CALTAGIRONE EDITORE

ANNUAL REPORT

December 31st 2023

BLANK PAGE

SHAREHOLDERS' MEETING OF APRIL 19TH 2024

AGENDA

1. Presentation of the Separate and Consolidated Financial Statements for the year ended December 31st 2023, together with the Directors' Report, Board of Statutory Auditors' Report and the Independent Auditors' Report; resolutions thereon;
2. Appointment of the Board of Directors for the three-year period 2024-2025 and 2026, determination of the number of Board members and their remuneration;
3. Appointment of the Board of Statutory Auditors for the three-year period 2024-2025 and 2026 and determination of emoluments;
4. Remuneration Policy and Report; resolutions thereon.

DELEGATED POWERS

In accordance with Consob recommendation No. 97001574 of February 20th 1997 the nature of the powers delegated to the members of the Board of Directors are reported below

Chairperson

The Chairperson has the power to undertake, with single signature, all acts of ordinary and extraordinary administration, with the exception of those reserved to the Shareholders' Meeting and to the Board of Directors.

Vice Chairpersons

The Vice Chairpersons are granted separately the same powers as the Chairperson, to be exercised only in the case of the declared impediment of the Chairperson.

Corporate Boards

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

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

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

Chairperson	Antonio Staffa
Statutory Auditors	Edoardo Rosati Dorina Casadei
Executive Officer for Financial Reporting	Luigi Vasta
Independent Audit Firm	KPMG SpA

[1] *Independent Directors*

BLANK PAGE

CONTENTS

BLANK PAGE

DIRECTOR'S REPORT ON THE GROUP RESULTS FOR THE YEAR ENDED DECEMBER 31st 2023

INTRODUCTION

The present Directors' Report refers to the Consolidated and Separate Financial Statements of Caltagirone Editore SpA (hereafter also "the Group") at December 31st 2023, prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC), approved by the European Commission (hereinafter "IFRS").

The present Report should be read together with the Consolidated and Separate Financial Statements and the relative Notes, which constitute the Annual Accounts for 2023.

HIGHLIGHTS

The table below illustrates the key consolidated financial results for the year 2023 compared to the previous year.

in Euro thousands	*2023*	*2022*	*cge.*	*cge.%*
OPERATING REVENUES	**116,465**	**118,034**	**(1,569)**	**(1.3%)**
CIRCULATION REVENUES	42,444	46,158	(3,714)	(8.0%)
ADVERTISING REVENUES	61,918	59,847	2,071	3.5%
REVENUES FROM SERVICES	1,484	1,367	118	8.6%
OTHER CIRCULATION REVENUES	2,806	2,495	311	12.5%
OTHER REVENUES AND INCOME	7,813	8,167	(354)	(4.3%)
OPERATING COSTS	**(110,897)**	**(113,626)**	**2,729**	**2.4%**
RAW MATERIALS, SUPPLIES & CONSUMABLES	(11,177)	(11,470)	293	2.6%
LABOUR COSTS	(48,292)	(49,425)	1,133	2.3%
OTHER OPERATING COSTS	(51,428)	(52,731)	1,302	2.5%
EBITDA	**5,568**	**4,408**	**1,160**	**26.3%**
AMORTISATION, DEPRECIATION, WRITE-DOWNS & PROVISIONS	(7,181)	(18,123)	10,942	60.4%
EBIT	**(1,613)**	**(13,715)**	**12,102**	**88.2%**
FINANCIAL INCOME	18,437	18,053	384	2.1%
FINANCIAL CHARGES	(1,690)	(1,163)	(527)	(45.3%)
NET FINANCIAL INCOME/(CHARGES)	**16,747**	**16,890**	**(143)**	**(0.8%)**
PROFIT BEFORE TAXES	**15,134**	**3,174**	**11,960**	**376.8%**
INCOME TAXES	1,097	3,822	(2,725)	(71.3%)

PROFIT FOR THE YEAR	**16,231**	**6,996**	**9,235**	**132.0%**
GROUP NET PROFIT	**16,231**	**6,996**	**9,235**	**132.0%**

The Caltagirone Editore Group reports for 2023 a net profit of Euro 16.2 million (Euro 7 million in 2022).

The Group reports operating revenues of Euro 116.5 million, decreasing 1.3% compared to Euro 118 million in 2022, mainly due to the contraction of circulation revenues, partially offset by the growth in advertising revenues and other circulation revenues.

Raw material costs decreased 2.6%, due to the lower quantities utilised in the production process and to the reduced cost of paper.

Labour costs, including non-recurring charges of Euro 634 thousand (Euro 1.6 million in 2022) - due to the measures put in place by a number of Group companies - decreased 2.3%.

Other operating costs decreased overall by 2.5% on 2022, due to the cost containment policies implemented by the Group companies.

EBITDA in 2023 reports a profit of Euro 5.6 million, up 26.3% on 2022 (Euro 4.4 million).

EBIT reports a loss of Euro 1.6 million (loss of Euro 13.6 million in 2022) and includes amortisation and depreciation for Euro 6.4 million (Euro 6.4 million in 2022), provisions for risks for Euro 623 thousand (Euro 210 thousand in 2022) and doubtful debts for Euro 138 thousand (Euro 308 thousand in 2022).

The 2022 result also included the write-down of indefinite life intangible assets for Euro 11.2 million.

Net Financial Income amounts to Euro 16.7 million, in line with 2022 (Euro 16.9 million); this mainly includes dividends on listed shares collected in the year of Euro 17.2 million (Euro 17.5 million in 2022) and income from bonds and government securities of Euro 753 thousand (Euro 57 thousand in 2022).

Net Financial Position

The Group Cash Financial Position at December 31st 2023 is as follows:

(Euro thousands)	31.12.2023	31.12.2022
Current financial assets	18,162	-
Cash and cash equivalents	16,041	23,994
Non-current financial lease liabilities	(9,606)	(12,126)
Current financial lease liabilities	(3,751)	(3,622)
Current financial liabilities to banks	(7,614)	(7,522)
Other current financial liabilities	(535)	(666)
Net Financial Position*	**12,698**	**58**

* The Net Financial Position in accordance with Consob Communication DEM 6064293 of July 28th 2006, updated on the basis of the Call to attention No. 5/21 of April 29th 2022, is illustrated at Note 10 of the Notes to the Consolidated Financial Statements.

The net financial position was Euro 12.7 million, increasing Euro 12.6 million on December 31st 2022 (Euro 58 thousand), mainly due to the collection of dividends on listed shares for Euro 17.2 million and the reclassification from non-current financial assets to current financial assets of Italian government bonds with maturity of less than one year for Euro 7.8 million, net of the dividends distributed for Euro 3.2 million and of the net investment in listed shares and bonds for Euro 8 million.

Shareholders' Equity

Group shareholders' equity amounted to Euro 435.4 million (Euro 385.2 million at December 31st 2022); the increase principally concerns the profit for the year and the fair value measurement of shares held by the Group.

The balance sheet and income statement ratios are provided below:

	2023	2022
ROE* *(Net Result/Net Equity)***	**3.7**	**1.8**
ROI* *(EBIT/total assets)***	**(0.3)**	**(2.8)**
ROS* *(EBIT/Operating Revenues)***	**(1.4)**	**(11.5)**
Equity Ratio *(Net equity/total assets)*	**0.8**	**0.8**
Liquidity Ratio *(Current assets/Current liabilities)*	**1.3**	**1.1**
Capital Invested Ratio *(Net equity/Non-current assets)*	**0.9**	**0.9**

* percentage values

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

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

The operating ratios (positive ROE, negative ROI and ROS), reflects the improved operating profitability. We also recall that FY 2022 included the write-down of indefinite life intangible assets.

Group operating performance

- *Publishing*

Revenues from Group title paper edition sales in 2023 contracted by 9.6% on 2022 and by 8% including digital subscriptions and sales.

The latest available circulation data indicates a reduction of 7.46[1]% in paper and digital copies sold in the January-December 2023 period compared with 2022.

- *Advertising*

Group advertising revenues in 2023 were up 3.5% on 2022.

Paper edition advertising revenues, including also third party advertising, contracted 1.9% on 2022.

Internet advertising, including also third party advertising, increased 15.9% on 2022. The contribution of this segment to overall advertising revenues was 31%.

The market in the January - December 2023 period contracted 4.1%[2] for print newspaper advertising, while internet advertising rose 2.4%[3].

In terms of web presence, the Caltagirone Editore network websites to December 2023 reported 3,934 million unique average daily users Total Audience (PC and mobile)[4], up 5% on the previous year.

---

[1] ADS figures (Newspaper Sales Figures) Total Paid Circulation Italy January-December 2023 vs January-December 2022: the figure includes for paper copies: Individual Print Sales, Multiple Print Sales, and Paid Print Subscriptions; for digital: copies sold >10%" both individual and multiple (not paper subscriptions)
[2] FCP newspaper research institute figures – January – December 2023 compared with 2022
[3] *FCP Assointernet research institute* figures – January – December 2023 compared with 2022
[4] Audiweb figures Total Audience December 2023 (including TAL)

Risk management

The activities of Caltagirone Editore and its subsidiaries are subject to various financial risks: market risks (raw materials prices and movements in listed share prices), credit risk, interest rate risk, liquidity risk and environmental and safety risks. The management of financial risks is undertaken through organisational directives which govern the management of these risks and the control of all operations which have importance in the composition of the financial and/or commercial assets and liabilities.

- *Market risk (price of raw materials – paper)*

The Group is exposed to fluctuations in the price of paper - the principal raw material; this risk is managed through supply contracts with foreign companies with fixed prices and quantities for a maximum period of 6 months, and through procurement from suppliers based in different geographic areas in order to avoid the risks related to an excessive concentration of suppliers and to obtain the most competitively priced supplies. Please refer to the specific section of this annual report with reference to the risks related to ongoing geopolitical tensions.

- *Risks concerning the price of investments in equity instruments*

In relation to the risk of changes in the fair value of the equity instruments, the Group monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio.

- *Credit risk*

Receivables principally are of a commercial nature. In general, they are recorded net of any write-downs, calculated on the basis of the risk of non-fulfilment by the counterparty, determined considering the information available on the clients' solvency and historical insolvency data in relation to the varying expiry dates of receivables. Historically, there are no significant situations which are particularly problematic in relation to the solvency of the clients, as the policy of the Group is only to sell to clients after a prudent evaluation of their credit capacity and therefore within the established credit limits. Finally, no significant debtor positions were recorded which would equate to an excessive concentration of credit. On this basis, the credit risk to which the Group is exposed can be considered limited.

- *Interest rate risk*

The interest rate risk principally relates to an uncontrolled increase of the charges deriving from variable interest rates on medium/long-term loans. The Group currently does not have medium/long-term loans, while having an insignificant exposure to short-term debt interest rate risk.

- *Liquidity risk*

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. The Caltagirone Editore Group possesses liquidity and this risk is therefore not considered significant for the Group.

- *Environment and security risk*

The Caltagirone Editore Group is constantly seeking out solutions to reduce energy consumption. In recent years, re-lamping actions have been carried out in the Group's various locations, but particularly at the production plant, through the replacement of light sources with low-consumption solutions (LEDs) and the adoption of automatic shut-off solutions (motion sensors), while programmes to rationalise the use of various utilities have been initiated.

Existing regulations and laws are rigorously applied to workplace health and security and hence govern this area of risk.

With regard to COVID-19, the Group Companies, having emerged from the emergency phase, have continued to implement measures which mainly focus on ensuring business continuity while guaranteeing the full protection of workers' health and safety.

- *Cybersecurity risks (Cybersecurity)*

Cybersecurity is undoubtedly one of the greatest risks in recent times, particularly in the areas of cyber security & data privacy. Indeed, the increasing use of information systems increases the Company's and Group's exposure to different types of risks related to information security. The most significant is the risk of cyber attack, which is a threat for the Group. The risk is potential data leaks with possible significant impacts on privacy management, possible business disruptions, and consequent reputational damage. The Group is implementing progressive upgrading of IT infrastructure, strengthening of protection systems, constant updating of internal procedures, and continuous staff training to strengthen the corporate culture on issues in cyber security.

Going concern

There are no issues regarding the Company's going concern status as, also based on the guidance contained in the new "Business Crisis and Insolvency Code", the Company has adequate own funds and lines of credit and does not present any uncertainties that would jeopardize its ability to undertake operations.

Implications of the geopolitical tensions on the consolidated financial statements

The general economic environment, which was already highly challenging due to various commodity supply issues and inflationary pressures, continues to be mainly impacted by the tensions between Russia and Ukraine and the renewed Middle East conflict. The Caltagirone Editore Group has no direct exposure to these markets.

Related party transactions

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

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

The information on transactions with related parties, including those required by Consob communication of July 28th 2006, are shown in the Notes to the consolidated and separate financial statements.

Other information

During the year, the Companies of the Caltagirone Group did not carry out any research and development activity.

At December 31st 2023, there were 576 employees (584 at December 31st 2022), with an average number in 2023 of 577 (585 in 2022).

For segment information on the costs, revenues and investments, reference should be made to the notes to the consolidated financial statements.

The reconciliation of the shareholders' equity and net profit of the Group and of the Parent Company as per Consob Communication No. 6064293 of 28/07/2006 is attached to the present report.

Outlook

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

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

PARENT COMPANY OVERVIEW

For 2023 Caltagirone Editore SpA reports financial income of Euro 7.2 million and financial charges of Euro 2.2 million, with a net profit of Euro 3.98 million, as shown in the following table which compares the key financial results with the previous year, reclassified in accordance with Consob Communication No. 94001437 of February 23rd 1994:

Euro thousands	**2023**	**2022**
Dividends from other companies	3,306	3,585
Write-down of investments in subsidiaries and associates	3,704	18,686
Other financial income	224	57
Total financial income	**7,234**	**22,328**
Interest and financial charges from subsidiaries and associates	(1,379)	(125)
Interest and financial charges from third parties	(11)	(30)
Write-down of investments in subsidiaries and associates	(776)	(76)
Total financial charges	**(2,166)**	**(231)**
NET FINANCIAL INCOME/(CHARGES)	**5,068**	**22,097**
Result from operating activities	(1,727)	(1,987)
PROFIT BEFORE TAXES	**3,341**	**20,110**
Income taxes	636	457
NET PROFIT FOR THE YEAR	**3,977**	**20,567**

The dividends from other companies relate to those received on listed shares.

Revaluations of equity investments refer to the subsidiaries Nuovo Quotidiano di Puglia Srl, Leggo Srl, Stampa Roma 2015 Srl, Stampa Napoli 2015 Srl and Servizi Italia 15 Srl, following the write-back of carrying amounts, as the reasons leading the Companies in previous years to adjust their cost for impairment losses deemed permanent no longer exist.

Write-downs of investments in subsidiaries relate to the subsidiary Piemme S.p.A. and refer to the adjustment of the carrying amount of the investment to Shareholders' Equity, having deemed the difference compared to the latter to be an impairment loss.

The Shareholders' Equity of the company at December 31st 2023 was Euro 375.3 million (Euro 367.9 million at December 31st 2022). The increase is mainly attributable to the positive fair value measurement of the Company's equity investments in listed issuers and the net profit for the year.

NET FINANCIAL POSITION

The net financial position is as follows:

Euro thousands	**31.12.2023**	**31.12.2022**
Current financial assets	17,511	11,230
Cash and cash equivalents	181	102
Non-current financial liabilities	(1,197)	(1,312)
Current financial liabilities	(53,978)	(52,623)
Net Financial Position *	**(37,483)**	**(42,603)**

* The Net Financial Position in accordance with Consob Communication DEM 6064293 of July 28th 2006, updated on the basis of the Call to attention No. 5/21 of April 29th 2022, is illustrated at Note 8 of the Notes to the Consolidated Financial Statements.

The net financial position at 31.12.2023 was debt of Euro 37.5 million (debt of Euro 42.6 million at 31.12.2022). The improvement of Euro 5.1 million mainly concerns the reclassification to current financial assets of government securities due within one year for Euro 7.8 million, net of the operating cash flow absorbed.

PRINCIPAL EQUITY INVESTMENTS

The key results of the subsidiary companies are reported below.

IL MESSAGGERO SPA

The Company publishes the daily newspaper Il Messaggero, founded in 1878 and the historic daily newspaper of the Capital. Il Messaggero is the leading daily newspaper in the Central Italian Region.

The Company in 2023 reports a net loss of Euro 2.3 million (net loss of Euro 2.6 million in 2022), against Operating Revenues of Euro 45.4 million, down 1.3% on Euro 46 million in 2022. EBITDA was Euro 1.2 million (Euro 1.2 million in 2022).

Il Mattino SpA

The Company publishes Il Mattino, the daily newspaper of Naples and since 1892 the leading newspaper in Campania and the most popular newspaper in Southern Italy, thanks to its long tradition and extensive regional reach.

Il Mattino SpA in 2023 reported a Net Loss of Euro 1.4 million (Net Loss of Euro 1.8 million in 2022), against Operating Revenues of Euro 14.6 million compared to Euro 15.1 million in 2022 (-3.3%). EBITDA was a loss of Euro 34 thousand (loss of Euro 850 thousand in 2022).

Il Gazzettino SpA

The Company publishes the daily newspaper Il Gazzettino, founded in 1887 and the historic newspaper of Venice. Il Gazzettino is among the leading 10 daily newspapers in Italy in terms of circulation and the largest newspaper in the North-East. Entering the Caltagirone Editore group in 2006, as is the case for the other Group newspapers – it is available also in an online and digital edition.

Il Gazzettino SpA in 2023 reported a Net Profit of Euro 150 thousand (Euro 391 thousand in 2022), against Operating Revenues of Euro 21.2 million, compared to Euro 22 million in 2022 (-3.6%).

EBITDA was a loss of Euro 60 thousand (profit of Euro 444 thousand in 2022).

Leggo Srl

The Company publishes the free newspaper Leggo. Founded in March 2001, Leggo is the leading free newspaper in Italy.

In 2023, the Company reported a net profit of Euro 412 thousand (Euro 212 thousand in 2022), against Operating Revenues from advertising sales of Euro 3 million, in line with 2022.

EBITDA amounted to Euro 314 thousand (Euro 75 thousand in 2022).

CORRIERE ADRIATICO SRL

The Company publishes the newspaper Corriere Adriatico which, founded in 1860, occupies a dominant position in the Le Marche region. Il Corriere Adriatico joined the Group in 2004.

In 2023, Corriere Adriatico Srl reported a Net Profit of Euro 383 thousand (Net Profit of Euro 36 thousand in 2022). EBITDA amounted to Euro 208 thousand (loss of Euro 123 thousand in 2022).

QUOTIDIANO DI PUGLIA SRL

The Company publishes Il Nuovo Quotidiano di Puglia, founded in 1979 and the most widely read newspaper in the Ionico Salentina region.

In 2023, Quotidiano di Puglia S.r.l., publisher of the newspaper of the same name distributed in the provinces of Lecce, Brindisi, Taranto and Bari, returned Operating Revenues of Euro 4.2 million, down on Euro 4.4 million in 2022 (-4.5%), and a net profit of Euro 514 thousand (net profit of Euro 1,649 thousand in 2022), mainly due to dividends and capital gains on listed shares in portfolio.

PIEMME SPA

Piemme, founded in 1988, is the Group advertising agency with a portfolio comprising: Daily newspapers, each of which the undisputed leader in their respective regions, the Social Press, a modern social platform which everyday involves readers and web users, and online news websites and from March 2015 Piemme has also undertaken the local advertising on behalf of the RCS Group newspapers. Piemme is the leader on the central-south market.

The Company in 2023 reported a net loss of Euro 776 thousand (net loss of Euro 842 thousand in 2022). The company reports advertising revenues of Euro 65.3 million in 2023, up 7% on Euro 61 million in 2022. The EBITDA loss was Euro 724 thousand (loss of Euro 599 thousand in 2022).

OTHER INVESTMENTS

Finced Srl, a Group finance company, in 2023 reported a Net Profit of Euro 11.3 million (Net Profit of Euro 6.6 million in 2022), principally due to the receipt of dividends on listed shares.

For information relating to the market trends and performances of the principal subsidiaries and the business strategies, reference should be made to the Directors' Report.

TRANSACTIONS WITH RELATED PARTIES

For the transactions between the Companies of Caltagirone Editore SpA and other related parties, reference should be made to the Notes to the Separate Financial Statements and the Directors' Report of the Consolidated Financial Statements.

TREASURY SHARES

At December 31st 2023 Caltagirone Editore SpA had 18,209,738 treasury shares in portfolio, comprising 14.57% of the share capital for a value of Euro 23,640,924.

Corporate Governance

The Board of Directors on March 7th 2023 confirmed for 2023 Mr. Luigi Vasta as the Executive Officer for Financial Reporting of the company.

For further information on the Corporate Governance system of Caltagirone Editore SpA and the shareholders, pursuant to Article 123 bis of the Consolidated Finance Act, reference should be made to the "Annual Corporate Governance and Ownership Structure Report", prepared in accordance with the indications and recommendations of Borsa Italiana SpA and published in accordance with article 89 of the Issuers' Regulations and available on the company website *http://www.caltagironeeditore.com/governance/assemblea-azionisti/*

With the approval of the 2023 annual accounts, the mandate of the corporate boards expires and therefore the Shareholders' AGM is required to appoint the boards for the years 2024, 2025 and 2026.

OTHER INFORMATION

Caltagirone Editore SpA ensures the protection of personal data in accordance with current legislative provisions.

The Remuneration Report was made available at the registered offices and on the internet site of the company http://www.caltagironeeditore.com/governance/assemblea-azionisti/ as required by Article 123 ter of the CFA, which reports the information concerning the policy adopted by the company for the remuneration of members of the management and control boards, the remuneration paid to the members of these boards and the information on investments held by these parties.

The Parent Company did not undertake research and development activity in the year and does not have any secondary offices.

At December 31st 2023, the company had 2 employees (unchanged on the previous year).

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

In accordance with Article 6, paragraph 2 of Legislative Decree No. 254 of December 30th 2016, the Consolidated Non-Financial Report was not prepared, as drawn up by the parent company Caltagirone S.p.A. (parent company subject to the same obligations) with registered office in Rome Via Barberini, 28."

The reconciliation of the shareholders' equity and net profit of the Group and of the Parent Company as per Consob Communication No. 6064293 of 28/07/2006 is attached to the present report.

Subsequent events

No significant subsequent events took place.

Proposals to the Shareholders' Meeting

Dear Shareholders,

we propose to you the approval of the Financial Statements at December 31st 2023, consisting of the Balance Sheet, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity and the Cash Flow Statement, as well as the relative attachments and the Directors' Report.

As the Legal Reserve has reached the limit of one-fifth of the Share Capital as per Article 2430 of the Civil Code, the Board of Directors proposes to the Shareholders' Meeting to allocate the net profit for the year of the Parent Company Caltagirone Editore SpA of Euro 3,976,456 as follows:

- Euro 79,529.12 as 2% available to the Board of Directors in accordance with Article 25 of the company's By-Laws;
- Euro 4,271,610.48 as the total dividend, corresponding to Euro 0.04 for each of the 106,790,262 ordinary shares currently in circulation, taking into account the treasury shares in portfolio, currently numbering 18,209,738, utilising the residual portion of the net profit of Euro 3,896,926.88 and a portion of Retained earnings for the difference of Euro 374,683.60.

The Board finally proposes May 20th 2024 for the allocation of the dividend coupon, based on the record date of May 21st 2024, for the granting of profit distribution rights and the establishment of the dividend payment date, net of withholding taxes where applicable, as from May 22nd 2024 by the intermediaries appointed through the Sistema di Gestione Accentrata Monte Titoli SpA.

Rome, March 7th 2024

For the Board of Directors

The Chairperson

Ms. Azzurra Caltagirone

RECONCILIATION BETWEEN THE NET RESULT AND THE NET EQUITY OF THE PARENT COMPANY AND THE CONSOLIDATED NET RESULT AND NET EQUITY

31.12.2023	Net Result	Net Equity
Net Result and Net Equity for the year as per financial statements of the parent company	**3,976**	**375,309**
Contribution of subsidiary and associated companies	10,326	(12,492)
Adjustment to the international accounting standards IFRS/IAS	1,928	72,557
Net Result and Net Equity as per the consolidated financial statements	**16,231**	**435,373**

31.12.2022	Net Result	Net Equity
Net Result and Net Equity for the year as per financial statements of the parent company	**20,567**	**367,952**
Contribution of subsidiary and associated companies	(5,479)	(22,729)
Adjustment to the international accounting standards IFRS/IAS	(8,093)	40,036
Net Result and Net Equity as per the consolidated financial statements	**6,996**	**385,259**

CONSOLIDATED FINANCIAL STATEMENTS

December 31st 2023

Consolidated Balance Sheet

Assets

(in thousands of Euro)	note	*31.12.2023*	*31.12.2022*
Non-current assets			
Intangible assets with definite life	1	430	235
Intangible assets with indefinite life	2	91,803	91,803
Newspaper titles		*91,803*	*91,803*
Property, plant and equipment	3	40,316	44,733
of which related parties		*11,259*	*13,448*
Equity investments and non-current securities	4	270,449	231,882
Other non-current assets	5	139	151
Deferred tax assets	6	55,559	53,215
TOTAL NON-CURRENT ASSETS		**458,696**	**422,019**
Current assets			
Inventories	7	2,175	2,532
Trade receivables	8	35,933	34,246
of which related parties		*105*	*75*
Current financial assets	9	18,162	-
Tax receivables	6	-	20
Other current assets	10	4,375	2,986
of which related parties		*8*	*-*
Cash and cash equivalents	11	16,041	23,994
TOTAL CURRENT ASSETS		**76,686**	**63,777**
TOTAL ASSETS		**535,382**	**485,796**

Consolidated Balance Sheet

Shareholders' Equity & Liabilities

(in thousands of Euro)	note	31.12.2023	31.12.2022
Shareholders' Equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Other reserves		313,007	272,128
Profit/(loss) for the year		16,231	6,996
Group shareholders' equity		**435,373**	**385,259**
TOTAL SHAREHOLDERS' EQUITY	12	**435,373**	**385,259**
Liabilities			
Non-current liabilities			
Employee benefits	13	10,041	11,318
Non-current provisions	14	234	210
Non-current financial liabilities	15	9,606	12,126
of which related parties		*8,395*	*10,688*
Other non-current liabilities	16	978	1,293
Deferred tax liabilities	6	18,685	17,118
TOTAL NON-CURRENT LIABILITIES		**39,544**	**42,065**
Current liabilities			
Current provisions	14	8,868	8,651
Trade payables	17	21,138	19,910
of which related parties		*724*	*1,100*
Current financial liabilities	15	11,899	11,810
of which related parties		*3,085*	*2,954*
Current income tax payables	6	14	-
Other current liabilities	16	18,547	18,101
of which related parties		*24*	*22*
TOTAL CURRENT LIABILITIES		**60,466**	**58,472**
TOTAL LIABILITIES		**100,009**	**100,537**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**535,382**	**485,796**

Consolidated Income Statement

(in thousands of Euro)	Notes	*2023*	*2022*
Revenues	18	108,652	109,867
of which related parties		*145*	*204*
Other operating revenues	19	7,813	8,167
of which related parties		*73*	*76*
TOTAL REVENUES		**116,465**	**118,034**
Raw material costs	20	(11,177)	(11,470)
Labour costs	13	(48,292)	(49,425)
of which non-recurring charges		*(634)*	*(1,574)*
Other operating charges	21	(51,428)	(52,731)
of which related parties		*(765)*	*(1,196)*
TOTAL COSTS		**(110,897)**	**(113,626)**
EBITDA		**5,568**	**4,408**
Amortisation & depreciation		(2,521)	(2,726)
Amort. leased assets		(3,899)	(3,679)
of which related parties		*(3,155)*	*(2,965)*
Provisions		(623)	(210)
Write-down of intangible assets with indefinite life		-	(11,200)
Doubtful debt provision		(138)	(308)
Amortisation, depreciation, provisions and write-downs	22	**(7,181)**	**(18,123)**
EBIT		**(1,613)**	**(13,715)**
Financial income		18,437	18,053
Financial charges		(1,690)	(1,163)
of which related parties		*(150)*	*(144)*
Net financial income	23	**16,747**	**16,890**
PROFIT BEFORE TAXES		**15,134**	**3,174**
Income taxes	6	1,097	3,822
PROFIT FROM CONTINUING OPERATIONS		**16,231**	**6,996**
NET PROFIT FOR THE YEAR		**16,231**	**6,996**
Group Net Profit		16,231	6,996
Minority interest share		-	-

Basic and diluted earnings per share	24	0.152	0.066

Consolidated Comprehensive Income Statement

(in thousands of Euro)	Notes	2023	2022
Net profit for the year		**16,231**	**6,996**
Items which are not reclassified subsequently to profit/(loss) for the year			
Effect of actuarial gains/losses, net of tax effect	12	(109)	508
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect		1,210	4,329
Profit/(loss) from the valuation of Investments in equity instruments net of the tax effect	4	36,449	(26,306)
Total other items of the Comprehensive Income Statement	**23**	**37,550**	**(21,469)**
Comprehensive profit/(loss) for the year		**53,781**	**(14,473)**
Attributable to:			
Parent Company shareholders		53,781	(14,473)
Minority interests		-	-

Statement of Changes in Consolidated Shareholders' Equity

(in thousands of Euro)	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net result	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2022	**125,000**	**(18,865)**	**(23,641)**	**31,693**	**260,077**	**28,733**	**402,997**	**-**	**402,997**
Prior year result carried forward					28,733	(28,733)	**-**		**-**
Dividends					(3,204)		**(3,204)**		**(3,204)**
Amount set aside to BoD					(74)		**(74)**		**(74)**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**25,455**	**(28,733)**	**(3,278)**	**-**	**(3,278)**
Change in fair value reserve				(26,306)			**(26,306)**		**(26,306)**
Change in other provisions					4,329		**4,329**		**4,329**
Net Profit						6,996	**6,996**		**6,996**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(26,306)**	**4,837**	**6,996**	**(14,473)**	**-**	**(14,473)**
Other changes					13		**13**		**13**
Balance at December 31st 2022	**125,000**	**(18,865)**	**(23,641)**	**5,387**	**290,382**	**6,996**	**385,259**	**-**	**385,259**
Balance at January 1st 2023	**125,000**	**(18,865)**	**(23,641)**	**5,387**	**290,382**	**6,996**	**385,259**	**-**	**385,259**
Prior year result carried forward					6,996	(6,996)	**-**		**-**
Dividends					(3,204)		**(3,204)**		**(3,204)**
Amount set aside to BoD					(411)		**(411)**		**(411)**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**3,381**	**(6,996)**	**(3,615)**	**-**	**(3,615)**
Change in fair value reserve				36,449			**36,449**		**36,449**
Change employee reserve					(109)		**(109)**		**(109)**
Change in other provisions					1,210		**1,210**		**1,210**
Net Profit						16,231	**16,231**		**16,231**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**36,449**	**1,101**	**16,231**	**53,781**	**-**	**53,781**
Other changes					(52)		**(52)**		**(52)**
Balance at December 31st 2023	**125,000**	**(18,865)**	**(23,641)**	**41,836**	**294,812**	**16,231**	**435,373**	**-**	**435,373**

Consolidated Cash Flow Statement

in Euro thousands	Notes	*2023*	*2022*
CASH & CASH EQUIVALENTS PREVIOUS YEAR	**11**	**23,994**	**66,610**
Net Profit for the year		16,231	6,996
Amortisation & depreciation		6,420	6,405
(Revaluations) and write-downs		138	11,508
Net financial income/(charges)		(16,747)	(16,769)
Income taxes		(1,097)	(3,822)
Changes in employee provisions		(1,814)	(1,968)
Changes in current and non-current provisions		241	(1,037)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**3,372**	**1,313**
(Increase) Decrease in inventories		357	(837)
(Increase) Decrease in Trade receivables		(1,826)	2,511
Increase (Decrease) in Trade payables		1,228	66
Change in other current and non-current liabilities		(2,078)	222
Change in deferred and current income taxes		61	(148)
OPERATING CASH FLOW		**1,114**	**3,127**
Interest received		954	73
Interest paid		(760)	(673)
Other income (charges) received/paid		245	32
Income taxes paid		(349)	(1,102)
A) CASH FLOW FROM OPERATING ACTIVITIES		**1,204**	**1,457**
Dividends received		17,161	17,466
Investments in intangible fixed assets		(185)	(152)
Investments in tangible fixed assets		(375)	(252)
Non-current investments and securities		(16,904)	(130,450)
Sale of equity investments and non-current securities		8,864	73,736
Change in current financial assets		(10,180)	-
B) CASH FLOW FROM INVESTING ACTIVITIES		**(1,619)**	**(39,652)**
Change in current financial liabilities		(4,334)	(1,217)
Dividends Distributed		(3,204)	(3,204)
C) CASH FLOW FROM FINANCING ACTIVITIES		**(7,538)**	**(4,421)**
Change in net liquidity		**(7,953)**	**(42,616)**
CASH AND CASH EQUIVALENTS CURRENT YEAR	**11**	**16,041**	**23,994**

BLANK PAGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31st 2023

BLANK PAGE

Introduction

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

At the date of this report, the Shareholders with significant holdings, according to the disclosures made pursuant to Article 120 of the CFA and supplemented by additional information are:

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

  The above investment is held indirectly through the companies:

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

  FGC SpA 31,500,750 shares (25.2%)

The company in addition holds 18,209,738 treasury shares, equal to 14.57% of the share capital.

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

The Consolidated financial statements at December 31st 2023 include the financial statements of the Parent Company and its subsidiaries (together the “Group”). The financial statements prepared by the Directors of the individual companies for approval by the respective shareholders’ meetings were utilised for the consolidation, amended in view of the accounting standards utilised by the parent company to prepare the Consolidated Financial Statements (IFRS).

The present consolidated financial statements were authorised for publication by the Directors on March 7th 2024.

Compliance with international accounting standards approved by the European Commission

The consolidated financial statements at December 31st 2023 are prepared on the going concern basis of the Parent Company and the subsidiaries and in accordance with Articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the balance sheet date, in addition to the preceding International

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

In the preparation of the present document, account was taken of Article 9 of Legislative Decree No.38 of February 28th 2005, of the provisions of the civil code, of CONSOB Resolution No. 15519 (“Regulations relating to financial statements to be issued in accordance with article 9, paragraph 3 of Legs. Decree No. 38 of 2005”) and No. 15520 (“Modifications and amendments to the implementation rules of Legs. Decree No. 58 of 1998”) both of July 27th 2006 as well as CONSOB communication No. DEM/6064293 of July 28th 2006 (“Disclosure of issuers of shares and financial instruments in accordance with Article 116 of the CFA”).

All of the financial statements of the companies consolidated fully are prepared at the same date as the consolidated financial statements and, with the exception of those of the Parent Company which are prepared in accordance with law, interpreted and supplemented by Italian GAAP, to which the necessary adjustments were made in order to render them uniform with the Parent Company principles.

The Group did not opt for the advance adoption of the standards, interpretations and updates already approved, which are applicable after the date of the accounts.

The Group evaluated the possible effects related to the application of the new standards/changes to accounting standards already in force listed below in the present notes; based on an evaluation undertaken significant effects did not emerge in the consolidated and separate financial statements.

Basis of presentation

Presentation criteria

The Consolidated Financial Statements consist of the Balance Sheet, the Consolidated Income Statement, the Comprehensive Consolidated Income Statement, the Consolidated Cash Flow Statement, and the Statement of changes in Shareholders’ Equity, an outline of the accounting principles adopted and the present Notes to the financial statements.

The basis of presentation of the Group financial statements is as follows:

- the current and non-current assets and current and non-current liabilities are presented as separate classifications in the Consolidated Balance Sheet;
- the consolidated income statement is based on the nature of costs;
- the consolidated comprehensive income statement, beginning with the net result, highlights the effect of profits and losses recorded directly to net equity;

- the statement of changes in consolidated Shareholders' Equity reports the changes in the period of the individual accounts within Net Equity;
- the consolidated cash flow statement is presented using the indirect method.

The historic cost is the general criteria adopted, with the exception of the financial statement accounts measured at Fair value according to the individual IFRS, as described in the measurement criteria below.

It should also be noted that "current" means within 12 months of the balance-sheet date, whereas "non-current" means beyond 12 months from the balance-sheet date.

The IFRS were applied in accordance with the "Framework for the preparation and presentation of financial statements" and no matters arose which required recourse to the exceptions permitted by IAS 1, paragraph 19.

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

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

The Consolidated Financial Statements are presented in Euro, the functional currency of the Parent Company, and the amounts shown in the notes to the financial statements are shown in thousands, except where indicated otherwise.

The operational and presentation currency of the Group is the Euro, which is also the operational currency of all of the companies included in the present financial statements.

The accounting principles and criteria applied in the present financial statements are in line with those adopted in the consolidated financial statements for the year ended December 31st 2022, except as specified below.

The 2023 financial statements of the Parent Company Caltagirone Editore SpA are also prepared in accordance with IFRS as defined above.

Accounting standards and amendments to standards adopted by the Group

a) Accounting Standards Effective January 1st 2023

The following list shows the new accounting standards and interpretations approved by the IASB, endorsed in Europe and effective January 1st 2023:

	Endorsed by the EU	Effective date
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on December 9th 2021)	YES	Years beginning on or after January 1st 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on May 7th 2021)	YES	Years beginning on or after January 1st 2023
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on May 23rd 2023)	YES	Immediately and for fiscal years beginning on or after January 1st 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on February 12th 2021)	YES	Years beginning on or after January 1st 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on February 12th 2021)	YES	Years beginning on or after January 1st 2023
IFRS 17 Insurance Contracts (issued on May 18th 2017); including Amendments to IFRS 17 (issued on June 25th 2020)	YES	Years beginning on or after January 1st 2023

It should be noted that the adoption of these amendments had no significant impact on the Consolidated Financial Statements

b) Accounting standards not yet applicable, as not yet endorsed by the European Union

As of the date of approval of the Consolidated Financial Statements, the following accounting standards and amendments have not yet been endorsed by the European Union:

	Endorsed by the EU	Effective date
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: **Disclosures:** ***Supplier Finance Arrangements (Issued on May 25th 2023)***	NO	Years beginning on or after January 1st 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on August 15th 2023)	NO	Years beginning on or after January 1st 2025

It should be noted that the Group is currently evaluating the effects that the application of the above standards could have on its Consolidated Financial Statements.

c) Accounting standards endorsed by the European Union, but not yet applicable

As of the date of approval of the Consolidated Financial Statements, the following standards and amendments have been endorsed by the relevant bodies of the European Union, but have not yet been adopted by the Group:

	Endorsed by the EU	Effective date
Amendments to IAS 1 "Presentation of Financial Statements: • Classification of Liabilities as Current or Non-current Date (issued on January 23rd 2020); - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on July 15th 2020); and - Non-current Liabilities with Covenants (issued on October 31st 2022)	YES	Years beginning on or after January 1st 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on September 22nd 2022)	YES	Years beginning on or after January 1st 2024

It should be noted that the Group is currently evaluating the effects that the application of the above standards could have on its Consolidated Financial Statements. The standards are not expected to have a material impact on the Group's consolidated financial statements.

Basis of Consolidation

Consolidation scope

The consolidation scope, which remains the same as last year, includes the Parent Company and all of its subsidiaries, directly or indirectly held (hereinafter the "Group").

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

	Registered Office	31.12.2023	31.12.2022	Activities
Caltagirone Editore SpA	Rome	Parent Company	Parent Company	finance
Il Messaggero SpA	Rome	100%	100%	publishing
Il Mattino SpA	Rome	100%	100%	publishing
Piemme SpA	Rome	100%	100%	advertising
Leggo Srl	Rome	100%	100%	publishing
Finced Srl	Rome	100%	100%	finance
Ced Digital & Servizi Srl	Rome	100%	100%	publishing
Corriere Adriatico Srl	Rome	100%	100%	publishing
Quotidiano Di Puglia Srl	Rome	100%	100%	publishing
Il Gazzettino SpA	Rome	100%	100%	publishing

Stampa Venezia Srl	Rome	100%	100%	printing
Imprese Tipografiche Venete Srl	Rome	100%	100%	printing
P.I.M. Srl	Rome	100%	100%	advertising
Servizi Italia 15 Srl	Rome	100%	100%	services
Stampa Roma 2015 Srl	Rome	100%	100%	printing
Stampa Napoli 2015 Srl	Rome	100%	100%	printing

For a list of consolidated shareholdings and related method of consolidation, see the annex included below (provided pursuant to Article 38 of Legislative Decree No. 127/1991).

Subsidiaries

Subsidiaries are considered all companies for which the Group is exposed to variable income streams or when possessing rights to such income streams, based on the relationship with the entity, and at the same time has the capacity to affect such income steams through the exercise of its power. In the evaluation of control, consideration is also taken of the potential voting rights.

Subsidiaries are consolidated from the date in which control occurs until the moment in which this control terminates.

The financial statements used for the consolidation were prepared at December 31st and are normally those prepared and approved by the Board of Directors of the individual companies, appropriately adjusted, where necessary, in accordance with the accounting principles of the Parent Company.

Inactive subsidiaries or those that generate an insignificant volume of turnover are not included in the consolidated financial statements as their impact would not be significant. Unconsolidated subsidiaries are measured at fair value.

Consolidation procedures

The subsidiary companies are consolidated using the line-by-line method. The criteria adopted for line-by-line consolidation were as follows:

- the assets and liabilities and the charges and income of the companies fully consolidated are recorded line-by-line, attributing to the minority shareholders, where applicable, the share of net equity and net result for the period pertaining to them; this share is recorded separately in the net equity and in the consolidated income statement;

- the inter-group balances and transactions, including any unrealised gains with third parties, are eliminated net of the fiscal effect, if significant. The unrealised losses are not eliminated, where the transaction indicates a reduction in value of the activity transferred;
- the gains and losses deriving from the sale of an investment in a consolidated company are recorded to group net equity as a transaction with shareholders for the amount corresponding to the difference between the sales price and the corresponding share of the consolidated net equity sold. In the case in which the sale results in the loss of control and therefore the deconsolidation of the investment, the difference between the sales price and the corresponding share of consolidated net equity sold must be recorded as a profit or loss to the income statement.

Business combinations

Business combinations are recognised according to the acquisition method. According to this method:

i. the amount transferred to a business combination is valued at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the company acquired. Accessory charges to the transaction are recorded to the income statement when they are incurred;
ii. at the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at fair value at the acquisition date; exceptions to this are the deferred tax assets and liabilities, employee benefit assets and liabilities, liabilities or equity instruments relating to share-based payments of the entity acquired or share-based payments relating to the Group issued in replacement of the contracts of the entity acquired, and the assets (or group of assets and liabilities) held-for-sale, which are instead valued according to the applicable standard;
iii. goodwill is calculated as the excess of the amounts transferred to the business combination, of the value of minority interests’ net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of amounts transferred, of any minority interest and the fair value of any holding previously held in the acquired company, this excess is immediately recorded to the income statement as income deriving from the transaction concluded;

iv. any amount subject to conditions established by the business combination contract are valued at fair value at the acquisition date and included in the value of the amounts transferred to the business combination for the determination of goodwill.

In the case of business combinations undertaken in a series of phases, the holding previously held in the acquired entity is revalued at fair value at the acquisition of control date and any profit or loss is recorded to the income statement. If the initial values of a business combination are incomplete at the period-end in which the business combination took place, the Group reports in its consolidated financial statements the provisional values of the items for which the final calculations could not be made. These provisional values are adjusted in the measurement period to take account of the new information obtained on the facts and circumstances existing at the acquisition date which, if known, would have had effects on the value of assets and liabilities recognised at this date.

On passage to IFRS, the Group decided to restate only the business combinations taking place after January 1st 2004. For the acquisitions before this date, goodwill is the amount recorded in accordance with Italian GAAP.

Accounting policies

Intangible assets with definite life

An intangible asset is a non-monetary asset, clearly identifiable and without physical substance, controllable and capable of generating future economic benefits.

The intangible assets with a definite life, which include patents, concessions, licences, trademarks and similar rights and software, are recorded at cost, including direct accessory costs necessary in order to render the asset available for use.

The useful life of each intangible asset is determined when first recognised. In the event that, based on an analysis of all relevant factors, there is no expected limitation on the period in which the asset will generate cash flows for the Group, it is deemed to be an intangible asset of indefinite useful life. The estimate of the useful lives is reviewed on an annual basis and any changes, where necessary, are made in accordance with future estimates. Intangible assets are eliminated from the financial statements when sold or when there is no expected future economic benefits from the use of an intangible asset, and any loss or gain (calculated as the difference between the disposal value and the book value) is recognised in the year in which the asset is eliminated.

Intangible assets with definite useful lives are recognised net of the relative accumulated amortisation and any impairment in accordance with the procedures described below. Amortisation begins when the asset is available for use and is recognised on a systematic basis in relation to the residual use and thus over the useful life of the asset. In the first year of use the amortisation takes into account the period of its use in the year.

The amortisation rates used are shown below:

Category	Average rate
Development costs	20.0%
Industrial patents and intel. property rights	26.5%
Trademarks, concessions and licenses	10.0%
Other	28.0%

Intangible assets with indefinite life

Publishing titles

Intangible assets with indefinite useful lives are those assets for which, on the basis of an analysis of all of the relevant factors, there is no foreseeable limit to the period in which the cash flow generated is limited for the Group. The newspaper titles are considered assets with indefinite useful lives.

Intangible assets of indefinite useful life are initially recognised at purchase cost, which is measured based on the same methods used for intangible assets of definite useful life. However, they are not then amortised, but rather subject to impairment testing to determine their recoverable value as described below (see Note 2). This impairment testing is done annually or more frequently if specific events point to a potential impairment loss. Any impairment losses are reinstated if the reasons for their recognition no longer exist.

Property, plant and equipment

Property, plant and equipment is recorded at cost, including directly allocated accessory costs and those necessary for the asset being in the condition for which it was acquired, and increased, in the presence of current obligations, by the current value of the estimated cost for the disposal of the asset.

The financial charges directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset itself until the moment in which the asset is ready for expected use or sale.

The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the year in which they are incurred. The capitalisation of the costs relating to the expansion, modernisation or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach.

Property, plant and equipment is recorded net of the relative accumulated depreciation and any loss in value determined in accordance with the procedures described below. Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset; the useful life is reviewed annually and any changes, where necessary, are made on the basis of the new estimate.

The main depreciation rates and related useful lives are as follows:

	Useful life	Economic/technical rate
Industrial buildings	30 years	3.33%
Light constructions	10 years	10%
Non automated machines and general plant	10 years	10%
Rotating press for paper in rolls	15 years	6.67%
Minor equipment	4 years	25%
Office furniture and equipment	8 years	12.5%
Transport vehicles	5 years	20%
Motor vehicles and similar	4 years	25%

Land, both constructible and relating to civil and industrial buildings, is not depreciated as it has an unlimited useful life.

When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the component approach principle.

At the moment of sale or when there are no expected future economic benefits from the use of property, plant and equipment, they are eliminated from the financial statements and any loss or gain (calculated as the difference between the sales value and the book value) is recorded in the Income Statement in the year of the above-mentioned elimination.

Leasing

Lessee

Identification of leasing

At the inception date of the contract (the initial between that for the signing of the contract and that on which the parties commit to comply with the contractual terms), and subsequently on any change to the contractual terms and conditions, the company verifies whether such contains or represents a lease. In particular, a contract contains or represents a lease where the right to control the use of the identified asset is transferred for an established period of time in exchange for consideration. In order to assess whether a contract contains or represents a lease, the company:

- assesses whether, with regards to the identified asset, it holds the right to substantially obtain all of the economic benefits related with its usage throughout the entire usage period;
- verifies whether the contract refers to the use of a specific asset, explicitly or implicitly, which is physically separate or substantially represents the entire capacity of a physically separate asset. Where the supplier has a substantial right to replacement, the asset is not identified;
- verifies whether it has the right to manage the use of the asset. The company is considered to enjoy this right where it has the right to take the main decisions with regards to changing the usage means and purposes of the asset.

For the contracts containing a number of leasing and non-leasing components and therefore within the scope of other accounting standards, the individual components to which the respective accounting standards are applied are separated.

The leasing duration begins when the lessor makes the asset available to the lessee (commencement date) and is established in view of the non-cancellation period of the contract, i.e. the period during which the parties have legally enforceable rights and obligations and including also the rent-free period. To this duration, the following is added:

- the period covered by a renewal option, where the company is reasonably certain of exercising this option;

- the periods subsequent to the resolution date (“termination option”), where the company is reasonably certain of not exercising this option.

The termination options held only by the lessor are not considered. The reasonable certainty of exercising or otherwise a renewal or termination option as per the contract is verified by the company at the commencement date, considering all the facts and circumstances generating an economic incentive to exercise or otherwise the option, and is subsequently reverified where significant events or changes to circumstances which may impact its establishment, and which are under the control of the company, occur.

Recognition of leasing

At the commencement date of the leasing, the company records the right of use (RoU) to assets and the leasing liability.

The asset consisting of the right of use is initially valued at cost, including the amount of the initial valuation of the leased liability, adjusted for payments due for leases undertaken at the commencement date or before, plus initial direct costs incurred and an estimate of the costs which the lessee is expected to incur for the dismantling or removal of the underlying asset or for the refurbishment of the underlying asset or of the site at which it is located, net of the leasing incentives received.

The leasing liabilities are valued at the present value of the payments due for leasing not paid at the commencement date. For discounting purposes, the company utilises, where possible and where stated in the contract, an implied leasing interest rate or alternatively the incremental borrowing rate (IBR). The leasing payments due included in the valuation of the liability include the fixed payments, the variable payments which depend on an index or a rate, the amount expected to be paid as a guarantee on the residual value, the exercise price of a purchase option (that the company has a reasonable certainty of exercising), the payments due in a renewal period (where the company has a reasonable certainty of exercising the option) and the early termination penalty (unless the company is reasonably certain of not terminating the lease early).

Subsequently, right-of-use assets are amortised on a straight-line basis for the entire contractual duration, unless the contract itself stipulates the transfer of ownership on conclusion of the lease or where the leasing cost reflects the fact that the lessee shall exercise the purchase option. In this latter case, amortisation should take place over the lessor between the useful life of the asset and the duration of contract. The estimated useful lives of the right-of-use assets are calculated according to the same criteria applied to the reference fixed asset items. In addition, the right-of-use asset is decreased by any impairment losses and adjusted to reflect remeasurements of the lease liability.

The leased liabilities, subsequent to the initial valuation at the commencement date, are valued at amortised cost according to the effective interest criterion and remeasured in the case of changes to future payments due for the leases deriving from a change in the index or rate, in the case of a change to the amount which the company expects to pay as guarantee on the residual value or where the company changes its assessment with regards to the exercise or otherwise of a purchase, renewal or termination option. Where the lease liabilities are remeasured, the lessee correspondingly alters the right-of-use asset. Where the book value of the asset for the right of use is reduced to zero, the change is recognised to the net profit/(loss) for the year.

In the balance sheet, the company presents the assets for the right of use under fixed assets, in the same account in which these assets would be presented if owned, with the lease liabilities among financial liabilities. The interest charges on the lease liabilities constituting a component of the financial charges are recognised to the income statement and the accumulated amortisation of the right of use assets is presented separately.

Lessor

Identification of leasing

At the initial date of the contract and, subsequently upon a change to the contractual terms and conditions, the company classifies each of its “asset” leases as financial leases or operating leases. For these purposes, the company generally assesses whether the leasing substantially transfers all the risks and benefits related to ownership of the underlying asset. In this case, the leasing is classified as a finance lease, rather than an operating lease. Within the scope of this assessment, the company considers among the various indicators whether the leasing duration covers a majority of the economic life of the underlying asset and/or the presence or otherwise of reasonably exercisable purchase options.

For contracts containing a leasing component and one or more leasing and non-leasing components, the company breaks down the contractual consideration by applying IFRS 15.

Recognition of leasing

In the case of finance leases, the company recognises to the balance sheet the asset as a receivable of a value equal to the net investment of the leasing. To assess the net investment of the leasing, the company applies the implied leasing interest rate, established to include the direct initial costs. The company applies IFRS 9 regarding eliminations and impairment provisions to the net investment of the leasing.

The financial income is recorded over the leasing duration on a straight-line basis.

For operating leases, the company recognises the payments received as income on a straight-line basis throughout the duration of the lease to the account “other revenues from sales and services”.

Sub-leasing

With regards to sub-leasing, the company, as an interim lessee, classifies its share of the main lease separately from the sub-leasing. For these purposes, it classifies the sub-leasing with regards to the right of use asset deriving from the main lease, rather than referring to the underlying asset. Where the main lease is a short-term lease which the company has recognised applying the exemption established by the standard and outlined below, the sub-leasing is classified as an operating lease. In the presence of sub-leasing, the main lease is never considered of insignificant value.

Impairment losses

The book value of intangible and tangible assets is periodically reviewed for the existence of events or changes which indicate that the book value may not be recovered. If an indication of this type exists, the recoverable amount must be determined and, in the case in which the book value exceeds the recoverable amount, these assets are written down to reflect their recoverable amount. However, the value of intangible assets of indefinite useful life is estimated annually, or in any case when there is a change in circumstances or specific events occur which require this.

The recoverable amount of the intangible and tangible assets is the higher value between the present value, net of the disposal costs and their value of use. The value in use refers to the present value of estimated future cash flows of the asset or, for assets that do not independently generate sufficient cash flows, of the group of assets that comprise the cash generating unit to which the asset belongs.

In defining use value, expected future financial flows are discounted back by using a pre-tax discount rate that reflects current estimated market value referred to the cost of money compared to the time and specific risks of the asset.

A reduction in value is recognised in the income statement when the carrying value of the asset, or of the relative cash-generating unit to which it is allocated, is higher than the recoverable amount: the losses in value of cash generating units are firstly recognised as a reduction of the carrying amount of any goodwill allocated and, thereafter, as a reduction of other assets, in proportion to the relative carrying amount. If the prerequisites for a previous impairment on property, plant and equipment and intangible assets other than goodwill are no longer met, the carrying amount of the asset is reinstated with a charge to the Income Statement, up to the net carrying amount that the asset in question would have had if the impairment had not been made and depreciation had been taken. In the event that the impairment resulting from the test is greater than the value of the tested asset allocated to the cash generating unit to which it belongs, the remaining amount is allocated to the assets included in the cash generating unit in proportion to their carrying amount. This allocation has as its minimum limit, the highest value between:

- the relative fair value of the asset less disposal costs;
- the relative value in use, as defined above;
- zero.

Losses are recognised in the Income Statement under the account amortisation, depreciation and write-downs.

Equity investments and non-current securities

Equity investments other than in subsidiaries, associates and joint ventures (see the consolidation scope), which generally involve holding less than a 20% interest, are recognised at cost at the date of acquisition as “equity investments and non-current securities”, as this is representative of their fair value including directly attributable transaction costs.

Subsequent to this initial recognition, these investments are then measured at fair value through other comprehensive income in accordance with IFRS 9. Dividends distributed by the above equity investments are recognised to the income statement.

Investments not involving subsidiaries or associations that are not listed on an active market and for which the use of an appropriate valuation model would not produce reliable results remain measured at cost, reduced for any impairments.

Inventories

Raw materials, semi-finished and finished products are recognised at cost and measured at the lower of cost and the market value. The cost is calculated on the basis of the weighted average cost method, which includes related accessory costs. In order to establish the net realisable value, the value of any obsolete or slow-moving inventory is written-down based on the expected future utilisation/realisable value through the creation of a relative fund for the reduction in value of the inventory.

Financial instruments

Classification and measurement

In accordance with specific provisions of IFRS 9, the classification and measurement of financial assets reflects the business model according to which such assets are managed and the characteristics of their cash flows.

Financial assets fall into three main measurement categories: at amortised cost; at fair value through other comprehensive income statement items (FVTOCI); and at fair value through profit or loss (FVTPL).

The analyses that must be conducted in order to categorise financial assets in this manner depend, first of all, on whether we are dealing with a debt instrument, an equity instrument, or a derivative.

Financial assets comprising equity instruments are always recognised at fair value.

Where the security is held for trading, the fair value changes are recognised through profit or loss. For all other investments, it was decided to subsequently recognise all fair value changes through other comprehensive income (OCI), thereby exercising the FVTOCI option. In this case, the amounts accumulated to OCI shall never be reversed to the profit/(loss) for the year, even in the case of elimination for accounting purposes of the investment. Application of the FVTOCI option is irrevocable, and reclassifications to other categories are not permitted. This option has been adopted for the measurement of equity investments in other companies. With regards however to the classification of financial assets comprising receivables and debt instruments, the following two elements are considered:

1. the business model adopted by the company. Specifically:

— Held to Collect (HTC), model whose objective is to hold financial assets for the collection of the contractual cash flows;

— Held To Collect and Sale (HTC&S), model whose objective is to collect the cash flows from the financial asset and also to sell the financial asset;

— other business models than the two preceding.

2. the characteristics of the contractual cash flows from the financial instrument and whether such contractual cash flows only concern the payment of the capital and interest or otherwise including also other components. This check is called the Solely Payment of Principal and Interest (SPPI) Test.

IFRS 9 provides the definitions of capital and interest:

- the capital is the fair value of the financial asset on initial recognition and this amount may change over the life of the financial instrument (for example, through repayments);
- the interest however represents the compensation for the time value of money and the credit risk on the residual capital.

A financial asset consisting therefore of debt securities may be classified as follows:

1) Amortised cost, when:

   a. the contractual cash flows of the instrument consist only of the payment of capital and interest (SPPI Test satisfied); and

   b. the business model adopted by the company establishes that the entity holds the financial asset only to collect the contractual cash flows (HTC business model).

In this category, the financial instruments are initially recognised at fair value, including the transaction costs, and subsequently measured at amortised cost. The interest (calculated using the effective interest criterion, as in the preceding IAS 39), the impairments (and the write-backs of losses), the exchange gains/(losses) and the profits/(losses) from the elimination for accounting purposes are recognised to the profit/(loss) for the year.

2) Fair Value Through Other Comprehensive Income (FVTOCI), when:

   a. the contractual cash flows of the instrument consist only of the payment of capital and interest (SPPI Test satisfied); and

   b. the business model adopted by the company establishes that the entity holds the financial asset to collect the contractual cash flows and the cash flows generated from sale (HTC&S business model).

In this category, the financial instruments are initially recognised at fair value, including transaction costs.
The interest (calculated using the effective interest criterion, as in the preceding IAS 39), the impairments and the exchange gains/(losses) are recognised to the profit/(loss) for the year. The other fair value changes of the instrument are recognised to other comprehensive income items (OCI). On elimination for accounting purposes of the instrument, all profits/(losses) accumulated to OIC shall be reclassified to the profit/(loss) for the year.

3) Fair Value Through Profit Or Loss residually, i.e. where:
   a. the criteria outlined above are not satisfied or;
   b. where the fair value option is exercised.

The financial assets classified to this category are initially and subsequently recognised at fair value. The costs of the transaction and the fair value changes are recognised to the profit/(loss) for the year.

Impairment losses

IFRS 9 replaces the 'incurred loss' model under IAS 39 with an 'expected credit loss' forecast model ("ECL"). The model assumes a significant valuation level regarding the impact of the changes to the economic factors on the ECL which are weighted on the basis of probabilities.
The new expected credit loss model is applied to financial assets measured at amortised cost or at FVOCI, with the exception of capital securities and assets from contracts with customers.
The standard establishes that the doubtful debt provisions are valued utilising the following methodologies: the "General deterioration method" and the "Simplified approach"; in particular:

- The "General deterioration method" requires classification in three stages of financial instruments included in the scope of application of IFRS 9 . The three stages reflect the level of deterioration of the quality of the receivable from the point at which the financial instrument is acquired and requires a differing method to calculate the ECL;
- The "Simplified approach" establishes that, for trade receivables, contract assets and leasing contract receivables, some simplifications are adopted in order to prevent entities from being forced to monitor changes in credit risk as required by the general model. The recognition of the loss according to the simplified approach is on a lifetime basis and therefore stage allocation is not required. For these types, therefore, receivables are broken down by cluster, for which the reference parameters (PD, LGD, and EAD) are established to calculate the lifetime expected credit losses on the basis of available information.

Where the General Deterioration Method is applied, as expected, financial instruments are classified into three stages according to the level of deterioration of the credit quality between the date of initial recognition and the measurement date:

- Stage 1: includes all financial assets considered on initial recognition (Date of initial recognition) regardless of qualitative parameters (e.g. rating) and except for situations presenting objective evidence of impairment. During the subsequent measurement phase, all financial instruments which have not demonstrated a significant increase in the credit risk compared to the date of initial recognition or which have a low credit risk at the date of analysis remain in stage 1. For these assets, the losses on expected receivables over the coming 12 months (12-month ECL) representing the expected losses in consideration of the possibility that default events will occur over the coming 12 months are recognised. The interest on financial instruments included in stage 1 are calculated on the carrying amount gross of any write-downs on the asset;
- Stage 2: includes the financial instruments presenting a significant increase in credit risk compared to the Date of initial recognition, although without presenting objective evidence of impairment. For these assets, only the expected losses on receivables deriving from all possible default events over the entire expected life of the financial instrument are recognised (Lifetime ECL). The interest on financial instruments classified to stage 2 is calculated on the carrying amount, gross of any write-downs on the asset;
- Stage 3: includes the financial assets presenting objective evidence of impairment at the Measurement date. For these assets, only the expected losses on receivables deriving from all possible default events over the entire expected life of the instrument are recognised.

Cash and cash equivalents

Cash and cash equivalents are accounted at fair value and include bank deposits and cash, cash equivalents, and investments with maturities of less than three months, i.e. instruments that are available on demand at short notice, certain in nature, and with no payment expenses.

Cash and cash equivalents in foreign currencies are valued at the year-end exchange rate.

Fair value hierarchy levels

In relation to the financial assets and liabilities recorded in the balance sheet at Fair Value, IFRS 13 requires that these values are classified based on a hierarchy of levels which reflects the degree of input utilised in the determination of the Fair Value. The following levels are used:

- Level 1: determination of fair value based on prices listed on active markets for identical assets or liabilities which the entity can access at the valuation date;
- Level 2: determination of fair value based on other inputs than the listed prices included in “Level 1” but which are directly (prices) or indirectly (derivatives of prices) observable for the assets or liabilities;
- Level 3: determination of the fair value based on valuation models whose input is not observable for the assets or liabilities.

For information on the Fair Value hierarchy level, reference should be made to Note 29.

Shareholders’ Equity

Treasury shares

The costs incurred for the purchase of treasury shares are recorded as a reduction of shareholders’ equity. The gains or losses deriving from a subsequent sale are recorded as net equity movements.

Costs for share capital increases

The costs incurred for the stock exchange listing of the Parent Company Caltagirone Editore SpA, net of the relative tax effect, are recorded as a reduction of the shareholders’ equity in a separate negative reserve.

Employee benefits

The liabilities relating to the benefits recognised to employees and paid on or after the employment period and relating to defined benefit plans (Employee Leaving Indemnity), net of any assets serving the plan, are determined on the basis of actuarial assumptions estimating the amount of the future benefits that the employees have matured at the balance sheet date. The liability is recognised on an accruals basis over the maturity period of the right.

In relation to the Employee leaving indemnity, following the amendments to Law No.296 of December 27th 2006 and subsequent Decrees and Regulations ("Pension Reform") issued in the first months of 2007, it is noted that:

- the employee leaving indemnity matured at December 31st 2006 continues to be considered as a defined benefit plan.
- the employee leaving indemnity matured from January 1st 2007, for Italian companies with a number of employees above 50, is considered a defined contribution plan.

The determination of the current value of the Group commitments is made by an independent expert using the projected unit credit method.

Under this method, a future projection is made of the liability to determine the probable amount to be paid on the termination of employment and then discounted, to take into account the period of time which will pass before the actual payment. The calculation takes into account the employee leaving indemnity matured and is based on actuarial assumptions which principally relate to the interest rate, which reflects the market return of primary securities with maturities similar to those for bonds and the turnover of employees.

For the quota of the employee leaving indemnity allocated to the integrated pension or rather the INPS fund from the date of the option exercised by the employee, the Group is not a debtor of the employee indemnity provision matured after December 31st 2006, and therefore the actuarial calculation of the employee leaving indemnity excludes the component relating to future salary changes.

The actuarial gains and losses, defined as the differences between the carrying value of the liabilities and the current value of the Group commitments at the end of the period, due to changes in the actuarial parameters described above, are directly recorded to the Comprehensive Income Statement.

The financial component is however recorded in the Income Statement, in the account financial charges.

Provisions

The provisions concern costs and charges are recognised in respect of certain or probable losses or liabilities, the amount or due date of which could not be determined at year-end.

The provisions are recorded when a legal or implicit obligation exists towards a third party that derives from a past event, and a payment of resources is probable in order to satisfy the obligation and this amount can be reliably estimated. When the financial effect of the time value of money is significant and the payment dates of the obligations can be estimated reliably, the provision is discounted using the estimated future cash flows at a pre-tax rate that reflects the current market assessment of the cost of money and, if appropriate, the specific risks of the obligation; the increase of the liability due to the passing of time is recorded as a financial charge.

In particular, the provisions relating to employee restructuring plans are recognised when at the balance sheet date the event which gives rise to the obligation is 'binding' as the Company, through the drawing up of a formal restructuring programme, has generated within interested third parties the valid expectations that the entity will implement the afore-mentioned programme.

Grants

Grants are recorded at fair value when there is a reasonable certainty that they will be received and that the conditions required to obtain them will be satisfied. The grants received against specific expenses are recognised under other liabilities and credited to the Income Statement in the period in which the related costs mature.

The grants received against specific assets whose value is recorded under fixed assets are recorded under other liabilities and credited to the Income Statement in relation to the depreciation period to which the asset refers.

Operating grants are fully recognised to the income statement at the moment in which they satisfy the conditions for their recognition.

Revenue from contracts with customers

The Company recognises revenues such that transfer of the good and/or service to the customer is expressed in an amount that reflects a sum deemed to be that to which the Company has a right as compensation for said transfer.

This is done in accordance with the five-step model framework as follows:

1) identification of the contract;
2) identification of the assets and services covered by the contract;
3) determination of the transaction price;
4) allocation of the contractual obligations of the variable price component;
5) transfer of control.

Revenues are measured taking account of the contractual terms and practices generally applied in relations with customers. The price of this transaction is the amount of payment (which may include fixed or variable amounts, or both) considered to arise in exchange for the transfer of control of the promised goods/services. Control is generally considered to be the capacity to decide upon the use of the asset (good/service) and to substantially obtain all the remaining benefits. The total payment from contracts for the provision of services is broken down among all services on the basis of the sales price of the relative services as if they had been sold individually.

Within each contract, the base element for the recognition of revenues is the individual performance obligation. For each obligation to be satisfied, individually identified, the entity recognises the revenues where (or over time) the obligation is satisfied, transferring to the customer the promised good/service (or asset). The asset is transferred when (or over time) the client acquires control.

For obligations involving satisfaction over a period of time, the revenues are recognised “over the time”, measuring at the end of each period the progress made towards complete satisfaction of the obligation. For the measurement of progress, both input based and output based models may be used. The Group utilises the Input based method (cost-to-cost method). According to the latter method, the revenues are recognised on the basis of the inputs used to fulfil the obligation up to the date, with regards to the total inputs assumed to fulfil the entire obligation. Where the inputs are distributed evenly over time, the company recognises the corresponding revenues on a straight-line basis. In certain circumstances, where it is not possible to reasonably measure the result of the obligation to be fulfilled, the revenues are recognised only up to the amount of costs incurred.

Variable payments

Where the contractual payment includes a variable amount (for example following reductions, discounts, reimbursements, credits, price concessions, incentives, performance bonuses, penalties or where the payment depends on the occurrence or otherwise of a future uncertain events), the amount of the payment considered to arise should be estimated. The Group estimates variable payments in a manner consistent with similar circumstances, using the expected value method or the value of the amount considered most probable; thereafter, the estimated amount of the variable payment of the transition price is included only to the extent that this amount is considered highly probable.

Presence of a significant financial component

Group revenues are adjusted amid significant financial components, both where funded by the client (early collection) or where funded by it (deferred collection). The presence of a significant financial component is identified on the signing of the contracts, comparing the expected revenues with the payments to be received. This is not recorded where between the time of transfer of the assets/service and the time of payment less than 12 months has passed.

Costs for obtaining and fulfilling the contract

The Group capitalises the costs incurred to obtain the contract and which would not have been incurred where such had not been obtained (e.g. sales commissions), where it is expected that they may be recovered. The Group capitalises the costs incurred to fulfil the contract only where these are directly related to the contract, permitting the obtainment of new and increased resources for future obligations and where these costs shall be recoverable.

Recognition of costs

Costs are recognised when relating to assets or services acquired or consumed in the year or by systematic allocation.

Financial income and charges

Financial income and charges are recognised in accordance with the accruals concept on the basis of the interest matured on the net value of the relative financial assets and liabilities utilising the effective interest rate, therefore utilising the rate which is financially equivalent to all the cash inflows and outflows which comprise an operation.

Dividends

The dividends received are recorded when the right of the shareholders to receive the payment arises. The dividends and dividend payments on account payable to third parties are recorded as changes in shareholders' equity at the date in which the Shareholders' Meetings approves them.

Income taxes

Current Income taxes for the period are determined on the basis of the taxable assessable income and in accordance with current fiscal law; in addition, the effects deriving from the implementation of the Group's national fiscal consolidation is applied.

Deferred tax assets and liabilities are calculated on temporary differences between the balance sheet values and the corresponding values recognised for tax purposes, applying the expected tax when the differences are reversed, determined on the basis of the current tax rates in force and in consideration of any expected changes relating to future years.

The recognition of deferred tax assets is made when their recovery is probable - that is when it is expected that there will be future assessable fiscal income sufficient to recover the asset, while deferred tax liabilities are recorded in every case.

The recovery of the deferred tax asset is reviewed at each balance sheet date.

Current and deferred income taxes are recorded in the income statement, except those relating to accounts directly credited or debited to equity through the comprehensive income statement, in which case the fiscal effect is recognised directly to Equity. Current and deferred taxes are compensated when the income tax is applied by the same fiscal authority, there is a legal right of compensation and the payment of the net balance is expected.

Other taxes not related to income, such as taxes on property, are included under Other operating expenses.

Earnings/(loss) per share

Basic

The basic earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

Diluted

The diluted earnings per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The diluted earnings per share is not calculated in the case of losses, as the dilution effect would result in an improvement in the earnings per share.

Risk management

The activities of Caltagirone Editore and its subsidiaries are subject to various financial risks: market risks (raw materials prices and movements in listed share prices), credit risk, interest rate risk, liquidity risk and environmental and safety risks. The management of financial risks is undertaken through organisational directives which govern the management of these risks and the control of all operations which have importance in the composition of the financial and/or commercial assets and liabilities.

- *Market risk (price of raw materials – paper)*

The Group is exposed to fluctuations in the price of paper - the principal raw material; this risk is managed through supply contracts with foreign companies with fixed prices and quantities for a maximum period of 6 months, and through procurement from suppliers based in different geographic areas in order to avoid the risks related to an excessive concentration of suppliers and to obtain the most competitively priced supplies. Please refer to the specific section of this annual report with reference to the risks related to ongoing geopolitical tensions.

- *Risks concerning the price of investments in equity instruments*

In relation to the risk of changes in the fair value of the equity instruments, the Group monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio.

- *Credit risk*

Receivables principally are of a commercial nature. In general, they are recorded net of any write-downs, calculated on the basis of the risk of non-fulfilment by the counterparty, determined considering the information available on the clients' solvency and historical insolvency data in relation to the varying expiry dates of receivables. Historically, there are no significant situations which are particularly problematic in relation to the solvency of the clients, as the policy of the Group is only to sell to clients after a prudent evaluation of their credit capacity and therefore within the established credit limits. Finally, no significant debtor positions were recorded which would equate to an excessive concentration of credit. On this basis, the credit risk to which the Group is exposed can be considered limited.

- *Interest rate risk*

The interest rate risk principally relates to an uncontrolled increase of the charges deriving from variable interest rates on medium/long-term loans. The Group currently does not have medium/long-term loans, while having an insignificant exposure to short-term debt interest rate risk.

- *Liquidity risk*

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. The Caltagirone Editore Group possesses liquidity and this risk is therefore not considered significant for the Group.

- *Environment and security risk*

The Caltagirone Editore Group is constantly seeking out solutions to reduce energy consumption. In recent years, re-lamping actions have been carried out in the Group's various locations, but particularly at the production plant, through the replacement of light sources with low-consumption solutions (LEDs) and the adoption of automatic shut-off solutions (motion sensors), while programmes to rationalise the use of various utilities have been initiated.

Existing regulations and laws are rigorously applied to workplace health and security and hence govern this area of risk.

With regard to COVID-19, the Group Companies, having emerged from the emergency phase, have continued to implement measures which mainly focus on ensuring business continuity while guaranteeing the full protection of workers' health and safety.

- *Cybersecurity risks (Cybersecurity)*

Cybersecurity is undoubtedly one of the greatest risks in recent times, particularly in the areas of cyber security & data privacy. Indeed, the increasing use of information systems increases the Company's and Group's exposure to different types of risks related to information security. The most significant is the risk of cyber attack, which is a threat for the Group. The risk is potential data leaks with possible significant impacts on privacy management, possible business disruptions, and consequent reputational damage. The Group is implementing progressive upgrading of IT infrastructure, strengthening of protection systems, constant updating of internal procedures, and continuous staff training to strengthen the corporate culture on issues in cyber security.

Use of estimates

The preparation of the consolidated financial statements requires the Directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the consolidated income statement and the consolidated cash flow statement, and on the disclosures in the notes to the accounts. The final outcome of the accounts in the financial statements, which use the above-mentioned estimates and assumptions, may differ from those reported in the financial statements due to the uncertainty which characterises the assumptions and conditions upon which the estimates are based.

The accounting principles and accounts in the financial statements which require greater subjectivity in the preparation of the estimates and for which a change in the underlying conditions of the assumptions used may have a significant impact on the consolidated financial statements of the Group are as follows:

- *Intangible assets of indefinite useful life*: intangible assets of indefinite useful life are subjected to annual impairment testing to recognise the existence of any impairment losses through profit or loss. This impairment testing entails determining the recoverable value of the cash-generating units (CGUs) to which the intangible assets of indefinite useful life are allocated by estimating the relative recoverable value as the greater of value in use and fair value net of the costs of disposal. When this recoverable value is less than the book value of the CGUs, the goodwill allocated to them, as well as the other intangible assets for any excess, must be written down. The calculation of the recoverable value of the CGUs requires estimates which depend on factors that may change over time with potential consequent effects, which may be significant, compared to the valuations made by the Directors.
- *Writing down non-current assets*: in accordance with the accounting principles applied by the Group, the tangible and intangible assets with definite life are verified to ascertain if there has been a loss in value which is recorded by means of a write-down, when it is considered there will be difficulties in the recovery of the relative net book value through use. Verification of the existence of the above-mentioned indicators requires the Directors to make valuations based on the information available within the Group and from the market, as well as historical experience. In addition, when it is determined that there may be a potential

impairment loss, the Group determines this through using the most appropriate technical valuation methods available. The correct identification of the indicators of the existence of a potential reduction in value as well as the estimates for their determination depends on factors which may vary over time impact upon the valuations and estimates made by the Directors.

- *Depreciation*: depreciation represents a significant cost for the Group. The cost of property, plant and equipment is depreciated on a straight-line basis on the estimated useful life of the asset. The useful life of the tangible fixed assets of the Group is determined by the Directors when the fixed assets are purchased. This is based on the historical experiences for similar fixed assets, market conditions and considerations relating to future events which could have an impact on the useful life, such as changes in technology. Therefore, the effective useful life may be different from the estimated useful life. The Group periodically assesses technological and industry changes, decommissioning charges and salvage value to update the remaining useful life. This periodic update could result in a change in the depreciation period and therefore in the depreciation charge in future years. The estimates and assumptions are reviewed periodically and the effects of each change are recognised in the income statement.
- *Income taxes*: income taxes (current and deferred) are determined based on a prudent interpretation of the tax laws in force. This process may involve complex estimates in the determination of the assessable income and the temporary differences between the accounting and tax values. In particular, the valuation for the recoverability of the deferred tax assets, in relation to tax losses utilisable in subsequent years, and on temporary deductible differences, takes account of the estimates of expected future assessable income.
- *Provisions:* the provisions relating to disputes are based on a process which establishes the probability of loss. In accordance with International Financial Reporting Standards, provisions are recognised in relation to those disputes for which a loss is deemed to be probable.
- *Impairment of financial assets:* in accordance with IFRS 9, expected loss is defined as the sum of the expected default loss that could impact the financial instrument over a given period of time. This expected loss is measured based on past, present and forward-looking information and circumstances. This model is applied to the financial assets recognised at amortised cost.

- *Employee benefits*: employee-benefit provisions are calculated based on actuarial assumptions; changes in these assumptions may have significant effects on this provision.

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

Change of accounting principles, errors and change of estimates

The accounting principles adopted are amended from one period to another only if the change is required by a standard and if this contributes to providing more reliable information on the effects of the operations on the balance sheet, income statement and cash flows of the enterprise.

The changes to the accounting standards are recorded retrospectively with the recording of the effect to net equity for the more remote periods reported. The other comparative amounts indicated for each period are adjusted as if the new standard had always been applied. The prospective approach is made only when it is impractical to reconstruct the comparative information.

The application of a new or amended accounting standard is accounted for in accordance with the requirements of the standard. If the standard does not permit a transition period, the change is accounted in accordance with the retrospective method, or if impractical, with the prospective method.

In the case of significant errors, the same method that is used for changes in accounting standards illustrated previously is applied. In the case of non-significant errors, these are accounted for in the income statement in the period in which they are noted.

Changes in estimates are accounted in accordance with the prospective method in the Income Statement in the period in which the change occurs only if impacting upon this latter or in the period in which the change occurs, and subsequent periods if the change also impacts upon future periods.

Segment disclosure

In accordance with IFRS 8 concerning operating segment disclosures, the Caltagirone Editore Group defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- whose operating results are reviewed regularly at the entity's chief operating decision maker level to make decisions about resources to be allocated to the segment and assess its performance; and
- for which separate financial information is available.

The Group's operating segments have been defined with reference to the system of internal reporting regularly adopted by the Parent Company for the Group's management structure and organisation. Operations are conducted in Italy and include publishing and related promotional activities. For further information, reference should be made to note 27.

Value of the Group

The Stock Market capitalisation of Caltagirone Editore is currently lower than the net equity of the Group (Stock Market capitalisation at December 31st 2023 of Euro 123.5 million compared to a Group net equity of Euro 435.4 million), significantly lower than the valuations based on the fundamentals of the Group expressed by its value in use.

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

ASSETS

1. Intangible assets with definite life

Historical cost	Patents	Trademarks and Concessions	Other	Assets in progress	Total
01.01.2022	**1,570**	**951**	**6,931**	**-**	**9,452**
Increases	14	105	33		**152**
Decreases		(13)			**(13)**
31.12.2022	**1,584**	**1,043**	**6,964**	**-**	**9,591**
01.01.2023	**1,584**	**1,043**	**6,964**	**-**	**9,591**
Increases		25	34	127	**185**
31.12.2023	**1,584**	**1,068**	**6,998**	**127**	**9,776**
Amortisation & loss in value	**Patents**	**Trademarks and Concessions**	**Other**	**Assets in progress**	**Total**
01.01.2022	**1,570**	**604**	**6,791**	**-**	**8,965**
Increases	5	88	94		**391**
31.12.2022	**1,575**	**692**	**6,885**	**-**	**9,356**
01.01.2023	**1,575**	**692**	**6,885**	**-**	**9,152**
Increases	5	112	78		195
31.12.2023	**1,579**	**804**	**6,963**		**9,346**
Net value					
01.01.2022	**-**	**347**	**140**	**-**	**487**
31.12.2022	**9**	**351**	**79**	**-**	**235**
31.12.2023	**5**	**264**	**35**	**127**	**430**

At December 31st 2023, there were no inactive intangible assets or completely amortised intangible assets still in use of significant value.

2. Intangible assets with indefinite life

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

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

Historical cost	Goodwill	Newspaper titles	Total
01.01.2022	**189,596**	**286,794**	**476,390**
Increases			**-**
Decreases			**-**
31.12.2022	**189,596**	**286,794**	**476,390**
01.01.2023	**189,596**	**286,794**	**476,390**
Increases			-
Decreases			-
31.12.2023	**189,596**	**286,794**	**476,390**
Write-downs	**Goodwill**	**Newspaper titles**	**Total**
01.01.2022	**189,596**	**183,791**	**373,387**
Increases		11,200	**11,200**
Decreases			**-**
31.12.2022	**189,596**	**194,991**	**384,587**
01.01.2023	**189,596**	**194,991**	**384,587**
Increases			-
Decreases			-
31.12.2023	**189,596**	**194,991**	**384,587**
Net value			
01.01.2022	**-**	**103,003**	**103,003**
31.12.2022	**-**	**91,803**	**91,803**
31.12.2023	**-**	**91,803**	**91,803**

The breakdown of the balance relating to the newspaper titles, with the relative movements, is shown below:

	01.01.2022	Increases/(Decreases)	Write-downs	31.12.2022
Il Messaggero S.p.A.	52,008		(8,200)	43,808
Il Mattino S.p.A	20,796		(3,000)	17,796
Quotidiano Di Puglia Srl	431			431
Corriere Adriatico Srl	2,078			2,078
Il Gazzettino S.p.A.	27,687			27,687
Other minor newspaper titles	3			3
Total	**103,003**	**-**	**(11,200)**	**91,803**

	01.01.2023	Increases/(Decreases)	Write-downs	31.12.2023
Il Messaggero S.p.A.	43,808			43,808
Il Mattino S.p.A	17,796			17,796
Quotidiano Di Puglia Srl	431			431
Corriere Adriatico Srl	2,078			2,078
Il Gazzettino S.p.A.	27,687			27,687
Other minor newspaper titles	3			3
Total	**91,803**	**-**	**-**	**91,803**

In relation to the valuation model utilised to establish the recoverability of the newspaper titles, in line with 2022, a verification was carried out of the recoverability of the value of the individual Newspaper Titles in accordance with the combined provisions of IAS 36 par. 10(a) and IAS 38 par. 108.

The impairment test on the individual Newspaper Titles was carried out on the basis of the recoverable value on the individual Newspapers calculated using a model in line with that used to calculate the third level fair value of IFRS 13 “Fair Value Measurement” (“IFRS 13”).

The recoverable value of the Newspaper Titles was established through application of a method based on empirical multipliers. This method is one of the most widely used comparative methods in common practice for the calculation of the value of specific categories of intangible assets.

The model applied refers to, for the estimated recoverable value of the Newspaper Titles, revenue multipliers (separate for circulation and advertising revenue) and a corrective factor based on a multiple of the negative EBITDA values which may be generated by the Newspaper Title. The multiplier ratios of the revenue variables are calibrated on the basis of a “balance scorecard” which allocates a score for a series of qualitative factors contributing to the value of the newspaper titles (age, competition, circulation, price, editing, advertising attractiveness, future potential, advertising catchment area and profitability), based on an analysis of the general publishing sector performance and the competitive position of each newspaper title on its market, in addition to historical experience and managerial assessments of the qualitative profiles of each of the publishing titles. The determination of the revenue ratios based on the overall score from the balance scorecard, for each Newspaper Title, is based on an objective criteria on the basis of which, for all ratios, the allocation of a minimum score for all qualitative factors corresponds to the extreme low-end of the parametric range and the maximum score to the extreme upper range.

The underlying table reports the book values of the Newspaper Titles following the impairment tests on the Newspaper Titles. The results, also supported by assessments conducted by an outside consultant, led to the recognition of an impairment loss:

Description	Newspaper titles		
	2023	2022	Write-downs
Il Gazzettino	27,687	27,687	-
Il Messaggero	43,808	43,808	-
Il Mattino	17,796	17,796	-
Quotidiano di Puglia	431	431	-
Corriere Adriatico	2,078	2,078	-

In addition to impairment tests on the value of the Newspaper Titles at December 31st 2023 through application of the model outlined previously, taking account of the close interdependence between the various Group legal entities and in line with that carried out for the impairment test regarding financial year 2022, an analysis was also carried out on the future cash flows of the CGU, utilising a single aggregate financial statement which, among other issues, enables a single "reading" of the figures according to the effective operating manner of the newspaper titles and the dedicated advertising agency.

The analysis was carried out according to IAS 36. The value in use in 2023 was determined through the Discounted Cash Flow method, which is the discounting of the future operating cash flows generated by the CGU.

The verification of the recoverability of the CGU's is based on the 2024-2028 economic and financial plan of the Caltagirone Editore Group, developed according to plans received from the subsidiaries and approved by the Board of Directors on March 7th, 2024, using the financial statement accounts of the CGU of the Group comprising the publishing (including the Newspaper titles) and advertising activities.

In particular, the cash flows were estimated for a period of 5 years and then discounted based on the cost of capital of the CGU (WACC). A terminal value representing the projections of the CGU's revenue capacity, calculated under the perpetual return model, was added to this value. A growth rate of zero was applied for the calculation of the terminal value.

In carrying out the impairment test, approved by the Board of Directors, the expected consolidated cash flows for 2024 were taken into consideration. In addition, for subsequent years, specific performance estimates were drawn up, developed according to plans received from the subsidiaries, taking account of the general and market environment as impacted by the current crisis, in addition to the resultant changed operating conditions. In this regard, the forecasts made in the previous year by the Company, developed according to plans received from the subsidiaries, were updated also on the basis of the 2023 figures.

In particular, the restructuring and cost cutting actions approved and undertaken over time by management have always had a greater impact than expected. On the other hand, the advertising and print circulation markets, due to the extended crisis and together with the extraordinary digital revolution, has meant more extensive and longlasting difficulties than predicted by all the leading operators. Therefore, the expected cash flows utilised in the model were calculated based on the 2024 budget and the 2025-2028 planning data and represent the best estimate of the amounts and timing for which the future cash flows are expected to occur based on the long-term plan which was reviewed and updated in 2023 to take account of that outlined above and of differences between the previous plan and the 2023 results. The operating costs considered in the expected cash flows were also determined based on management estimates for the coming five years and take account of the positive effects of the restructuring plan carried out in previous years. A further impairment test did not indicate additional write-downs to the CGU involved in publishing and advertising operations.

The underlying table reports the principal parameters used in the impairment test.

Description	Tax rate		WACC*		g-rate**		Explicit period cash flows
	2023	2022	2023	2022	2023	2022	
Book	28.82%	28.82%	8.70%	7.50%	0	0	5 years

** The WACC represents the average weighted cost of capital of the entity taking into account the specific risks relating to the operating sectors considered. This parameter is considered net of fiscal effect and takes account of interest rate movements.*

*** The g-rate concerns the expected growth rate in order to calculate the "Terminal Value"*

The sensitivity analysis carried out indicated that - although a not insignificant sensitivity was observed for the estimates on changes to the g and WACC parameters considered and that, in certain valuation scenarios, the difference between the estimated Enterprise Value and the carrying amount of the Net Capital Employed of the CGU would be negative (however only in scenarios with a growth rate of zero) - in the majority of scenarios examined, the results of the tests substantially confirmed the conclusions obtained for the base scenario.

Further to the impairment models utilised in valuing indefinite intangible assets, for the estimate of the effective value of the newspapers` intangible assets, elements which lie outside the typical economic considerations are also considered and which relate to the number of readers and the circulation on the market, issues which determine the effective value of the newspaper and the price.

3. Property, plant and equipment

Historical cost	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other assets	Assets under construction	Total
01.01.2022	60,292	98,472	809	26,108	21,247	-	**206,928**
Increases	-	107	-	3,762	145	-	**4,014**
Decreases	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	28	-	**28**
31.12.2022	**60,292**	**98,579**	**809**	**29,870**	**21,420**	**-**	**210,970**
01.01.2023	60,292	98,579	809	29,870	21,420	-	**210,970**
Increases		232		1,433	105	38	**1,808**
Decreases				-	(23)	-	**(23)**
Reclassifications		(9)				-	**(9)**
31.12.2023	**60,292**	**98,802**	**809**	**31,303**	**21,502**	**38**	**212,746**

Depreciation & loss in value	Land and Buildings	Plant & Equipment	Commercial and Industrial Equipment	Right-of-Use Assets	Other assets	Assets under construction	Total
01.01.2022	32,659	95,553	807	10,636	20,568	-	**160,223**
Increases	1,525	523	1	3,679	286	-	**6,014**
31.12.2022	**34,184**	**96,076**	**808**	**14,315**	**20,854**	**-**	**166,237**
01.01.2023	34,184	96,076	808	14,315	20,854	-	**166,237**
Increases	1,519	557	1	3,900	249	-	**6,226**

Decreases				-	(32)	-	**(32)**
31.12.2023	**35,704**	**96,633**	**809**	**18,214**	**21,071**	**-**	**172,431**
Net value							
01.01.2022	**27,633**	**2,919**	**2**	**15,472**	**679**	**-**	**46,705**
31.12.2022	**26,108**	**2,503**	**1**	**15,555**	**566**	**-**	**44,733**
31.12.2023	**24,588**	**2,169**	**-**	**13,089**	**431**	**38**	**40,316**

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

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

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

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

No financial charges were capitalised.

With reference to the impact of the application of IFRS 16 for the Group at December 31st 2023, the following additional information is provided below:

	Land & buildings	**Other assets**	**Total right-of-use assets**
Gross value at January 1st 2022	**25,613**	**316**	**25,929**
Increases	3,696	66	3,762
Gross value at December 31st 2022	**29,309**	**382**	**29,691**
Accumulated depreciation at January 1st 2022	**10,238**	**220**	**10,458**
Depreciation	3,635	44	3,679
Accumulated depreciation at December 31st 2022	**13,873**	**263**	**14,136**
Net value at December 31st 2022	**15,436**	**119**	**15,555**
Gross value at January 1st 2023	**29,309**	**382**	**29,691**
Increases	1,333	101	1,433
Gross value at December 31st 2023	**30,642**	**482**	**31,125**
Accumulated depreciation at January 1st 2023	**13,873**	**263**	**14,136**
Depreciation	3,847	53	3,900
Accumulated depreciation at December 31st 2023	**17,720**	**316**	**18,036**
Net value at December 31st 2023	**12,922**	**167**	**13,089**

At December 31st 2023, the right-of-use asset amounted to Euro 13,089 thousand, and mainly included property contracts.

The Group exposure, with indication of the maturity dates of leased liabilities concerning the non-discounted contractual cash flows, is as follows:

	31/12/2023	31/12/2022
Within 3 months	975	914
Between 3 months & 1 year	2,776	2,708
Between 1 and 2 years	3,066	3,448
Between 2 and 5 years	6,302	8,188
Over 5 years	237	491
Total undiscounted lease liabilities as at December 31st	**13,356**	**15,748**

Non-current and current lease liabilities are shown below:

	31/12/2023	31/12/2022
Non-current lease liabilities	1,211	1,438
Non-current lease liabilities - related parties	8,395	10,688
Non-current lease liabilities	**9,606**	**12,126**
Current lease liabilities	666	668
Current lease liabilities - related parties	3,085	2,954
Current lease liabilities	**3,751**	**3,622**
Total lease liabilities	**13,356**	**15,748**
Amount recognised in income statement	**2023**	**2022**
Amortisation & depreciation	3,900	3,679
Interest charges on lease liabilities	180	170
Short-term leasing costs	-	621
Low-value item leasing costs	-	4
Amounts recognised in the statement of cash flows	**2023**	**2022**
Total cash outflows for leases	4,006	3,780

4. Equity investments and non-current securities

Equity investments and non-current securities	01.01.2022	Increases/(Decreases)	Fair value change	Reclassifications	31.12.2022
Investments in other companies valued at cost	1,210	-	-		1,210
Investments in equity instruments	195,437	55,071	(27,600)		222,908
Fixed income securities	-	7,764	-		7,764
Total	**196,647**	**62,835**	**(27,600)**	**-**	**231,882**

Equity investments and non-current securities	01.01.2023	Increases/(Decreases)	Fair value change	Reclassifications	31.12.2023
Investments in other companies valued at cost	1,210	-	-		1,210
Investments in equity instruments	222,908	2,742	36,701		262,351
Fixed income securities	7,764	6,889	-	(7,764)	6,889
Total	**231,881**	**9,631**	**36,701**	**(7,764)**	**270,449**

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

Investments in other companies	%	01.01.2022	Increases/(Decreases)	31.12.2022
Ansa	6.71	1,198		1,198
Other minor		12		12
Total		**1,210**	**-**	**1,210**

Investments in other companies	%	01.01.2023	Increases/(Decreases)	31.12.2023
Ansa	6.71	1,198		1,198
Other minor		12		12
Total		**1,210**	**-**	**1,210**

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

According to the information held by the Group therefore, no indications exist that the cost differs significantly from the fair value.

The breakdown of the account “Investments in equity instruments” is as follows:

Investments in equity instruments	**01.01.2022**	**Increases**	**Decreases**	**Fair value change**	**31.12.2022**
Assicurazioni Generali SpA	163,944	7,300	(27,591)	(19,041)	124,612
Azimut SpA	-	5,921	-	358	6,279
Mediobanca SpA	-	61,137	-	(3,639)	57,498
Poste Italiane SpA	24,234	15,833	(7,529)	(4,247)	28,291
Italgas SpA	7,260	-	-	(1,032)	6,228
Total	**195,438**	**90,191**	**(35,120)**	**(27,600)**	**222,908**

	01.01.2023	**Increases**	**Decreases**	**Fair value change**	**31.12.2023**
Assicurazioni Generali SpA	124,612	3,778		18,680	147,070
Azimut SpA	6,279	1,612		1,092	8,983
Banca Popolare di Milano	-	4,624		157	4,781
Mediobanca SpA	57,498			14,182	71,680
Poste Italiane SpA	28,291		(7,272)	2,603	23,621
Italgas SpA	6,228			(12)	6,216
Total	**222,907**	**10,015**	**(7,272)**	**36,701**	**262,351**

Number

	01.01.2022	**Increases**	**Decreases**	**31.12.2022**
Assicurazioni Generali SpA	8,800,000	500,000	(1,800,000)	7,500,000
Azimut SpA	-	300,000	-	300,000
Mediobanca SpA	-	6,400,000	-	6,400,000
Poste Italiane SpA	2,100,000	1,800,000	(800,000)	3,100,000
Italgas SpA	1,200,000	-	-	1,200,000

	01.01.2023	**Increases**	**Decreases**	**31.12.2023**
Assicurazioni Generali SpA	7,500,000	200,000	-	7,700,000
Azimut SpA	300,000	80,000	-	380,000
Banca Popolare di Milano	-	1,000,000		1,000,000
Mediobanca SpA	6,400,000	-	-	6,400,000
Poste Italiane SpA	3,100,000	-	(800,000)	2,300,000
Italgas SpA	1,200,000	-	-	1,200,000

The valuation at fair value of these investments at December 31st 2023 was recorded to the Comprehensive Income Statement in the Shareholders’ Equity reserve for Euro 36.7 million, excluding the tax effect of Euro 252 thousand.

The changes in the fair value reserve are reported below:

Fair Value reserve	**01.01.2022**	**Increases**	**Decreases**	**31.12.2022**
Fair Value reserve	33,510	-	(27,600)	5,910
Tax effect	(1,818)		1,294	(524)
Fair value reserve, net of tax effect	**31,692**	**-**	**(26,306)**	**5,386**
Changes in the year				**(26,306)**

	01.01.2023	**Increases**	**Decreases**	**31.12.2023**
Fair Value reserve	5,910	36,701		42,611
Tax effect	(524)		(252)	(776)

Fair value reserve, net of tax effect	**5,386**	**36,701**	**(252)**	**41,835**
Changes in the year				**36,449**

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

5. *Other non-current assets*

The account, amounting to Euro 139 thousand, relates to receivables for deposits due within five years.

6. *Deferred and current income taxes*

The deferred taxes refer to temporary differences between the values recorded in the financial statements and the corresponding values recognised for tax purposes.

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

	01.01.2022	**Provisions**	**Utilisations**	**Other changes**	**31.12.2022**
Deferred tax assets					
Tax losses carried forward	44,810	784	- 75.30	-	45,519
Provision for risks and charges	1,701	153	(316)	-	1,538
Doubtful debt provision	1,302	-	(266)	-	1,036
Other	5,031	2,462	(620)	(1,750)	5,123
Total	**52,844**	**3,399**	**(1,277)**	**(1,750)**	**53,215**
Deferred tax liabilities					
Fair value intangible & tangible assets	3,330	-	(128)	-	3,202
Differences accounting amortisation and depreciation	14,885	1,486	(3,200)	-	13,171
Other	1,874	39	1.00	(1,169)	745
Total	**20,089**	**1,525**	**(3,327)**	**(1,169)**	**17,118**
Net deferred tax assets	**32,755**	**1,874**	**2,050**	**(582)**	**36,097**

	01.01.2023	**Provisions**	**Utilisations**	**Other changes**	**31.12.2023**
Deferred tax assets					
Tax losses carried forward	45,519	2,220	-	-	47,738
Provision for risks and charges	1,538	187	(215)		1,510
Doubtful debt provision	1,036	-	(115)	42	963
Other	5,123	1,255	(536)	(494)	5,348
Total	**53,215**	**3,662**	**(866)**	**(452)**	**55,559**
Deferred tax liabilities					
Fair value intangible & tangible assets	3,202	-	(127)	-	3,075
Differences accounting amortisation and depreciation	13,171	1,525	-	-	14,696
Other	745	10		159	914
Total	**17,118**	**1,535**	**(127)**	**159**	**18,685**
Net deferred tax assets	**36,097**	**2,127**	**(739)**	**(611)**	**36,873**

The other changes in the deferred tax assets and liabilities include the tax effects on the fair value of the investments and the actuarial losses recorded to the Comprehensive Income Statement.

Taking account of the timing differences and based on forecasts, it is considered that the Group will have, in the coming years, sufficient assessable income to recover the deferred tax assets recorded in the financial statements at December 31st 2023.

The net position is calculated as follows:

	31.12.2023	31.12.2022
Receivables for direct taxes	370	26
Payables for IRES/IRAP/substitute taxes	(384)	(6)
Total	**(14)**	**20**

The income taxes for the year are as follows:

	31.12.2023	31.12.2022
IRAP current taxes	282	191
Prior year taxes	11	(89)
Current taxes	**292**	**102**
Provision for deferred tax liabilities	1,535	1,525
Utilisation of deferred tax liabilities	(127)	(3,327)
Deferred tax charges	**1,407**	**(1,802)**
Recording of deferred tax assets	(3,662)	(3,399)
Utilisation of deferred tax assets	866	1,277
Deferred tax assets	**(2,796)**	**(2,122)**
Total income taxes	**(1,097)**	**(3,822)**
Current and deferred IRES tax	(1,205)	(3,739)
Current and deferred IRAP tax	97	7
Prior year taxes	11	(89)
Total income taxes	**(1,097)**	**(3,822)**

The analysis of the difference between the theoretical IRES and actual tax rates are as follows:

	2023			2022		
	Taxable	Amount	effective tax rate	Taxable	Amount	effective tax rate
Income/(loss) before taxes	**15,134**	**3,632**	**24.0%**	**3,174**	**762**	**24.0%**
Permanent differences increase (decrease):						
Dividends		(3,913)			(3,982)	
Other permanent differences		(924)			(519)	
Current and deferred IRES tax		**(1,205)**	**(8.0%)**		**(3,739)**	**(117.8%)**

7. Inventories

Inventories at December 31st 2023 amount to Euro 2.2 million (Euro 2.5 million at December 31st 2022) and consist exclusively of raw materials (principally paper and ink), ancillary and consumables.

The change of inventory recorded in the income statement amounts to a decrease of Euro 357 thousand and is included in the account Raw material costs (see Note 20). The net realisable value of inventories is in line with that recognised in the financial statements.

There is no inventory provided as a guarantee on liabilities.

8. Trade receivables

The breakdown is as follows:

	31.12.2023	31.12.2022
Trade receivables	41,323	39,442
Doubtful debt provision	(5,495)	(5,311)
Trade receivables	**35,828**	**34,131**
Trade receivables - related parties	105	75
Advances to suppliers	-	40
Total trade receivables	**35,933**	**34,246**

Trade receivables principally relate to Group advertising revenues from the advertising agency Piemme SpA (Euro 30.8 million).

The Group has a very fragmented customer base and does not have significant exposures to individual customers.

The general valuation criteria of receivables, considered financial assets within the scope of IFRS 9, are illustrated in the accounting policies.

In particular, the value of trade receivables, adjusted by the relative doubtful debt provision, approximates their fair value.

The estimate of the Doubtful debt provision is made, in consideration of the highly fragmented nature of the debt positions, through an assessment of the maturity of receivables by similar type, referring to historical-statistical analysis on the probability of recovery. The write-down process requires however that individual commercial positions of significant amounts and for which a probable solvency condition is apparent are subject to individual write-downs.

The table below shows the ageing of the trade receivables at December 31st 2023 and at December 31st 2022.

	31.12.2023	31.12.2022
Not yet due	**22,139**	**24,928**
1-30 days	4,952	2,554
30-60 days	1,525	1,273
60-90 days	875	888
over 90 days	11,832	9,799
Overdue	**19,184**	**14,514**
Total Gross Value	**41,323**	**39,442**
Doubtful debt provision	(5,495)	(5,311)
Trade receivables	**35,828**	**34,131**

9. Current financial assets

Current financial assets of Euro 18.2 million consist mainly of short-term government bonds.

10. Other current assets

The breakdown is as follows:

	31.12.2023	31.12.2022
Employee receivables	16	21
VAT receivables	57	89
Other receivables	3,876	2,281
Prepaid expenses	426	595
Total other current assets	**4,375**	**2,986**

11. Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

	31.12.2023	31.12.2022
Bank and postal deposits	16,025	23,939
Cash in hand and similar	16	55
Total cash and cash equivalents	**16,041**	**23,994**

Net financial position

Details are provided of short and medium/long-term loans in accordance with the recommendations of Consob communication No. 6064293 of July 28th 2006, updated on the basis of the Call to attention No. 5/21 of April 29th 2021.

In Euro thousands	**31.12.2023**	**31.12.2022**
A. Liquidity	16,041	23,994
B. Cash equivalents	-	-
C. Other current financial assets	18,162	-
D. Liquidity (A)+(B)+(C)	**34,203**	**23,994**
of which related parties	-	-
E. Current financial debt	7,614	7,522
of which related parties	-	-
F. Current portion of non-current financial debt	4,286	4,288
G. Current financial debt (E)+(F)	**11,899**	**11,810**
of which related parties	*3,085*	*2,954*
H. Net current financial debt (G)-(D)	**(22,303)**	**(12,184)**
I. Non-current financial debt	9,606	12,126
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current debt (I)+(J)+(K)	**9,606**	**12,126**
of which related parties	*8,395*	*10,688*
M. Total financial debt (H + L)	**(12,698)**	**(58)**

The net financial position was Euro 12.7 million, increasing Euro 12.6 million on December 31st 2022 (Euro 58 thousand), mainly due to the collection of dividends on listed shares for Euro 17.2 million and the reclassification from non-current financial assets to current financial assets of Italian government bonds with maturity of less than one year for Euro 7.8 million, net of the dividends distributed for Euro 3.2 million and of the net investment in listed shares and bonds for Euro 8 million.

The average interest rate on liquidity for the year 2023 was 2.7%.

In relation to the variable rate of liquidity, an annual interest rate increase of 1%, at like-for-like terms, would have a positive impact on the net profit of Euro 127 thousand. A decrease in interest rates of the same level would have a corresponding negative impact.

Regarding the presentation of cash flows in the cash flow statement, it should be noted that compared to FY2022, dividends received from investee companies have been classified to cash flows from investments, consistently with the corresponding investments. Accordingly, the comparative 2022 data were restated.

SHAREHOLDERS' EQUITY AND LIABILITIES

12. Shareholders' Equity

Capital and reserve movements

Changes in consolidated shareholders' equity at December 31st 2023 and 2022 are shown in the financial statements.

Share capital

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

All of the ordinary shares issued are fully paid-in. There are no shares subject to guarantees or restrictions on the distribution of dividends. At December 31st 2023, Caltagirone Editore SpA had 18,209,738 treasury shares, comprising 14.57% of the share capital for a value of Euro 23 million, which was recognised as a reduction of equity for which a specific, restricted reserve has been established.

Reserves

	31.12.2023	31.12.2022
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Share Premium Reserve	459,126	459,126
Legal reserve	25,000	25,000
Treasury shares	(23,641)	(23,641)
Reserve for treasury shares	23,641	23,641
Fair Value reserve	41,836	5,387
IAS 19 post-employment benefit reserve	(2,086)	(1,975)
Other reserves	18,209	18,209
Prior year results	(229,077)	(233,619)
Net Profit	16,231	6,996
Group net equity	**435,373**	**385,259**
Minority interest N.E.	-	-
Total net equity	**435,373**	**385,259**

The fair value reserve (for greater details reference should be made to Note 4) of positive Euro 41.8 million, includes the net increase in the year of Euro 36.4 million, to adjust equity instruments to market value.

LIABILITIES

13. Personnel

Post-employment benefits and employee provisions

Post-employment benefits in the Group companies with less than 50 employees represents a liability relating to the benefits recognised to employees and paid either on termination or after employment service. This liability, together with the senior management indemnity provision, is a defined benefit plan and therefore is determined applying the actuarial method.

In the Group companies with over 50 employees, in accordance with the pension reform, the employee leaving indemnity matured at December 31st 2006 represents the payable matured by the company to be paid at the end of the employment service. This payable is valued applying actuarial and financial techniques without however considering the future salaries of the employee. The assumptions relating to the determination of the plan are summarised in the table below:

Values in %	**31.12.2023**	**31.12.2022**
Annual technical discounting rate	3.10%	3.60%
Annual inflation rate	2.50%	2.50%
Annual increase in leaving indemnity	3.30%	3.30%
Annual increase in salaries	2.75%	2.75%

The movements in the year are as follows:

	31.12.2023	**31.12.2022**
Net liability at beginning of year	11,318	13,870
Current cost for the year (service cost)	172	158
Interest charge (interest cost)	385	130.00
Actuarial profits/(losses)	153	(739)
(Services paid)	(1,986)	(2,101)
Net liability at end of year	**10,041**	**11,318**

In relation to the sensitivity analyses, an increase of 0.5% to the discount rate utilised may prompt a reduction in the net liabilities of the provision of Euro 232 thousand; a similar decrease in the rate may result in an increased net liability of Euro 244 thousand.

The comparison between the employee benefit provision and the liability in accordance with Italian regulations is as follows:

	31.12.2023	**31.12.2022**
Nominal value of the provision	10,185	11,760
Actuarial adjustment	(143)	(442)
Total DBO	**10,042**	**11,318**

Employee numbers and cost

	2023	2022
Wages and salaries	34,618	34,778
Social security charges	10,492	10,406
Employee provisions and complementary pension	2,492	2,732
Other costs	690	1,509
Total labour costs	**48,292**	**49,425**

Other costs include charges concerning labour disputes, leaving incentives and the social security institution contributions from the restructuring in the year.

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

	31.12.2023	31.12.2022	Average 2023	Average 2022
Executives	19	19	19	18
Managers & white-collar	180	164	175	165
Journalists and collaborators	313	330	318	331
Graphics staff	64	71	66	71
Total	**576**	**584**	**577**	**585**

14. Current and non-current provisions

	Legal disputes	Other risks	Total
Balance at January 1st 2022	6,879	3,018	**9,897**
Provisions	705	100	**805**
Utilisations	(235)	(1,606)	**(1,841)**
Balance at December 31st 2022	**7,349**	**1,512**	**8,861**
Of which:			
Current portion	7,349	1,302	**8,651**
Non-current portion	-	210	**210**
Total	**7,349**	**1,512**	**8,861**
Balance at January 1st 2023	7,349	1,512	**8,861**
Provisions	623	23	**646**
Utilisations	(352)	(53)	**(406)**
Balance at December 31st, 2023	**7,620**	**1,481**	**9,101**
Of which:			
Current portion	7,620	1,248	**8,868**
Non-current portion	-	234	**234**
Total	**7,620**	**1,481**	**9,101**

The provision for legal disputes refers principally to the provisions made against liabilities prevalently deriving from damages requested for slander. The provision was estimated taking into consideration the nature of the business, based on experience in similar cases and on all the information available at the date of preparation of these consolidated financial statements, considering the difficulty in estimating charges and the timing connected to each single case.

The provisions for other risks principally include residual charges relating to the restructuring plans by some companies of the Group; the relative provisions are included in labour costs.

15. Current and non-current financial liabilities

	31.12.2023	31.12.2022
Payables for leasing assets	1,211	1,438
Payables for leased assets to companies under common control	8,395	10,688
Non-current financial liabilities	**9,606**	**12,126**
Bank payables	7,614	7,522
Payables for leasing assets	666	668
Payables for leased assets to companies under common control	3,085	2,954
Derivatives	535	666
Current financial liabilities	**11,899**	**11,810**

Current and non-current financial liabilities to companies subject to the common control of the Parent Company refer to liabilities recognised in application of IFRS 16 in relation to existing lease contracts.

The due dates of the financial liabilities are as follows:

	31.12.2023	31.12.2022
Within 3 months	8,589	8,436
Between 3 months & 1 year	3,310	3,374
Current financial liabilities	**11,899**	**11,810**
Between 1 and 2 years	3,066	3,448
Between 2 and 5 years	6,302	8,188
beyond 5 years	237	491
Non-current financial liabilities	**9,606**	**12,126**
Total financial payables	**21,504**	**23,936**

The interest rates at the balance sheet date on the financial liabilities are as follows:

Values in %	2023	2022
Current financial liabilities		
Bank payables	5.5	2.8

In relation to the variable rate of financial liabilities, an annual interest rate increase of 1%, at like-for-like terms, would have a negative impact on the net profit of approx. Euro 215 thousand. A decrease in interest rates of the same level would have a corresponding positive impact.

16. Other current and non-current liabilities

	31.12.2023	31.12.2022
Other non current liabilities		
Other payables	-	145
Deferred income	978	1,148
Total	**978**	**1,293**
Other current liabilities		
Social security institutions	3,986	3,781
Employee payables	4,345	4,144
VAT payables	193	84
Withholding taxes	1,743	1,916
Other payables*	6,714	6,838
Payables to related companies	24	22
Deferred income	1,542	1,316
Total	**18,547**	**18,101**

Other payables include Euro 5.4 million as the amount available to the Board of Directors in accordance with Article 25 of the by-laws which establishes the allocation to this account of 2% of net profit.

17. Trade payables

	31.12.2023	31.12.2022
Supplier payables	20,414	18,810
Payables to related companies	724	1,100
Total	**21,138**	**19,910**

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

There are no payables due over 12 months.

INCOME STATEMENT

18. Revenues from sales and services

A breakdown of revenues by product/service is shown below:

	2023	2022
Advertising revenues	61,918	59,847
Circulation Revenues	42,444	46,158
Revenues from services	1,484	1,367
Other Circulation Revenues	2,806	2,495
Total revenues from sales and services	**108,652**	**109,867**
of which related parties	*145*	*204*

19. Other operating revenue

	2023	2022
Grants related to income	4,587	3,782
Recovery of expenses from third parties	854	633
Rent, leases and hire charges	53	74
Other revenues	2,319	3,678
Total other operating revenues	**7,813**	**8,167**
of which related parties	*73*	*76*

Operating grants include contributions received for paper purchase and distribution expenses.

20. Raw material costs

	2023	2022
Paper	7,934	9,660
Other publishing materials	2,885	2,647
Change in inventory of raw materials and goods	357	(837)
Total raw materials costs	**11,177**	**11,470**

21. Other operating costs

	2023	2022
Distribution fees	8,415	9,259
Editorial services	8,600	8,743
Transport and delivery	3,961	4,283
Commissions and agent costs	6,482	4,476
Misc. services	2,233	5,031
Maintenance and repair costs	3,159	3,175

Consulting	3,340	2,894
Outside contractors	1,216	1,262
Directors and Statutory Auditors fees	966	1,086
Utilities and power	1,672	1,957
Advertising & promotions	1,776	1,665
Cleaning and security	1,350	1,369
Other costs	5,501	4,315
Total service costs	**48,673**	**49,515**
Total rent, lease and hire costs	**842**	**624**
Other operating charges	1,912	2,591
Total other costs	**1,912**	**2,591**
Total other operating costs	**51,428**	**52,731**
of which related parties	*765*	*1,196*

22. Amortisation, depreciation, provisions & write-downs

	2023	2022
Amortisation of intangible assets	195	391
Depreciation of property, plant & equipment	2,326	2,335
Amort. leased assets	3,900	3,679
Provision for risks and charges	623	210
Write-down of intangible assets with indefinite life	-	11,200
Doubtful debt provision	138	308
Total amortisation, depreciation, provisions & write-downs	**7,181**	**18,123**

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

23. Net financial income/(charges)

Financial income	**31.12.2023**	**31.12.2022**
Dividends	17,161	17,466
Bank deposit interest	200	73
Income from derivatives transactions	-	333
Income from bonds and government securities	753	57
Other financial income	322	124
Total	**18,437**	**18,053**
Financial charges		
Interest on bank accounts	(381)	(190)
Financial charges on post-em. bens.	(385)	(130)
Banking commissions and charges	(198)	(192)
Internal door no. on leased assets IFRS 16	(180)	(170)
Charges on derivative transactions	(469)	(425)
Other financial charges	(77)	(56)
Total	**(1,690)**	**(1,163)**
of which related parties	*(150)*	*(144)*
Financial result	**16,747**	**16,890**

The dividends included in financial income comprise:

Dividend breakdown	31.12.2023	31.12.2022
Assicurazioni Generali	8,700	9,416
Azimut	494	-
Banca Popolare di Sondrio	238	-
Mundys (ex Atlantia)	-	1,314
Italgas	380	354
Mediobanca	5,440	4,800
Poste Italiane	1,909	1,583
Total	**17,161**	**17,466**

24. Earnings per share

Earnings per share is calculated by dividing the Group net result for the year by the weighted average number of ordinary shares outstanding in the year.

	2023	2022
Net result for the year (thousands)	16,231	6,996
Number of ordinary shares outstanding (thousands)	106,790	106,790
Basic earnings per share (Euro per share)	**0.152**	**0.066**

Diluted earnings per share is the same as basic EPS in that all Caltagirone Editore SpA shares are ordinary shares, and there are no financial instruments and/or contracts that grant the holder the right to obtain ordinary shares. Dividends totaling Euro 3.2 million were distributed in 2023.

25. Other Consolidated Comprehensive Income Statement items

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

	31.12.2023			31.12.2022		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Actuarial gains/(losses) of defined-benefit plans	(143)	34	(109)	713	(205)	508
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	1,592	(382)	1,210	6,064	(1,735)	4,329
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	36,701	(252)	36,449	(27,600)	1,294	(26,306)

26. Transactions with related parties

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

There are no atypical or unusual transactions which are not within the normal business operations. The following tables report the values.

31.12.2022	Parent Company	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Property, plant and equipment			13,448		**13,448**	**44,733**	30.1%
Trade receivables	13	5	57		**75**	**34,246**	0.2%
Other current assets					**0**	**2,986**	0.0%
Non-current financial liabilities			10,688		**10,688**	**12,126**	88.1%
Trade payables	600		500		**1,100**	**19,910**	5.5%
Current financial liabilities			2,954		**2,954**	**11,810**	25.0%
Other current liabilities			22		**22**	**18,101**	0.1%
Income statement transactions							
Revenues			204		**204**	**109,867**	0.2%
Other operating income			76		**76**	**8,167**	0.9%
Other operating charges	600		596		**1,196**	**52,610**	2.3%
Financial income					**0**	**18,053**	0.0%
Financial charges			144		**144**	**1,284**	11.2%

31.12.2023	Parent Company	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
			11,259		**11,259**	**40,316**	27.9%
Trade receivables	3		102		**105**	**35,933**	0.3%
Other current assets			8		**8**	**4,375**	0.2%
Non-current financial liabilities			8,395		**8,395**	**9,606**	87.4%
Trade payables	722		2		**724**	**21,138**	3.4%
Current financial liabilities			3,085		**3,085**	**11,899**	25.9%
Other current liabilities			24		**24**	**18,547**	0.1%
Income statement transactions							
Revenues	22		122		**145**	**108,652**	0.1%
Other operating income			73		**73**	**7,813**	0.9%
Other operating charges	600		165		**765**	**51,428**	1.5%
Financial charges			150		**150**	**1,690**	8.9%

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

Trade payables to Parent Companies refer to the invoices received from Caltagirone SpA for administration, financial and tax services performed during the year.

Current and non-current financial liabilities to companies subject to the common control of the Parent Company refer to liabilities recognised in application of IFRS 16 in relation to existing lease contracts of office-use properties.

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

Amortization and depreciation concerns the use by the Parent Company and Other group companies of their respective head offices from companies under common control.

27. Business segment information

The disclosures required in accordance with IFRS 8 on the segment information are provided below. The Caltagirone Editore Group, in consideration of the economic and financial relations between the various Group companies and the interdependence between the publishing activities of the various Group newspapers and the advertising activity carried out by the Group agency, described in note 2, as well as of the financial activity carried out by both the parent company and the other subsidiaries, operates within two sectors, defined as distinctly identifiable parts of the Group, which provide a set of related products and services and are subject to differing risks and benefits from the other sectors of Group activity. This vision is used by Management to carry out an analysis of operational performance and for the specific management of related risks. The Group operates exclusively in Italy and bases sector performance on turnover volumes and EBITDA from ordinary operations.

It should be noted that compared to FY2022, where only one operating segment was indicated, in FY2023 the Group identified the operating segment referable to financial investment management ('Financial Activities') as reflecting all the requirements of IFRS 8. Accordingly, the comparative 2022 data were restated.

2022	*Publishing and Advertising activities*	*Financing activities*	*Unallocated items and eliminations*	*Consolidated*
Segment revenues	**118,078**	**458**	**(502)**	**118,034**
Inter-segment revenues	(52)	(450)	502	-
Operating grants	118,026	8		118,034
Segment EBITDA	**6,649**	**(2,119)**		**4,529**
Depreciation, amortisation, provisions & write-downs	(17,904)	(218)		(18,123)
EBIT	**(11,256)**	**(2,338)**		**(13,594)**
Net financial result		17,098	(330)	16,769
Profit/(loss) before taxes	**(11,256)**	**14,760**	**(330)**	**3,174**
Income taxes				3,822
Net Profit				**6,996**
Segment assets	187,441	298,355		485,796
Segment liabilities	91,546	8,991		100,537
Investments in intangible and tangible fixed assets	2,850	1,316		4,166

2023	*Publishing and Advertising activities*	*Financing activities*	*Unallocated items and eliminations*	*Consolidated*
Segment revenues	**116,507**	**458**	**(502)**	**116,464**
Inter-segment revenues	(52)	(450)	502	-
Operating grants	116,455	8		116,464
Segment EBITDA	**7,120**	**(1,551)**		**5,569**
Depreciation, amortisation, provisions & write-downs	(6,942)	(238)		(7,180)
EBIT	**177**	**(1,790)**		**(1,613)**
Net financial result		17,445	(698)	16,747
Profit/(loss) before taxes	**177**	**15,656**	**(698)**	**15,134**
Income taxes				1,097
Net Profit				**16,231**
Segment assets	187,672	347,710		535,382
Segment liabilities	90,092	9,918		100,010
Investments in intangible and tangible fixed assets	1,855	139		1,994

28. Other information

Information in accordance with article 149 of Consob Resolution 11971/99

The fees paid to the independent audit firm KPMG SpA for financial year 2023, without including the Consob contribution or expenses invoiced, amount to Euro 246 thousand, of which Euro 236 thousand refers to audit and limited audit activities, and Euro 10 thousand for declaration activities.

Transactions with Directors, Statutory Auditors, and Senior Management of Group Companies

During the year, no financing was issued to directors, auditors or senior management with strategic responsibilities, and the Group had no receivables for financing granted to such parties as at December 31st 2023.

It should be noted that, in 2023 fees paid to directors and to senior executives totalled Euro 767 thousand (Euro 764 thousand in 2022). This compensation is considered a short-term benefit.

For details on the remuneration of the members of the corporate boards, reference should be made to the Remuneration Report, prepared in accordance with Article 123 of the CFA, made available to the public and published as required by Article 84 quater of the Issuers' Regulations.

The Remuneration Report also contains information on the shareholdings held in the Company and its subsidiaries by each member of the management and control bodies.

29. Hierarchy of Fair Value according to IFRS 13

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

December 31st, 2022	Note	Level 1	Level 2	Level 3	Total
Capital instruments	4	222,908			**222,908**
Total Assets		**222,908**	**-**	**-**	**222,908**
Derivative financial instruments – Liabilities	4	666			**666**
Total liabilities		**666**	**-**	**-**	**666**

December 31st 2023	Note	Level 1	Level 2	Level 3	Total
Capital instruments	4	262,351			**262,351**
Total Assets		**262,351**	**-**	**-**	**262,351**
Derivative financial instruments – Liabilities	4	535			**535**
Total liabilities		**535**	**-**	**-**	**535**

In 2023 no transfers occurred between the various levels and no changes took place in level 3.

30. Subsequent events

No significant subsequent events took place.

LIST OF INVESTMENTS AT 31.12.2023

COMPANY	REGISTERED OFFICE	SHARE CAPITAL	CURRENCY	HOLDING DIRECT	INDIRECT THROUGH	
COMPANIES INCLUDED IN THE CONSOLIDATION UNDER THE LINE-BY-LINE METHOD						
CED DIGITAL & SERVIZI SRL	ROME	100,000.00	Euro	99.99%	FINCED Srl	0.01%
IL MESSAGGERO SpA	ROME	1,265,385.00	Euro	99.95%	FINCED Srl	0.05%
IL MATTINO SpA	ROME	500,000.00	Euro	99.95%	FINCED Srl	0.05%
PIEMME SpA	ROME	91,710.21	Euro	100.00%	FINCED Srl	0.00%
LEGGO Srl	ROME	1,000,000.00	Euro	99.95%	FINCED Srl	0.05%
FINCED Srl	ROME	10,000.00	Euro	99.99%	PIEMME SpA	0.01%
CORRIERE ADRIATICO Srl	ROME	200,000.00	Euro	99.95%	FINCED Srl	0.05%
QUOTIDIANO DI PUGLIA Srl	ROME	50,000.00	Euro	99.95%	FINCED Srl	0.05%
SERVIZI ITALIA 15 SRL	ROME	100,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA NAPOLI 2015 SRL	ROME	10,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA ROMA 2015 SRL	ROME	10,000.00	Euro	99.95%	FINCED Srl	0.05%
IL GAZZETTINO SpA	ROME	200,000.00	Euro	99.95%	FINCED Srl	0.05%
STAMPA VENEZIA Srl	ROME	2,267,000.00	Euro	74.99%	IL GAZZETTINO SpA	25.01%
IMPRESE TIPOGRAFICHE VENETE Srl	ROME	1,730,000.00	Euro	45.90%	IL GAZZETTINO SpA	54.10%
P.I.M. PUBBLICITA' ITALIANA MULTIMEDIA Srl	ROME	1,800,000.00	Euro	42.00%	IL GAZZETTINO SpA	58.00%

ed CALTAGIRONE EDITORE

FINANCIAL STATEMENTS

December 31st 2023

Balance Sheet

(in Euro)	Notes	31.12.2023	31.12.2022
Non-current assets			
Property, plant and equipment	1	1,413,858	1,513,638
of which related parties		*1,413,858*	*1,513,638*
Equity investments valued at cost	2		
subsidiary companies		353,838,620	350,911,172
other companies		10	10
Equity investments and non-current securities	3	54,435,000	55,117,910
Deferred tax assets	4	47,065,453	44,818,781
TOTAL NON-CURRENT ASSETS		**456,752,941**	**452,361,511**
Current assets			
Trade receivables	5	456,098	456,099
of which related parties		*456,098*	*456,099*
Current financial assets	6	17,511,457	11,229,734
Group loans		*9,529,734*	*11,229,734*
Government bonds		*7,981,723*	-
of which related parties		*9,529,734*	*11,229,734*
Other current assets	7	5,054,753	3,508,553
of which related parties		*5,031,594*	*3,455,819*
Cash and cash equivalents	8	181,044	102,583
TOTAL CURRENT ASSETS		**23,203,352**	**15,296,969**
TOTAL ASSETS		**479,956,293**	**467,658,480**

Balance Sheet

Shareholders' Equity & Liabilities	Notes		
(in Euro)		*31.12.2023*	*31.12.2022*
Shareholders' Equity			
Share capital		125,000,000	125,000,000
Share capital issue costs		(18,864,965)	(18,864,965)
Other reserves		265,197,035	241,249,932
Profit/(loss) for the year		3,976,456	20,567,178
TOTAL SHAREHOLDERS' EQUITY	**9**	**375,308,527**	**367,952,145**
Liabilities			
Non-current liabilities			
Employee provisions	**10**	109,873	100,872
Non-current financial payables	**11**	1,196,657	1,312,292
of which related parties		*1,196,657*	*1,312,292*
Deferred tax liabilities	**4**	178,922	93,935
TOTAL NON-CURRENT LIABILITIES		**1,485,451**	**1,507,099**
Current liabilities			
Trade payables	**12**	1,132,466	1,139,565
of which related parties		*781,544*	*665,431*
Current financial liabilities	**11**	53,977,852	52,623,150
of which related parties		*53,977,011*	*52,623,150*
Other current liabilities	**13**	48,051,998	44,436,521
of which related parties		*42,078,705*	*38,988,979*
TOTAL CURRENT LIABILITIES		**103,162,315**	**98,199,236**
TOTAL LIABILITIES		**104,647,766**	**99,706,335**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**479,956,293**	**467,658,480**

Income Statement

(in Euro)	Notes	*2023*	*2022*
Other operating revenues	14	458,789	458,000
of which related parties		*458,000*	*458,000*
TOTAL OPERATING REVENUES		**458,789**	**458,000**
Labour costs	10	(232,519)	(263,053)
Other operating charges	15	(1,714,531)	(1,963,029)
of which related parties		*(675,205)*	*(889,117)*
TOTAL OPERATING COSTS		**(1,947,050)**	**(2,226,082)**
EBITDA		**(1,488,261)**	**(1,768,082)**
Amort. leased assets	16	(238,962)	(218,839)
of which related parties		*(238,962)*	*(218,839)*
EBIT		**(1,727,223)**	**(1,986,921)**
Financial income	17	7,233,831	22,328,595
Financial charges	17	(2,166,196)	(231,753)
of which related parties		*(1,378,592)*	*(124,940)*
Net financial income/(charges)		**5,067,635**	**22,096,842**
PROFIT BEFORE TAXES		**3,340,413**	**20,109,921**
Income taxes	4	636,044	457,257
PROFIT FROM CONTINUING OPERATIONS CONTINUING		**3,976,456**	**20,567,178**
NET PROFIT FOR THE YEAR		**3,976,456**	**20,567,178**

Comprehensive Income Statement

(in Euro)	**2023**	**2022**
Net profit for the year	**3,976,456**	**20,567,178**
Items which may not be subsequently reclassified to the profit (loss) for the year		
Effect of actuarial gains/losses, net of tax effect	(2,285)	8,047
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	-	365,824
Profit/(loss) from the valuation of Investments in equity instruments net of the tax effect	6,997,263	(8,026,092)
Total other items of the Comprehensive Income Statement	**6,994,978**	**(7,652,221)**
Total comprehensive profit for the year	**10,971,434**	**12,914,957**

Statement of changes in Shareholders' Equity

(in Euro)	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net Result	Total Net Equity
Balance at January 1st 2022	**125,000,000**	**(18,864,965)**	**(23,640,924)**	**15,760,108**	**256,378,929**	**3,681,374**	**358,314,523**
Dividends paid					(3,203,708)		**(3,203,708)**
Previous year results carried forward					3,681,374	(3,681,374)	**-**
Amount set aside to BoD					(73,627)		**(73,627)**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**404,039**	**(3,681,374)**	**(3,277,335)**
Change in fair value reserve				(8,026,092)			**(8,026,092)**
Change employee reserve					8,047		**8,047**
Change in other reserves					365,824		**365,824**
Net Profit/(loss)						20,567,178	**20,567,178**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(8,026,092)**	**373,871**	**20,567,178**	**12,914,957**
Balance at December 31st 2022	**125,000,000**	**(18,864,965)**	**(23,640,924)**	**7,734,016**	**257,156,839**	**20,567,178**	**367,952,145**
Balance at January 1st 2023	**125,000,000**	**(18,864,965)**	**(23,640,924)**	**7,734,016**	**257,156,839**	**20,567,178**	**367,952,145**
Dividends paid					(3,203,708)		**(3,203,708)**
Previous year results carried forward					20,567,178	(20,567,178)	**-**
Amount set aside to BoD					(411,344)		**(411,344)**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**16,952,126**	**(20,567,178)**	**(3,615,052)**
Change in fair value reserve				6,997,263			**6,997,263**
Change employee reserve					(2,285)		**(2,285)**
Net Profit/(loss)						3,976,456	**3,976,456**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**6,997,263**	**(2,285)**	**3,976,456**	**10,971,434**
Balance at December 31st 2023	**125,000,000**	**(18,864,965)**	**(23,640,924)**	**14,731,279**	**274,106,680**	**3,976,456**	**375,308,527**

Cash Flow Statement

(in Euro)	Notes	2023	2022
CASH & CASH EQUIVALENTS PRIOR YEAR	**10**	**102,583**	**416,870**
Net profit for the year		3,976,528	20,567,178
Amortisation & depreciation		238,962	218,839
(Revaluations) and write-downs		(2,927,448)	(18,609,882)
Net financial income/(charges)		(2,140,187)	(3,486,960)
of which related parties		*1,378,592*	*124,940*
Income taxes		(636,044)	(457,257)
Changes in employee provisions		3,028	5,285
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**(1,485,161)**	**(1,762,797)**
(Increase) Decrease in Trade receivables		-	(143,310)
Increase (Decrease) in Trade payables		(7,096)	(43,251)
Change in other current and non-current liabilities		1,676,041	(36,289)
Change in deferred and current income taxes		(1,628,827)	(318,568)
OPERATING CASH FLOW		**(1,445,043)**	**(2,304,215)**
Dividends received		3,306,000	3,584,500
Interest received		7,533	732
Interest paid		-	(45,680)
A) CASH FLOW FROM OPERATING ACTIVITIES		**1,868,490**	**1,235,337**
Non-current investments and securities		-	(7,708,085)
Sale of equity investments and non-current securities		-	7,300,000
Change in current financial assets		1,700,000	2,500,000
of which related parties		*1,700,000*	*2,500,000*
B) CASH FLOW FROM INVESTING ACTIVITIES		**1,700,000**	**2,091,915**
Change in current financial liabilities		(286,322)	(437,832)
Dividends Distributed		(3,203,707)	(3,203,707)
C) CASH FLOW FROM FINANCING ACTIVITIES		**(3,490,029)**	**(3,641,539)**
D) Effect exc. diffs. on cash & cash equivalents		-	-
Change in net liquidity		**78,461**	**(314,287)**
CASH & CASH EQUIVALENTS CURRENT YEAR	**10**	**181,044**	**102,583**

BLANK PAGE

NOTES TO THE FINANCIAL STATEMENTS

December 31st 2023

BLANK PAGE

Introduction

Caltagirone Editore SpA (Parent Company) is a limited liability company with its registered office at Rome (Italy), Via Barberini, No. 28.

At the date of this report, the Shareholders with significant holdings, according to the disclosures made pursuant to Article 120 of the CFA and supplemented by additional information are:

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

  The above investment is held indirectly through the companies:

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

  FGC SpA 31,500,750 shares (25.2%)

The company in addition holds 18,209,738 treasury shares, equal to 14.57% of the share capital.

The present financial statements were authorised for publication by the Directors on March 7th 2024.

At the date of the preparation of the present accounts, the ultimate holding company is FGC SpA, with registered office at Via Barberini 28 Rome, due to the shares held through subsidiary companies.

Compliance with international accounting standards approved by the European Commission

The financial statements at December 31st 2023 were prepared on the going concern basis and in accordance with Article 2 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the balance sheet date, in addition to the preceding International Accounting Standards (IAS). For simplicity, all the standards and interpretations are hereafter stated simply as "IFRS".

In the preparation of the present document, account was taken of Article 9 of Legislative Decree No. 38 of February 28th 2005, of the provisions of the civil code, of CONSOB Resolution No. 15519 ("Regulations relating to financial statements to be issued in accordance with Article 9, paragraph 3 of Legs. Decree No. 38/2005") and No. 15520 ("Modifications and amendments to the implementation rules of Legs. Decree No. 58/1998"), both of July 27th 2006, as well as CONSOB communication No. DEM/6064293 of July 28th 2006 ("Disclosure of issuers of shares and financial instruments in accordance with article 116 of the CFA").

Basis of presentation

The Financial Statements at December 31st 2023 are presented in Euro and all the amounts refer to units of the currency, except where indicated otherwise. They consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Statement of changes in Shareholders' Equity, the Cash Flow Statement and the Explanatory Notes.

The financial statements have been prepared on a going concern basis as the Directors, having fully assessed the risks and uncertainties facing the Company, have a reasonable expectation that the Company will continue to operate for the foreseeable future.

Regarding the presentation of the financial statements, the Company has made the following choices:

1. the current and non-current assets and current and non-current liabilities are presented as separate classifications in the Balance Sheet;
2. the income statement items are classified by the nature of the expense;
3. the comprehensive income statement, beginning with the net result, highlights the effect of profits and losses recorded directly to net equity;
4. the cash flow statement is presented using the indirect method.

The accounting standards applied and basis of preparation are the same as those adopted for the preparation of the annual consolidated financial statements, to which reference is made, except for the recognition and measurement of investments in subsidiaries, joint ventures and associates.

These are recorded at cost of acquisition or establishment, less impairment losses. Where there is evidence of impairment, recoverability is tested by comparing the carrying amount with the recoverable amount. Where there is a subsequent improvement in the performance of the investee subject to the write-down such as to consider the reasons for the impairment no longer existing, the investments are revalued within the limits of the write-downs recognised in previous years, to "Financial income".

ASSETS

1. Property, plant and equipment

Historical cost	Equipment	Other assets	Right-of-Use Assets	Total
01.01.2022	31,236	213,333	1,067,557	**1,312,126**
Increases/Decreases				1,316,184
31.12.2022	**31,236**	**213,333**	**2,383,741**	**2,628,310**
01.01.2023	31,236	213,333	2,383,741	**2,628,310**
Increases/Decreases			139,182	**139,182**
31.12.2023	**31,236**	**213,333**	**2,522,923**	**2,767,492**

Depreciation & loss in value	Equipment	Other assets	Right-of-Use Assets	Total
01.01.2022	31,236	213,333	651,264	**895,833**
Increases/Decreases			218,839	**218,839**
31.12.2022	**31,236**	**213,333**	**870,103**	**1,114,672**
01.01.2023	31,236	213,333	870,103	**1,114,672**
Increases/Decreases			238,962	**238,962**
31.12.2023	**31,236**	**213,333**	**1,109,065**	**1,353,634**

Net value				
01.01.2022	-	-		**416,293**
31.12.2022	-	-	**1,513,638**	**1,513,638**
31.12.2023	-	-	**1,413,858**	**1,413,858**

With reference to the impact of the application of IFRS 16 for the lease contract for office-use properties for the Company at December 31st 2023, the following additional information is provided below:

	Land & buildings
Gross value at January 1st 2022	1,067,557
Increases	1,316,183
Gross value at December 31st 2022	**2,383,740**
Accumulated depreciation at January 1st 2022	651,264
Depreciation	218,839
Accumulated depreciation at December 31st 2022	**870,103**
Net value at December 31st 2022	**1,513,637**
Gross value at January 1st 2023	2,383,740
Increases	139,183
Gross value at December 31st 2023	**2,522,923**
Accumulated depreciation at January 1st 2023	870,103
Depreciation	238,962
Accumulated depreciation at December 31st 2023	**1,109,065**
Net value at December 31st 2023	**1,413,858**

At December 31st 2023, the right-of-use asset amounted to Euro 1,413,858, and included property contracts.

2. Investments valued at cost

The movements in the account are as follows:

Investments in subsidiaries	Registered Office	Share capital	%	Book value 01.01.2022	Revaluations (Write-downs)	Book value 31.12.2022	Share of Net equity at 31.12.2022	Difference compared to book value at 31.12.2022
Ced digital & servizi S.r.l.	Rome	100,000	99.99	4,968,503		4,968,503	6,461,475	1,492,972
Corriere Adriatico S.r.l.	Rome	200,000	99.95	6,492,017		6,492,017	5,132,881	(1,359,136)
Finced S.r.l.	Rome	10,000	99.99	162,011,080	18,686,288	180,697,368	187,067,680	6,370,312
Il Gazzettino S.p.A.	Rome	200,000	99.95	44,067,897		44,067,897	18,259,949	(25,807,949)
Il Mattino S.p.A.	Rome	500,000	99.95	14,767,761		14,767,761	14,838,569	70,808
Il Messaggero S.p.A.	Rome	1,265,385	99.95	50,439,010		50,439,010	38,598,224	(11,840,786)
Imprese Tipografiche Venete Srl	Rome	1,730,000	45.90	4,800,000		4,800,000	10,305,757	5,505,757
Leggo S.r.l.	Rome	1,000,000	99.95	5,741,184		5,741,184	6,232,743	491,559
Nuovo Quotidiano di Puglia S.r.l.	Rome	50,000	99.95	5,478,260		5,478,260	6,920,635	1,442,375
Piemme S.p.A.	Rome	91,710	99.99	5,091,710	(76,406)	5,015,304	5,015,304	0
Pim Srl	Rome	1,800,000	42.00	5,000,000		5,000,000	14,842,628	9,842,628
Servizi Italia 15 S.r.l.	Rome	100,000	99.95	4,922,737		4,922,737	6,607,785	1,685,048
Stampa Napoli 2015 S.r.l.	Rome	10,000	99.95	4,996,976		4,996,976	5,140,614	143,638
Stampa Roma 2015 S.r.l.	Rome	10,000	99.95	8,624,155		8,624,155	10,761,093	2,136,938
Stampa Venezia Srl	Rome	2,267,000	74.99	4,900,000		4,900,000	8,315,798	3,415,798
Total				**332,301,290**	**18,609,882**	**350,911,172**		

Investments in subsidiaries	Registered Office	Share capital	%	Book value 01.01.2023	Revaluations (Write-downs)	Book value 31.12.2023	Share of Net equity at 31.12.2023	Difference compared to book value at 31.12.2023
Ced digital & servizi S.r.l.	Rome	100,000	99.99	4,968,503		4,968,503	7,447,231	2,478,728
Corriere Adriatico S.r.l.	Rome	200,000	99.95	6,492,017		6,492,017	5,512,709	(979,308)
Finced S.r.l.	Rome	10,000	99.99	180,697,368		180,697,368	198,337,871	17,640,503
Il Gazzettino S.p.A.	Rome	200,000	99.95	44,067,897		44,067,897	19,710,793	(24,357,105)
Il Mattino S.p.A.	Rome	500,000	99.95	14,767,761		14,767,761	13,438,887	(1,328,874)
Il Messaggero S.p.A.	Rome	1,265,385	99.95	50,439,010		50,439,010	36,188,221	(14,250,789)
Imprese Tipografiche Venete Srl	Rome	1,730,000	45.90	4,800,000		4,800,000	5,139,312	339,312
Leggo S.r.l.	Rome	1,000,000	99.95	5,741,184	899,770	6,640,954	6,640,954	(0)
Nuovo Quotidiano di Puglia S.r.l.	Rome	50,000	99.95	5,478,260	1,952,998	7,431,258	7,431,258	0
Piemme S.p.A.	Rome	91,710	99.99	5,015,304	(776,287)	4,239,017	4,239,016	(1)
Pim Srl	Rome	1,800,000	42.00	5,000,000		5,000,000	6,681,003	1,681,003
Servizi Italia 15 S.r.l.	Rome	100,000	99.95	4,922,737	483,298	5,406,035	6,879,082	1,473,047
Stampa Napoli 2015 S.r.l.	Rome	10,000	99.95	4,996,976	366,139	5,363,115	5,363,115	0
Stampa Roma 2015 S.r.l.	Rome	10,000	99.95	8,624,155	1,530	8,625,685	11,484,727	2,859,042
Stampa Venezia Srl	Rome	2,267,000	74.99	4,900,000		4,900,000	6,868,588	1,968,588
Total				**350,911,172**	**2,927,448**	**353,838,620**		

For the purpose of impairment testing, the shareholders' equity of the investee was considered as an indicator of the recoverable value of the investee. In the case of a negative difference between the portion of shareholders' equity and the carrying amount of the investment, any capital gains arising from the valuation of Newspaper titles following the results of the impairment test (for further details of the methods and basic assumptions used in the impairment test, reference should be made to Note 2 in the Notes to the Group's consolidated financial statements). With regard to the shareholders' equity of Il Gazzettino SpA, the pro-rata shareholders' equity of its subsidiaries was also taken into consideration.

Revaluations of equity investments refer to those in Nuovo Quotidiano di Puglia Srl, Leggo Srl, Servizi Italia 15 Srl, Stampa Roma 2015 Srl and Stampa Napoli 2015 Srl, following the write-back of carrying amounts, as the reasons leading the Companies in previous years to adjust their cost for impairment losses deemed permanent no longer exist.

Write-downs of investments in subsidiaries relate to the subsidiary Piemme S.p.A. and refer to the adjustment of the carrying amount of the investment to Shareholders' Equity, having deemed the difference compared to the latter to be an impairment loss.

The investments in other companies consist of:

Investments in other companies	01.01.2022	Increases/(Decreases)	Reversals/(Impairment losses)	31.12.2022
Banca Popolare di Vicenza	10	-	-	10
Total	**10**	**-**	**-**	**10**

Investments in other companies	01.01.2023	Increases/(Decreases)	Reversals/(Impairment losses)	31.12.2023
Banca Popolare di Vicenza	10		-	10
Total	**10**	**-**	**-**	**10**

3. Equity investments and non-current securities

Equity investments and non-current securities	01.01.2022	Increases/(Decreases)	Fair value change	Reclassifications	31.12.2022
Investments in equity instruments	62,410,500	- 6,934,175	(8,123,575)		47,352,750
Fixed income securities	-	7,765,159	-		7,765,160
Total	**62,410,500**	**830,985**	**(8,123,575)**	**-**	**55,117,910**

Equity investments and non-current securities	01.01.2023	Increases/(Decreases)	Fair value change	Reclassifications	31.12.2023
Investments in equity instruments	47,352,750	-	7,082,250		54,435,000
Fixed income securities	7,765,160	-	-	(7,765,160)	-
Total	**55,117,910**	**-**	**7,082,250**	**(7,765,160)**	**54,435,000**

The breakdown of the account "Investments in equity instruments" is as follows:

Capital instruments	01.01.2022	Increases/(Decreases)	Fair value change	31.12.2022
Assicurazioni Generali SpA	62,410,500	(6,934,175)	(8,123,575)	47,352,750
Total	**62,410,500**	**(6,934,175)**	**(8,123,575)**	**47,352,750**

	01.01.2023	Increases/(Decreases)	Fair value change	31.12.2023
Assicurazioni Generali SpA	47,352,750	0	7,082,250	54,435,000
Total	**47,352,750**	**0**	**7,082,250**	**54,435,000**

number	01.01.2022	Increases/(Decreases)	31.12.2022
Assicurazioni Generali SpA	3,350,000	(500,000)	2,850,000

	01.01.2023	Increases/(Decreases)	31.12.2023
Assicurazioni Generali SpA	2,850,000	0	2,850,000

The changes in the fair value reserve are reported below:

Fair Value reserve

	01.01.2022	Increases	Decreases	31.12.2022
Fair Value reserve	15,951,526	0	(8,123,575)	7,827,951
Tax effect	(191,418)	191,418	(93,935)	(93,935)
Fair value reserve, net of tax effect	**15,760,108**	**191,418**	**(8,217,510)**	**7,734,016**
Changes in the year				**(8,026,092)**

	01.01.2023	Increases	Decreases	31.12.2023

Fair Value reserve	7,827,951	7,082,250	0	14,910,201
Tax effect	(93,935)		(84,987)	(178,922)
Fair value reserve, net of tax effect	**7,734,016**	**7,082,250**	**(84,987)**	**14,731,279**
Changes in the year				**6,997,263**

In relation to the disclosure required by IFRS 13, concerning the so-called "hierarchy of fair value", these equity instruments belong to level one, as defined in paragraph 27 A (IFRS 13), as concerning financial instruments listed on an active market.

For fixed-income securities, the value was reclassified to current financial assets as they mature within 12 months from December 31st 2023.

4. Deferred and current taxes

The deferred tax assets refer to losses carried forward and temporary differences between the values recorded in the financial statements and the corresponding values recognised for tax purposes.

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

	01.01.2022	Provisions	Utilisations	Other changes	31.12.2022
Deferred tax assets					
Tax losses carried forward	43,977,973	512,396		272,537	44,762,906
Other	68,212	8,957	(64,096)	42,802	55,875
Total	**44,046,185**	**521,353**	**(64,096)**	**315,339**	**44,818,781**
Deferred tax liabilities					
Other	191,418		-	97,483	93,935
Total	**191,418**	**-**	**- -**	**97,483**	**93,935**
Net deferred tax assets	**43,854,767**	**521,353**	**(64,096)**	**412,822**	**44,724,846**

	01.01.2023	Provisions	Utilisations	Other changes	31.12.2023
Deferred tax assets					
Tax losses carried forward	44,762,906	650,319		1,568,775	46,982,000
Other	55,875	12,778	(8,458)	23,258	83,453
Total	**44,818,781**	**663,097**	**(8,458)**	**1,592,033**	**47,065,453**
Deferred tax liabilities					
Other	93,935			84,987	178,922
Total	**93,935**	**-**	**-**	**84,987**	**178,922**
Net deferred tax assets	**44,724,846**	**663,097**	**(8,458)**	**1,507,046**	**46,886,531**

The other changes in deferred tax assets and liabilities include the deferred tax assets recorded due to the losses incurred by the subsidiaries within the tax consolidation, against which the related liability has been recorded under Other liabilities. Taking account of the timing differences and based on forecasts, it is considered that the Group will have, in the coming years, sufficient assessable income to recover the deferred tax assets recorded in the financial statements at December 31st 2023.

The income taxes for the year consist of:

	2023	2022
Recording of deferred tax assets	(663,097)	(521,353)
Utilisation of deferred tax assets	8,458	64,096
Prior year taxes	18,595	-
Deferred tax assets	**(636,044)**	**(457,257)**
Total income taxes	**(636,044)**	**(457,257)**

The breakdown of income taxes is as follows:

	31.12.2023	31.12.2022
Current and deferred IRES tax	(654,639)	(457,257)
Current and deferred IRAP tax	-	-
Total	**(654,639)**	**(457,257)**

The analysis of the difference between the theoretical and actual tax rates in relation to IRES are as follows:

	2023		2022	
	Amount	Tax	Amount	Tax
Profit before taxes	**3,340,413**	**24.00%**	**20,109,921**	**24.00%**
Theoretical tax charge		**801,699**		**4,826,381**
Permanent differences increase (decrease):				
Dividends		(753,768)		(817,266)
Write-down of equity investments		186,309		18,337
Revaluations of investments		(888,896)		(4,484,709)
Other		17		(7,171)
Current and deferred IRES tax		**(654,639)**		**(324,247)**

5. *Trade receivables*

The breakdown is as follows:

	31.12.2023	31.12.2022
Receivables from related parties	456,098	456,099
Total trade receivables	**456,098**	**456,099**

There are no receivables due over 12 months. The value of the receivables reported above approximates their fair value.

6. *Current financial assets*

The breakdown is as follows:

	31.12.2023	31.12.2022

Government securities	7,981,723	-
Financial receivables from Piemme SpA	5,839,384	7,539,384
Financial receivables from Il Mattino SpA	3,690,350	3,690,350
Total current financial assets	**17,511,457**	**11,229,734**

Italian government bonds in portfolio have been reclassified from non-current to current financial assets as they have a maturity within one year.

Receivables related to Piemme S.p.A. and Il Mattino S.p.A. represented on-demand, interest-free loans granted to subsidiaries; the decrease from the previous year relates to loan repayments made during the year by subsidiaries.

The value of current financial assets approximates their fair value.

7. Other current assets

The breakdown is as follows:

	31.12.2023	31.12.2022
Receivables from subsidiaries	5,031,594	3,455,819
Receivables from third parties	23,159	52,734
Total current assets	**5,054,753**	**3,508,553**

The receivables from subsidiaries due within one year relate to transactions under the national tax consolidation and the VAT positions transferred by the subsidiaries as part of the VAT consolidation, as follows:

	31.12.2023	31.12.2022
Itv Srl	-	965,965
Ced Digital Srl	275,374	150,651
Pim Srl	480,145	481,310
Stampa Roma 2015 Srl	277,366	261,382
Stampa Venezia Srl	65,972	19,763
Imprese Tipografiche Venete Srl	1,069,738	-
Total tax consolidation	**2,168,594**	**1,879,070**
Il Messaggero Spa	486,140	59,725
Il Mattino Spa	503,407	-
Leggo Srl	538	-
Quotidiano Di Puglia Srl	145,281	4,022
Corriere Adriatico Srl	11,133	8,043
Servizi Italia 15 Srl		10,268
Il Gazzettino Spa	367,297	5,237
Stampa Napoli 2015 Srl	6,450	
Piemme Spa		188,239
Total Consolidated VAT	**1,520,246**	**275,534**
Il Mattino SpA	1,301,497	1,301,214
Total other receivables	**1,301,497**	**1,301,214**
ICAL	41,256	
Total prepayments and accrued income	**41,256**	
Total receivables from subsidiaries	**5,031,594**	**3,455,819**

The other receivables from Il Mattino SpA concern payments made by Caltagirone Editore SpA as the tax consolidating company, in relation to tax disputes in previous years.

The value of other current assets approximates their fair value.

8. Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

	31.12.2023	31.12.2022
Bank and postal deposits	178,449	101,295
Cash in hand and similar	2,595	1,288
Total cash and cash equivalents	**181,044**	**102,583**

Net financial position

Details are provided of short and medium/long-term loans in accordance with the recommendations of Consob communication No. 6064293 of July 28th 2006, updated on the basis of the Call to attention No. 5/21 of April 29th 2022. As a result of this update, the comparative balances reported have also been adjusted:

In Euro thousands	31.12.2023	31.12.2022
A. Liquidity	181,044	102,583
B. Cash equivalents	-	-
C. Other current financial assets	17,511,457	11,229,734
D. Liquidity (A)+(B)+(C)	**17,692,501**	**11,332,317**
of which related parties	*17,511,457*	*11,229,734*
E. Current financial debt	53,741,546	52,408,887
of which related parties	-	-
F. Current portion of non-current financial debt	236,305	214,263
G. Current financial debt (E)+(F)	**53,977,852**	**52,623,150**
of which related parties	*53,977,011*	*52,623,150*
H. Net current financial debt (G)-(D)	**36,285,351**	**41,290,833**
I. Non-current financial debt	1,196,657	1,312,292
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current debt (I)+(J)+(K)	**1,196,657**	**1,312,292**
of which related parties	*1,196,657*	*1,312,292*
M. Total financial debt (H + L)	**37,482,008**	**42,603,125**

The net financial position at 31.12.2023 was debt of Euro 37.5 million (debt of Euro 42.6 million at 31.12.2022). The improvement of Euro 5.1 million mainly concerns the reclassification to current financial assets of government securities due within one year for Euro 7.9 million, net of the operating cash flow absorbed.

The average interest rate on liquidity for the year 2023 was 2.7%.

LIABILITIES AND SHAREHOLDERS' EQUITY

9. Shareholders' Equity

Capital and reserve movements

Changes in shareholders' equity at December 31st 2023 and 2022 are shown in the financial statements.

Share capital

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

All of the ordinary shares issued are fully paid-in. There are no shares subject to guarantees or restrictions on the distribution of dividends. At December 31st 2023, Caltagirone Editore SpA had 18,209,738 treasury shares, comprising 14.57% of the share capital for a value of Euro 23 million, which was recognised as a reduction of equity for which a specific, restricted reserve has been established.

Dividends totaling Euro 3.2 million were distributed in 2023.

	31.12.2023	**31.12.2022**
Share capital	125,000,000	125,000,000
Share capital issue costs	(18,864,965)	(18,864,965)
Legal reserve	25,000,000	25,000,000
Share premium reserve	459,125,641	459,125,641
Treasury Shares	(23,640,925)	(23,640,924)
Reserve for treasury shares	23,640,924	23,640,924
IAS leaving indemnity reserve	2,113	4,398
Net Fair Value reserve	14,731,279	7,734,016
Other reserves	18,159,032	18,159,032
Retained earnings	20,800,308	3,848,181
Losses carried forward	(272,621,336)	(272,621,336)
Net Profit	3,976,456	20,567,178
Total net equity	**375,308,527**	**367,952,145**

The Shareholders' Equity disclosure document with breakdown by individual accounts concerning the availability and usage in previous years is reported below.

SHAREHOLDERS' EQUITY DISCLOSURE AT DECEMBER 31st 2023

(€/000)

Nature/description	Amount 31.12.2022	Amount 31.12.2023	Possibility of use	Quota available	Summary utilisation in the previous three years: to cover losses	Summary utilisation in the previous three years: for other reasons
(thousands of Euro)						
Share capital	125,000	125,000				
Share capital issue costs	(18,865)	(18,865)				
Share premium reserve	459,126	459,126	A B C	459,126		
Legal reserve	25,000	25,000	B			
Merger reserves (Other Reserves)	1,179	1,179	A B C	1,179		
Other reserves	24,718	31,713				
Retained earnings (accumulated losses)	(268,773)	(251,821)	A B C	(251,821)	20,539	
	347,385	**371,332**				
Total available				**208,484**		
Non-distributable amount				0 (1)		
Residual amount distributable				**208,484**		

Key:
A: Share capital increases
B: Coverage of losses
C: Distribution to shareholders
(1) (Article 2433 of the Civil Code)

LIABILITIES

10. Personnel

Post-employment benefits and employee provisions

Post-employment benefits represent a liability relating to the benefits recognised to employees and paid either on termination or after employment service. This liability is a defined benefit plan and therefore is determined applying the actuarial method under the applicable accounting standards.

The assumptions relating to the determination of the plan are summarised in the table below:

Values in %	**31.12.2023**	**31.12.2022**
Annual technical discounting rate	3.10%	3.60%
Annual inflation rate	2.50%	2.50%
Annual increase in leaving indemnity	3.30%	3.30%
Annual increase in salaries	2.75%	2.75%

The movements in the year are as follows:

	31.12.2023	31.12.2022
Net liability at January 1st	**100,873**	**106,864**
Current cost for the year	4,842	4,585
Interest charge (income), net	3,631	1,069
Actuarial profits/(losses)	527	(11,646)
Net liability at December 31st	**109,873**	**100,872**

The comparison with the liability in accordance with Italian regulations is as follows:

	31.12.2023	31.12.2022
Nominal value of the provision	114,426	108,408
Actuarial adjustment	(4,553)	(7,536)
Total post-employment benefits	**109,873**	**100,872**

As illustrated in the movement, the change between the liability determined in accordance with Italian regulations and IFRS is essentially due to the change in the discount rate utilised, as described previously.

Employee numbers and cost

	2023	2022
Wages and salaries	159,092	178,742
Social security charges	63,562	68,793
Post-employment benefit provision	4,842	4,585
Other costs	5,023	10,932
Total labour costs	**232,519**	**263,053**

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

	31.12.2023	31.12.2022	Average 2023	Average 2022
Executives	1	1	1	1
Managers & white-collar	1	1	1	1
Collaborators	-	-	-	-
Total	**2**	**2**	**2**	**2**

11. Non-current and current financial liabilities

	31.12.2023	31.12.2022
Current financial liabilities		
Payables for leasing assets to associates	1,196,657	1,312,293
	1,196,657	**1,312,293**
Current financial liabilities		
Payable to subsidiaries	53,740,706	52,408,887
Payables for leasing assets to associates	236,305	214,263
Current bank payables	840	-
	53,977,852	**52,623,150**

Payables to subsidiaries refer to loans received at market rates from the subsidiaries Finced S.r.l., for Euro 52,631 thousand and Quotidiano di Puglia S.r.l., for Euro 1,110 thousand.

Payables for leasing assets arise from the application of IFRS 16 on the lease of the company's headquarters to a company under common control.

12. Trade payables

	31.12.2023	31.12.2022
Supplier payables	350,995	474,134
Payables to subsidiaries	59,471	47,368
Payables to holding companies	722,000	600,000
Payables to other group companies	-	18,063
	1,132,466	**1,139,565**
of which related parties	*781,471*	*665,431*

Payables to holding companies refer to Caltagirone S.p.A. for administrative, financial and tax assistance services rendered during the year.

There are no payables due over 12 months.

The value of payables at December 31st 2023 approximates their fair value.

13. Other current liabilities

Other current liabilities	**31.12.2023**	**31.12.2022**
Social security institutions	18,611	22,929
Employee payables	40,032	34,523
Payables to subsidiaries	42,078,705	38,988,978
Other payables	5,914,650	5,390,091
	48,051,998	**44,436,521**

The account “Other payables” includes Euro 5,358,276 as amounts available to the Board of Directors in accordance with Article 25 of the Company By-Laws, which provides for the allocation of 2% of the net profits to this account.

The other amounts concern emoluments due to Directors and Statutory Auditors and personnel withholding tax payables.

The other payables to subsidiaries refer to transactions with the companies in the fiscal consolidation and the VAT consolidation. The breakdown is presented in the table below:

	31.12.2023	**31.12.2022**
Il Messaggero Spa	6,153,806	5,646,027
Il Mattino Spa	9,384,195	8,790,192
Leggo Srl	4,965,668	4,967,231
Il Gazzettino Spa	6,376,858	6,052,582
Piemme Spa	4,911,054	4,656,399
Finced Srl	2,923,954	2,911,302
Corriere Adriatico Srl	3,679,672	3,609,705
Quotidiano Di Puglia Srl	933,493	828,061
Stampa Napoli 2015 Srl	173,076	157,109
Servizi Italia 15 Srl	1,228,526	1,193,868
Total tax consolidation	**40,730,303**	**38,812,477**
Il Messaggero SpA	6,239	4,679
Servizi Italia 15 Srl	10	10
Total other payables	**6,249**	**4,689**
Leggo Srl	-	4,144
Piemme Spa	457,094	-
Corriere Adriatico Spa	-	-
Il Mattino Spa	-	23,865
Imprese Tipografiche Venete Srl	2,386	132
Pim Srl	6,518	2,750
Stampa Venezia Srl	-	12,493
Il Gazzettino Spa	-	-
Ced Digital & Servizi Srl	473,701	39,645
Servizi Italia 15 Srl	37,441	-
Stampa Roma 2015 Srl	180,408	70,114
Stampa Napoli 2015 Srl	-	18,669
Stampa Venezia Srl	184,606	-
Total Consolidated VAT	**1,342,153**	**171,812**
Total payables to subsidiaries	**42,078,705**	**38,988,978**

Income Statement

14. Other operating revenue

	2023	2022
Other operating revenues	789	-
Other revenues and income from related parties	458,000	458,000
Total revenues from sales and services	**458,789**	**458,000**

The other revenues and income from related parties concern administrative, financial and tax assistance services provided to Group companies.

15. Other operating costs

	2023	2022
Rent, lease and similar costs	79,161	993
Services	1,505,093	1,933,329
Other operating charges	130,276	28,707
Total other operating costs	**1,714,531**	**1,963,029**
of which related parties	675,205	889,117

The account Services includes the remuneration of the Board of Statutory Auditors for Euro 30,680, the Board of Directors for Euro 138,240 and the Audit Firm for Euro 57,935. The account also includes the fee to Caltagirone S.p.A. for administrative, financial and tax assistance services.

16. Amortisation, depreciation, provisions & write-downs

	2023	2022
Amort. leased assets	238,962	218,839
Total amortisation, depreciation, provisions & write-downs	**238,962**	**218,839**
of which related parties	238,962	218,839

17. Net financial income/(charges)

	2023	2022
Dividends from other companies	3,306,000	3,584,500
Bank deposit interest	7,533	732
Write-down of equity investments and securities	3,703,735	18,686,288

	2023	2022
Other financial income	216,563	57,075
Total financial income	**7,233,831**	**22,328,595**

Dividends from other companies refer to the investment in Assicurazioni Generali SpA.

	2023	2022
Write-down of equity investments and securities	776,287	76,406
Interest on bank accounts	157	101
Banking commissions and charges	7,521	29,237
Interest expense from subsidiaries	1,363,070	108,598
Financial charges from discounting	3,639	1,069
Int. ex. IFRS 16 Leasing	15,522	16,342
Total financial charges	**2,166,196**	**231,753**
of which related parties	*1,378,592*	*124,940*

The interest charges from subsidiaries concerns the loans received at market rates from Finced Srl and Quotidiano di Puglia Srl.

18. Transactions with related parties

The transactions of the company with related parties, including inter-group operations, generally relate to normal operations and are regulated at market conditions, where not indicated otherwise, and principally relate to the exchange of goods, the provision of services, the provision and use of financial resources of associated companies and subsidiaries as well as with other companies belonging to the Caltagirone Group or under common control.

There are no atypical or unusual transactions which are not within the normal business operations.

31.12.2022	Parent	Subsidiaries	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Property, plant and equipment			1,513,638		**1,513,638**	**1,513,638**	**100.0%**
Trade receivables		451,219	4880		**456,099**	**456,099**	**100.0%**
Current financial assets		11,229,734			**11,229,734**	**11,229,734**	**100.0%**
Other current assets		3,455,819			**3,455,819**	**3,505,953**	**98.6%**
Non-current financial liabilities			1,312,292		**1,312,292**	**1,312,292**	**100.0%**
Trade payables	600,000	47,368	18,063		**665,431**	**1,139,565**	**58.4%**
Current financial liabilities		52,408,887	214,263		**52,623,150**	**52,623,150**	**100.0%**
Other current liabilities		38,988,979			**38,988,979**	**44,436,521**	**87.7%**
Income statement transactions							
Other operating income		450,000	8,000		**458,000**	**458,000**	**100.0%**
Other operating costs	600,000	51,587	237,530		**889,117**	**1,963,029**	**45.3%**
Amortisation & depreciation			218,839		**218,839**	**218,839**	**100.0%**
Financial charges		1,363,070	15,522		**1,378,592**	**231,753**	**594.9%**

31.12.2023	Parent	Subsidiaries	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Property, plant and equipment			1,413,858		**1,413,858**	**1,413,858**	**100.0%**
Trade receivables		450,000	6,098		**456,098**	**456,098**	**100.0%**
Current financial assets		9,529,734			**9,529,734**	**17,511,457**	**54.4%**
Other current assets		4,990,338	41,256		**5,031,594**	**5,054,753**	**99.5%**
Non-current financial liabilities			1,196,657		**1,196,657**	**1,196,657**	**100.0%**
Trade payables	722,000	59,544			**781,544**	**1,132,466**	**69.0%**
Current financial liabilities		53,740,706	236,305		**53,977,011**	**53,977,852**	**100.0%**
Other current liabilities		42,078,705			**42,078,705**	**48,051,998**	**87.6%**
Income statement transactions							
Other operating income		450,000	8,000		**458,000**	**458,789**	**99.8%**
Other operating costs	600,000	75,205			**675,205**	**1,714,531**	**39.4%**
Amortisation & depreciation			238,962		**238,962**	**238,962**	**100.0%**
Financial charges		1,363,070	15,522		**1,378,592**	**2,166,196**	**63.6%**

For further information on the breakdown of the individual accounts reported above, reference should be made to the comments concerning each area of the financial statements.

19. Other information

Information in accordance with article 149 of Consob Resolution 11971/99

The fees paid to the independent audit firm KPMG SpA for financial year 2023 refer entirely to audit services and amount to Euro 58 thousand.

20. Hierarchy of Fair Value according to IFRS 13

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

December 31st, 2022	Note	Level 1	Level 2	Level 3	Total
Capital instruments	3	47,352,750			**47,352,750**
Total Assets		**47,352,750**	**-**	**-**	**47,352,750**

December 31st 2023	Note	Level 1	Level 2	Level 3	Total
Capital instruments	3	54,435,000			**54,435,000**
Total Assets		**54,435,000**	**-**	**-**	**54,435,000**

In 2023, there were no transfers between the various levels.

21. Business segment information

Caltagirone Editore SpA, as the holding company, carries out its activities exclusively in Italy; therefore, no separate operating segments or geographic areas are identified.

22. Other comprehensive income statement items

A breakdown of the other comprehensive income statement items, before and after tax effects, is shown below:

	31.12.2023			31.12.2022		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Actuarial gains/(losses) of defined-benefit plans	(3,210)	925	(2,285)	10,588	(2,541)	8,047
Profit/(loss) from the disposal of Investments in equity instruments net of the tax effect	-	-	-	365,824		365,824
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	7,082,250	(84,987)	6,997,263	(8,123,575)	97,483	(8,026,092)

23. Subsequent events

There were no subsequent events to year-end.

24. Proposals to the Shareholders' Meeting

As the Legal Reserve has reached the limit of one-fifth of the Share Capital as per Article 2430 of the Civil Code, the Board of Directors proposes to the Shareholders' Meeting to allocate the net profit for the year of the Parent Company Caltagirone Editore SpA of Euro 3,976,456 as follows:

- Euro 79,529.12 as 2% available to the Board of Directors in accordance with Article 25 of the company's By-Laws;
- Euro 4,271,610.48 as the total dividend, corresponding to Euro 0.04 for each of the 106,790,262 ordinary shares currently in circulation, taking into account the treasury shares in portfolio, currently numbering 18,209,738, utilising the residual portion of the net profit of Euro 3,896,926.88 and a portion of Retained earnings for the difference of Euro 374,683.60.

The Board finally proposes May 20th 2024 for the allocation of the dividend coupon, based on the record date of May 21st 2024, for the granting of profit distribution rights and the establishment of the dividend payment date, net of withholding taxes where applicable, as from May 22nd 2024 by the intermediaries appointed through the Sistema di Gestione Accentrata Monte Titoli SpA.

CALTAGIRONE EDITORE
Società per Azioni - Cap.Soc. Euro 125.000.000

Declaration of the Consolidated Financial Statements as per art. 81 - ter of Consob Regulation No. 11971 of May 14th 1999 and subsequent modifications and integrations

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

   - the accuracy of the information on company operations and
   - the effective application, of the administrative and accounting procedures for the compilation of the consolidated financial statements for 2023.

2. The activity was undertaken evaluating the organisational structure and the execution, control and monitoring processes of the business activities necessary for the preparation of the consolidated financial statements.
   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the Consolidated Financial Statements:

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

   b) correspond to the underlying accounting documents and records;

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

3.2 The Directors' Report, prepared using a standard format for both the individual and consolidated financial statements, includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Rome, March 7th 2024

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

CALTAGIRONE EDITORE

Società per Azioni - Cap.Soc. Euro 125.000.000

Declaration of the Financial Statements as per Art. 81 - ter of Consob Regulation No. 11971 of May 14th 1999 and subsequent modifications and integrations

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

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

   of the administrative and accounting procedures for the compilation of the financial statements for 2023.

2. The activity was undertaken evaluating the organisational structure and the execution, control and monitoring processes of the business activities necessary for the preparation of the financial statements.
   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the financial statements:

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

b) correspond to the underlying accounting documents and records;

c) provide a true and correct representation of the balance sheet, financial situation and result for the year of the issuer.

3.2 The Directors' Report, prepared using a standard format for both the individual and consolidated financial statements, includes a reliable analysis on the performance and operating result as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which they are exposed.

Rome, March 7th 2024

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

Sede in Roma - 00195 Via Barberini, 28 - tel.06/45412200 – Telefax 06/45412299
R.I.Roma 15311/00 - C.C.I.A.A. Roma 935017 - Cod.Fisc. - Part. I.V.A. 05897851001