



DE AGOSTINI

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2022

Prepared in accordance with International Financial Reporting Standards (IFRS) and translated, for reference only, from the original Italian-language document "Bilancio al 31 dicembre 2022". As for the contents, if there are any differences or discrepancies between the original Italian-language and the English translation, the original Italian-language supersedes this English translation.

De Agostini S.p.A.
(the Company or the Parent Company)

Corporate information

De Agostini S.p.A.
Registered office: Via Giovanni da Verrazano 15
28100 Novara, Italy

Authorised share capital: EUR 276,141,936, of which
EUR 50,000,000 subscribed and paid-up, comprising
38,944,412 ordinary shares (with no par value) and
2,558,208 class B shares (with no par value) and
1,000,000 class C shares (with no par value)

Tax Identification Number and Novara Register of
Companies no. 07178180589, VAT no. 01257120038

Board of Directors

Chairman Lorenzo Pellicoli

Vice Chairmen Enrico Drago
Nicola Drago

Chief Executive Officer Marco Sala

Directors Paolo Basilico
Paolo Boroli
Pietro Boroli
Mario Cesari
Marco Costaguta
Roberto Drago
Paolo Tacchini

Chairman Emeritus Marco Drago

Board of Statutory Auditors

Chairman Angelo Gaviani

Permanent Auditors Gian Piero Balducci
Roberto Spada

Deputy Auditors Giulio Gasloli
Roberto Picchio

**Independent
Auditors** PricewaterhouseCoopers S.p.A.

Chairman's letter

Dear Shareholders,

We are living through difficult and extremely uncertain times. On the geopolitical front, the serious tension recorded in the first few months of 2023 between China and the United States on account of their respective policies of influence looks likely to lead to scenarios of a potential *escalation*, while the Russia-Ukraine conflict still seems not to have found a resolution yet; on the contrary, it is still the cause of great instability.

Turning to the financial and economic framework, the crises and resulting rescues in rapid succession of *Silicon Valley Bank*, *Signature Bank* and *Credit Suisse* in March 2023, and *First Republic Bank* in April 2023, raised concerns over the stability of the global financial system and possibilities of a contagion risk with unpredictable and severe consequences.

In 2022, after a start to the year that saw the economy pick up, raising hopes that the difficulties left in the wake of the pandemic were over and that a return to growth was on the cards, we were faced with a rapidly deteriorating scenario, relating to the outbreak of the Russia/Ukraine conflict, difficulties in the *supply chain*, high inflation levels and significant rises in interest rates.

These factors put the brakes on the post-pandemic recovery at global level, and, in particular, in Europe - with a significant impact on households and businesses - and, as a result, generated volatility on the financial markets, which required heavy intervention by governments and central banks.

The Group tackled this scenario in 2022 with resolute determination. We are committed to reorganizing our activities, while at the same time encouraging strategic reflection, to make sure we are ready to seize any opportunities that arise in the future.

Consistent with this objective, in terms of the main corporate events, we undertook a number of extraordinary operations aimed at reducing the level of risk of some activities and to partially refocus the Group's portfolio. At the same time, we freed up resources to be used in new development initiatives.

For this reason, we thus fine-tuned some of the assets of the operating companies, particularly in IGT, where we finalized the sale of the *proximity payments* business in Italy. At holding level, the project for the disposal of the financial stake in Assicurazioni Generali was completed, as well as the partial sale of the holding in Banijay. Some of the proceeds of these sales have already been allocated to investment projects relating to portfolio consolidation and development initiatives. Specifically, at the end of 2022, a voluntary tender offer was launched on DeA Capital S.p.A. aimed at *delisting* the company from Euronext Star Milan, following the strategic reflections undertaken by the Group, and in relation to the gradual change in DeA Capital's business model, which had evolved from "direct investor" to an "*Alternative Asset Manager*" platform, i.e. a manager of third-party funds with a broad spectrum of managed products.

Despite the adverse scenario in 2022 just described, we are very satisfied with the final results, which were better than expected, confirming the solidity of the Group's portfolio of activities and the ability of our investee companies, via their *management*, to create and implement effective plans in response to unexpected events.

With regard to the individual *business* areas, IGT completed 2022 with flying colors thanks to its demonstrated ability to react to the context of uncertainty, strengthened by its solid roots in the North-American market, which was less affected by macroeconomic difficulties. The *Global Lottery* segment also recorded higher-than-expected growth, partly driven by the significant *jackpot* business in North America. The *Global Gaming* segment also recorded significant growth, benefitting from both the good performance of the new products launched by IGT and the return of players to *gaming venues* in North America, with the latter achieving all-time *record* levels of activity which encouraged operators to renew their pool of machines. Lastly, *PlayDigital* recorded sustained growth thanks to organic growth both in the countries where it already has a presence and in the new jurisdictions opened in North America. This *performance* was also corroborated by the acquisition in July 2022 of iSoftBet, an *igaming* content provider and third-party games aggregator.

The excellent performance of IGT's *business* in 2022, together with the net proceeds of the extraordinary operations, translated into favorable cash generation; this allowed for a marked reduction in financial debt, as well as a significant improvement in the *leverage ratio*. The only negative note in the year was the provision for the *settlement* of the Benson *litigation* in the United States.

De Agostini Editore, on the other hand, experienced a particularly difficult 2022 as a result of the "perfect storm" faced by the Partworks business, due to the occurrence of inflation, the sharp rise in raw materials and transport costs and the strengthening of the dollar all at the same time. The long process of reorganizing our traditional activities was also completed with the satisfactory conclusion of the *joint venture* agreement with Mondadori on books in Italy.

For DeA Capital, it was a year of consolidation for its *asset management* platforms, which achieved good inflows, especially in the *Real Estate* business; this offset the contrasting performance of *Multi-Manager Solutions*, which suffered from adverse movements in the financial markets on managed assets.

In addition, as anticipated, on 2 December 2022, De Agostini – via its subsidiary Nova – publicized a voluntary purchase offer to acquire all the ordinary shares of DeA Capital not then held – approximately 32% of the company's share capital –which led to the *delisting* of the company from March 2023.

Lastly, a word about the two subsidiaries that are not consolidated in our balance sheet although they play an important role in the Group's portfolio: Banijay Group and Gruppo Planeta-De Agostini.

Banijay Group, which ended 2022 with significantly higher results, started a new phase in its history from 1 July 2022 with its listing on the stock exchange. This operation was carried out through a business combination with a special purpose acquisition company (SPAC), renamed FL Entertainment, which includes the activities of Banijay Group and Betclit Everest Group, and was listed on the Amsterdam Stock Exchange.

De Agostini has a minority holding in this new company, net of the stake sold as part of the operation.

In Planeta-De Agostini, the Training division continued to develop its activities in Italy and internationally. At the same time, Atresmedia reported *record* results in terms of *audiences*, consistently outperforming its main *competitor* in 2022. The company also reacted to the weak TV advertising revenues in Spain - while positioning itself as *market leader* in the TV advertising investment share - mitigating the impact on the margin, and leveraging its diversification of revenues and cost optimization, with highly satisfactory results.

During 2022, the process of selling some of the shares in Assicurazioni Generali (equal to 18.5 million) for a total consideration of EUR 339 million and a capital gain of approximately EUR 52 million continued, with the aim of freeing up financial resources for new investment initiatives by the Parent Company.

Turning to the consolidated results, consolidated net revenues totalled approximately EUR 4,449 million, up by around 16% compared with the final figure in 2021 due to favourable trends in all the *businesses*. Ordinary EBIT came to EUR 886 million, compared with EUR 946 million in 2021. On the *bottom line*, we recorded consolidated profit of EUR 282 million (of which EUR 90 million related to the Group), after discounting the negative extraordinary components of around EUR 140 million, which largely related to IGT, consisting of the balance between the capital gain for the sale of the *proximity payments* business in Italy, the settlement cost of the Benson litigation in the United States and other extraordinary components.

With regard to the net financial position, this showed a consolidated net debt of EUR -4,878 million, a decrease of EUR 936 million on the figure at the end of 2021, thanks to the extraordinary operations described above.

For De Agostini S.p.A., net profit in 2022 was approximately EUR 174.3 million, a sharp increase on the 2021 result (approximately EUR 48.9 million).

Lastly, the Group's value at the end of the year was broadly in line with the previous year, despite the negative performance of the major world stock indices.

In summary, therefore, we are closing out the year with results that are much higher than initial expectations, despite the trends in the macro scenario; this can be considered a good basis on which to confidently tackle any new challenges that the future holds for us.

Looking ahead to the next few months, despite the elements of significant uncertainty alluded to at the beginning, which mean we cannot rule out the possibility of a recession in the Euro and Dollar area in the second half of 2023, we must emphasize some positive factors glimpsed in the early part of the year. We have seen a slowdown in inflation, a mitigation of *supply chain* costs, a fall in energy prices and the significant resilience of economic activity, especially in the services sector, with employment levels at their highest for many years.

All these factors have favourably affected the economic and financial indicators of the main subsidiaries recorded since the start of the year.

We can therefore confirm that our goal for this year is to ensure the ordinary results of our businesses remain broadly stable. Moreover, the Group will continue to optimize its portfolio and the competitive positioning of its *various businesses*, with the aim of improving operating excellence and its *capital structure*.

I am confident that, to face up to this complicated and uncertain scenario, we can rely on the ability to react and the experience of an extremely competent and motivated *management team*, as well as on the passion and dedication of all our people, to whom we express our gratitude. This, in combination with the strong commitment of the shareholders, will ensure that we will, once again, be able to tackle and successfully overcome this particularly challenging period.

Lorenzo Pellicoli

Chairman of De Agostini S.p.A.

Report on operations











1. Reference framework

➤ Macroeconomic scenario

If we consider the **changes in global GDP** from the pre-Lehman crisis period until now (2007 – 2022), we can see growth at an average compound CAGR of 3.1%, with a particularly sustained increase recorded by China.

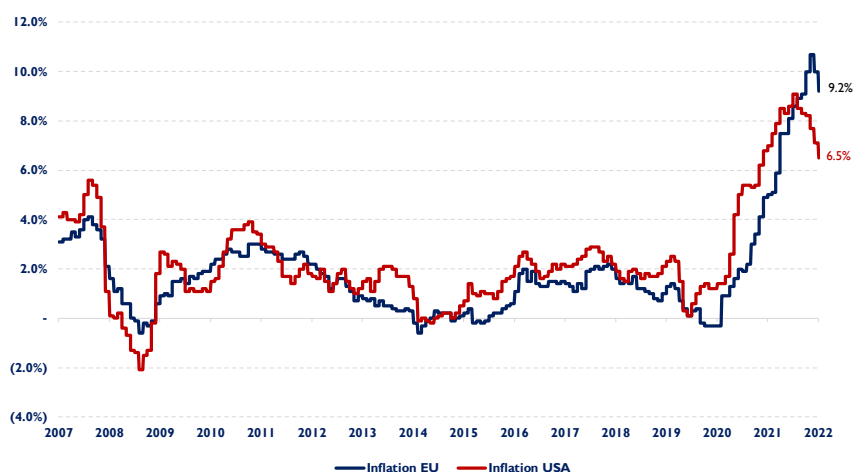
In 2022, the growth projections of the world's main economies were significantly scaled down, and in some cases (USA and the Euro area) scenarios of *flat* or marginally positive growth were forecast.

Official GDP growth projections for the mature economies in 2023-2024 remained around 1% per year, due to, inter alia, geopolitical tensions, the aggressive interest rate policies of the Central Banks and growing concerns over the stability of the financial system, although in recent months the significant elements of uncertainty lead us to believe that a recession - the extent of which is not yet clear - is possible in the Euro and Dollar area in the second half of 2023. On the other hand, the Chinese economy is expected to recover, following the easing of restrictions linked to its *Zero Covid Policy*.

	CAGR (2007-2022)	GDP 2022				Actual	Forecast	
		(Base 100: 31.12.2007)	GDP Nominal (€ Bn)	GDP PPP (€ Bn)	GDP Pro Capite PPP (€ k)	2022	2023	2024
World 	3.1% 	158	94,818			3.4%	2.4%	2.9%
USA 	1.7% 	128	23,373	23,373	70.2	2.1%	0.8%	1.2%
China 	7.3% 	287	17,105	28,078	12.1	3.0%	5.3%	5.0%
Euro Area 	0.8% 	113	15,510	22,452	50.4	3.5%	0.5%	1.2%
Italy 	-0.2% 	97	1,864	2,821	31.5	2.1%	0.5%	0.9%

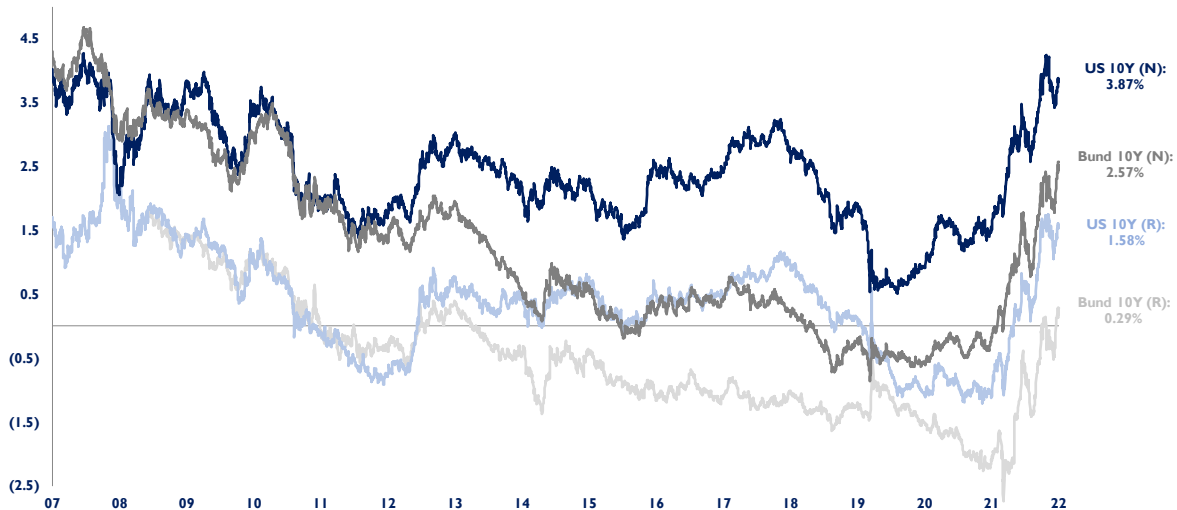
(Source: IMF – WEO Database February 2023; Bloomberg Consensus 31.12.2022)

The EU and USA have seen a significant rise in **inflation** since 2021, reaching peaks of over 9-10% in the second half of 2022; these were followed by falls that are still relatively contained.



(Source: Bloomberg 31.12.2022)

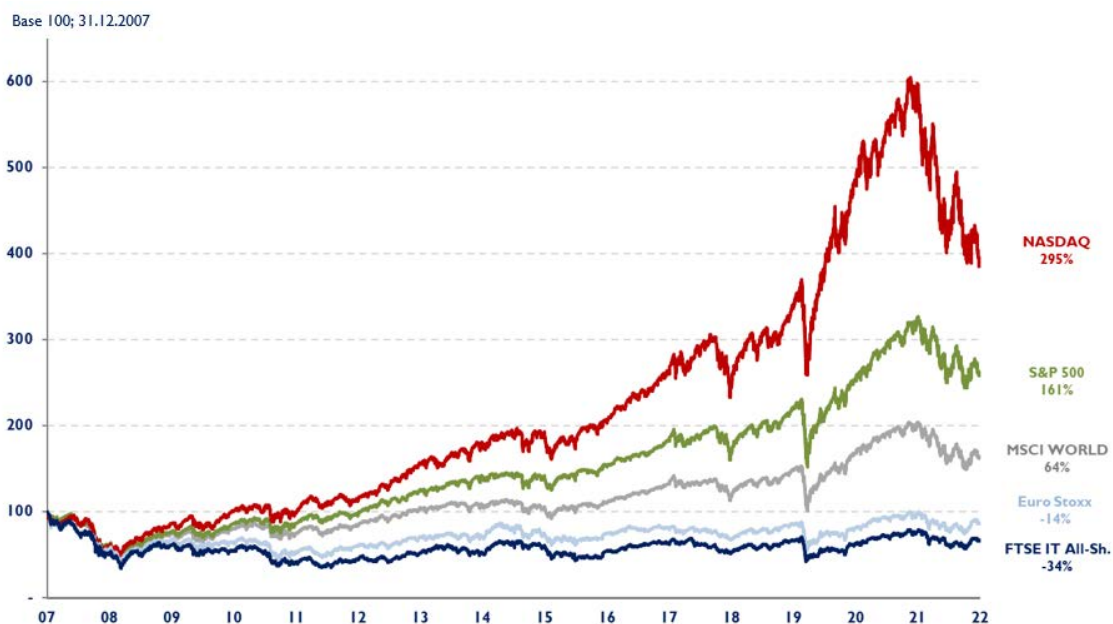
10-year interest rates in USA, Germany and, across Europe generally, declined continuously during the period 2007-2021. From 2022, partly due to the sharp inflation experienced, real rates returned to positive territory, with year-on-year variations of 2-3 percentage points.



(Source: Bloomberg 31.12.2022)

Driven by the expansive policies implemented by governments in recent years and by the economic recovery in many of the mature and emerging economies, the main world **stock market indices** recorded sustained growth, despite the major economic, financial and health crises (Lehman, sovereign debt, Covid-19) during the period 2007-2021.

In the wake of the uncertainties resulting from the geopolitical tensions caused by the outbreak of the war between Russia and Ukraine, in 2022, the growth experienced in previous years contracted sharply. Specifically, US indices reported contractions of 20%-30% compared with the significant growth in 2019-2021, while Europe, particularly Italy, has not yet recovered the capitalisation values recorded at the end of 2007.



2. The Group

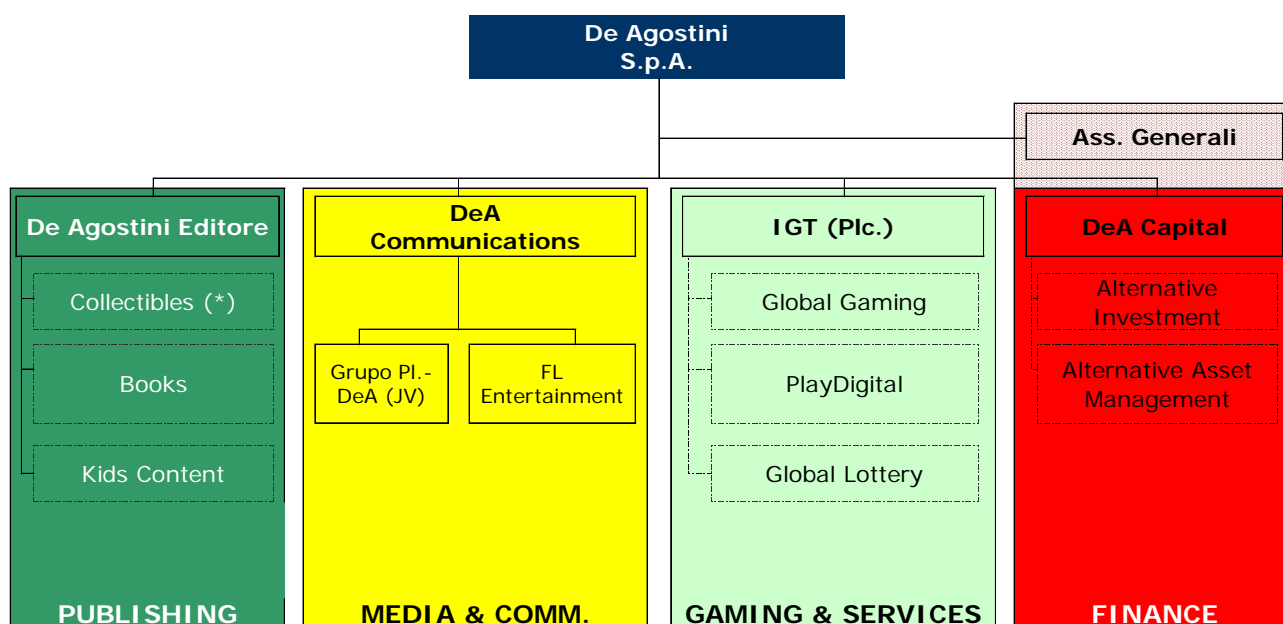
De Agostini S.p.A. controls a group of operating companies organised by business sector:

- **Publishing**
- **Media & Communication**
- **Gaming & Services**
- **Finance.**

Each business sector comes under the purview of a sub-holding company which co-ordinates, manages and controls all the operating companies in that sector.

Alongside these are **holding activities**, carried out by companies in the holding company structure, which includes De Agostini S.p.A., as well as other directly and indirectly controlled financial companies.

A diagram summarising the Group structure at 31 December 2022 is shown below, followed by a brief description of the activities carried out by each sector.



(*) Collectibles 50% owned by De Agostini Editore and 50% by Grupo Planeta-De Agostini (JV).

PUBLISHING

The sector is organised by business *unit*, based on the nature of products provided and the sales channels used, as shown below:

- **Collectibles**, which includes the Italian and international business activities managed by the subsidiary **De Agostini Publishing**. In this area, the Group supplies collectibles, aimed at various target markets via newsstands, the *internet* and subscriptions, covering both the Italian and international markets;
- **Books**, which covers traditional publishing activities in Italy; in this sector the Group operates via the associate **DeAgostini Libri** (formerly DeA Planeta Libri), which continued its activity in the *trade* publishing sector, with a presence primarily in children's books, general reference and non-fiction;
- **Kids Content**, which includes activities related to the management of themed "*kids*" TV channels, the creation, production and distribution of local and Europe-wide content for the kids and families *target* audiences.

De Agostini Editore S.p.A., wholly and directly owned by De Agostini S.p.A., is the sub-holding company for all the Group's publishing activities. It is responsible for coordination and strategic management.

MEDIA & COMMUNICATION

The sector includes the Group's interests in *media & communication*; the relevant sub-holding company is **DeA Communications S.A.** ("DeA Communications"), which is fully owned directly by De Agostini S.p.A..

At 31 December 2022 the sector included the following companies:

- **Grupo Planeta-De Agostini**, a 50-50 *joint venture* with Planeta Corporación, operating (in Spain and worldwide) in the training and media sectors, the latter through the following subsidiaries:
 - **Atresmedia**, a Spanish national radio/TV broadcaster listed on the Madrid stock exchange;
 - **DeA Planeta**, active in cinema and content distribution in Spain.

FL Entertainment, a global *leader* headed by entrepreneurs in the entertainment sector, which currently manages two innovative high-potential businesses: a global content production and distribution business and a European *online* sports betting and gaming business.

It should be noted that, based on the IAS/IFRS International Accounting Standards adopted by the Group for the preparation of the Consolidated Financial Statements, the stake in Grupo Planeta-De Agostini is recorded under "*Investments in associates and joint ventures*" and valued at equity.

The stake in FL Entertainment, obtained as a result of the operations carried out during the year (as described in "Significant events during the year" in this Report on operations), was classified under Financial assets measured at fair value with changes in value booked to the statement of comprehensive income.

GAMING & SERVICES

The sector includes the Group's activities in Gaming & Services. The sub-holding company for these activities is **IGT Plc**, which has its registered office in the UK and is listed on the NYSE. De Agostini S.p.A. holds 47.43% of the company's share capital (*fully-diluted* at 31 December 2022) and, taking into account the *special voting shares*, 63.21% (*fully-diluted* at 31 December 2022) of the voting rights.

The IGT Group operates in three areas:

- **Global Gaming;**
- **Global Lottery;**
- **PlayDigital.**

IGT therefore operates with the following structure:

- **Global Gaming.** This area of the business designs, develops and produces games, systems and *software* for customers in the regulated gaming market. It has more than 440 gaming licences and works with casinos and government organisations (mainly lottery operators).

It supplies gaming products and services including gaming *software* and content, casino games management systems, video lottery terminals (VLTs), "amusement with prizes" (AWP) games machines, VLT central systems and support services for casino operators.

Specifically, it supplies:

- ✓ a complete *suite* of casino products and solutions through the development and delivery of games, systems and solutions for traditional casinos. It also develops, sells and licenses casino management systems that help casinos improve their operational efficiency and provide customised services and promotional offers. The business's revenues are generated both by the sale and rental of *gaming machines*, systems and *software* to casinos and by services relating to the maintenance of machines and systems;
- ✓ AWP gaming machines and VLT terminals that are installed in various *retail outlets* and connected to a central system. The company also sells and rents systems, machines and games to other concession holders.

- **Global Lottery.** This area has full responsibility for traditional global lotteries and the *iLottery* business, including sales, operations, product development, technology and support, as well as commercial services.

Specifically:

- ✓ Since 1998, IGT has been the concession-holder for *Gioco del Lotto* in Italy, that concession having been renewed for a further nine years in 2016, as part of a consortium with other Italian and international operators. This has allowed IGT to capitalise on its substantial experience in managing all activities along the entire lottery value chain (collection of bets through high-security *processing* systems, management of electronically connected terminals at retail outlets, advertising and promotion, staff *training*, assistance for licence-holders and management of *back-office* activities). In addition, since 2004 IGT has acted as the sole concession-holder for *Gratta & Vinci* (scratch cards) in Italy. The concession was renewed for a further nine years in 2019, as part of a consortium with other Italian and international operators.
- ✓ This business develops and provides innovative solutions for lotteries, serving around 93 clients worldwide, and performs research and development for all lottery-related products in its areas of operation. These solutions have enabled IGT to become the sole point of contact for most WLA (*World Lottery Association*) customers in North America by providing support to 37 of the 48 lotteries in the United States, including the District of Columbia, Puerto Rico and the US Virgin Islands. Business revenues are derived from both the sale and rental of *hardware*, *software* and terminals for lotteries, and from the

direct management of two lotteries in Indiana and New Jersey through LMA (*Lottery Management Agreement*) contracts. The current Lottery portfolio also covers the digital channel (*iLottery*) through the provision of a wide range of content in the form of *e-instant tickets*. The business area also generates income by covering the entire process from development to the printing and sale of tickets for instant lotteries to 32 clients in North America and 10 clients in other regions around the world;

- ✓ It offers *processing* services for high volumes of commercial transactions not connected with lotteries, including top-up services for mobile phones, payments for utilities and taxes and stamp duties, reloading prepaid cards, and transport ticketing services. Note in this regard that IGT's payment services *business* in Italy was sold on 14 September 2022, as described in "Significant events during the year" in this Report on operations.

- **PlayDigital.** This business area is fully responsible for the *iGaming business* and sports betting around the world. It provides *iGaming* products and services to online casino operators and technology and services for managing sports betting licensed predominantly in the United States. The business area is well positioned as the leading provider of content and solutions.

Specifically:

- ✓ Digital

Through its PlayCasino brand, this area of the business plans, assembles and distributes a complete *suite* of configurable products, systems, content and services, and holds more than 45 licences, 27 of which are specifically for digital games. The *iGaming* system, with its extensive portfolio of content, also by taking advantage of the integration with iSoftBet, which was acquired during 2022, offers customers a highly integrated gaming system.

- ✓ Sports Betting

The company provides operators in over 26 US states and one province in Canada with sports-betting technologies and solutions via its PlaySport brand, using two different formulae:

- "Sports betting platforms". These solutions provide certified sports betting management *software* to *retail* customers;
- "Turnkey". This formula combines *end-to-end* sports betting with management of a portfolio of value-added services (*trading*, consultancy, fraud management services, interactive features such as *web applications*, etc).

FINANCE

This sector principally includes the Group's activities in *alternative asset management*, in particular promotion, management and value enhancement of investment funds in *real estate*, *credit* and *private equity*. It also provides *multi-asset / multi-manager* investment solutions via a platform for operating companies.

To support the activities of this platform, and by making use of available capital, over time DeA Capital has also built up a portfolio of *Alternative Investments*, mainly consisting of funds managed by the platform's asset management companies.

The sub-holding company for the Finance business is DeA Capital S.p.A. ("DeA Capital"), a company listed on the Euronext STAR Milan segment of the Milan stock exchange until 8 March 2023 (as described more fully in "Significant events during the year" of this Report on operations), and controlled by De Agostini S.p.A. with a stake of approximately 67.1% (at 31 December 2022).

With *combined assets under management* of around EUR 27,100 million, DeA Capital is the leading independent alternative asset management platform in Italy. Its aim is to also grow at pan-European level.

DeA Capital's main shareholdings are:

- full ownership of **DeA Capital Real Estate SGR** (100%), Italy's largest independent real-estate asset management company, with *assets under management* of about EUR 12.7 billion and 55 managed funds (including two listed funds);
- full ownership of **DeA Capital Alternative Funds SGR** (100%), which manages *alternative investment funds* (*private equity* and *credit funds*), with over EUR 5.7 billion in *assets under management* and 17 managed funds;
- a relative majority stake in **Quaestio SGR** (38.8% held indirectly through Quaestio Holding), primarily providing investment solutions for institutional investors with *assets under management* of around EUR 8.3 billion;
- a controlling holding in **DeA Capital Real Estate France** (70.0%), **DeA Capital Real Estate Iberia** (73.0%), **DeA Capital Real Estate Germany** (70%) and **DeA Capital Real Estate Poland** (100%), companies constituted between end-2018 and end-2020 to develop the *real-estate advisory* business to attract funds and expand real-estate consultancy and management activities in the French, Spanish, German, Austrian, Swiss and Polish markets.

The business also includes a minority shareholding in **Assicurazioni Generali**, one of Europe's leading insurance companies, which is listed on the Milan stock exchange. The stake (approximately 0.10% at 31 December 2022) is held directly by De Agostini S.p.A.

Holding company activities

Holding company activities include the activities carried out by companies within the "**holding company structure**", which encompasses De Agostini S.p.A., as well as other directly or indirectly controlled financial companies. Specifically, these activities relate to the management of shareholdings in the sub-holding companies of the Group's individual businesses, as well as its interests in non-strategic shareholdings and activities.

3. Significant events during the year

Publishing

➤ **Company reorganisations/capital strengthening of Publishing activities**

During 2022 a number of company reorganisations were finalised. Specifically,

- On 7 April 2022, the Shareholders' Meetings of De Agostini Editore and DeA 59 approved the plan for the merger by incorporation of the latter into the former. The merger deed was stipulated on 22 June 2022, with statutory effect from 1 July 2022 and accounting and tax effect from 1 January 2022;
- On 28 July 2022, the Shareholders' Meeting of Betterly and on 29 July, the extraordinary Shareholders' Meeting of De Agostini Editore approved the plan for the merger by incorporation of the former into the latter. The merger deed was stipulated on 1 December 2022, with statutory effect from 5 December 2022 and accounting and tax effect from 1 January 2022;
- On 1 August 2022, De Agostini Editore made a capital contribution in favour of De Agostini Publishing of the "IT Services and Administration" business unit, totalling EUR 0.7 million.

➤ **Liquidation of De Agostini Publishing Ukraine**

On 17 August 2021 De Agostini Publishing received a capital repayment of EUR 0.1 million from De Agostini Publishing Ukraine Holding following the liquidation of the companies. The liquidation was finalised on 20 January 2022.

➤ **Disposal of 50% stake in DeA Planeta Libri**

On 1 April 2022, the agreement for the sale of 50% of the share capital of DeA Planeta Libri S.r.l - renamed DeAgostini Libri – to Arnoldo Mondadori Editore S.p.A. was finalised for a token consideration.

Note that earlier in the year, on 10 March 2022, after obtaining the necessary authorisations, De Agostini Editore purchased this 50% stake in DeA Planeta Libri for a token consideration from Editorial Planeta, thus becoming the sole shareholder.

➤ **Sale of the entire shareholding in Editions Atlas (Suisse)**

On 5 May 2022, De Agostini Editore sold its stake in Editions Atlas (Suisse) S.A. for a total consideration of EUR 1.3 million; prior to the sale, the company distributed dividends totalling EUR 9.8 million.

➤ **Sale of "DeAbyDay" business unit**

On 28 October, an agreement was signed to sell the business unit relating to the publication and dissemination of video content on the websites of "DeAbyDay" to White Star, valid from 1 November 2022.

MEDIA & COMMUNICATION

➤ Acquisition of FL Entertainment

On 10 May 2022, the special purpose acquisition vehicle ("SPAC"), Pegasus Entrepreneurs, announced the proposed acquisition of FL Entertainment, a holding company headed by French entrepreneur Stéphane Courbit, and which holds a relative majority stake in Banijay Group and BetClic Everest Group. The resulting entity, which took on the name of FL Entertainment, was listed on the Amsterdam Stock Exchange with effect from 1 July 2022. As part of the transaction, De Agostini contributed - as did the other minority shareholders of the company (Vivendi e Fimalac) - its indirect stake in Banijay Group to FL Entertainment in exchange for a stake of approximately 5% in it, and a vendor loan. The transaction was closed out on 30 June 2022.

Gaming & Services

➤ Acquisition of iSoftBet

On 1 July 2022, IGT finalised the acquisition of 100% of the share capital of some companies of the iSoftBet Group for a total consideration of EUR 162 million (of which EUR 20 million was deposited in an escrow account), to which an additional price of up to a maximum of EUR 4 million may be added. The *fair market value* of the net *assets* acquired totalled EUR 49 million, leading to goodwill of approximately EUR 117 million being recognised.

The acquisition of iSoftBet provides market-tested digital content, advanced game aggregation capabilities, scalable promotional and communication tools, analytics and strong creative talent to IGT's PlayDigital operations.

➤ Resolution of Benson dispute

On 29 August 2022, International Game Technology and DoubleDown Interactive, parent company of DDI, announced a settlement agreement to resolve the dispute with Benson: based on this agreement, which will enter into force only after the court's final approval of the proposed settlement of the dispute advanced by the parties, a total of USD 415 million will be paid (USD 270 million by International Game Technology and its subsidiaries and USD 145 million by DDI). Also subject to the court's final approval of the agreement, International Game Technology and DoubleU (and their related subsidiaries) will renounce their respective claims and requests for compensation in regard to this matter.

On 14 November 2022, the court gave its preliminary approval of the settlement agreement. As a result, International Game Technology made a provision of USD 270 million in the financial year 2022 in relation to the loss associated with the Benson dispute and the related requests for compensation between International Game Technology and DoubleU (of which USD 50 million has already been deposited as collateral, in November 2022).

➤ Disposal of IGT's payments services business in Italy

On 14 September 2022, the binding agreement signed on 25 February 2022 between PostePay S.p.A. (a subsidiary of Poste) and IGT Lottery S.p.A. was finalised. The agreement concerned the purchase by PostePay S.p.A. of the entire share capital of LIS Holding S.p.A. and of its subsidiary LIS Pay S.p.A., IGT Group companies operating mainly in the payment services sector, for a sale price of EUR 700 million.

➤ **Refinancing operations by IGT**

In:

- July 2022, the company signed agreements amending the *term loan* and the *revolving credit facilities* expiring in 2024. The main terms of the amending agreements to the *revolving credit facilities* are as follows: i) the amount of the *revolving credit facilities* was changed to USD 820 million and EUR 1.0 billion (compared with the previous amounts of USD 1.05 billion and EUR 625 million), ii) the expiry date was extended to July 2027, iii) the applicable margin was reduced taking into account the improvement in the economic and financial structure of the company.
In addition, both the amending agreements for the *term loan*, and the *revolving credit facilities introduced* greater flexibility for new acquisitions, as well as for the payment of higher dividends;
- September 2022, IGT announced its intention to purchase a portion of the outstanding 3.5% *senior secured notes* due 2024, for a total nominal value of EUR 500 million, and a portion of the outstanding 6.5% *senior secured notes*, due 2025, for a total nominal value of USD 1,100 million. Also in September 2022, IGT purchased notes of a nominal EUR 200 million and USD 400 million respectively, while in early 2023, it purchased notes of a nominal EUR 188 million and USD 200 million respectively;
- December 2022, IGT announced its intention to fully redeem the 5.35% notes, due 2023, for a total nominal value of USD 60.567 million. As anticipated, the transaction was concluded in January 2023.

Finance activities

➤ **Sale of stake in DeA Capital Real Estate France**

On 7 October 2022, the sale at nominal value of a 12% stake in DeA Capital Real Estate France, a company under French law, was finalised. The company was previously 82%-owned by the DeA Capital Group for local *key managers*. Following the purchase, DeA Capital's stake in the company reduced to 70%.

➤ **Constitution of Nova/Public purchase offer DeA Capital**

On 16 November 2022, Nova S.r.l., a wholly-owned company of De Agostini S.p.A., was created. This was used as a vehicle to launch in December 2022 a public purchase offer for 32.156% of the share capital of DeA Capital, with the aim of delisting the company from Euronext STAR Milan.

The price of the public purchase offer for the entire share capital of DeA Capital was set at EUR 1.50 per share.

On 28 February 2023, Nova (together with De Agostini S.p.A.) announced that having exceeded the threshold of 95% of DeA Capital's share capital, the conditions for delisting had been met, with effect from 8 March 2023. This had been achieved via the applications received and the purchases made on the market, and also taking account of the shares already held and the treasury shares held by DeA Capital, which together represented 97.795% of its share capital. As a result of the *squeeze-out* process, De Agostini S.p.A. directly and indirectly holds 100% of the share capital of DeA Capital S.p.A.

Holding company activities

➤ Disposal of the stake in Assicurazioni Generali

In the early months of 2022, a further six contracts - in addition to the one already signed in 2021 on 5,000,000 Assicurazioni Generali shares - were signed as hedging transactions on 13,500,000 Assicurazioni Generali shares.

These contracts - like the one already signed in 2021 for 5,000,000 Assicurazioni Generali shares provide for the dual option of *physical settlement* or *cash settlement*, with the resulting right, at the absolute discretion of De Agostini, to decide at the respective maturity dates, which all fall in May 2022, whether to sell the Assicurazioni Generali shares covered by the contract or to pay/receive the differential with respect to the *strike price* agreed on in the contracts. In this case, as in similar operations, the shares covered by the contracts were pledged as security. In May, De Agostini S.p.A. disposed of all the 18,500,000 shares by means of *physical settlement* for a price of around EUR 339 million.

➤ Disposal of minority stakes in IGT following the *settlement of the Dauphine Project*

In April/May 2022, and subsequently in October/November 2022, the first and second *tranches* of the *Dauphine Project* matured totalling 9,000,000 shares all together (4,500,000 shares for each *tranche*).

Note in this regard that these *tranches* were settled via *physical settlement* with the sale by De Agostini S.p.A. to Credit Suisse of all the 9,000,000 IGT shares for a price of USD 114.4 million for each *tranche* (both valued at the *put option strike price*).

This amount was offset by the repayment for the same amount of a portion of the loan with Credit Suisse and the related outstanding interest at the respective dates.

Following the disposal of the above-mentioned shares, De Agostini S.p.A. held 94,422,324 IGT shares at 31 December 2022 (103,422,324 IGT shares at 31 December 2021).

➤ Purchase of De Agostini S.p.A. convertible bonds

Following the designation of De Agostini S.p.A as purchaser by B&D Holding, on 1 July 2022 the company bought 1,568,934 treasury convertible bonds for a total payment of around EUR 5.0 million, after certain bondholders exercised the option to sell granted to them by B&D Holding S.p.A.

➤ Acquisition of residual stake in Investendo Due

Following the designation of De Agostini S.p.A as purchaser by B&D Holding:

- De Agostini S.p.A bought Investendo Due shares for a nominal value of EUR 5,201.33 (33.016% of its share capital), on 28 July 2022, for a total payment of around EUR 20.2 million, after certain shareholders of Investendo Due exercised the option to sell granted to them by B&D Holding S.p.A. This brought the total stake held to 66.032%;
- De Agostini S.p.A bought shares for a nominal value of EUR 5,201.32 (33.016% of its share capital), on 9 November 2022, for a total payment of EUR 16.5 million, after certain shareholders of Investendo Due exercised the option to sell granted to them by B&D Holding S.p.A. As a result of this purchase, De Agostini S.p.A. holds a stake of 99.048% in Investendo Due;
- Also on 9 November 2022, De Agostini S.p.A bought the stake held by B&D Holding in Investendo Due for a nominal value of EUR 150 (0.952% of its share capital) for a total

consideration of EUR 0.5 million. As a result of this purchase, De Agostini S.p.A. therefore wholly owns Investendo Due.

➤ **Capital increase by De Agostini S.p.A.**

In July 2022, Investendo Tre subscribed and paid up to a reserved share capital increase launched by De Agostini S.p.A., which was approved on 25 June 2022. As a result it holds a stake of 2.5% of the capital after the increase and after the expected cancellation of the category B shares in the future.

The share capital increase of De Agostini S.p.A. was carried out via the issue of 1,000,000 category 'C' shares with no nominal value at an issue price of EUR 10.47 per share; the new subscribed and paid up share capital of De Agostini S.p.A. totals EUR 50.0 million.

It should be noted that Investendo Tre is 99%-owned (directly and/or indirectly) indirectly by the directors and Emeritus Chairman of De Agostini S.p.A. and 1% by B&D Holding.

➤ **Investment of excess liquidity**

In October 2022, De Agostini S.p.A. invested liquidity in an amount totalling approximately EUR 300 million in Italian and French government bonds with 3-6 month maturities; subsequently in December 2022, De Agostini S.p.A. disposed of some of these bonds amounting to EUR 25 million early, in order to have the cash available to allocate to the public purchase offer for DeA Capital shares.

Later, in December 2022 De Agostini S.p.A. signed an agreement with Quaestio to construct a *buy and hold* liquidity investment portfolio for a total of EUR 150 million, to be invested in *investment grade* fixed and variable income government bonds. The construction of the portfolio was completed in early 2023.

➤ **Dividends received/paid**

In June 2022, the Shareholders' Meeting of De Agostini S.p.A. approved the Financial Statements at 31 December 2021, which closed with a net profit of EUR 48.9 million, and agreed to the distribution of a dividend of EUR 0.73 per share or EUR 30.0 million for eligible shares (to be taken from the net profit for the period and the net ordinary income reserve). Of the remaining part of the net profit, EUR 1.8 million was allocated to the reserve for net foreign exchange gains and EUR 20.2 million to the extraordinary reserve.

In 2022, De Agostini S.p.A. recorded dividends from the associated companies amounting to a total of EUR 184.7 million. These mainly break down as follows: EUR 69.1 million from IGT, EUR 15 million from De Agostini Editore, EUR 17.9 million from DeA Capital, EUR 1.7 million from Assicurazioni Generali and EUR 80.0 million from DeA Communications.

4. Analysis of the Group's operating performance and financial position

4.1 Introduction

➤ Legislative framework for preparation of the financial statements

The Consolidated Financial Statements for the year ended 31 December 2022 were prepared on the basis of the International Accounting Standards (IAS/IFRS) approved by the European Union.

All the interpretations issued by the *'International Financial Reporting Interpretations Committee (IFRIC)*, including those previously issued by the *Standing Interpretations Committee (SIC)*, approved by the European Union were also applied in preparing the Consolidated Financial Statements.

The Consolidated Financial Statements for the year ended 31 December 2022 were prepared on the basis of the accounting standards used in the previous year.

The provisions contained in Legislative Decree 38/2005, as well as those of IAS/IFRS, constitute the legislative framework for the company for the purposes of preparing the Consolidated Financial Statements.

In accordance with the provisions of Legislative Decree 38/2005, the Company has drafted the Financial Statements pursuant to articles 2423 et seq of the Italian Civil Code.

➤ **Restated consolidated financial position**

The Consolidated Financial Statements and explanatory notes in this document have been supplemented with a number of performance indicators that enable the *management* to provide information on the performance of the Group's business sectors in line with analysis and control parameters.

For this reason, a set of Restated Consolidated Financial Statements was prepared showing performance indicators more commonly used by the management than those shown in the above-mentioned Consolidated Financial Statements and explanatory notes. These are:

- **Net revenues.** This represents the turnover of individual businesses and the Group as a whole, calculated as the income from sales and services.
- **EBITDA.** This represents operating profit/(loss) before tax, financial income/charges, one-off items, profits/losses of shareholdings valued at equity, depreciation and amortisation, and other non-cash items (*e.g. impairment* losses and gains/losses on the sale of tangible and intangible assets). Given the nature of the business carried out by the companies in the Finance business and the Holding company structure, the net financial income relating to these activities is broadly included in EBITDA (Earnings before interest, tax, depreciation and amortisation).
- **ORDINARY EBIT.** This is calculated using the EBITDA figure plus the profits/losses from shareholdings valued at equity, depreciation and amortisation and other ordinary non-cash items.
- **ORDINARY EBT.** This is calculated by subtracting the figure for net financial income/expenses from ORDINARY EBIT.

This figure – like ORDINARY EBIT– does not include the effects of any *impairment* or other non-current items included in the NON-ORDINARY EBT figure, which is shown separately.

- **NET FINANCIAL POSITION (NFP).** This represents the difference between: (+) cash and cash equivalents, as well as loans, receivables and certain financial assets at amortised cost or with changes in *fair value* recognised in the *statement of comprehensive income* (OCI) or in the Income Statement; (-) financial liabilities.

Net revenues, EBITDA, ORDINARY EBIT/EBT and net financial position (NFP) are considered to be alternative *performance* indicators, not defined according to IAS/IFRS; they are reported to help show *performance* trends, as well as to provide useful information on the Group's ability to manage debt, and to assist in estimating the value of the Group's assets.

The restated Consolidated Financial Statements show the same net profit/(loss) and shareholders' equity as the Consolidated Financial Statements and are used below to comment on both the consolidated results and those of the individual business areas.

4.2 Restated consolidated financial position

A summary is given below of the Group's key financial and operating performance indicators, based on the restated Consolidated Financial Statements, prepared in line with the above explanations.

<i>Figures in EUR million</i>	2022	2021	Change	
			Absolute	%
REVENUES	4,449	3,845	604	16%
EBITDA	1,580	1,600	(20)	-1%
Deprec., amort. and other non-cash items	(715)	(696)	(19)	
Income (loss) from equity investments	21	42	(21)	
ORDINARY EBIT	886	946	(60)	-6%
Financial income/(charges)	(301)	(299)	(2)	
ORDINARY EBT (A)	585	647	(62)	-10%
Impairment	(2)	(6)	4	
Other non-recurring income/(charges)	(138)	(212)	74	
NO - ORDINARY EBT (B)	(140)	(218)	78	n.a.
EBT (A+B)	445	429	16	n.a.
Taxes	(164)	(239)	75	
Net profit (loss) from assets sold/discontinued operations	1	473	(472)	
Consolidated net profit (loss)	282	663	(381)	n.a.
<i>Of which:</i>				
Net profit (loss) pertaining to minorities	192	317	(125)	n.a.
Net profit (loss) pertaining to group	90	346	(256)	n.a.
Net Financial Position	(4,878)	(5,814)	936	n.a.
<i>Of which:</i>				
<i>Gaming and Services</i>	<i>(5,399)</i>	<i>(5,753)</i>	<i>354</i>	<i>n.a.</i>

4.3 Operating performance

➤ Net revenues

Consolidated net revenues in 2022 were EUR 4,449 million, an increase of around 16% as compared with 2021 (EUR 3,845 million). These figures break down as follows:

Net Revenues					
<i>Figures in EUR million</i>	2022	%	2021	%	Change
Publishing	337	7.6%	313	8.1%	24
Gaming & Services	4,028	90.5%	3,459	90.0%	569
Finance	84	1.9%	74	1.9%	10
Holding Companies / Eliminations	-	0.0%	(1)	0.0%	1
Consolidated Total	4,449	100.0%	3,845	100.0%	604

The net revenues of the **Publishing** business were EUR 337 million, up +EUR 24 million on 2021 (+7.7%) and attributable to Collectibles (+EUR 26 million, due, in particular, to the good *carry in* in Europe, the Americas and Japan, which more than offsets the deterioration due to the launches during the year).

The **Gaming & Services** business posted net revenues of EUR 4,028 million, an increase of +EUR 569 million compared with 2021. This reflects a marked improvement in all the *business* lines, except for Global Lottery, and in particular:

- a decrease of around 8% in Global Lottery, where the growth recorded by Product Sales and Jackpots in the various jurisdictions was more than offset by the decrease recorded in *Global same-store sales*, especially in Italy, partly given the exceptional performance in the first half of 2021, and the effect of the disposal of IGT's payment services *business* in Italy during the year;
- an increase of 28% in Global Gaming, reflecting higher product sales and a rise in revenues associated with the installed base in North America and internationally;
- an increase of +27% in PlayDigital, which recorded significant revenues driven both by organic growth in iGaming, with the acquisition of new jurisdictions and new customers, and by the contribution of the new acquisition of iSoftBet during the year.

The **Gaming & Services** revenues also benefited from the favourable USD/EUR exchange rate compared with 2021.

The **Finance** business posted net revenues of EUR 84 million, an improvement of EUR 10 million compared with 2021, due to higher *performance fees* in the *real estate* area. The revenues in question mainly related to *Alternative Asset Management*.

➤ EBITDA

The Group recorded EBITDA of EUR 1,580 million for the year ended 31 December 2022, a slight decrease compared with the previous year. This breaks down as follows:

EBITDA					
<i>Figures in EUR million</i>	2022	%	2021	%	Change
Publishing	(7)	-0.4%	7	0.4%	(14)
Gaming & Services	1,638	103.7%	1,484	92.8%	154
Finance	(2)	-0.1%	73	4.6%	(75)
Holding Companies / Eliminations	(49)	-3.1%	36	2.3%	(85)
Consolidated Total	1,580	100.0%	1,600	100.0%	(20)

EBITDA for the **Publishing** business was -EUR 7 million, down by -EUR 14 million compared with 2021, mainly attributable to Collectibles as a result of: launches that had lower results than expected in some markets following a particularly positive 2021, launches that were less profitable, due in particular to the increase in some cost items such as paper, distribution and transport, as well as unfavourable exchange rate effects.

EBITDA for the **Gaming and Services** business was EUR 1,638 million, a significant increase of around +EUR 154 million on 2021, mainly due to the higher net revenues resulting from the improved performance of Global Gaming and PlayDigital, added to which is the significant growth in their profit margins, which more than offset the lower contribution of Global Lottery, associated with the trends described above. Compared with 2021, EBITDA for Gaming & Services also benefited from the favourable USD/EUR exchange rate.

EBITDA for the **Finance** business was -EUR 2 million (+EUR 73 million in 2021) and reflected, in addition to the contribution of DeA Capital's activities, the dividend received from Assicurazioni Generali (+EUR 2 million, versus +EUR 34 million in 2021).

The investment income and expenses of DeA Capital in 2022 were negative overall (-EUR 9 million) compared with the positive contribution in 2021 (+EUR 30 million), primarily owing to the negative swings in the *fair value* of the IDeA OF I fund (-EUR 7 million, connected with the performance of the Talgo share). 2021, however, benefited from revaluations of Funds of Funds and the Taste of Italy I Fund, of +EUR 23 million and +EUR 5 million respectively.

EBITDA for the **Holding company activities/other business** was negative at -EUR 49 million, a marked decrease compared with the positive result of +EUR 36 million in 2021, due to the fall in the *fair value* of the investments made by the Connect fund and the subsidiary DeA Communications.

➤ **ORDINARY EBIT**

The Group's ORDINARY EBIT for the year ended 31 December 2022 was EUR 886 million, after deduction of depreciation/amortisation charges and other ordinary non-cash items totalling EUR 715 million and positive income of EUR 21 million from shareholders valued at *equity*.

ORDINARY EBIT

<i>Figures in EUR million</i>	2022	2021	Change
EBITDA	1,580	1,600	(20)
Deprec., amort. and other non-cash items	(715)	(696)	(19)
Income (loss) from equity investments	21	42	(21)
ORDINARY EBIT	886	946	(60)

Amortisation, depreciation and other ordinary non-cash items break down as follows:

- EUR 57 million for amortisations and write-downs of right-of-use assets recorded following the adoption of IFRS 16 on 1 January 2019 (EUR 60 million in 2021);
- EUR 369 million for amortisation and write-downs of intangible assets (EUR 359 million in 2021), in particular related to *customer relationships*;
- EUR 289 million for depreciation and write-downs of tangible assets (EUR 277 million in 2021).

In 2022, the Group posted positive results from shareholdings valued at *equity* of +EUR 21 million, compared with positive results of +EUR 42 million in 2021; the figure recorded in 2022 includes the result of the Grupo Planeta-De Agostini of +EUR 18 million (+EUR 30 million in

2021). The figure in 2021 also reflects the contribution of LDH, the parent company of Banijay Group Holding, of +EUR 9 million.

➤ **Net profit (loss)**

The table below shows the relationship between ORDINARY EBIT and consolidated net profit/(loss):

Net profit (loss)			
<i>Figures in EUR million</i>	2022	2021	Change
ORDINARY EBIT	886	946	(60)
Financial income/(charges)	(301)	(299)	(2)
ORDINARY EBT (A)	585	647	(62)
Impairment	(2)	(6)	4
Other non-recurring income/(charges)	(138)	(212)	74
NO - ORDINARY EBT (B)	(140)	(218)	78
EBT (A+B)	445	429	16
Taxes	(164)	(239)	75
Net profit (loss) from assets sold/discontinued operations	1	473	(472)
Consolidated net profit (loss)	282	663	(381)
<i>Of which:</i>			
Net profit (loss) pertaining to minorities	192	317	(125)
Net profit (loss) pertaining to group	90	346	(256)

ORDINARY EBT for 2022 showed a positive value of +EUR 585 million, after deducting a negative financial management balance of -EUR 301 million. With regard to financial management, the balance in 2022 (compared with the corresponding values of 2021) breaks down as follows:

- value for the Publishing business broadly nil (-EUR 2 million in 2021);
- -EUR 290 million relating to the Gaming & Services business (-EUR 290 million in 2021);
- -EUR 11 million relating to Holding company activities (-EUR 7 million in 2021).

Non-ordinary expenses of -EUR 140 million in 2022 (versus non-ordinary expenses of -EUR 218 million in 2021) were included in the NON-ORDINARY EBT figure. Particular note should be taken of the following items recorded in 2022:

- Other non-recurring income (expenses) of -EUR 138 million (-EUR 212 million in 2021), of which +EUR 303 million related to the capital gain arising from the disposal of IGT's payment services *business* in Italy, -EUR 264 million to IGT's Benson dispute, -EUR 34 million to the USD/EUR exchange rate suffered by IGT due to the weakening of the US dollar against the euro during the period (primarily relating to the conversion into euro of loans held by IGT), -EUR 21 million to *liability management* costs for IGT, -EUR 6 million to restructuring costs for IGT, -EUR 40 million to *stock compensation* costs for IGT, -EUR 44 million to the minority interest in the net result of Lottoitalia, classified in the consolidated financial statements as remuneration of the financial debt recorded and not as profit/(loss) pertaining to third parties (by virtue of specific contractual clauses

between IGT Lottery, controlling shareholder of Lottoitalia, and the minorities), -EUR 34 million to provisions for risks relating to equity investments and +EUR 28 million to the effect of aligning to the *mark-to-market* of the *Dauphine Project*, as well as the exchange rate effect associated with the related *prepayment*.

In terms of taxes, expenses of -EUR 164 million were recorded in 2022, compared with an expense of -EUR 239 million in 2021, broken down as follows:

- +EUR 1 million relating to Publishing activities (+EUR 1 million in 2021);
- -EUR 162 million relating to the Gaming & Services business (-EUR 234 million in 2021), which benefits, in particular, from the very limited tax effect on the capital gain arising from the disposal of IGT's payment services *business* in Italy, as well as deductibility of the provision for the Benson dispute;
- -EUR 2 million relating to the Finance business (-EUR 12 million in 2021), mainly linked to the tax effect of the negative adjustments to *fair value* of the funds in the portfolio in 2022;
- -EUR 1 million relating to Holding company activities (+EUR 6 million in 2021).

Net profit/(loss) from sold/discontinued operations for 2022 was +EUR 1 million, compared with +EUR 473 million in 2021. These mainly relate to:

- *IGT's Italian Gaming* business (taking account of both the profit/(loss) up to the date of disposal and the capital gain arising from the sale in 2021) totalling EUR 360 million;
- De Agostini Scuola (taking account of both the profit/(loss) up to the date of disposal and the capital gain arising from the sale in 2021) totalling +EUR 109 million.

To summarise, Consolidated Net Income was positive at +EUR 282 million in 2022, compared with a positive figure of +EUR 663 million in 2021, with positive Net Income attributable to the Group of +EUR 90 million, compared with positive Net Income of +EUR 346 million in 2021.

Net income attributable to minority interests, which was positive at +EUR 192 million (compared with positive income of +EUR 317 million in 2021), mainly reflected the +EUR 215 million relating to IGT's pro-rata share of Group Net Income (+EUR 297 million in 2021), the -EUR 4 million relating to the Spanish Collectibles business's pro-rata share of Group Net Income (value broadly nil in 2021), the -EUR 13 million relating to Connect's pro-rata share of Group Net Income (+EUR 13 million in 2021) and the -EUR 4 million relating to DeA Capital/IDeA OF I's pro-rata share of Group Net Income (+EUR 7million in 2021).

Net Income attributable to the Group was +EUR 90 million (compared with a positive figure of +EUR 346 million in 2021), and mainly reflected:

- -EUR 8 million in Net Income from the DeA Editore Group (+EUR 106 million in 2021);
- the +EUR 146 million pro-rata share of Group Net Income accruing to the IGT Group (+EUR 220 million in 2021);
- the +EUR 18 million pro-rata share of Group Net Income accruing to Grupo Planeta-De Agostini (+EUR 30 million in 2021);
- the -EUR 13 million pro-rata share of Group Net Income accruing to Connect (+EUR 13 million in 2021);
- the -EUR 3 million pro-rata share of Group Net Income accruing to the DeA Capital/IDeA OF I Group (+EUR 16 million in 2021);
- the +EUR 2 million dividend from Assicurazioni Generali (+EUR 34 million in 2021);
- -EUR 52 million in Net Income from the Holding company structure (-EUR 82 million in 2021);

The figure in 2021 also reflects the +EUR 9 million pro-rata share of the Net Income of LDH, the parent company of Banijay Group Holding.

➤ **Statement of Performance – IAS 1**

A summary version of the Comprehensive Income or Statement of Performance – IAS 1, is shown below. It reports the net profit/(loss) for the year as the sum of the portion recorded in the Income Statement and that posted directly to shareholders' equity:

Statement of Performance - IAS 1		
	2022	2021
<i>Figures in EUR million</i>		
Net Profit/(Loss) (A)	282	663
<i>Items that could be subsequently reclassified within the profit (loss) for the period</i>		
Profit / (loss) on translating foreign operations	137	124
Profit / (loss) on cash flow hedge	-	3
Profit / (loss) on investments valued at equity	33	2
Tax effect	(8)	(1)
<i>Items that could be subsequently reclassified within the profit (loss) for the period</i>		
Profit / (loss) on financial assets at <i>Fair Value</i>	73	97
Profit/(loss) on remeasurement of defined benefit plans	2	-
Tax effect	-	(1)
Other comprehensive income/(loss) (B)	237	224
Total comprehensive income/(loss) (A+B)	519	887
<i>Of which:</i>		
Net profit (loss) pertaining to minorities	258	380
Net profit (loss) pertaining to group	261	507

Gains/(losses) on financial assets measured at *fair value* recorded a positive balance of +EUR 73 million in 2022 (compared with a positive figure of +EUR 97 million in 2021, which included an increase in the *fair value* of Assicurazioni Generali, including the positive effect of the capital gain on the disposal of 2.7 million shares held by DeA Communications, and the effect of the negative *mark-to-market* of the derivative contract entered into, of +EUR 97 million); this was attributable in particular to the increase in the *fair value* of Banijay Group Holding/FL Entertainment, including the positive effect of the disposal of LDH/Banijay (+EUR 80 in total), net of the decrease in the *fair value* of Assicurazioni Generali, including the effect of the disposal of 18.5 million shares held by De Agostini S.p.A., following the *physical settlement* of the derivative contracts entered into (-EUR 7 million).

Exchange rate gains/(losses) mainly reflect the impact of the conversion into euro of the financial statements of Group companies drawn up in different currencies, particularly in relation to the Gaming & Services business (+EUR 142 million versus +EUR 119 million in 2021, mainly due to the revaluation of the US dollar against the euro).

To summarise, Consolidated Net Income was positive at +EUR 519 million in 2022, compared with a positive figure of +EUR 887 million in 2021, with positive Net Income attributable to the Group of +EUR 261 million, compared with positive net Income of +EUR 507 million in 2021.

4.4 Statement of financial position

The table below provides a summary of the Group's key figures from the statement of financial position:

<i>Figures in EUR million</i>	31.12.2022	31.12.2021	Change
Goodwill	4,396	4,319	77
Other intangible assets	1,332	1,291	41
Tangible assets	965	944	21
Right of use assets (IFRS 16)	232	255	(23)
Investments	1,828	1,722	106
Cash and cash equivalents	887	911	(24)
Other net assets	236	598	(362)
TOTAL	9,876	10,040	(164)
<i>for hedging:</i>			
Financial liabilities	6,549	7,071	(522)
Shareholders' equity	3,327	2,969	358

Goodwill

At 31 December 2022 goodwill was EUR 4,396 million (EUR 4,319 million at 31 December 2021), broken down as follows:

- EUR 20 million for the Publishing business, entirely attributable to the Spanish Collectibles business transferred to De Agostini Publishing by the Spanish Grupo Planeta De Agostini *joint venture* on 1 November 2020 (unchanged on the figure at 31 December 2021);
- EUR 4,277 million attributable to the Gaming & Services business (EUR 4,199 million at 31 December 2021); the increase from 31 December 2021 (+EUR 78 million) was due to conversion differences on goodwill denominated in foreign currencies (+EUR 220 million) and the effect of IGT's acquisition of the entire share capital of some iSoftBet Group companies (+EUR 117 million), net of the decrease relating to the disposal of the IGT's payment services *business* in Italy (-EUR 259 million);
- EUR 100 million for the Finance business (EUR 100 million at 31 December 2021), relating to DeA Capital Alternative Funds SGR (EUR 38 million, which also includes, since 2019, the *NPL Management* business division acquired from Quaestio SGR), and to DeA Capital Real Estate SGR (EUR 62 million).

Other intangible assets

Other intangible assets include intellectual property rights, concessions, licences and trademarks, as well as other intangibles.

At 31 December 2022, Other intangible assets totalled EUR 1,332 million (EUR 1,291 million at 31 December 2021), mainly comprising:

- EUR 22 million relating to the Publishing business (EUR 22 million at 31 December 2021), mainly in respect of digital investments, intellectual property rights and basic *software* and applications;
- EUR 1,286 million relating to the Gaming & Services business (EUR 1,244 million at 31 December 2021), primarily from customer agreements, concessions, licences and *capitalised* software;
- EUR 23 million relating to the Finance business (EUR 25 million at 31 December 2021), chiefly due to *customer contracts* and *performance fees*.

Tangible assets

At 31 December 2022, tangible assets totalled EUR 965 million (EUR 944 million at 31 December 2021), broken down as follows:

- Real estate amounting to EUR 23 million (EUR 23 million at 31 December 2021);
- EUR 942 million in other tangible assets (EUR 922 million at 31 December 2021).

The EUR 23 million in real estate mainly included:

- EUR 11 million relating to the Publishing business (EUR 11 million at 31 December 2021);
- EUR 11 million relating to the Gaming & Services business (EUR 12 million at 31 December 2021).

The EUR 942 million in other tangible assets included:

- EUR 2 million relating to the Publishing business (EUR 2 million at 31 December 2021);
- EUR 937 million relating to the Gaming & Services business (EUR 916 million at 31 December 2021), chiefly due to terminals and contract-related systems;
- EUR 3 million relating to Holding company activities (EUR 4 million at 31 December 2021).

Investments

At 31 December 2022 the Group's investments totalled EUR 1,828 million. A breakdown of this item is given below:

Investments	31.12.2022	31.12.2021	Change
<i>Figures in EUR million</i>			
Investment properties	14	17	(3)
Equity Investments	435	402	33
Loans and receivables	436	275	161
Financial assets at amortised cost	49	-	49
Financial assets at fair value through OCI	242	608	(366)
Financial assets at fair value through profit or loss	652	420	232
Total group	1,828	1,722	106

At 31 December 2022 real estate investments totalled EUR 14 million (EUR 17 million at 31 December 2021), attributable to the Venere Fund, managed by DeA Capital Real Estate SGR and De Agostini S.p.A..

Shareholdings valued at equity included Grupo Planeta-De Agostini at EUR 396 million (EUR 363 million at 31 December 2021).

Loans and receivables totalled EUR 436 million, a sharp increase of +EUR 161 million on the balance at 31 December 2021 (EUR 275 million), and primarily include *IGT customer financing receivables*, as well as the receivable arising from the sale of the stakes held in EAE-EDP Ediformacion S.L. and EAE-OSTELEA FORMACION ONLINE, S.L. by DeA Communications to Planeta Corporation and lending to *real-estate* co-investment vehicles in France and Spain, concluded by the DeA Capital Group. It also includes the *vendor loan* raised in 2022 as part of

the LDH/Banijay Group/FL Entertainment transaction and the portion not yet invested by Quaestio as part of the portfolio management agreement signed in 2022.

Financial assets at amortised cost amounted to EUR 49 million and relate to the portion of the financial portfolio already invested at 31 December 2022, totalling EUR 150 million, currently being constructed by Quaestio, that was agreed in 2022 as a liquidity investment. The remaining portion, already paid to Quaestio, but invested by the latter in the first few months of 2023, is recorded under Loans and Receivables, as previously described.

Financial assets measured at *fair value* with changes recognised in the other components of the statement of comprehensive income (OCI) amounted to EUR 242 million (EUR 608 million at 31 December 2021). These mainly reflect:

- the investment, included under Finance business, in Assicurazioni Generali, recognised at a value of EUR 27 million based on the closing price at 31 December 2022 (EUR 16.615 per share, compared with EUR 18.63 per share at 31 December 2021). At 31 December 2022, the Group held 0.10% of the capital of Assicurazioni Generali, namely 1,630,815 shares in the company (compared with 20,130,815 shares at 31 December 2021);
- the investment in FL Entertainment totalling around EUR 193 million.

Financial assets measured at *fair value* which changes recognised in the Income Statement were EUR 652 million (EUR 420 million at 31 December 2021). These reflect:

- derivatives at EUR 35 million (EUR 8 million at 31 December 2021), attributable primarily to the positive *mark-to-market* of the *Dauphine Project* (+EUR 32 million at 31 December 2022 compared with +EUR 6 million at 31 December 2021);
- investments in funds totalling EUR 229 million (EUR 245 million at 31 December 2021) of which EUR 123 million related to the Finance business, EUR 101 million to the activities of the holding companies and EUR 5 million to Gaming and Services;
- Other investments/activities totalling EUR 388 million (EUR 167 million at 31 December 2021), of which EUR 31 million related to the Finance business, EUR 357 million to the activities of the holding companies. The increase with respect to the balance at 31 December 2021 is attributable to De Agostini S.p.A.'s investment, net of the partial disposal, of EUR 275 million, in Italian and French government bonds with 3-6 month maturities, made as a liquidity investment. The increase is also net of the repayment of the liquidity investment made in 2021 for EUR 25 million in the solution proposed by Camperio Sim, as well as the negative adjustment to *fair value* of Connect's shares.

Other net current assets

At 31 December 2021 Other net current assets stood at +EUR 236 million. The table below shows the items included in this balance:

Other net assets			
<i>Figures in EUR million</i>	31.12.2022	31.12.2021	Change
Trade receivables/payables: net balance	(2)	(35)	33
Net balance of non-current assets/liabilities or of discontinued operations held for sale	-	4	(4)
Net balance of tax assets/liabilities	(219)	(328)	109
Net balance of other assets/liabilities	809	1,068	(259)
Provisions	(352)	(111)	(241)
Total group	236	598	(362)

The net balance of Trade receivables and payables comprises trade receivables of EUR 705 million (EUR 869 million at 31 December 2021) and trade payables of EUR 707 million (EUR 904 million at 31 December 2021).

The net balance of Tax assets and liabilities of -EUR 219 million (-EUR 328 million at 31 December 2021) includes deferred tax assets of EUR 82 million (EUR 78 million at 31 December 2021) and deferred tax liabilities of EUR 300 million (EUR 344 million at 31 December 2021).

The net balance of Other assets/liabilities includes other assets amounting to EUR 1,557 million (EUR 1,733 million at 31 December 2021) and other liabilities amounting to EUR 748 million (EUR 665 million at 31 December 2021).

At 31 December 2022 Provisions totalled EUR 352 million (EUR 111 million at 31 December 2021) and mainly comprised employment severance indemnity (EUR 12 million; EUR 16 million at 31 December 2021), other provisions relating to employees (EUR 16 million; EUR 20 million at 31 December 2021) and provisions for future risks and charges (including those for investee companies and the Benson dispute totalling +EUR 324 million; EUR 75 million at 31 December 2021).

Shareholders' equity

At 31 December 2022 Consolidated Shareholders' Equity (Group and minorities) stood at EUR 3,327 million (EUR 2,969 million at 31 December 2021); Group Shareholders' Equity was EUR 2,138 million (EUR 1,835 million at 31 December 2021), while minority interests accounted for EUR 1,189 million (EUR 1,134 million at 31 December 2021).

The increase in Shareholders' Equity attributable to the Group compared with the balance at 31 December 2021 – +EUR 303 million in total – is mainly a reflection of the following:

- Group net profit for 2022 of +EUR 90 million;
- Distribution of dividends to shareholders of -EUR 28 million;
- De Agostini S.p.A. capital increase subscribed by Investendo Tre for approximately +EUR 10 million;
- Effect of the purchase of De Agostini S.p.A. treasury shares as a result of the purchase of shares in Investendo Due totalling - EUR 37 million;
- Effects of the conversion into euro of the financial statements of group companies drawn up in other currencies, in particular relating to Gaming and Services (+EUR 70 million);
- Effects of the increase in *fair value* in the statement of comprehensive income, amounting to +EUR 74 million, of which -EUR 6 million related in part to Assicurazioni Generali, including the impact of the disposal of 18.5 million shares held by De Agostini S.p.A., and +EUR 80 million arising from the LDH/Banjay Group Holding/FL Entertainment transaction;
- Other changes totalling +EUR 124 million, relating, in particular, to the effects of the closing by means of *physical settlement* of the first and second tranches of the Dauphine Project.

The increase in Shareholders' Equity attributable to minorities compared with the balance at 31 December 2021 – +EUR 55 million in total – is mainly a reflection of the following:

- Net profit attributable to minorities for 2022, of +EUR 192 million;
- Distribution of dividends to shareholders (minority shareholders of IGT and DeA Capital) of -EUR 174 million;
- Effects of the conversion into euro of the financial statements of group companies drawn up in other currencies, in particular relating to Gaming and Services (+EUR 66 million);
- Other changes amounting to -EUR 29 million, relating, in particular, to net capital repayments (-€48 million), mainly connected with capital distributions pertaining to minority shareholders of Lotterie Nazionali and Connect.

Net Financial Position (NFP)

The table below shows the Group's Net Financial Position broken down by business area:

<i>Millioni di Euro</i>	31.12.2022	31.12.2021	Change
Publishing	22	54	(32)
Gaming & Services	(5,399)	(5,753)	354
Finance	117	139	(22)
Holding Companies	364	(275)	639
Eliminations intrasegment	18	21	(3)
Total group	(4,878)	(5,814)	936

With specific reference to the Holding company activities, the NFP at 31 December 2022 was positive at +364 million. That figure reflects payables to banks of -EUR 13 million, a payable relating to the prepayment of debt connected with the *Dauphine Project*, of -EUR 213 million, the De Agostini S.p.A. convertible bond issue for -EUR 70 million (net of the purchase of 1,568,934 bonds in 2022), available liquidity of +EUR 181 million and other assets/liabilities of +EUR 479 million, including the investments of liquidity made during 2022 and the *vendor loan* arising as part of the LDH/Banijay Group/FL Entertainment transaction.

At 31 December 2022 the NFP had improved by EUR +639 million with respect to the balance at 31 December 2021, attributable to the combined effect of the following factors:

- dividends from investee companies of +EUR 114 million;
- cash received from the disposal of 18.5 million Assicurazione Generali shares by De Agostini S.p.A. totalling +EUR 339 million;
- impact of the closing by means of physical settlement of the first and second tranches of the *Dauphine Project*, totalling +EUR 221 million;
- the effect of the USD/EUR exchange rate on the *prepayment* associated with the *Dauphine Project* (-EUR 31 million);
- *vendor loan* received as a result of the LDH/Banijay Group/FL Entertainment transaction, in an amount of +EUR 101 million;
- outlay linked to the purchase of Investendo Due shares totalling -EUR 37 million;
- De Agostini S.p.A. capital increase subscribed by Investendo Tre for approximately +EUR 10 million;
- Dividends distributed to shareholders of -EUR 28 million;
- structural costs and financial fees/other of -EUR 50 million.

As mentioned earlier, the Net Financial Position is calculated using the figures reported in the financial statements and is the difference between: (+) +) cash and cash equivalents, as well as loans, receivables and certain financial assets at amortised cost or with changes in *fair value* recognised in the *statement of comprehensive income* (OCI) or in the Income Statement; (-) financial liabilities.

Below is a reconciliation statement between the figures in the Consolidated Statement of Financial Position at 31 December 2022 and the amounts shown in the Net Financial Position:

<i>Figures in EUR million</i>	Carrying amount at 31.12.2022	of which in Net Financial Position
INVESTMENTS - NON-CURRENT ASSETS	561	59
Financial assets at amortised cost	49	49
Financial assets at fair value through OCI	199	6
Financial assets at fair value through profit or loss	313	4
LOANS AND RECEIVABLES - NON-CURRENT ASSETS	103	79
INVESTMENTS - CURRENT ASSETS	381	312
Financial assets at fair value through OCI	43	16
Financial assets at fair value through profit or loss	338	296
LOANS AND RECEIVABLES - CURRENT ASSETS	333	333
CASH AND CASH EQUIVALENTS	887	887
NON-CURRENT FINANCIAL LIABILITIES	(5,871)	(5,871)
CURRENT FINANCIAL LIABILITIES	(677)	(677)
Net Financial Position - Group	(4,283)	(4,878)

The differences seen, in particular, between Financial Assets with changes in *fair value* recognised in the *statement of comprehensive income* (OCI) or in the Income Statement, are essentially related to the classification within these items of assets that qualify for inclusion in the Net Financial Position management indicator in accordance with the Group accounting principles; in particular, at 31 December 2022 the most significant differences related to the value of investments in Assicurazioni Generali, FL Entertainment, funds and other financial investments.

For information on the use of financial instruments, pursuant to art.2428, para. 2, point 6-bis of the Italian Civil Code, please refer to the Notes to the Consolidated Financial Statements for the year ended 31 December 2022.

* * *

In addition to the commentary on the consolidated results, with the related breakdown by business, see the following websites for more in-depth financial information for the Group's main businesses, which mainly consist of companies whose shares are traded on regulated markets:

- www.atresmedia.com
- www.igt.com
- www.deacapital.com
- www.general.com

4.5 Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

As mentioned in the first section of the Report on operations, the Group operates in a number of business sectors and is organised accordingly; each business activity comes under a sub-holding company, which is responsible for the coordination, management and control of all the companies that pertain to it. Alongside these activities are holding activities, carried out by companies in the Holding company structure, which includes the parent company, as well as other directly and indirectly controlled financial companies.

Given its structure and the international arena in which it operates, the Group is exposed to a number of risks and uncertainties, which can be categorised as either “**systemic risks**” or “**specific risks**”.

Such risks may significantly affect the operating performance and financial position of the Parent Company and the other companies included in the Group’s Consolidated Financial Statements.

Systemic risks relate to trends in macroeconomic variables in the different countries in which the Group operates, and at global level, including GDP, interest rates, inflation, exchange rates and unemployment, as well as the state of the financial markets – which particularly affects access to capital and return on investment (especially financial investment).

The macroeconomic context has been and is still severely affected by the conflict between Russia and Ukraine, and by the sanctions and restrictive commercial and financial measures applied by *inter alia*, various EU countries and the United States towards the Russian economy and by the resulting repercussions on the Italian and international economic context.

Moreover, the international geopolitical situation is also beset by severe uncertainty around the potential development of political and military tensions between China and the USA in connection with the crisis between China and Taiwan and between Serbia and Kosovo.

Partly as a consequence of the geopolitical tensions just described, the macroeconomic scenario is also characterised by an extremely high level of inflation in all the major industrialised countries, the likes of which has not been seen for decades, which, at the same time, considerably reduces GDP growth expectations.

This situation has forced the main Central Banks to rapidly raise interest rates very sharply in order to reduce inflationary pressures. Such rate hikes had a marked impact on the financial markets during 2022 and could potentially cause an economic recession in the second half of 2023, as well as put possible pressures on the financial markets.

Moreover, on the financial and economic front, the crises and resulting rescues in rapid succession of Silicon Valley Bank, Signature Bank and Credit Suisse in March 2023, and First Republic Bank in April 2023, raised concerns over the stability of the global financial system and possibilities of a contagion risk with unpredictable and severe consequences.

The above-mentioned factors, in addition to the ongoing difficulties with the supply of raw materials and semi-finished goods and energy costs that have not yet normalised, although they are falling compared with 2022, contribute to creating significant elements of overall uncertainty for 2023 that are still difficult to quantify clearly.

In this regard, the Group immediately introduced appropriate monitoring of the potential impacts that could arise on the existing asset portfolio and related business prospects.

Specific risks can be analysed according to individual business areas, and include:

- for the Publishing business, risks connected with the demand for published products (i.e. collectibles, non-fiction and others), the costs of producing these items, the efficiency and effectiveness of logistics systems, and legislative changes;
- for the Media & Communication business, risks connected with the performance of TV *broadcasters* (in turn dependent on advertising revenues, which are highly sensitive to

macroeconomic trends), the ability to create new *formats* to offer the market, the costs of producing programmes and the possibility of travel required to make certain kinds of programmes;

- for the Gaming & Services business, risks connected with the maintenance/renewal of existing contracts or licences, the innovation required to launch new gaming and services products, production capacity for new gaming/lottery management systems, the possibility of a technological malfunction (system and/or terminals) that prevents collection of receipts, production costs and fixed-odds sports betting, where the operator bears the '*book-making*' risk;
- for the Finance sector, risks connected with the day-to-day business of *alternative investments*, such as the ability to *time* the selection, management and disposal of investments, and of *alternative asset management* (handled by DeA Capital Real Estate SGR, DeA Capital Alternative Funds, DeA Capital Real Estate France, DeA Capital Real Estate Iberia, DeA Capital Real Estate Germany and DeA Capital Real Estate Poland), such as the ability to launch new funds, the credibility of *asset managers* and the efficiency of operational processes designed to regulate the launch and management of investment products and solutions.

Risks for each business, common to all business areas in which the Group is highly diversified, are also associated with the attitude of *management*, relationships with employees and suppliers, integration policies and debt management.

The specific risks relating to Holding company activities – in addition to those connected with the management of operations in the business sectors mentioned above and the associated effects on cash flow or dividends – include exposure to specific sectors or investments and the difficulties of identifying opportunities for investments or disposals.

Although we stress the significance of the aforementioned risks for the Group's economic and operating performance and financial position, we have put in place appropriate measures to limit the impact of any serious negative developments.

With regard to systemic risks, in the early 2000s, the Group started to diversify its investments – both by sector and geographical area. It now has a balanced portfolio of activities, combining *resilient* businesses (such as gaming and services and *alternative asset management*) with others that have good long-term growth prospects (such as *training* and *content production*), all with a strong international footprint.

With regard to specific risks, the Group has adopted a modern system of *governance* for its businesses, facilitating the effective management of complexity and the achievement of the strategic goals of the sub-holding companies and the Group. Specifically, this *governance* system has set out the procedures for managing relationships between the Parent Company and sub-holding companies, and the responsibilities of the latter concerning the coordination, management and control of all operating companies under their responsibility.

5. Analysis of the Parent Company's operating performance and financial position

In line with current regulatory provisions, De Agostini S.p.A. draws up its annual and interim financial statements in accordance with articles 2423 et seq of the Italian Civil Code, as amended by Legislative Decree 139 of 18 August 2015, implementing Directive 2013/34/EU, which came into force on 1 January 2016 for financial statements starting from that date.

The Company closed the financial year ended 31 December 2022 with net profit of around EUR 174.3 million, an increase on the profit of EUR 48.9 million recorded at 31 December 2021.

The Company's operating performance is summarised below:

<i>Figures in EUR thousand</i>	31.12.2022	31.12.2021	change
Net revenues	1,528	1,583	(55)
Other income	883	2,851	(1,968)
General expenses and other operating costs	(33,323)	(35,309)	1,986
EBITDA	(30,912)	(30,875)	(37)
Depreciation and amortisation	(615)	(7,006)	6,391
EBIT	(31,527)	(37,881)	6,354
Dividends	184,694	88,658	96,036
Financial income / charges	(15,073)	(9,031)	(6,042)
Non recurring items	35,696	(226)	35,922
EBT	173,790	41,520	132,270
Income tax	504	7,388	(6,884)
Net profit (loss)	174,294	48,908	125,386

Net revenues, which relate to the services provided to certain Group companies, were have fallen slightly since the previous year.

Other revenues and income in 2022 recorded a decrease compared with 2021, due mainly to the following:

- a vacant lease period for a property in Rome during the year (-EUR 0.8 million);
- extraordinary income from the sale of properties in Paris during 2021 (-EUR 1.5 million);
- extraordinary income from the sale of properties in Barcelona during 2022(+EUR 0.3 million).

General expenses and other operating costs recorded a significant decrease in personnel costs, broadly as a result of lower net provisions for multi-year incentive-based plans (-EUR 11.2 million), partially offset by higher costs for services (+EUR 4.6 M€) and the increase in other operating costs (+EUR 4.1 million), which included the outlay for *stamp duty* on the first two tranches of the *Dauphine Project* (EUR 3.0 million).

Depreciation and write-downs recorded a significant decrease, mainly related to the write-down of the Rome property recognised at the end of 2021 (EUR 6.2 million), which was not repeated in the year in question.

In 2022 the Company recorded dividends from equity investments of EUR 184.7 million, which were approved in the year by the subsidiaries De Agostini Communications (EUR 80 million), IGT (EUR 76.2 million), DeA Capital (EUR 17.9 million), De Agostini Editore (EUR 15.0 million) and AS 5 (EUR 0.3 million), as well as by the associate Camperio SIM (EUR 0.6 million) and Assicurazioni Generali (EUR 1.8 million). A share of the dividends received by IGT, amounting to

approximately EUR 7.1 million, was "rebated" to third parties as part of the *Dauphine Project*.

Financial income totalled around EUR 7.7 million and financial charges EUR 22.8 million; net financial charges were therefore about EUR 15.1 million in 2022, representing a decrease of around EUR 6 million on 2021.

This change is mainly attributable to the capital losses on working capital securities (+EUR 2.9 million) and to net charges on exchange rates (+EUR 2.2 million) and on derivative financial instruments (+EUR 1.0 million) recognised during the year.

Value adjustments and other non-recurring income/(expenses) reflect the net capital gains on the disposal of shares in Assicurazioni Generali (+EUR 52.0 million) and IGT PLC (+EUR 21.6 million), the partial reinstatement of the amount written down for DeA Fly (+EUR 1.2 million) and the write-down of DeA Capital for impairment losses, to align the value of the investment to the public purchase offer price (-EUR 39.1 million).

Income of EUR 0.5 million was recorded for the year under income taxes; this is equal to the estimated corporate income tax (IRES) for the year (EUR 1.3 million), net of taxes relating to previous years and net deferred tax assets/liabilities totalling EUR 0.8 million.

A summary of the Company's statement of financial position is shown below:

<i>Figures in EUR thousand</i>	31.12.2022	31.12.2021	Change
ASSETS			
Intangible assets	232	105	127
Tangible assets	13,753	14,613	(860)
Investments and other long-term securities	2,496,719	2,661,047	(164,328)
Investments and other short-term securities	481,226	534,065	(52,839)
Mark-to-market put and call option assets	444	763	(319)
Hedging financial derivatives assets	23,162	-	23,162
Trade receivables	401	176	225
Financial Receivables towards groups companies	98,406	8,649	89,757
Tax receivables due from group companies	6,840	8,515	(1,675)
Other receivables	7,199	17,998	(10,799)
Cash and cash equivalents	168,538	94,130	74,408
Accruals and deferrals	617	1,885	(1,268)
TOTAL ASSETS	3,297,537	3,341,946	(44,409)
LIABILITIES			
Shareholders' equity	2,800,714	2,666,223	134,491
Mark-to-market put and call option liabilities	186	646	(460)
Hedging financial derivatives liabilities	-	1,646	(1,646)
Provisions for risks and charges	11,185	13,291	(2,106)
Employee severance indemnities	454	569	(115)
Convertible bond	59,300	63,984	(4,684)
Trade payables	2,073	1,465	608
Financial Payables towards groups companies	194,045	179,548	14,497
Tax payables to Group companies	6,469	3,413	3,056
Other payables	10,029	13,408	(3,379)
Loans payable to banks	212,085	396,649	(184,564)
Accruals and deferrals	997	1,104	(107)
TOTAL LIABILITIES	3,297,537	3,341,946	(44,409)
Net Financial Position	126,901	(496,218)	623,119

The Company did not carry out any research and development activities, as defined in art. 2428 para. 3 of the Italian Civil Code, in 2022.

Intangible and tangible fixed assets, totalling EUR 14.0 million at 31 December 2022, mainly reflected the sale of properties in Barcelona (-EUR 0.4 million), with a capital gain in the income statement of EUR 0.3 million, and the effects of amortisation and depreciation in the period.

Shareholdings and other long-term securities totalled around EUR 2,496.7 million at 31 December 2022, a decrease of EUR 164.3 million on 31 December 2021, mainly due to the net balance of:

- the investment of liquidity in medium-term Euro bonds (+EUR 48.7 million);
- acquisition of full control of Investendo Due (+EUR 37.2 million);
- partial reinstatement of the amount written down for DeA Fly (+EUR 1.2 million) and reclassification of the entire holding in the subsidiary to current assets (-EUR 5.2 million);
- write-down of the stake in IGT, as a result of the *collar* derivative contract taken out as part of the Dauphine Project (-EUR 48.9 million) and reclassification of the book value

corresponding to the two *tranches* of the derivative maturing in 2022, to current assets (-EUR 158.2 million);

- write down of the holding in DeA Capital due to impairment (-EUR 39.1 million).

Investments and other securities under current assets totalled EUR 481.2 million at 31 December 2022, a decrease of EUR 52.8 million on 31 December 2021, mainly owing to:

- net investment of liquidity in the Quaestio portfolio and in short-term Euro bonds (+EUR 278.9 million);
- reclassification of DeA Fly from fixed assets (+EUR 5.2 million);
- disposal of 9 million IGT shares (-EUR 162.8 million), following the exercise of the put option on the first two *tranches* of the *collar* derivative contract taken out as part of the Dauphine Project and reclassification of the book value corresponding to the two *tranches* of the derivative maturing in 2022, to current assets (-EUR 158.2 million);
- partial disposal of the holding in Assicurazioni Generali (-EUR 277.3 million) and simultaneous write-down of the holding as a result of the hedging derivative contracts exercised during the year (-EUR 11.7 million);
- net disposal of liquidity in the Quaestio Fund and management of the Camperio SIM portfolios (-EUR 43.3 million).

Financial receivables from Group companies, amounting to EUR 98.4 million at 31 December 2022 consisted of the existing liquidity in Quaestio Capital SGR (+EUR 96.2 million) and Camperio SIM (+EUR 2.2 million) at the end of the year under the portfolio management contracts signed with the associated companies.

At 31 December 2022 the Company's shareholders' equity increased by around EUR 134.5 million compared with the figure at the end of 2021, mainly as a result of:

- Profit for 2022 (+EUR 174.3 million);
- the reserved share capital increase for Investendo Tre (+EUR 10.5 million);
- distribution of dividends (-EUR 30.0 million);
- net negative exchange rate differences related to the dollar loan obtained from Credit Suisse (*Prepayment Amount*) drawn as part of the transaction to hedge the exchange rate risk of the cash flows expected from the settlement of the *collar* derivative contract by *physical settlement* as part of the Dauphine Project (-EUR 19.9 million).

Other provisions for risks and charges totalled EUR 11.2 million at 31 December 2022, and reflected provisions for the following:

- multi-year incentive-based plans for employees and directors totalling EUR 10.7 million (EUR 12.6 million at 31 December 2021);
- risks related to equity investments and other long-term investments of EUR 0.5 million (unchanged on the figure at 31 December 2021).

The "Convertible bond issue", recorded at EUR 64 million at 31 December 2021, relates to the convertible portion (*tranche B*) of the bond issue launched on 31 December 2009 with an initial nominal value of EUR 80.5 million and a final maturity date of 31 December 2029.

Following the purchase of treasury convertible bonds, the item decreased by EUR 4.7 million compared with the previous year and was recorded at EUR 59.3 million at 31 December 2022.

Financial payables to Group companies totalled approximately EUR 194.0 million at 31 December 2022. These broadly relate to two credit lines granted in previous years by the subsidiary DeA Communications (EUR 139 million) and a line granted during the year by the subsidiary De Agostini Editore (EUR 55 million).

At 31 December 2022, the Group had a positive Net Financial Position of around EUR 126.9 million (including receivables and payables due from/to Group companies and investments in

the portfolios of Quaestio Capital Management SGR and in short-term euro bonds), an improvement of around EUR 623.1 million on 31 December 2021. The main items that brought about this change are summarised below:

- disposal of the shareholding in Assicurazioni Generali (+EUR 339.3 million);
- disposal of 9 million IGT shares as part of the Dauphine Project (+EUR 221.2 million);
- net dividends from equity investments of +EUR 184.7 million;
- the reserved share capital increase for Investendo Tre (+EUR 10.5 million);
- acquisition of full control of Investendo Due (-EUR 37.2 million);
- distribution of dividends (-EUR 30.0 million);
- negative exchange rate effect relating to the dollar loan from Credit Suisse (-EUR 31.1 million);
- purchase of treasury convertible bonds (-EUR 4.7 million);
- *operating/other* cash flow (-EUR 29.6 million).

▪ Intercompany transactions

In 2022 the Company carried out consultancy and service activities for some of its subsidiaries relating to a number of contracts for the provision of administrative, financial, legal, corporate and tax-related services. These activities were carried out under normal market conditions.

During the same year, the Company also served as Consolidator for other Group companies in respect of the national tax consolidation scheme and joined the VAT Group set up by the parent company B&D Holding for the period 2020-2022.

The table below shows details of the financial transactions between the Company and Group companies. The revenue figures also include payments for activities carried out by employees of the Company in their capacity as directors of subsidiaries.

<i>In EUR thousand</i>				
Company Name	Revenues		Costs	
	Type	Amount	Type	Amount
Holding company				
B&D Holding S.p.A.	Admin. and general services	125	Admin. and general services	37
Subsidiaries				
AS 5 S.r.l.	Admin. and general services	54	Admin. and general services	832
De Agostini Editore S.p.A.	Admin. and general services	843	Admin. and general services	886
			Financial charges	657
			Rents liabilities and other costs for leases and rentals	560
De Agostini Publishing S.p.A.	Admin. and general services	340	Admin. and general services	326
DeA Capital Partecipazioni S.p.A.	Admin. and general services	5		
DeA Capital S.p.A.	Admin. and general services	72	Admin. and general services	28
			Rents liabilities and other costs for leases and rentals	321
DeA Communications S.A.	Admin. and general services	226	Financial charges	5,079
DeA Factor S.p.A.	Admin. and general services	82		
IGT PLC	Admin. and general services	21		
IGT Lottery S.p.A.	Other operating income	721	Admin. and general services	104
Associates				
DeA Planeta S.r.l.			Admin. and general services	3
De Agostini libri S.r.l.	Admin. and general services	1	Admin. and general services	44
Yard R.E. S.r.l.			Consultancy costs	20
Yard REEAS S.p.A.			Consultancy costs	12
			Financial charges and other financial costs	200
Camperio SIM S.p.A.	Financial incomes	7	Financial charges and other financial costs	3
Quaestio Capital Management SGR S.p.A.	Financial incomes	10		

Transactions with subsidiaries in existence at the year-end are described in the Notes to the Financial Statements for the year ended 31 December 2022.

6. Intercompany and related party transactions

With reference to intercompany and related-party transactions, Group companies settled the exchanges of goods and services concerned under normal market conditions. These transactions mainly involved goods, administrative and financial services, specific advisory services, and general services.

A number of intercompany, corporate transactions were also carried out in 2022, mainly concerning dividend payments, capital increases and the transfer of equity investments. In the Consolidated Financial Statements for the year ended 31 December 2022, the impact of the above intercompany transactions was eliminated.

Of particular note are the transactions between group companies of De Agostini S.p.A. in relation to the tax credit and debit positions transferred to the latter as part of the national tax consolidation scheme.

It should also be pointed out that the Company joined the VAT Group set up by parent company B&D Holding on 1 January 2020 for the period 2020-2022

7. Treasury shares

Pursuant to art. 2428, para. 3 (3) and (4) of the Italian Civil Code, at 31 December 2022 De Agostini S.p.A. was the holder, within the meaning of art. 2359-bis of the Italian Civil Code:

- directly of 357,881 treasury shares, corresponding to about 0.84% of the share capital, which have not been subject to any change during the year.
- via the directly-controlled company Investendo Due, of 2,200,327 treasury shares, corresponding to 5.18% of the share capital. Note that Investendo Due became a wholly-controlled subsidiary of De Agostini S.p.A. during 2022. For more details, see “Significant events during the year” in this Report on operations.

Pursuant to art. 2428, para. 3 (3) and (4) of the Italian Civil Code, at 31 December 2022 the Company did not hold, in its own name or through a trust company or intermediary, any shares of the parent company B&D Holding, and in 2022 the Company did not purchase and/or sell any shares of the latter, including through a trust company or intermediary.

8. Corporate governance

In order to ensure effective management of its growing organisational complexity and to achieve the strategic objectives of the sub-holding companies and of the Group, specific *corporate governance* guidelines were established and implemented, particularly with reference to relations between the holding company, De Agostini S.p.A., and the sub-holding companies. The main aspects of these *corporate governance* guidelines are stated below.

▪ Role of the holding company

The holding company owns business equity investments and financial assets, which in turn are organised into sub-holding companies. The holding company - where applicable pursuant to prevailing legislation - manages and coordinates the sub-holding companies, reflecting a natural business strategy pursued through a group combination, and exercising the powers and duties of control as the entity responsible for consolidating the financial statements, and/or for exercising control pursuant to art. 2359, para. 1 of the Italian Civil Code.

The limits on the performance of these activities are established through a fair balance between the interests of the Group and the interests of the individual sub-holding companies, in accordance with the principles of sound corporate and business management of the sub-holding companies.

▪ Role of the sub-holding companies

The sub-holding companies are responsible for coordinating, managing and controlling the activities of all operating entities under their responsibility, and are accountable to the holding company for the results of these activities.

▪ Relationship between the holding company and the sub-holding companies at 31 December 2022

- Sub-holding company for the Group's Publishing business (De Agostini Editore)

As regards De Agostini Editore, since the duties of Chair are currently assigned to a director of De Agostini S.p.A. and the role of CEO is currently assigned to one of the Vice-Chairs of De Agostini S.p.A., functions serving as a link between the holding company and the sub-holding company are performed directly by the Board of Directors of the subsidiary.

- Sub-holding company for the Group's Gaming & Services business (IGT)

As regards IGT, it should be noted that the holding company does not exercise direction and coordination over this sub-holding company, since the latter is based abroad. The link between IGT and the holding company is assured by the fact that the Chair and CEO of the holding company, De Agostini S.p.A., also serve on the subsidiary's board of directors.

- Sub-holding company for the Group's Finance business (DeA Capital S.p.A.)

As regards DeA Capital, since the duties of Chair are currently assigned to the CEO of De Agostini S.p.A. and the role of director is currently assigned to one of the Vice-Chairs of De Agostini S.p.A. at end-2022, functions serving as a link between the holding company and the sub-holding company are performed directly by the Board of Directors of the subsidiary.

* * *

After the close of 2022 some changes took place within the Board of Directors of certain sub-holding companies, which in each case confirmed the presence of executive directors of the holding company on the boards of the sub-holding companies.

* * *

In addition to the institutional functions noted above, the continual flow of information and discussion between the senior management of the holding company and the senior managers of the sub-holding companies is a key element in the proper, efficient and harmonious management of these businesses.

9. Significant events after the year-end and outlook

After the close of 2022:

- In May 2023, the third *tranche* of the *Dauphine Project* matured relating to a total of 4,500,000 shares. This *tranche* was settled through *physical settlement* with the sale to Credit Suisse of all the 4,500,000 IGT shares for a consideration of USD 119.9 million; this amount was partially offset with the repayment of a portion of the loan with Credit Suisse, in an amount of USD 114.4 million and the related interest outstanding at that time, with the residual portion settled in *cash* by Credit Suisse. Following the disposal of the above-mentioned shares, De Agostini S.p.A. today holds 89,922,324 IGT shares.

Turning to the outlook for our business, in the first few months of 2023 the extremely uncertain environment increased both on the geopolitical front - due to the ongoing conflict between Russia and Ukraine and the increasingly severe confrontation between China and the United States over Taiwan - and on the economic and financial front, with inflation remaining excessively high, interest rates still rising - although they are reasonably close to maximum levels- and the problems reported in the international banking system, mainly in the United States, with Silicon Valley Bank, Signature Bank and First Republic Bank, but also in Europe with Credit Suisse. All these elements lead us to believe that a possible recession in the Euro and Dollar area could be on the cards in the second half of 2023, although the scope of it is still unclear.

However, we must not fail to emphasise some positive factors glimpsed in the early part of the year, namely a slowdown in inflation in some regions, a mitigation of *supply chain* costs, a fall in energy prices - with gas prices below pre-war levels, partly due to a mild winter -, and the resilience of economic activity, especially in the services sector, with employment at their highest levels.

Despite this complicated scenario, for the current year - partly thanks to the favourable performances seen in the main investee companies since the start of the year - the results of the Group's *businesses* are expected to remain broadly stable, not least because of the actions undertaken to contain the possible effects of the critical issues mentioned above.

Moreover, the Group will continue to optimise its portfolio and the competitive positioning of its various *businesses* and continue to improve operating excellence and its *capital structure*.

Against this background, De Agostini S.p.A. will continue to focus on developing its activities, concentrating in particular on identifying strategic medium- to long-term investment opportunities, leveraging the financial resources available to it from the disposals carried out during 2022, with the aim of seizing any opportunities that may arise in this uncertain period.

10. Proposal to approve the Annual Financial Statements for the year ended 31 December 2022 and allocation of profits

Dear Shareholders,

We believe that the Report on operations, which accompanies the Company's Annual Financial Statements and the Group's Consolidated Financial Statements, sets out clearly the performance and results achieved for the financial year ended 31 December 2022.

De Agostini S.p.A. achieved net profit of EUR 174,293,952.95 in 2022 (net profit of EUR 48,908,466.07 in 2021).

The Board of Directors proposes distribution of a dividend of EUR 25,704,908.36 under Article 27 of the Articles of Association, with EUR 349,403.00 to be allocated to the legal reserve, up to one-fifth of the share capital, as set out in art. 2431 of the Italian Civil Code, and the remaining EUR 148,239,641.59 to the extraordinary reserve.

In addition, given the availability of EUR 3,776,280.73 in the ordinary net income reserve, the Board of Directors also proposes a partial distribution of that reserve in an amount of EUR 424,829.82.

Therefore, the Board of Directors' proposal consists of a total dividend, including the partial distribution of the net ordinary income reserve, of EUR 26,129,738.18, or EUR 0.62 per eligible share.

Lastly, given that the reserve for net foreign exchange gains, totalling EUR 1,771,782.90 at 31 December 2022, is free and available within the meaning of art. 2426 para. 8-bis of the Italian Civil Code, in an amount of EUR 1,400,573.46, the Board of Directors proposes to allocate that amount to the extraordinary reserve.

In view of the foregoing, we submit the following motion for your approval:

" The De Agostini S.p.A. shareholders' meeting,

- having reviewed the Company's Annual Financial Statements for the year ended 31 December 2022, which report a net profit of EUR 174,293,952.95 (net profit of EUR 48,908,466.07 in 2021),
- having reviewed the Report on operations, which accompanies the Financial Statements for the year ended 31 December 2022,
- having taken note of the reports by the Board of Statutory Auditors and the independent auditors,

hereby passes a resolution to

1. approve the Financial Statements of De Agostini S.p.A. for the year ended 31 December 2022, comprising the Statement of Financial Position, the Income Statement, the Cash Flow Statement, the Notes to the Financial Statements, and the related Report on operations;
2. approve the proposal to distribute a dividend amounting to EUR 25,704,908.36 to be taken from the net profit achieved in 2022, allocating EUR 349,403.00 to the legal reserve and the remaining EUR 148,239,641.59 to the extraordinary reserve;
3. approve the proposal for a partial distribution of the ordinary net income reserve for an amount of EUR 424,829.82;
4. approve the proposal to allocate a portion of the reserve for net foreign exchange gains, in an amount of EUR 1,400,573.46 to the extraordinary reserve."

Novara, 26 May 2023

FOR THE BOARD OF DIRECTORS
The Chairman
 Lorenzo Pellicoli