latter two newspapers retained their circulation leadership in their respective market segments also at June 2024 (*OJD*). The latest *Estudio General de Medios* survey published in June 2024 confirms Unidad Editorial as the daily news leader with almost 1.6 million total daily readers for the three daily titles. *Marca*, with 950 thousand readers, is the most widely read newspaper in Spain, *El Mundo* the second among generalists with over 500 thousand readers and third among daily newspapers.

In Spain as well, the main digital performance indicators confirm Unidad Editorial's top market position, with *elmundo.es*, *marca.com* and *expansion.com* reaching 39.1 million, 82.2 million and 9.1 million average monthly unique browsers in first half 2024, comprising both domestic and foreign



browsers and including apps (*Google Analytics*). The international English-language version of *Marca* achieved 20.8 million average monthly unique browsers in first half 2024 (Internal Source), including those of *marca.com* above. The social audience of Unidad Editorial Group titles (Internal Source) stands at 11.1 million followers for *El Mundo*, 19.4 million for *Marca* and 2.5 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.5 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*).

In Spain, at end June 2024, digital subscriptions (digital edition and premium) grew to reach approximately 148 thousand subscriptions for *elmundo.es* (136 thousand at end 2023 - Internal Source) and approximately 96 thousand subscriptions for *expansion.com* (82 thousand at end 2023 - Internal Source).

At 30 June 2024, net financial debt stood at Euro 43.8 million (Euro 23.4 million at 31 December 2023). The change is explained mostly by the outlays for dividend payout of approximately Euro 36.3 million and for technical expenditure, and by non-recurring expense of approximately Euro 11.9 million, partly offset by the positive contribution of ordinary operations, affected by the dynamics of working capital also due to the seasonality of its performance. It should be noted that at 30 June 2024, projected tax receivables for the publishing activity totaling approximately Euro 24.3 million (including residual receivables from 2021, 2022, and 2023) are recorded in the balance sheet assets. The total net financial debt of RCS, which includes financial liabilities from leases recognized in accordance with IFRS 16, totaling Euro 138.1 million (mainly property leases), amounted to Euro 181.9 million (Euro 151.4 million at 31 December 2023).

RCS's activities continued to focus also on enhancing the value of editorial content, developing existing brands, and launching new projects.

Below are some of the main initiatives implemented **in Italy** in first half 2024:

- on 23 January, the *L'Economia* channel of *corriere.it* launched the new digital service “*Chiedi all'Esperto*” in collaboration with Giuffrè, and on 20 February, the new “*Sportello Cancro*” on the *Salute* channel in collaboration with Fondazione Veronesi;
- *La Gazzetta dello Sport* and its supplements, *G Magazine* and *Sportweek*, followed the major sporting events of early 2024. Specifically, for the 2024 European Football Championship, *gazzetta.it* featured a dedicated editorial section with live updates, in-depth reports, and video productions with contributions from correspondents, the *Formidable* podcast, the European-style versions of the online games *Questo o Quello* and *GazzaQuiz*, and the *Fantacampionato Europeo*;
- in early 2024, *La Gazzetta dello Sport* opened two new social channels: *LinkedIn* and *YouTube*;
- in early March 2024, *La Gazzetta dello Sport* launched its new app, which offers access to both the site's news and the daily newspaper's browser in digital format;



- 7 and 8 March saw the third edition of *Obiettivo5*, the *Corriere della Sera* and *iO Donna* event in association with La Sapienza University of Rome dedicated to gender equality issues;
- in early March 2024, the Fantacampionato's "*Torneo dei lettori del quotidiano*" was launched on *La Gazzetta dello Sport*;
- on 11 March, "*Italia Genera Futuro*" was held, the *L'Economia*'s event presenting the ranking of Italy's top 1,000 small and medium-sized enterprises;
- on 14 March, the *FAST* channel "*Talks by Corriere della Sera*" was launched on Samsung TV Plus;
- new podcast columns available in *Gazzetta* and *Corriere della Sera* were created in the first half of the year;
- in first half 2024, *La Gazzetta dello Sport* unveiled a new organization for the cross platform video area (website and social channels). March also saw the completion of the migration process to the new video platform;
- new video columns on *Corriere TV* were produced in the six months, and new live slots live from *Corriere TV* studios such as "*Super Tuesday verso il voto Usa 2024*";
- on 20 March, *Corriere della Sera* reinstated its historic front pages to the centre of the newspaper in print format;
- on 25-28 March, *Corriere della Sera* and Bocconi University organized the first edition of the *Forum Internazionale Pact4Future*;
- 25 March saw the start of the new tour from Bergamo of the *Le Economie d'Italia* series of meetings, *L'Economia*'s journey through small and medium-sized businesses across Italy;
- on 29 March, the cross-media project "*Questa è l'Europa*" was launched by *Corriere della Sera*;
- in the digital subscriptions area, an important event related to the birthday of the *Corriere*, "*Come cambia l'informazione, dietro le quinte del Corriere*", was organized;
- on 8 April, *Corriere della Sera - Buone Notizie* promoted the *Premio Bilancio di Sostenibilità* initiative;
- on 10-11 April, the fourth edition of *Women in Food* was held;
- for the *Milan Design Week* from 15 to 21 April, the headquarters of the *Corriere della Sera* was open to the public with the installation «*Città Miniera: Design, Dismantle, Disseminate*», an event organized together with the interior decorating titles *Living* and *Abitare*;
- the restyling of *Sportweek*, launched on 20 April, was made;
- on 21 April, the weekly newsletter catalogue of *Corriere della Sera* included "*Le idee*" by Ferruccio de Bortoli and Daniele Manca;
- in May, VISA and *Corriere della Sera* launched the second edition of "*She's Next*";



- on 8 May, the new digital channel *Figli & Genitori* was launched, and the related App was also released on 17 June;
- on 9-12 May, the sixth edition of "*Civil Week*" was held;
- on 16-18 May, the second edition of *Tech Emotion* was held, and on 28-29 May, *Corriere della Sera* and Emotion Network organized the event "*Tech Emotion - Frames: Learnings for future vision*";
- the *Economia d'Italia* cycle of events continued, with events dedicated to the Apulia, Piedmont and Latium regions;
- on 5 June, *Corriere della Sera* celebrated the World Environment Day, with a green paper edition of the newspaper and the first edition of *Festival Pianeta 2030*;
- 6 June saw the completion of the redesign of *Corriere della Sera's* Instagram profile, doubling follower growth in the first month versus the previous month, reaching nearly 1.9 million followers;
- on Saturday, 15 June, to mark Italy's first match at Euro 2024, *La Gazzetta dello Sport* released a collector's issue printed on light blue paper, while the home page of *gazzetta.it* and the app were also coloured light blue;
- on 18 June, the new app for *L'Economia* was launched, featuring highlights such as an artificial intelligence-based virtual assistant and browsing customized to user interests;
- "*Le conversazioni del Corriere*" events dedicated to subscribers continued;
- in June, *La Gazzetta dello Sport*, with the sponsorship of the Municipality of Milan, organized the second edition of *Milano Football Week*;
- as part of the ongoing development of *Gazzetta Motori*, the new multi-platform video project "*Guida con Noi*" was launched in June;
- on the series, books and add-ons front in the six months, *La Gazzetta dello Sport* published the book "*Chiedimi chi era Pantani*", the "*Milo Manara Collection*", the "*Pokemon*" collection, the "*I sentieri della grande guerra*" series, the anastatic publications of the "*Album calciatori Panini*" and the "*Il Grande Black*" strips, the collection of unpublished essays *Terrorismo italiano*", and also celebrated Inter's 20th scudetto with the book "*Estasi nerazzurra*" and the series "*Due stelle nerazzurre*". *Corriere della Sera* in the six months published "*Il futuro della democrazia*", "*Lenin - La vita e la rivoluzione*", "*Longevità. Vivere bene per vivere a lungo*", "*Viaggi brevi - percorsi insoliti*", "*Giovinezza*", "*Con l'anima di traverso*", "*Le sanguisughe di Giulietta. Storie di progresso e contraddizioni della Medicina*", "*Interstellar*" and "*Il Cubo e io*", the series dedicated to Alessandro Baricco, the re-issue of Oriana Fallaci's works, the series "*Pratiche giapponesi per raggiungere la felicità*", the series dedicated to the famous couple Julia Donaldson and Axel Scheffler, "*Storia del Fascismo*", and a collector's insert dedicated to Inter's 20th scudetto.



In the six months, major sports events in the portfolio were organized: *Giro d'Italia*, *Milano Sanremo*, *Tirreno Adriatico*, *UAE Tour*, *Next Gen*, *Milano Torino*, *Strade Bianche* and *Milano Marathon*. *Giro d'Italia*, starting in Turin on May 4 and concluding in Rome on 26 May with Slovenian Tadej Pogacar's victory, generated immense enthusiasm and a large public following. Specifically, the audience and digital performance results for bicycle races were remarkably positive. *Giro d'Italia* improved (average +18%) its national live TV ratings of the first part of each stage, and confirmed the already highly positive figures for the final part, attracting an audience of 1.55 million viewers and a 16.7% share. Globally, the *Giro* on television was watched by nearly 700 million viewers on five continents. The major bicycle races also show growing digital engagement versus 2023, with the *Giro* totaling 220 million page views and a 7% increase in unique users. Once again this year, the *Giro*, which received the recognition of "*Ambassador of Sports Diplomacy*" in April, demonstrated its appeal by drawing a substantial number of Italian and foreign fans to the roads it crosses. Millions spectators attended the stages, bringing economic benefits to the regions it passed through. These benefits stem from both the direct impact of spending by spectators and organizers, and the long-term advantages generated by increased tourist attractiveness and investment in local infrastructure.

For **magazines**:

- in February, *Amica* launched its first podcast series, "*Fashion files - i feticci della moda*";
- on 15 March, *Style Piccoli* and *quimamme.it* in collaboration with *iO Donna*, *Corriere Salute*, *Fondazione Corriere della Sera* and the Italian Parents Movement, organized the event "*Elogio dell'empatia-Contributo al dialogo sul bullismo*";
- *Amica*, in collaboration with the Academy of Fine Arts, hosted the first edition of a contest that invited students to explore the theme of the dialogue between Art and Fashion through their expressions;
- in April, *Style Fashion* Issue celebrated 10 years with a special issue and an event at the Contemporary Art Pavilion in Milan;
- from 15 to 21 April, for the *Design Week*, furnishing publications *Living* and *Abitare* with *Corriere della Sera* created, for the second consecutive year, a scenic installation inside the courtyard of the historic headquarters in Via Solferino in Milan;
- on 25-26 May, the "*A corpo libero*" event organized by *iO Donna* was held for the second year;
- on 24 May, the monthly *Dove* hit the newsstands with a new look, featuring revamped graphics and content, which was presented to the public during an event at the National Museum of Science and Technology;
- on 19 June, "*Il Tempo del Viaggio*," a new insert of *Dove Travel*, was distributed as a supplement to *Corriere della Sera*;



- starting 9 July, Andrea Biavardi took over as the new editor-in-chief of the weekly magazine *Oggi*, replacing Carlo Verdelli.

RCS Academy, the Group's business school, completed in first half 2024 the training activities of the ten full-time master's degree programs launched in autumn 2023 and the related placement of 210 *Alumni*, offering all young students tangible opportunities to enter the job world. The first seven master's degree programs in the 2024-2025 academic calendar began in May and June. These include full-time master's degrees in *Sports Management*, *Digital Communication and Media*, and *Business Law*, as well as a part-time master's degree in *Journalism*. The first half of the year also featured the first four Business Talks on the topics of *Business Economy and Sustainability*, *Alternative Energy Sources*, *Health System Renewal*, and *Retail & Omnichannel Strategy*. On 20 June, the first *Advisory Board Meeting* of the year was held, an invitation-only meeting for CEOs in the Albertini Hall attended by thirty CEOs of partner companies.

As for the Books market in Italy (*GfK*), the first quarter experienced a sluggish beginning versus the prior year (a cumulative -5% in volume and -3.8% in value), while March showed an encouraging rebound (+5.3% in volume and +8.2% in value). Publications related to RCS brands (*Solferino*, *Cairo* and *Fuorisceña*) outperformed the market by far, with YoY growths of +14% in volume and +18.6% in value.

Below are also some of the main initiatives implemented **in Spain** in first half 2024:

- January saw the launch of the new version of *La Lectura*, *El Mundo*'s cultural supplement, with a redesign that adapts the magazine to the newspaper format while enriching its content;
- since 10 January, *Radio Marca* has extended its territorial reach by adding 11 new stations, broadening its presence to Castilla and Leon, a region inhabited by 2 million people;
- also in January, Unidad Editorial reached an agreement with *Canela Media* to market advertising for its titles in the United States;
- in February, Unidad Editorial's *Escuela de Formación* launched a new, fully revamped web portal to provide users with access to its educational offerings;
- in March, the business newspaper *Expansión* launched a new series of video interviews with key players in the Spanish business world;
- in early March, the *Foro Internacional de El Mundo* “*Europa, un año decisivo*” was attended by prominent national and international political personalities, inaugurating a series of initiatives aimed at celebrating the 35th anniversary of the newspaper;
- also in March, the daily *Marca* revamped its print edition with a new layout, expanding its content offerings and introducing new weekly supplements;



- work also continued on organizing major events in the six months, including the participation with *El Mundo* and *La Lectura* in the Madrid International Contemporary Art Fair and the series of "España está de moda" meetings organized by *Telva* magazine across various provinces in the country. On 8-9 May, the fifth edition of "*El foro económico internacional Expansión*", organized in association with *The European House Ambrosetti*, was held, with the participation of prominent national and international figures from politics and the business world;
- on 17 March, *marca.com* created a new section "*Ganamos Juntos*", supporting a social cause each month by giving it visibility through sport;
- in April, the newspaper *El Mundo* bolstered its weekend offerings by introducing the option to purchase the *Hola* magazine with the Sunday edition and by expanding and redesigning the *Papel* section;
- in April, Unidad Editorial reached an agreement with *Warner Bros Discovery* to market advertising for its titles in Latin America;
- the end of May saw the launch of the new *Telva Living* magazine, dedicated to design, architecture and interior design.

Alternative performance measures

In this Half-Year Report, in order to provide a clearer picture of the performance of the Cairo Communication Group, besides of the conventional financial indicators required by IFRS, a number of alternative performance indicators are shown that should, however, not be considered substitutes of those adopted by IFRS.

The alternative measures are:

- **EBITDA:** used by Cairo Communication as a target to monitor internal management, and in public presentations (to financial analysts and investors). It serves as a unit of measurement to evaluate Group and Parent operational performance, with **EBIT**, and is calculated as follows:

Result from continuing operations, before tax

+/- Net finance income

+/- Other income (expense) from financial assets and liabilities

EBIT - Operating profit (loss)

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

EBITDA – Operating profit (loss), before amortization, depreciation, provisions and write-downs



EBITDA (earnings before interest, tax, depreciation and amortization) is not classified as an accounting measure under IFRS, therefore, the criteria adopted for its measurement may not be consistent among companies or different groups.

RCS defines EBITDA as operating profit (EBIT) before depreciation, amortization and write-downs on fixed assets.

The main differences between the two definitions of EBITDA lie in the provisions for risks and in the allowance for impairment, included in the EBITDA definition adopted by RCS, while they are excluded from the EBITDA definition adopted by Cairo Communication. Owing to the differences between EBITDA definitions adopted, in this Half-Year Report, consolidated EBITDA was determined consistently with the definition adopted by the Parent Cairo Communication.

Consolidated gross revenue: for a more detailed view, and in consideration of the specific features of the segment, operating revenue - for advertising revenue - includes gross operating revenue, advertising agency discounts and net operating revenue. Consolidated gross revenue is equal to the sum of gross operating revenue and other revenue and income.

The Cairo Communication Group also considers the **net financial position (net financial debt)** as a valid measure of the Group's financial structure determined as a result of current and non-current financial liabilities, net of cash and cash equivalents and current financial assets, excluding financial liabilities (current and non-current) from leases previously classified as operating and recognized in the financial statements in accordance with IFRS 16.

The **total net financial position (net financial debt)** also includes financial liabilities from leases recorded in the financial statements pursuant to IFRS 16, previously classified as operating leases and non-remunerated debt, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of over 12 months), and any other non-interest-bearing loans (as defined by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021).

Transactions with parents, subsidiaries and associates and subject to the control of the parents

Transactions with related parties in the period, including with Group companies, were not considered to be atypical or unusual, and were part of the ordinary activities of Group companies. These transactions were carried out on market terms, taking account of the goods and services provided.

Information on transactions with related parties is shown in Note 29 to the condensed consolidated half-year financial statements at 30 June 2024.



Main risks and uncertainties to which the Group is exposed, which could impact on the business outlook for second half 2024

The Directors' Report on the financial statements for the year ended 31 December 2023 includes a description, to which reference should be made, of the main risks and uncertainties to which Cairo Communication S.p.A. and the Group are exposed, as well as the strategies and activities implemented to monitor and counter them. Specifically, mention should be made of:

- Risks associated with the general economic and geopolitical climate, and with the potential effects of the persisting factors of economic uncertainty in the short-medium term on the Group's business, strategies and outlook.
- Risks associated with advertising and publishing market trends, related mainly to the general contraction in sales and the advertising market trend.
- Risks associated with developments in the media segment, as a result mainly of the penetration of new communication resources.
- Risks associated with privacy, data protection and cybersecurity
- Risks associated with Management and "key staff", hence with the ability of its executive directors, editors-in-chief, TV personalities, and other Management members to efficiently manage the Group, and with the ability of the Group to attract and retain new talents.
- Risks associated with retaining the value of the brands of the Group titles and programmes, by maintaining the current levels of quality and innovation.
- Risks associated with dealings with suppliers, customers and staff regarding the outsourcing of production processes, specifically printing and distribution, and the production of TV content.
- Risks associated with developments in the legal and regulatory framework, specifically for the television industry.
- Risks associated with the measurement of intangible assets, related to the regular review of their recoverable carrying amount.
- Risks associated with litigations.
- Risks associated with environmental issues, including those arising from potential climate change. This also includes risks related to regulatory developments aimed at accelerating the transition to a low-carbon economy, as well as those related to changing preferences and expectations of the Group's stakeholders, who may gradually shift towards products/companies that are more sensitive to sustainability issues.



- Financial risks.

This Half-Year Report provides a summary of the financial risks that could impact on the business outlook for second half 2024.

Risks associated with the general economic and geopolitical climate

The operating results, financial position and cash flows of the Cairo Communication Group may be influenced by various factors within the macro-economic environment, such as the increase or decrease of GNP, the level of consumer and corporate confidence, the advertising expenditure/GDP ratio, inflation, interest rate trends and cost of raw materials.

With the acquisition of the control of RCS, the Group activities are carried out mainly in Italy and Spain. Therefore, Group profits are exposed to risks caused by the economic cycle of these two countries, and the effectiveness of the economic policies implemented by the respective governments. The latest figures published by the IMF in July 2024 (through *World Economic Outlook - July 2024*) estimate an increase in GDP for Italy of 0.7% in 2024 and 0.9% in 2025, and an increase in GDP for Spain of 2.4% in 2024 and 2.1% in 2025. At June 2024, the inflation rate in Italy shows a YoY change of 0.8% (*ISTAT- FOI index excluding tobacco*), while in Spain the YoY year inflation rate stands at 3.4% (*National Statistics Institute - INE*).

The first half of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

Should this situation of uncertainty continue for some time, the operations, strategy and outlook for the Group may be impacted.

Risks associated with advertising and publishing market trends

The persisting short and medium-term economic uncertainty, aggravated by the current conflicts in Ukraine and the Middle East, may impact negatively on daily newspapers and magazines.

In Italy, the advertising market in the first six months of 2024 (*Nielsen*) was up by 6.7% versus the same period of 2023, with online (excluding search, social media and over the top) and TV up by 5.4% and by 8.6%. Newspapers and magazines were down by 7.1% and by 2.8%. In first half 2024, the Spanish advertising sales market was up by 6.4% versus the same period of 2023 (*i2p, Arce Media*). Specifically, the newspaper and magazine markets decreased by 5.7% and by 0.6%, while Internet (excluding social media, search, etc.) and radio sales increased by 5.3% and by 4.8%.



On the circulation front, in the first five months of 2024, generalist newspapers and sports newspapers in Italy recorded a decline in print and digital circulation of 7.9% and 6.4%, respectively (*ADS January-May 2024*). In Spain, in first half 2024, circulation figures show a decline for generalist newspapers (-8.1%), sports newspapers (-8.4%) and business newspapers (-9.9%) (*OJD January-June 2024*).

The magazine circulation market, referring to titles reported in ADS, dropped by 9.6% at May 2024 for weeklies (print and digital copies) versus the same period of the prior year. For monthlies, the same figure for the first four months of the year shows a 7.9% decline (Internal Source based on ADS figures; weeklies with more than 48 editions and monthlies with more than 10 editions).

Advertising

The Cairo Communication Group is significantly exposed to advertising revenue trends, which are cyclical and directly related to general economic trends. Advertising sales are currently the main source of revenue for the TV publishing segment. La7 boasts an exceptional audience profile, particularly appealing in terms of advertising.

Considering the Cairo Editore magazine publishing segment, advertising revenue at the Group level in first half 2024 accounted for 14.2%, while the remaining 85.8% was generated by distribution and subscription revenue.

Regarding RCS, advertising represents 40.8% of total revenue.

Persisting global economic uncertainty could impact on advertising market prospects. Against this backdrop, any difficulty in maintaining or increasing its advertising revenue could impact on Group prospects, activities, operating results and cash flows.

Additionally, also with regard to the advertising segment, in light of the developments taking place, growing importance is attached to the ability of the operators to develop digital products that allow the customization of advertising content and formats, user profiling, use of analytics/big data, and lead generation. With regard to the evolution of the market, any difficulty or delay in adapting to and meeting the new demand - also through the development of cutting-edge, intuitive and effective technological products - may impact negatively on the prospects, activities, operating and financial results of the Group.

Circulation

In addition to advertising, a large share of its other activities is represented by the sale of publishing products for a market that has been long undergoing change in both Italy and Spain, which implies increasing integration with online communication systems. This transition may impact on the circulation of print products, which the Group is addressing by adopting appropriate digital



development strategies. Against this backdrop, any difficulty in maintaining the circulation of its print products could impact on Group prospects, activities, operating results and cash flows.

The ability of the Cairo Communication Group to increase its revenue and pursue its growth and development targets, and maintain adequate levels of profitability, also depends on how successful it is in putting its industrial strategy into place, which is also based on the expansion and enrichment of its product portfolio, including digital products, in order to capture market segments with greater potential.

Should the Cairo Communication Group fail to pursue this strategy, the activities and prospects of the Group may be negatively affected.

Privacy, data protection and cybersecurity

The innovation and enhancement of technological platforms and the organic development of digital products and customer centric strategies lead to increased risks related to data protection. Privacy and personal data protection are becoming an increasingly important issue for the Group and, especially in the publishing industry, play a key role in the relationship of trust with readers and users.

This strategy must be complemented by stringent rules and policies and a corporate culture that needs to be aligned with the latest regulations that have extended and consolidated the protection of data subjects' rights.

Additionally, the global scenario has seen a growth in the frequency and complexity of cyberattacks (malware, ransomware, phishing and social engineering techniques), with both extortionary and industrial espionage purposes.

Also in connection with the ongoing conflict in Ukraine and its geopolitical consequences, greater threats have arisen from criminal organizations of cyberattacks against industrial and strategic targets in a number of countries, including Italy.

Such a context requires constant monitoring and evolving IT security systems, which in turn call for growing resources to cope with increasingly sophisticated attacks.

Given the topical nature of the risk, the Group has introduced further protection tools and procedures, focusing its attention on a constant and gradual upgrading of its technological platforms.

The Group has procedures and tools in place to ensure compliance with the European Regulation on the protection of personal data EU 679/2016, with Legislative Decree 196/2003 as amended by Legislative Decree 101/2018 in Italy, and with Ley Orgánica 3/2019, de Protección de Datos Personales y Garantía de los Derechos Digitales in Spain of 5 December 2019.

Risks associated with dealings with suppliers, customers and staff

A number of the production processes of the Cairo Communication Group, particularly magazine printing in Italy and Spain and for dailies in Spain, and network management activities in the TV publishing segment, are outsourced. The outsourcing of production processes requires close collaboration and careful monitoring of suppliers to ensure and preserve the quality of the products carried out with the help of external suppliers. This outsourcing may provide operational benefits in terms of flexibility and efficiency, but means that the Cairo Communication Group has to trust the ability of its suppliers to achieve and maintain the quality standards required by the Cairo Communication Group.

The uncertainty on the short and medium-term economic scenario, exacerbated by the conflict in Ukraine, fueled, in 2021 and 2022 in particular, the growing trend in the costs of various inputs, particularly for paper. Additionally, by 2023, energy and gas costs had gradually returned to levels similar to those at end summer 2021. The cost of paper has also been decreasing throughout 2023 and into the early part of 2024, compared to the levels of 2022, positively impacting the 2024 income statement.

Certain dealings with suppliers/customers are based on licence and/or sponsorship agreements, non-renewal of which on expiry or renewal of which at less favourable conditions could impact on the results and financial position of the Group.

Risks associated with developments in the legal and regulatory framework

The Cairo Communication Group operates in a number of heavily-regulated business areas.

La7 activities are regulated mainly by Legislative Decree. no. 208 of 28 November 2021, Consolidated Law on Audiovisual Media Services, hereinafter "TUSMA", which repealed and replaced the previous Consolidated Law on Audiovisual and Radio Media Services (Legislative Decree no. 177 of 31 July 2005, "TUSMAR"). The new Consolidated Law outlines general principles for the provision of audiovisual media services in response to evolving market dynamics.

The role of network operator carried out by Cairo Network is subject to extensive regulation at both national and EU level. Specifically, radio-television broadcasters are subject to regulations aimed at protecting people and the environment from exposure to electromagnetic fields.

Since, as mentioned above, a qualified operator was engaged to create and manage the network in full service mode, who made commitments and guarantees that Cairo Communication considered to be adequate to ensure compliance with applicable regulations, any breaches could have negative effects on the operating results and financial position of the Cairo Communication Group.

In the 2018 Budget Law (Law no. 205 of 2017, as subsequently supplemented and amended by Law no. 145 of 2019), Article 1, paragraph 1026 et seq. introduced specific provisions for terrestrial TV

operators to release 694-790 MHz frequencies (“700 band” – corresponding to channels 49-60) to telephone operators and for the consequent reorganization of the user rights of existing television operators over the remaining television spectrum (“refarming”).

In implementation of the above law, AGCOM and MISE adopted the consequent measures, as a result of which in 2019 Cairo Network was assigned a right of use with no frequency specification, equal to half of a mux.

Subsequently, at the end of the procedure for consideration called, the Ministry of Economic Development, through its decision dated 2 July 2021, announced that Cairo Network had been awarded a right of use with no frequency specification, equal to half of a newly-planned national multiplex. Cairo Network paid half of the amount offered in the tender (subject to a reservation) and asked for the residual amount to be paid in installments (in three annual installments). On 6 August 2021, MISE, as a result of the combination of the two rights of use with no frequency specification, then announced the provision for the assignment of the right of use of the frequencies for the purposes of operating the national network of the PNAF called "National network no. 10" until 2032 (two years less than the duration of the right originally acquired in 2014).

Cairo Network was heard in the context of the various proceedings, and took part in the relating public consultations, pointing out the legal and technical arguments for the exclusion of the Company from the application of the Budget Law (and, specifically, from the procedure for the conversion of the original right of use and the assignment of newly-planned rights of use), also attaching supporting documentation.

Cairo Network then also challenged the resolutions and provisions of AGCOM and MISE, implementing the Budget Law, filing appeals with the Latium Regional Administrative Court, Rome, and subsequent additional grounds (g.r. no. 6740/2018, no. 7017/18, no. 440/2021 and no. 6040/2021), in which the same arguments raised with the public authorities and further illegalities of the contested measures were also raised with the administrative judge.

The Latium Regional Administrative Court, with judgments issued on 28 January 2021 in the above trials g.r. no. 6740/2018 and no. 7017/2018, rejected the claims for annulment, while not fully addressing the merits of the issues raised by Cairo Network, and the above judgments are subject to an appeal before the Council of State (g.r. no. 4335/2021 and no. 4334/2021), which by Order no. 10415 of 1 December 2023, after the discussion hearings on 28 September 2023, ordered a reference for a preliminary ruling under Article 267 TFEU before the Court of Justice of the European Union C-764/23. The preliminary reference procedure is ongoing, and Cairo has already filed its comments, insisting that the provisions of the 2018 Budget Law and subsequent implementing acts are incompatible with EU law. The Court Clerk's notice of the other parties' comments and the scheduling



of the hearing for discussion are still pending. It is anticipated that the decision will be concluded in 2025.

On 8 February 2022, the MISE then published the decree on compensatory measures to network operators for the costs incurred in the preparation of transmission facilities to guarantee the T2 transmission standard, which Cairo Network has challenged in an appeal before the Regional Administrative Court, which is pending (g.r. no. 4515/2022).

Lastly, with decree dated 17 April 2023 (published on 10 July 2023), the Ministry of Business and Made in Italy (Mimit) established the fees for digital frequency usage rights for the years 2022-2023. According to the decree, network operators are required to pay an annual amount of Euro 3.8 million for each network. Cairo Network should be exempted from the provisions of the above decree, and, specifically, from paying the fees for the years 2022 and 2023, since the acts of the bidding procedure called in 2014 and concluded with the assignment to Cairo Network of the right of use for a 20-year period, established that: i) upon completion of the refarming of frequencies, Cairo would receive a frequency with similar coverage and duration as the one assigned; ii) payment of the amount of Cairo's bid was also made as a fee for the granting of rights of use of radio frequencies, thus fulfilling its obligation to pay. On 3 August 2023, the Ministry of Enterprise and Made in Italy published a notice announcing that a review of this decree of 17 April 2023 is underway to date.

Additionally, Cairo Network is about to initiate actions, also of a judicial nature (in addition to disputes already filed), in order to obtain compensation for the damages and harm suffered i) for payment requested to regain ownership of a right of use of frequencies that Cairo had already paid for as a result of the 2014 tender procedure, ii) for the different duration of the new right of use, iii) for the loss of business opportunities suffered in recent years as a result of the uncertainty generated by the refarming procedure, and iv) for being discriminated (virtually the only network operator to be so) by the compensatory measures envisaged in the MISE decree of 17 November 2021 and published on 8 February 2022.

To date, the effects of the outcome of the appeals brought before the Regional Administrative Court and the Council of State, also following the interlocutory procedure before the Court of Justice, or of those that may be brought in the future, cannot be predicted with certainty yet.

Risks associated with the measurement of intangible assets

At 30 June 2024, the Group held intangible assets for a total of Euro 984.2 million.

Intangible assets should be regularly subject to measurement, in accordance with international accounting standards, in order to verify their recoverable carrying amount and ensure their consistency with the carrying amounts in the financial statements (impairment test). This test is based on financial



ratios and estimates of the trend of the activities to which the assets are linked, which are highly sensitive to the financial and economic markets. The main valuation decisions and the sources of estimation uncertainty are commented on in the section "Key Sources of Estimation Uncertainty" in the notes to the consolidated financial statements of this Half-Year Report, to which reference is made for further details. Significant changes in the economic and financial environment may lead to significant deviations in the parameters and forecasts as estimated and used in the impairment test. If these changes were negative, write-downs could be made with a significant impact on results.

Risks associated with litigations

Due to the nature of its business, the Cairo Communication Group is subject to the risk of litigation in the performance of its activities. The Cairo Communication Group monitors the development of these disputes, including with the help of external consultants, and sets aside the amounts needed to deal with the disputes in place according to how likely they are to lose.

The notes on "other information" (Note 28 to the consolidated financial statements) contain information on a number of cases of litigation. The evaluation of the potential legal and tax liabilities requires the Company to use estimates and assumptions in relation to forecasts made by the Directors, based upon the opinions expressed by the Company's legal and tax advisers, in relation to the probable cost that can be reasonably considered to be incurred. Actual results may vary from these estimates. Mention should be made that, because of its business activities, the Cairo Communication Group is involved in certain civil and criminal disputes for press defamation. With regard to the disputes for libel, on the basis of the experience of the Cairo Communication Group, for the cases where the Cairo Communication Group companies have lost, these proceedings are normally settled by paying compensation for smaller amounts than the original amounts claimed. Moreover, La7 has an insurance policy that covers professional responsibility for television activity.

Risks associated with environmental issues

Climate change is a major issue for all industries, and no less so for publishing. In the publishing sector, greenhouse gas emissions are mainly connected with energy consumption, transportation (e.g. company fleet, and business travel) and the production cycle of print products managed internally.

The Group's supply chain is primarily centered around the procurement of the raw material "paper", with production processes (printing) entirely outsourced, both in Spain and in other countries, for the printing of magazines. In Italy, on the other hand, production processes are mainly managed directly for daily newspapers. The distribution process for print publishing products in Spain is outsourced and in Italy is managed directly by m-dis.

The paper industry in Europe has traditionally been one of the most environmentally friendly, as it



uses renewable resources that generate recyclable products. In this context, the Group uses the main Italian and European suppliers, with certifications of an eco-friendly production process.

Another important aspect is the management of waste; in this case, the Group is committed to operating in compliance with local regulations and guaranteeing waste traceability. Additionally, the Group delivers waste to specialized and authorized companies for recovery or disposal and also recycles the paper of publishing products by specialized pulpers.

As far as its supply chain is concerned (the publishing and distribution chain in particular), in addition to requiring compliance with current legislation, the Group has adopted stringent environmental protection policies. The Group considers it crucial to adopt stringent policies in supplier selection, also on the basis of the proven attention to environmental topics, as explained in the Consolidated Non-Financial Statement.

The Group continuously monitors environmental risks to prevent and curb potential impacts. The environmental risks the Group is potentially exposed to include not only those associated with directly-managed production processes, but also those mainly generated indirectly through third parties, such as "strategic" paper supplies or printing processes and offices where the Group is a lessee of "multitenant" buildings. While in cases of internal production, the Group is able to adopt policies to reduce its environmental impact, through the monitoring of specific KPIs, in the case of purchases of outsourced goods or services, the Group can act only indirectly, by carefully choosing suppliers and sharing its environmental policies.

It should be noted that during 2023, the Group, in line with ESMA guidance (as part of the European common enforcement priorities for 2023 financial statements) concerning climate risk, incorporated a specific focus on risks associated with climate change and their potential impact on the Group's activities within its risk assessment process.

In particular, the Group has identified the main potential risks caused or influenced by climate change that could impact both the economic and reputation targets pursued by the Group. Consistent with operational guidelines and practices, both "physical risks", such as losses resulting from increased frequency and severity of extreme weather events (e.g., floods, wind gusts, earthquakes, etc.), and "transition risks" stemming from the transition toward a low-carbon economy have been identified. These risks could impact the company's competitiveness and prospects through increased costs (e.g., compliance costs, access to new technologies, etc.) or changes in market and consumer preferences towards less impactful products and companies with established reputations in these topics. This could necessitate adaptations to production processes, investments, or re-evaluation of the useful life of assets and/or their obsolescence assessments. The assessment of the significance of these risks in terms of likelihood of occurrence and potential impact on the company was conducted by involving the heads of operational and corporate departments representing all major business areas of the Group.



At the conclusion of the Risk Assessment, and considering their respective sectors, the heads of these departments reported no significant risks related to climate change. However, the following risks emerged, assessed to be of medium significance, attributed to:

- regulatory developments related to possible interventions aimed at accelerating the transition to a low-carbon economy, which may result in direct or indirect operating costs;
- changes in the preferences and expectations of consumers and stakeholders of the Group, who may gradually lean towards products and companies showing strong sensitivity to sustainability topics.

In accordance with the provisions of Article 5, paragraph 3, letter b, of Legislative Decree 254/2016 in implementation of EU Directive 2014/95, the Group prepares the Consolidated Non-Financial Statement.

Financial risks

The Group manages capital structure and financial risks consistent with its asset structure, in order to maintain adequate and consistent credit ratings and capital ratio levels, taking account of the current credit availability in Italy.

No significant changes were made to the operating objectives, policies and procedures in first half 2024 from the year ended 31 December 2023.

The notes on “risk management” ([Note 31](#) to the consolidated financial statements) contain information on liquidity risk, interest rate risk and credit risk.

Other information

Human resources

Because of the nature of its business activities, human resources play a critical role in the success of the Group. The evaluation of staff, the development of their abilities and the recognition of their achievements and responsibilities are the principles which govern personnel management, from the selection phase, which is facilitated by the high degree of the Group’s visibility and its ability to attract personnel.

The exact headcount of the Group at 30 June 2024 is shown below, broken down by role and geographical area:



	CAIRO COMMUNICATION AND OTHER COMP		RCS		TOTAL
	MEN	WOMEN	MEN	WOMEN	
<i>Executives</i>	37	6	53	19	115
<i>Editors</i>	7	1	23	9	40
<i>Middle managers</i>	63	50	117	85	315
<i>White collars</i>	273	274	599	665	1,811
<i>Blue collars</i>	1	0	136	11	148
<i>Journalists and freelance</i>	88	119	707	470	1,384
TOTAL	469	450	1,635	1,259	3,813

	ITALY		ABROAD		TOTAL
	MEN	WOMEN	MEN	WOMEN	
<i>Executives</i>	79	17	11	8	115
<i>Editors</i>	27	7	3	3	40
<i>Middle managers</i>	154	117	26	18	315
<i>White collars</i>	580	624	292	315	1,811
<i>Blue collars</i>	137	11	0	0	148
<i>Journalists and freelance</i>	522	410	273	179	1,384
TOTAL	1,499	1,186	605	523	3,813

With regard to the other Group companies, most of the employees work in the TV segment (484 resources), followed by the advertising segment (CairoRCS Media), which counts 242 employees and a sales network of approximately 200 agents (including direct and indirect) coordinated by managers and sales officers.

Regarding RCS, the headcount at 30 June 2024 amounted to 2,894 employees, 1,128 of whom working abroad.

Events occurring after the reporting period and business outlook

The first half of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

The respective conflicts and their impacts are still ongoing as of the date of approval of this half-year report.

In the opening months of 2024, the Group met the public's strong need to stay informed through its information offering, ensuring a timely service to its viewers and readers. The *La7* programmes, the daily editions of *Corriere della Sera* and *La Gazzetta dello Sport* in Italy, and of *El Mundo*, *Marca* and *Expansión* in Spain, the Group's magazines and web and social platforms have played a pivotal role in informing, focusing on their mission as a non-partisan, trustworthy public service, and establishing themselves as authoritative players in daily television, print and online information, with strong television ratings and digital traffic figures.

The developing situation and the potential effects on the business outlook, which are constantly monitored, are unforeseeable at this time as they depend, inter alia, on the evolution, developments



and duration of the conflicts in Ukraine and the Middle East and their geopolitical effects.

In consideration of the actions already implemented and those planned, in the absence of a deterioration of the consequences from the ongoing conflicts and their developments in Ukraine and the Middle East and/or cost dynamics, the Group believes that it can confirm the goal of achieving strongly positive margins (EBITDA) in 2024, up from those achieved in 2023, and of continuing with further cash generation from operations.

Developments in the ongoing conflicts, the overall economic climate and the core segments could, however, affect the full achievement of these targets.

For the Board of Directors

Chairman Urbano Cairo