
DE AGOSTINI S.p.A.

Annual Financial Statements for the Year Ending 31 December 2023

Prepared in accordance with International Financial Reporting Standards (IFRS) and translated, for reference only, from the original Italian-language document "Bilancio al 31 dicembre 2023". 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
1,000,000 class C shares (with no par value)

Tax code and recorded in the Monte Rosa Laghi
Alto Piemonte Register of Companies under no.
07178180589. VAT no. 01257120038

Board of Directors

Chairman	Lorenzo Pellicoli
Vice Chairmen	Enrico Drago Nicola Drago
Chief Executive Officer	Marco Sala
Directors	Paolo Boroli Pietro Boroli Maria Cesari Marco Costaguta (*) Roberto Drago Paolo Tacchini Francesca Signorelli
Emeritus Chairman	Marco Drago

Board of Statutory Auditors

Chairman	Roberto Spada
Permanent Auditors	Donatella Busso Davide Maggi
Deputy Auditors	Francesco Nicolini Guido Sazbon
Independent Auditors	PricewaterhouseCoopers S.p.A.

(*) Resigned on 14 May 2024

Contents

Chairman's Letter

Report on Operations

1. Reference framework
 2. The Group
 3. Significant events during the year
 4. Analysis of the Group's operating performance and financial position
 5. Analysis of the Parent Company's operating performance and financial position
 6. Intercompany and related party transactions
 7. Own shares
 8. Corporate governance
 9. Significant events after the year-end and outlook
 10. Proposal to approve the Annual Financial Statements for the Year Ending 31 December 2023 and allocation of profits
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Chairman's Letter

Dear Shareholders,

Since 2022 we have been living through an environment of extremely high uncertainty, generated initially by the start of the conflict between Russia and Ukraine - which is still far from being resolved - and aggravated in 2023 by both the tensions between the US and China, and the war between Israel and Hamas, with the resulting high risks of a widening of the conflict in a very delicate geopolitical area.

On the financial front, 2023 saw very high levels of inflation, followed by aggressive policies to raise interest rates aimed at bringing inflation down quickly; an objective that has still not been fully achieved. The era of zero interest rates is now well and truly behind us, we should probably prepare for relatively high levels of inflation and related interest rates, barring any significant economic or financial shocks, in the next few years.

From a macro-economic point of view, in 2023 the US economy continued to deliver positive surprises in terms of economic growth, disregarding the oft-times feared recession hypotheses, Europe recorded stagnation, and China showed signs of a slowdown and fragility, particularly with regard to the real estate sector.

Despite this complex and uncertain context, the stock markets were very resilient and confirmed an unexpected appetite for risk, with indices at historic highs in some cases, which continued into the first quarter of 2024.

The Group faced this situation of high uncertainty with its usual determination and took action to reposition the portfolio following its strategic reflection in 2022.

In line with this objective, in 2023 the main corporate actions of De Agostini Holding included the delisting of DeA Capital S.p.A. from Euronext Star Milan, announced at the end of 2022, the first initiative to consolidate and develop the portfolio launched with the resources generated by the sale of non-strategic assets carried out over the last few years.

With reference to IGT, in June 2023 the company advised the market of the launch of a strategic review process to evaluate potential strategic alternatives relating to the *Global Gaming* and *PlayDigital* businesses.

The strategic review conducted by IGT led to the spin-off and distribution of the *Global Gaming* and *PlayDigital* businesses to IGT's current shareholders, followed by the combination of these businesses with Everi (a company also listed on the NYSE), with an implicit valuation, in terms of enterprise value, of IGT's *Global Gaming* and *Digital* businesses of US\$ 4 billion, in a mixed cash and shares transaction. By virtue of this combination, De Agostini S.p.A. will become the first shareholder of the new combined entity, with approximately 23% of the share capital, while keeping unchanged its stake in the current IGT, which on completion of the operation, will be a pure player of lotteries and will change its company name. Closing of the operation is expected to take place by the beginning of 2025.

In relation to the individual business areas, we are satisfied with the final results, which were in line with or above expectations, confirming the solidity and quality of the Group's portfolio of activities.

IGT closed 2023 on an extremely positive note due to its ability to innovate and grow, even in a context of uncertainty and inflationary pressure. Specifically, the *Global Lottery* business recorded a trend that exceeded expectations, driven, above all, by Italy's good performance, while *Global Gaming* recorded significant growth in North America and South America, thanks to the quality of the new products launched and the resilience of the US economy. Lastly, *PlayDigital* recorded healthy growth, partly thanks to the full integration of the company acquired in 2022. The positive performance of IGT's business in 2023 - despite the payment of the balance on the settlement of the Benson litigation in the US and the adverse exchange rate - translated into positive cash generation, which allowed for another slight reduction in financial debt and an improvement in the leverage ratio, which dipped below 3.0x.

In 2023, De Agostini Editore recorded a performance that was broadly in line with expectations and up on the previous year, despite the fact that it continued to absorb cash; this was due to the improvement measures implemented to deal with the highly complex context that the *Collectibles* business had to face, although the relaunch of the business unit is not yet completed. The Kids business unit continued along its growth path in 2023, developing a promising properties portfolio.

For DeA Capital, 2023, the year after its delisting, was a year of optimisation and consolidation. It achieved good revenues, albeit impacted by the macroeconomic context, especially in *Real Estate* and *Private Equity*, while *Multi-Manager Solutions* put in a good performance, partly due to the positive trends on the financial markets.

With regard to Grupo Planeta-De Agostini, which, although playing an important role in the Group's portfolio, is not consolidated in accounts, note that the Training business continued to develop its activities both in Italy and worldwide with results that exceeded expectations. At the same time, Atresmedia again confirmed its leadership in terms of audience in 2023, steadily outperforming its competitors. The company performed significantly better than expectations in 2023 despite the weakness in television advertising revenues in Spain; this was due to the continued optimisation of programming costs and a healthy performance in activities relating to the diversification process.

Lastly, a word about the minority stake in FL Entertainment, listed on the Amsterdam Stock Exchange, which includes the activities of Banijay Group and Betcliv Everest Group. The company has seen growth in its financial and economic results, although they are not yet reflected in the share prices, partly due to the very limited free float on the stock market.

Turning to the consolidated results, consolidated net revenues came to approximately EUR 4,350 million, a slight fall of 2% on the figure achieved in 2022, due mainly to the sale of IGT's payment services business in Italy in the third quarter of 2022, *Collectibles*, and the unfavourable US\$/€ exchange rate; ordinary EBIT came in at EUR 982 million, compared with EUR 886 million in 2022; on the bottom line we recorded consolidated profit of EUR 212 million (of which EUR 55 million related to the Group), after discounting extraordinary negative components of around EUR 200 million.

With regard to the net financial position, this showed a consolidated net debt of EUR -4,483 million, a decrease of EUR 395 million on the figure at the end of 2022, thanks to IGT, despite paying the balance due for the Benson litigation.

De Agostini S.p.A. recorded net profit of approx. EUR 129 million in 2023, a decrease on the 2022 profit of approximately EUR 174 million; this was the result of lower dividends from investee companies, partly offset by a better return on liquidity and a higher contribution of non-recurring income.

Lastly, the Group's value at end-2023 improved on its value at end-2022, thanks mainly to the good performance of the IGT share price in 2023.

In summary, then, we are reporting a positive year despite the complex economic and financial conditions.

Now for some reflections on what awaits us in 2024, which will also be marked by a high degree of economic and financial uncertainty, with inflation and interest rates still the main theme, as well as significant geopolitical instability, added to which will be the important phase of the US presidential elections and those for the new European parliament. From an economic standpoint, we continue to see a substantial difference in the trends of the US and the Euro Area economies - the former recording markedly superior performances and hence with risks of higher interest rates for a longer period of time - and the latter showing much more limited growth. At the moment, though, no scenarios of a severe recession are in prospect.

In the first half of 2024, the good performance of the US economy and the substantial stability of the European one favorably affected the economic and financial indicators of the Group's main companies.

We can therefore confirm that our goal for this year, excluding the impact of the costs for the extraordinary operation with Everi, is to ensure the ordinary results of our businesses remain broadly stable. In addition, the Group will focus firmly on preparing for the implementation of the business combination of IGT *Global Gaming* and *Play Digital* with Everi, which represents a strategic operation both for IGT and De Agostini.

I firmly believe that in order to tackle this scenario, which remains complex, we will be able to count on the abilities and experience of a highly competent and motivated management team, the passion and dedication of everyone who works in our Group, as well as the strong commitment of our shareholders; key ingredients that I am sure will enable us to pursue our goal of building a Group with an increasingly international vocation and a leader in the fields in which it operates.

Lorenzo Pellicoli
Chairman of De Agostini S.p.A.

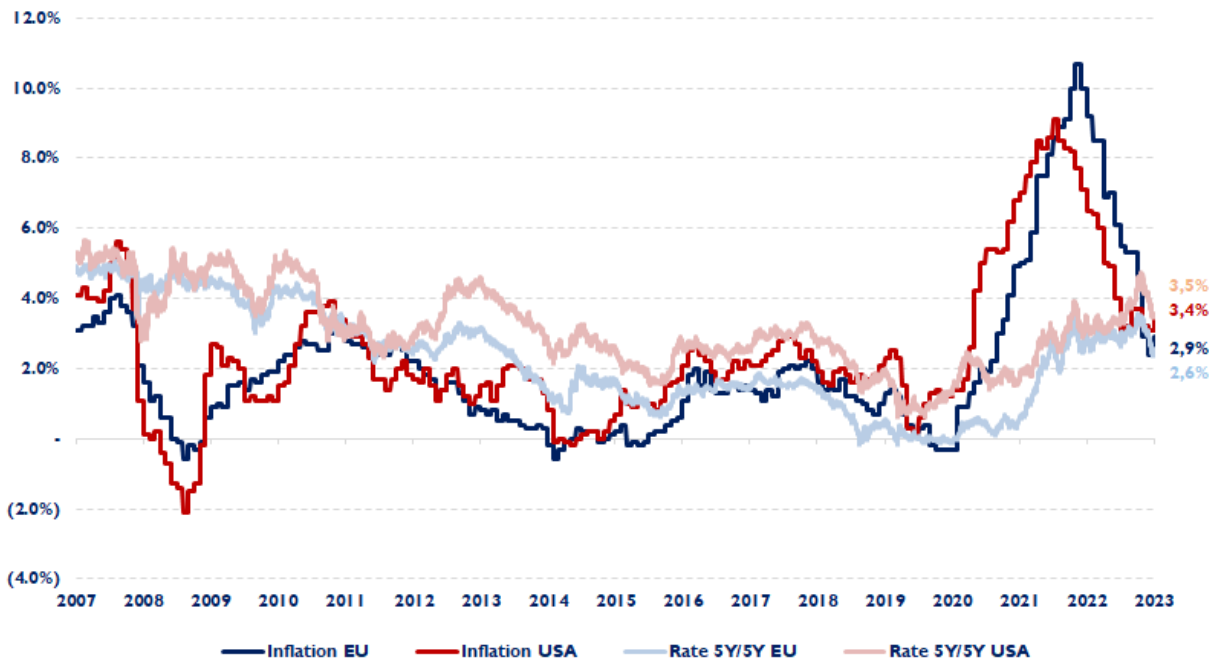
Report on operations

1. Legislative framework

➤ Macroeconomic Outlook

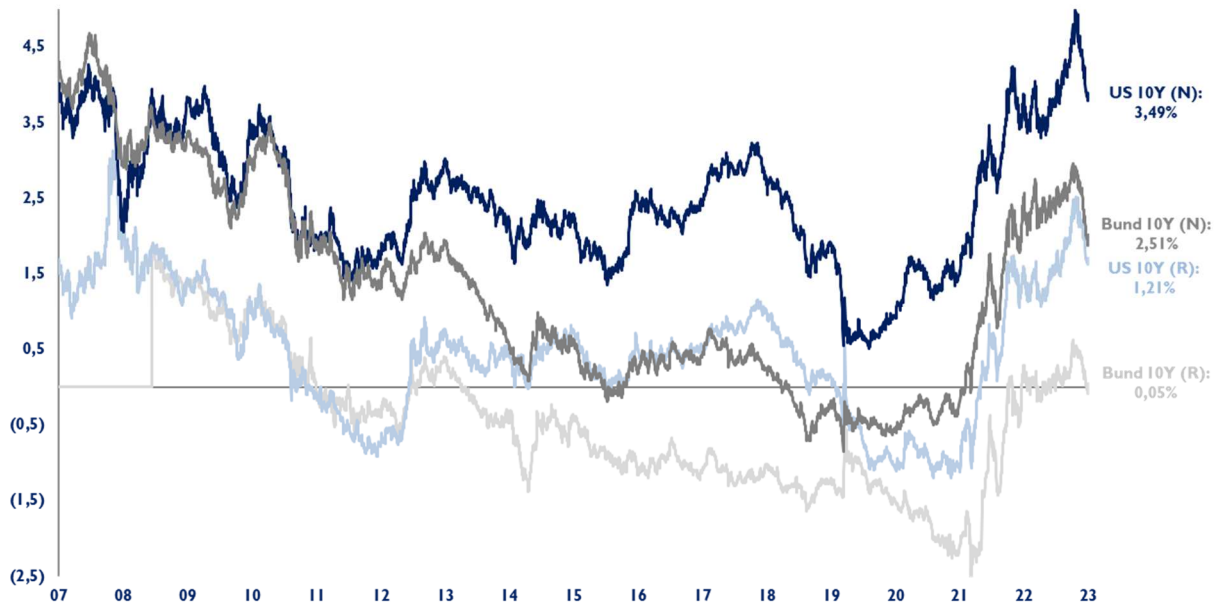
In 2023, the battle against inflation led almost all the world’s central banks to adopt an extremely restrictive monetary policy after many years of “zero” interest rates.

In the Euro Area, interest rates practically doubled over 12 months: the ECB’s deposit rate rose from 2.00% to 4.00% at the end of 2023, with the Euribor 3 months rate also rising from around 2.20% to 3.90% at the end of 2023. The central banks’ efforts seem to have had an effect on inflation, which has continued to fall in the last few months, settling at around 3% in both the United States and Europe in early 2024. The target to reach around 2% by the end of 2024 therefore seems achievable, although there are still risks of a slower decrease than forecast, especially in the United States. More specifically, it can be seen how actual inflation realigned at the end of 2023 with the values recorded by 5y/5y swaps - one of the key indicators of the inflationary trend in the medium to long term.



(Source: Bloomberg 31.12.2023)

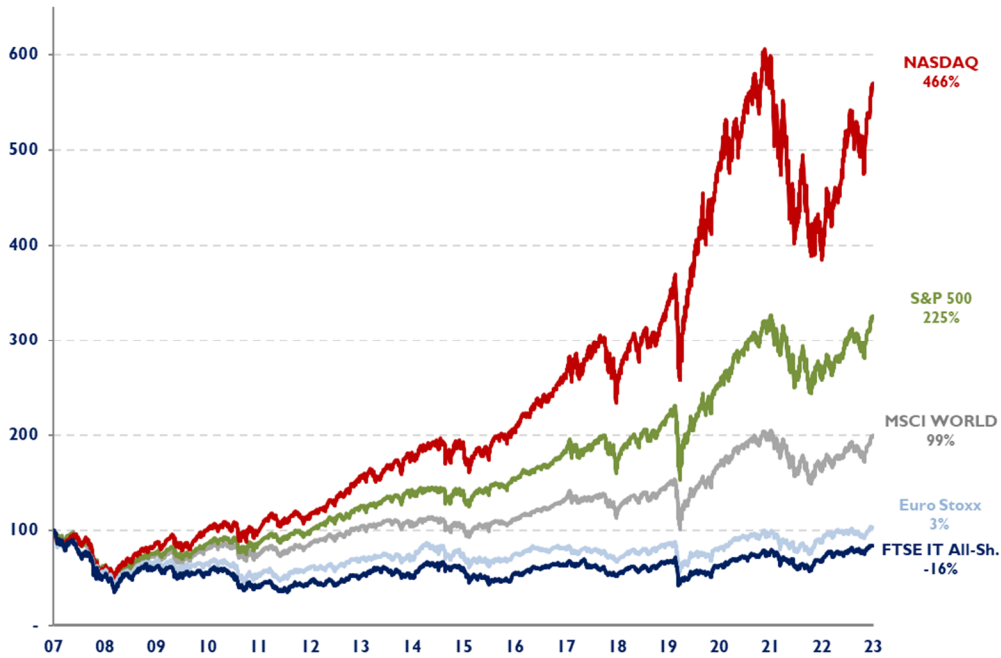
The expectation of a reduction in inflation towards the 2% target, linked to probable interest rate cuts by the central banks, led to a decrease in yields both in the Euro Area and the United States at the end of 2023; specifically the 10-year US Treasury yield was approximately 3.5% while the corresponding 10-year Bund was approximately 2.5% at the end of 2023:



(Source: Bloomberg 31.12.2023)

With regard to macroeconomic trends, it should be noted that the geopolitical environment in 2023 was one of high uncertainty, generated by the conflict between Russia and Ukraine - which is still far from being resolved - and aggravated by both the tensions between the United States and China and the start of the war between Israel and Hamas. In this context, the economies of the developed countries recorded better-than-expected performances, especially the US economy, which continued to deliver positive surprises. Against this backdrop, employment data were positive in both the United States and Europe. At present no scenarios involving a 'hard landing' are expected either for Europe or the United States; for the Euro Area growth of less than 1% is forecast for 2024. There are concerns from China, whose economic performance shows some weakness.

Lastly, the financial markets recorded a highly positive performance in 2023, with the exception of China, posting increases of around 20-30%. From the period before the Lehman crisis until today (2007-2023), the trends in the main global stock market indices have not been uniform, with strong growth in the American market, especially for the Nasdaq Technology Sector Index.



(Source: Bloomberg 31.12.2023)

2. The Group

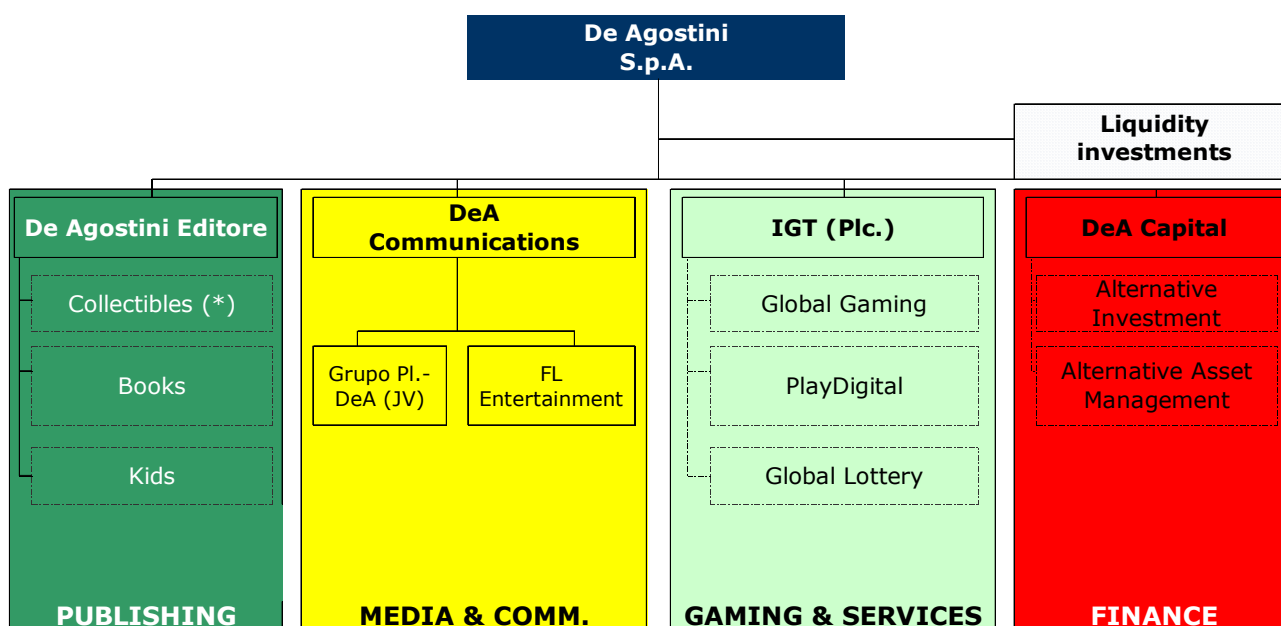
De Agostini S.p.A. owns a group of operating companies organised by business sector:

- **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 this are **holding company 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 2023 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

This 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 **DeA Planeta 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**, which includes activities relating to the management of themed TV channels and, via its subsidiary KidsMe, content production aimed at the target audience of children and teenagers.

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 coordinating and strategically managing those activities.

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 wholly owned directly by De Agostini S.p.A.

At 31 December 2023 the sector included the following companies:

- **Grupo Planeta-De Agostini**, a 50-50 joint venture with Planeta Corporación, operating in the Training (in Spain and worldwide) and Media sectors, the latter through the following subsidiaries:
 - **Atresmedia**, a Spanish radio/TV broadcaster listed on the Madrid stock exchange;
 - **DeA Planeta**, active in the distribution of cinema, TV content and consumer products mainly in Spain.
- **FL Entertainment (now Banijay Group)**, a global leader driven by entertainment sector entrepreneurs, which currently manages two high-potential businesses: a global content production and distribution business and a sports betting and online gaming business in Europe.

It should be noted that, based on the IAS/IFRS international accounting standards adopted by the Group in preparing the Consolidated Financial Statements, the stake in Grupo Planeta-De Agostini is recorded under "investments in associates and Joint Ventures" and measured at equity.

The stake in FL Entertainment was, however, classified under Financial Assets 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 42.61% of the share capital (fully-diluted at 31 December 2023) and, considering the special voting shares, 59.75% (fully-diluted at 31 December 2023) of the voting rights.

The IGT Group, as at 31 December 2023, 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.
- **Global Lottery.** This area is responsible for the entire traditional global lottery business and the *iLottery* business, including sales, operations, product development, technology and support.
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 significant experience in managing all activities throughout 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 92 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 Lottery Management Agreements (LMA). 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 30 clients in North America and 25 clients in other regions around the world.

- **PlayDigital.** The business area is responsible for the entire *iGaming* and sports betting business worldwide. It provides *iGaming* products and services to on-line casino operators and technology and services for managing sports betting, with licences predominantly in the United States. The business area is well positioned as the leading provider of content and solutions.

Specifically:

- ✓ Digital Area (Online Casino)

Through its PlayCasino brand, this area of the business assembles and distributes a complete suite of products, systems, content and services and holds more than 50 licences, 30 of which are for digital games specifically. The *iGaming* system, with a broad portfolio of content, also taking advantage of the merger with iSoftBet, acquired in 2022, offers customers a highly integrated gaming system.

- ✓ Sports Betting

The company provides operators in over 30 American states and one Canadian province with sports betting technologies and solutions via its PlaySport brand, using two different formulas:

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

FINANCE

This sector principally includes the Group's activities in Alternative Asset Management, in particular promotion, management and value creation for 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 Milan Stock Exchange - Euronext STAR Milan segment, since 8 March 2023 (as explained in more detail in the "Significant events during the year" section of this Report on Operations), which is fully controlled directly and indirectly by De Agostini S.p.A. as at 31 December 2023.

With Combined Assets Under Management of around EUR 28 billion, DeA Capital is the leading independent alternative asset management platform in Italy, which also aims to 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 around EUR 13.5 billion and 56 managed 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 19 managed funds;
- a 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 8.8 billion;

- a controlling holding in **DeA Capital Real Estate France** (70.0%) and **DeA Capital Real Estate Iberia** (73.0%), **DeA Capital Real Estate Germany** (100%) and **DeA Capital Real Estate Poland** (100.0%), 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.

Holding company activities

The holding company activities include those 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; these activities relate to the management of shareholdings in the leading companies of the Group's businesses, as well as interests in the area of non-industrial activities and investments and liquidity investments (including investments in third-party alternative funds and the minority stake in Assicurazioni Generali, one of the main insurance companies in Europe and listed on the Milan Stock Exchange, in which at 31 December 2023 De Agostini S.p.A. held a direct stake of approximately 0.1%).

3. Significant events during the year

Publishing

➤ **Corporate reorganisations /Capital strengthening of Publishing assets**

In 2023, a number of corporate reorganisations were finalised. Specifically:

- on 28 February 2023, the loan granted equally by the two shareholders De Agostini Editore and Grupo Planeta-De Agostini was converted into a capital reserve of De Agostini Publishing for a total of EUR 20.0 million;
- on 27 April 2023, De Agostini Editore made a payment of EUR 25 thousand to increase the assets of subsidiary KidsMe;
- in December 2023, De Agostini Publishing made a capital contribution in two tranches to subsidiary De Agostini Publishing USA Inc totaling USD 3.6 million (EUR 3.3 million);
- on 29 December 2023, De Agostini Publishing made a capital contribution to subsidiary De Agostini UK Ltd totaling GBP 1.4 million (EUR 1.6 million);
- on 15 December 2023, De Agostini Publishing made a capital contribution of USD 50 thousand (EUR 45 thousand) to the newly constituted De Agostini HK in order to create its share capital.

➤ **Liquidation of De Agostini Deutschland**

On 30 November 2023, the liquidation of De Agostini Deutschland, a subsidiary of De Agostini Publishing, was completed.

MEDIA & COMMUNICATION

No significant events occurred during the year 2023.

Gaming & Services

➤ **Refinancing operations for IGT**

The following operations took place in the months listed below.

- February/March 2023, IGT repurchased for a nominal value of EUR 188 million a portion of the existing 3.5% Senior Secured Notes, maturing in July 2024, with a total nominal value of EUR 500 million, and repurchased for a nominal value of USD 200 million, a portion of the existing 6.5% Senior Secured Notes, maturing in February 2025, for a total nominal value of USD 1,100 million;
- November 2023, IGT completed the repurchase for a nominal value of EUR 112 million of the above-mentioned existing 3.5% Senior Secured Notes, for a total nominal value of EUR 500 million, maturing in July 2024.
- November 2023, and after the close of the financial year, in February 2024, IGT signed agreements amending the Term Loan and the Revolving Credit Facilities, in order to allow the sale or spin-off of the Global Gaming and PlayDigital businesses. The main terms of the amending agreements, which will take effect at the closing of the above-mentioned transaction with Everi, include: i) the amount of the Revolving Credit Facilities was redefined as USD 650 million and EUR 800 million (compared with the previous USD 820 million and EUR 1.0 billion); ii) EUR 2.0 billion arising from the operation will be used to reduce the company's debt; iii) some of the covenants were revised.

Finance activities

➤ **Constitution of Nova / Public Purchase Offer for DeA Capital / Merger of Nova and 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 a public purchase offer in December 2022 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, via Nova, holds the entire share capital of DeA Capital S.p.A.

In order to simplify the holding structure, on 12 October 2023, the Extraordinary Shareholders' Meeting of DeA Capital and the Shareholders' Meeting of Nova approved the plan to merge Nova by incorporation into DeA Capital, with signature of the merger deed on 18 December 2023, and effective for statutory, accounting and tax purposes, after the end of the financial year, on 1 January 2024.

Since De Agostini S.p.A. held directly the entire share capital of Nova, the company being merged, and directly and indirectly through that company, the entire capital of the acquiring company DeA Capital (except for the treasury shares held by the said acquiring company) the merger took the form of a simplified merger, pursuant to art. 2505, para. 1, of the Italian Civil Code. and was implemented specifically and, *inter alia*:

- via the cancellation, without any exchange of shares, of the only shareholding representing the entire share capital of the merged company;
- without carrying out any increase or reduction in the share capital of the acquiring company and without making any changes to its articles of association; and
- with the assignment to De Agostini S.p.A. of the shares held by the merged company in the acquiring company.

Holding Company activities

➤ **Merger of Investendo Due and De Agostini S.p.A.**

With effect from 1 December 2023 and effective for accounting and tax purposes on 1 August 2023, Investendo Due (100% owned) was merged **by incorporation into De Agostini S.p.A.**, with the simultaneous cancellation of the 2,200,327 category B shares of De Agostini owned by Investendo Due (together with the 357,881 category B shares of De Agostini S.p.A. already owned by the same company).

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

In April/May 2023, and then in October/November 2023, the third and fourth tranches of the Dauphine Project matured, relating to a total of 9,000,000 shares (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 consideration of USD 241.4 million, i.e. an amount collected of USD 12.6 million (since IGT's stock market price, in 39 of the 40 Settlement sessions, was higher than the Floor), in addition to the automatic repayment of the debt to Credit Suisse, of USD 228.8 million, i.e. USD 114.4 for each of the two Tranches.

Following the sale of the above-mentioned shares, as at 31 December 2023, De Agostini S.p.A. holds 85,422,324 IGT shares (compared with 94,422,324 IGT shares at 31 December 2022).

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

Following the designation of De Agostini S.p.A. as buyer by B&D Holding, on 3 July 2023, the Company purchased 3,137,864 convertible treasury bonds - valid on the tranche maturing in 2023 and on the tranche maturing in 2020 not previously exercised - for a total purchase price of approximately EUR 12.1 million, following the exercise of options to sell granted by B&D Holding S.p.A. to some bondholders.

➤ **Purchase of De Agostini S.p.A. treasury shares**

On 18 September 2023, De Agostini S.p.A. purchased:

- from B&D Holding 388,104 De Agostini S.p.A. shares, equal to 1.0% of its ordinary shares, bringing B&D Holding's stake in De Agostini S.p.A. after the purchase to 64.26% of its ordinary shares
- from other shareholders 111,896 De Agostini S.p.A. shares, i.e. 0.29% of its ordinary shares.

➤ **Dividends received/paid**

In June 2023 the Shareholders' Meeting of De Agostini S.p.A. approved the Financial Statements at 31 December 2022, which closed with a net profit of EUR 174.3 million, and agreed to the distribution of a dividend of EUR 0.62 per share or EUR 26.1 million for eligible shares (from the 2022 operating profit and the ordinary net profit reserve). The remaining portion of the net profit for the year was allocated as follows: EUR 0.3 million to the Legal Reserve and EUR 148.2 million to the Extraordinary Reserve.

Also in June 2023, De Agostini S.p.A. appointed the Company's new Board of Directors and its new Board of Statutory Auditors.

In 2023 De Agostini S.p.A. recorded dividends from its equity investments in a total of EUR 94.1 million, mainly relating to: IGT (EUR 64.8 million), De Agostini Editore (EUR 5.0 million), DeA Capital (EUR 11.0 million), Assicurazioni Generali (EUR 1.9 million) and DeA Communications (EUR 10.0 million).

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 ending 31 December 2023 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 at 31 December 2023 were prepared under the same accounting principles as those adopted in the previous year.

The provisions of Legislative Decree 38/2005 and of the IAS/IFRS constitute the legislative framework for the Company in preparing the Consolidated Financial Statements.

In accordance with the provisions of Legislative Decree 38/2005, the Company prepares its financial statements in accordance with arts. 2423 *et seq.* of the Italian Civil Code.

➤ Restated Consolidated Financial Statements

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 businesses, 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 aforementioned 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, net of Services Revenues Amortisation for IGT.
- **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) and Services Revenues Amortisation.
- **ORDINARY EBIT.** This is calculated using the EBITDA figure plus the profits/losses on shareholdings valued at equity, depreciation and amortisation, other ordinary non-cash items and Services Revenues Amortisation.
- **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-recurring 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 Comprehensive Income (under other comprehensive income) or in the Income Statement; (-) financial liabilities.

Net revenues, EBITDA, ORDINARY EBIT/EBT and net financial position are alternative performance indicators not determined 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 group 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 Statements

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.

			Change	
<i>Figures in EUR million</i>	2023	2022	Absolute	%
REVENUES	4,350	4,449	(99)	-2%
Operating costs	(2,861)	(3,054)	193	
Deprec., amort. and other non-cash items	(540)	(530)	(10)	
Income (loss) from equity investments	33	21	12	
ORDINARY EBIT	982	886	96	11%
Financial income/(charges)	(265)	(301)	36	
ORDINARY EBT (A)	717	585	132	23%
Impairment	-	(2)	2	
Other non-recurring income/(charges)	(201)	(138)	(63)	
NO - ORDINARY EBT (B)	(201)	(140)	(61)	n.a.
EBT (A+B)	516	445	71	n.a.
Taxes	(304)	(164)	(140)	
Net profit (loss) from assets sold/discontinued operations	-	1	(1)	
Consolidated net profit (loss)	212	282	(70)	n.a.
<i>Of which:</i>				
Net profit (loss) pertaining to minorities	157	192	(35)	n.a.
Net profit (loss) pertaining to group	55	90	(35)	n.a.
ORDINARY EBIT	982	886	96	11%
Deprec., amort. and other non-cash items	540	530	10	
Services Revenues Amortization	186	185	1	
Income (loss) from equity investments	(33)	(21)	(12)	
EBITDA	1,675	1,580	95	6%
Net Financial Position	(4,483)	(4,878)	395	n.a.
<i>Of which:</i>				
<i>Gaming and Services</i>	<i>(5,092)</i>	<i>(5,399)</i>	<i>307</i>	<i>n.a.</i>

4.3 Operating performance

➤ Net revenues

Consolidated net revenues in 2023 were EUR 4,350 million, a decrease of around 2% as compared with 2022 (EUR 4,449 million). These figures break down as follows:

Net Revenues					
<i>Figures in EUR million</i>	2023	%	2022	%	Change
Publishing	299	6.9%	337	7.6%	(38)
Gaming & Services	3,978	91.4%	4,028	90.5%	(50)
Finance	74	1.7%	84	1.9%	(10)
Holding Companies / Eliminations	(1)	0.0%	-	0.0%	(1)
Consolidated Total	4,350	100.0%	4,449	100.0%	(99)

Net revenues relating to the **Publishing business** were +EUR 299 million, down by -EUR 38 million on 2022 (-11.2%), attributable to Collectibles (-EUR 32 million, particularly in Japan and Russia, which was only partly offset by the improved performance in Europe and America).

Net revenues from the **Gaming & Services business** totalled +EUR 3,978 million, down by -EUR 50 million on 2022, mainly due to the sale of IGT's payment services business in Italy, which was completed in September 2022, and the unfavourable US dollar/euro exchange rate compared with the previous year. On a like-for-like basis in terms of exchange rates and scope of consolidation, 2023 revenues increased by around +7%, reflecting a significant improvement in all business lines and specifically:

- an increase of around +6% in Global Lottery, driven by Global same-store sales, especially in Italy, and by Product Sales;
- an increase of +9% in Global Gaming, with improvement noted mainly in North America and South America, in terms of both product sales and services revenues;
- an increase of +9% in PlayDigital, driven by *iGaming*.

Net revenues relating to the **Finance business** came to +EUR 74 million, a worsening of -EUR 10 million compared with 2022, due to lower performance fees in real estate. These revenues relate to fees generated by Alternative Asset Management.

➤ EBITDA

The Group recorded EBITDA of +EUR 1,675 million for the year ending 31 December 2023, an increase on the previous year. This breaks down as follows:

EBITDA					
<i>Figures in EUR million</i>	2023	%	2022	%	Change
Publishing	1	0.1%	(7)	-0.4%	8
Gaming & Services	1,696	101.3%	1,638	103.7%	58
Finance	8	0.5%	(4)	-0.3%	12
Holding Companies / Eliminations	(30)	-1.8%	(47)	-3.0%	17
Consolidated Total	1,675	100.0%	1,580	100.0%	95

EBITDA for the **Publishing business** was +EUR 1 million, an improvement of +EUR 8 million compared with 2022 due to a recovery in the margins, mainly in Collectibles.

EBITDA for the **Gaming & Services business** was +EUR 1,696 million, an increase of around +EUR 58 million on 2022, despite the effect of the above-mentioned sale of IGT's payment services business in Italy, completed in September 2022, the unfavourable US dollar/euro exchange rate effect in 2022 and the costs associated with the Voyager Project (the transaction carried out between IGT and Everi, as described in more detail in the "Significant events after the year-end and outlook" section of this Report on Operations. Growth is due to a significant increase in margins in all business lines.

EBITDA for the **Finance business** was +EUR 8 million, a significant improvement of over +EUR 12 million on the previous year (EBITDA was -EUR 4 million in 2022) and reflects the contribution of DeA Capital's activities.

The investment income and expenses of DeA Capital in 2023 were positive overall (+EUR 5 million) compared with the negative contribution in 2022 (-EUR 9 million), primarily due to the positive swings in the fair value of the IDeA OF I fund (+EUR 4 million, compared with -EUR 7 million, connected with the performance of the Talgo share).

EBITDA for the **Holding company activities/other business** was negative at -EUR 30 million, a marked improvement on the negative result of -EUR 47 million in 2022, thanks to a better contribution of investments made by the Connect fund and the subsidiary DeA Communications. The item also includes the collection of the dividend from Assicurazioni Generali (+EUR 2 million in both 2023 and 2022).

➤ **ORDINARY EBIT**

The Group's ORDINARY EBIT for the year ending 31 December 2023 was EUR 982 million, after deduction of depreciation/amortisation charges and other ordinary non-cash items totalling EUR 540 million, Services Revenues Amortisation of EUR 186 million and profits of +EUR 33 million from shareholdings measured at equity.

ORDINARY EBIT			
<i>Figures in EUR million</i>	2023	2022	Change
EBITDA	1.675	1.580	95
Deprec., amort. and other non-cash items	(540)	(530)	(10)
Services Revenues Amortization	(186)	(185)	(1)
Income (loss) from equity investments	33	21	12
ORDINARY EBIT	982	886	96

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

- EUR 51 million for amortisation and write-downs of right-of-use assets recorded following the adoption of the IFRS 16 accounting standard on 1 January 2019 (EUR 57 million in 2022);
- EUR 209 million for amortisation and write-downs of intangible assets (EUR 184 million in 2022), especially for customer relationships;
- EUR 280 million relating to depreciation and write-downs of tangible assets (EUR 289 million in 2022).

Services Revenues Amortisation is entirely attributable to IGT and relates to the concessions in Italy.

In 2023, the Group reported a profit of +EUR 33 million from shareholdings measured at equity, compared with a profit of +EUR 21 million in 2022; the 2023 figure included the profit from

Grupo Planeta-De Agostini of +EUR 26 million (+EUR 18 million in 2022), as well as the contribution of IDeA EESS of +EUR 4 million (broadly zero value in 2022).

➤ **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>	2023	2022	Change
ORDINARY EBIT	982	886	96
Financial income/(charges)	(265)	(301)	36
ORDINARY EBT (A)	717	585	132
Impairment	-	(2)	2
Other non-recurring income/(charges)	(201)	(138)	(63)
NO - ORDINARY EBT (B)	(201)	(140)	(61)
EBT (A+B)	516	445	71
Taxes	(304)	(164)	(140)
Net profit (loss) from assets sold/discontinued operations	-	1	(1)
Consolidated net profit (loss)	212	282	(70)
<i>Of which:</i>			
<i>Net profit (loss) pertaining to minorities</i>	157	192	(35)
<i>Net profit (loss) pertaining to group</i>	55	90	(35)

ORDINARY EBT for 2023 was positive at EUR 717 million, after deducting a negative financial management balance of -EUR 265 million. The financial management balance in 2023 (compared with the corresponding values of 2022) breaks down as follows:

- -EUR 1 million relating to the Publishing business (broadly zero value in 2022);
- -EUR 277 million relating to the Gaming & Services business (-EUR 290 million in 2022);
- +EUR 2 million relating to the Finance business (broadly zero value in 2022);
- +EUR 11 million relating to Holding Company activities (-EUR 11 million in 2022), including the return on liquidity invested.

Non-ordinary charges totalling -EUR 201 million (versus non-ordinary charges of -EUR 140 million in 2022) were included in the NON-ORDINARY EBT figure. Particular note should be taken of the following items recorded in 2023:

- Other non-recurring income/(expenses) of -EUR 201 million (-EUR 138 million in 2022), of which -EUR 65 million relates to the effect of the US dollar/euro exchange rate on IGT as a result of the weakening of the dollar against the euro during that period (mainly due to the conversion of loans in euro held by IGT), -EUR 5 million to the costs of IGT's Liability Management, -EUR 12 million to IGT's restructuring costs, -EUR 38 million to the costs of IGT's stock compensation, -EUR 49 million to minority interests in Lottoitalia's profit/loss, recorded in the financial statements as remuneration of recorded financial debt and not as profit/loss attributable to minority interests (in line with specific contractual clauses between IGT Lottery, controlling shareholder of Lottoitalia, and the minority shareholders), and -EUR 29 million relating to the marking of the Dauphine

Project to market, as well as the effect of the exchange rate on the associated Prepayment.

Note that the item Other non-recurring income/(expenses) in 2022 included +EUR 303 million relating to the capital gain arising from the sale of IGT's payment services business in Italy, and -EUR 264 million associated with IGT's Benson litigation.

In terms of taxes, expenses of -EUR 304 million were recorded in 2023, compared with -EUR 164 million in 2022, broken down as follows:

- -EUR 1 million relating to the Publishing business (+EUR 1 million in 2022);
- -EUR 299 million relating to the Gaming & Services business (-EUR 162 million in 2022, which benefited in particular from the very limited tax impact on the capital gain arising from the sale of IGT's payment services business in Italy and the fact that the provision for the Benson litigation was tax-deductible);
- -EUR 6 million relating to the Finance business (-EUR 2 million in 2022), which includes the tax effect of the positive adjustment to fair value made to the funds in the portfolio in 2023;
- +EUR 2 million relating to Holding Company activities (-EUR 1 million in 2022).

To summarise, consolidated net profit was +EUR 212 million in 2023, compared with +EUR 282 million in 2022, with net profit attributable to the Group of +EUR 55 million, compared with net profit of +EUR 90 million in 2022.

Net profit attributable to minority interests of +EUR 157 million (compared with +EUR 192 million in 2022), mainly reflected the +EUR 166 million relating to the pro rata share of the IGT Group's net profit (+EUR 215 million in 2022), the -EUR 3 million relating to Grupo Planeta-De Agostini's pro rata share of the net loss of Collectibles (-EUR 4 million in 2022) and -EUR 6 million relating to the pro rata share of Connect's net loss (-EUR 13 million in 2022). Net profit attributable to minority interests in 2022 included -EUR 4 million relating to the pro rata share of the net profit/(loss) of Gruppo DeA Capital/IDeA OF I (broadly zero in 2023).

Net profit attributable to the Group was +EUR 55 million (compared with net profit of +EUR 90 million in 2022), and mainly reflected:

- -EUR 6 million in net loss from the DeA Editore group (-EUR 8 million in 2022);
- +EUR 78 million pro rata share of the IGT Group's net profit (+EUR 146 million in 2022);
- +EUR 26 million pro rata share of Grupo Planeta-De Agostini's net profit (+EUR 18 million in 2022);
- -EUR 6 million pro rata share of Connect's net loss (-EUR 13 million in 2022);
- +EUR 2 million pro rata share of the DeA Capital/IDeA OF I Group's net profit (-EUR 3 million in 2022);
- +EUR 2 million in dividends from Assicurazioni Generali (+EUR 2 million in 2022);
- -EUR 41 million in net loss from the Holding Company structure (-EUR 52 million in 2022).

➤ **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		
	2023	2022
<i>Figures in EUR million</i>		
Net Profit/(Loss) (A)	212	282
<u>Items that could be subsequently reclassified within the profit (loss) for the period</u>		
Profit / (loss) on translating foreign operations	(61)	137
Profit / (loss) on cash flow hedge	-	-
Profit / (loss) on investments valued at equity	2	33
Tax effect	(2)	(8)
<u>Items that could be subsequently reclassified within the profit (loss) for the period</u>		
Profit / (loss) on financial assets at <i>Fair Value</i>	(17)	73
Profit/(loss) on remeasurement of defined benefit plans	-	2
Tax effect	-	-
Other comprehensive income/(loss) (B)	(78)	237
Total comprehensive income/(loss) (A+B)	134	519
<i>Of which:</i>		
Net profit (loss) pertaining to minorities	122	258
Net profit (loss) pertaining to group	12	261

Gains/(losses) on financial assets measured at fair value recorded a negative balance of -EUR 17 million in 2023 (compared with a positive figure of +EUR 73 million in 2022, which included an 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); this was attributable in particular to the decrease in fair value of FL Entertainment (-EUR 21 million), net of the increase in fair value of Assicurazioni Generali (+EUR 4 million).

Exchange rate gains/(losses) broadly reflect the impact of the conversion into EUR of the financial statements of Group companies drawn up in other currencies, particularly in relation to the Gaming & Services business (-EUR 60 million, compared with +EUR 142 million in 2022, mainly due to the revaluation of the US dollar against the EUR).

To summarise, comprehensive income totalled +EUR 134 million in 2023, compared with +EUR 519 million in 2022; the portion attributable to the Group was positive, amounting to +EUR 12 million, as compared with the figure of +EUR 261 million in 2022.

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>	31.12.2023	31.12.2022	Change
Goodwill	4,275	4,396	(121)
Other intangible assets	1,448	1,332	116
Tangible assets	957	965	(8)
Right of use assets (IFRS 16)	195	232	(37)
Investments	1,815	1,828	(13)
Cash and cash equivalents	689	887	(198)
Other net assets	(68)	236	(304)
TOTAL	9,311	9,876	(565)
<i>for hedging:</i>			
Financial liabilities	5,969	6,549	(580)
Shareholders' equity	3,342	3,327	15

Goodwill

At 31 December 2023, goodwill was EUR 4,275 million (EUR 4,396 million at 31 December 2022), broken down as follows:

- EUR 20 million, attributable to the Publishing business, entirely due to the Spanish collectibles business, which was transferred to De Agostini Publishing by the Spanish joint venture Grupo Planeta De Agostini, with effect from 1 November 2020 (unchanged on the figure at 31 December 2022);
- EUR 4,156 million attributable to the Gaming & Services business (EUR 4,277 million at 31 December 2022); the decrease of -EUR 121 million was entirely due to conversion differences on goodwill denominated in foreign currencies;
- EUR 100 million for the Finance business (EUR 100 million at 31 December 2022) relating to DeA Capital Alternative Funds SGR (EUR 38 million, also including, from 2019, the NPL Management branch acquired from Quaestio SGR) and 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 2023, Other intangible assets totalled EUR 1,448 million (EUR 1,332 million at 31 December 2022), mainly comprising:

- EUR 21 million relating to the Publishing business (EUR 22 million at 31 December 2022), mainly in respect of digital investments, intellectual property rights and basic software and applications;
- EUR 1,405 million relating to the Gaming & Services business (EUR 1,286 million at 31 December 2022), primarily for customer agreements, concessions, licenses and

capitalised software. The increase recorded in 2023 was mainly due to the ten-year licence, which grants the IGT Group - following an agreement signed in June 2023 with Sony - the sole rights to the use of the "Wheel of Fortune" brand in the various business sectors, i.e. Gaming, Lottery, iGaming and iLottery, as well as non-exclusive rights to the distribution of "Wheel of Fortune" content in the Free-to-Play social casinos;

- EUR 22 million relating to the Finance business (EUR 23 million at 31 December 2022), chiefly due to customer contracts and performance fees.

Tangible assets

At 31 December 2023, tangible assets totalled EUR 957 million (EUR 965 million at 31 December 2022), which breaks down as follows:

- Real estate totalling EUR 25 million (EUR 23 million at 31 December 2022);
- Other tangible assets totalling EUR 933 million (EUR 942 million at 31 December 2022).

Real estate, which totalled EUR 25 million, mainly included:

- EUR 11 million relating to the Publishing business (EUR 11 million at 31 December 2022);
- EUR 13 million relating to the Gaming & Services business (EUR 11 million at 31 December 2022).

The EUR 933 million in other tangible assets included:

- EUR 1 million relating to the Publishing business (EUR 2 million at 31 December 2022);
- EUR 931 million relating to the Gaming & Services business (EUR 937 million at 31 December 2022), mainly for terminals and contract-related systems.

Investments

At 31 December 2023 the Group's investments totalled EUR 1,815 million. A breakdown of this item is given below:

Investments	31.12.2023	31.12.2022	Change
<i>Figures in EUR million</i>			
Investment properties	13	14	(1)
Equity Investments	458	435	23
Loans and receivables	372	436	(64)
Financial assets at amortised cost	192	49	143
Financial assets at fair value through OCI	230	242	(12)
Financial assets at fair value through profit or loss	550	652	(102)
Total group	1,815	1,828	(13)

At 31 December 2023, Investment Property showed a balance of EUR 13 million (EUR 14 million at 31 December 2022), which was entirely due to De Agostini S.p.A.

Shareholdings measured at equity included Grupo Planeta-De Agostini at EUR 420 million (EUR 396 million at 31 December 2022).

Loans and receivables totalled EUR 372 million, a decrease of -EUR 64 million on 31 December 2022 (EUR 436 million) and primarily include IGT customer financing receivables, a loan from the sale of shares in EAE-EDP Ediformacion S.L. and EAE-OSTELEA FORMACION ONLINE, S.L. by DeA Communications to Planeta Corporation, lending on real estate co-investment vehicles in France and Spain, subscribed by the DeA Capital Group, and the vendor loan that arose in 2022 as part of the LDH/Banijay Group/FL Entertainment operation.

Financial assets at amortised cost totalled EUR 192 million and, as at 31 December 2022, related entirely to the portfolio invested in Euro bonds held by De Agostini S.p.A. Specifically:

- In December 2022, De Agostini S.p.A. had taken out a portfolio management agreement for a total of EUR 150 million to be invested in Euro bonds traded on regulated markets (at 31 December 2022 only EUR 49 million had already been invested in bonds, while the remaining portion, already paid, but invested in the first few months of 2023, was recorded under "Loans and Receivables");
- in the third quarter of 2023, De Agostini S.p.A. took out a further portfolio management agreement for a total of EUR 40 million to be invested in high-yield Euro bonds traded on regulated markets.

Financial assets measured at fair value with changes recognised in the Income Statement under other comprehensive income (OCI) amounted to EUR 230 million (EUR 242 million at 31 December 2022). These mainly include:

- the investment in Assicurazioni Generali shares, recorded at a value of EUR 31 million based on the closing price on 31 December 2023 (EUR 19.105 per share compared with EUR 16.615 per share at 31 December 2022). At 31 December 2023 the Group held 0.10% of the share capital of Assicurazioni Generali, i.e. 1,630,815 shares (unchanged on 31 December 2022);
- the investment in FL Entertainment, at a value of approximately EUR 172 million (around EUR 193 million at 31 December 2022).

Financial assets measured at fair value with changes recognised in the Income Statement amounted to EUR 550 million (EUR 652 million at 31 December 2022); These include:

- derivatives at EUR 1 million (EUR 35 million at 31 December 2022), attributable primarily to the positive mark-to-market (+EUR 32 million) of the collar on the Dauphine Project, which matured in 2023);
- investments in funds totalling EUR 240 million (EUR 229 million at 31 December 2022) of which EUR 119 million related to the Finance business, EUR 116 million to Holding Company activities and EUR 5 million to Gaming & Services;
- Other equity investments/assets amounting to EUR 309 million (EUR 388 million at 31 December 2022) of which EUR 40 million related to the Finance business and EUR 269 million to Holding Company activities.

The decrease recorded compared with the balance at 31 December 2022 is mainly due to changes in net investments/disinvestments in securities, as temporary management of liquidity, by De Agostini S.p.A., as well as to the negative fair value adjustments of the portfolio of shares held by Connect.

Other net assets

At 31 December 2023 "Other net assets" stood at -EUR 68 million. The table below shows the items included in this balance:

<i>Figures in EUR million</i>	31.12.2023	31.12.2022	Change
Trade receivables/payables: net balance	(29)	(2)	(27)
Net balance of tax assets/liabilities	(315)	(219)	(96)
Net balance of other assets/liabilities	428	809	(381)
Provisions	(152)	(352)	200
Total group	(68)	236	(304)

The net balance of "Trade receivables and payables" comprises trade receivables of EUR 670 million (EUR 705 million at 31 December 2022) and trade payables totalling EUR 699 million (EUR 707 million at 31 December 2022).

The net balance of "Tax assets and liabilities" of -EUR 315 million (-EUR 219 at 31 December 2022) includes deferred tax assets of EUR 90 million (EUR 82 million at 31 December 2022) and deferred tax liabilities of EUR 323 million (EUR 300 million at 31 December 2022).

The net balance of "Other assets/liabilities" includes other assets amounting to EUR 1,369 million (EUR 1,557 million at 31 December 2022) and other liabilities totalling EUR 941 million (EUR 748 million at 31 December 2022).

At 31 December 2023 "Provisions" of EUR 152 million (EUR 352 million at 31 December 2022) mainly relate to employment severance indemnity (EUR 13 million; EUR 12 million at 31 December 2022), other employee provisions (EUR 22 million; EUR 16 million at 31 December 2022), and provisions for future risks and charges, including those for investee companies (+EUR 117 million; EUR 324 million at 31 December 2022, which included the Benson litigation).

Shareholders' equity

At 31 December 2023, consolidated shareholders' equity (Group and minorities) totalled EUR 3,342 million (EUR 3,327 million at 31 December 2022); Group shareholders' equity was EUR 2,253 million (EUR 2,138 million at 31 December 2022), while minority interests accounted for EUR 1,089 million (EUR 1,189 million at 31 December 2022).

The increase in shareholders' equity attributable to the Group compared with the balance at 31 December 2022 – totalling +EUR 115 million – mainly reflects the following:

- Group net profit of +EUR 55 million for 2023;
- dividend payments to shareholders of -EUR 25 million;
- an amount of -EUR 34 million from the repurchase of De Agostini S.p.A. treasury shares;
- the effects of the conversion to euro of the financial statements of other Group companies drawn up in different currencies, especially relating to the Gaming & Services business (-EUR 29 million);
- the effects of the increase in fair value recognised in the Statement of Comprehensive Income, totalling -EUR 17 million, of which +EUR 4 million relates to Assicurazioni Generali and -EUR 21 million to FL Entertainment;
- other changes totalling +EUR 165 million, due in particular to the effects of the physical settlement of the third and fourth tranches of the Dauphine Project.

The decrease in shareholders' equity attributable to minorities compared with the balance at 31 December 2022 – totalling -EUR 100 million – mainly reflects the following:

- net profit pertaining to minority interests of +EUR 157 million in 2023;
- payment of dividends totalling -EUR 165 million (to minority shareholders of IGT);
- the effects of the conversion to euro of the financial statements of other Group companies drawn up in different currencies, especially relating to the Gaming & Services business (-EUR 35 million);
- other changes totalling -EUR 57 million, in particular relating to net capital refunds (-EUR 39 million), which were mainly associated with capital distributions pertaining to minority shareholders of *Lotterie Nazionali*.

Net Financial Position (NFP)

The table below shows the Group's net financial position broken down by business area:

<i>Figures in EUR million</i>	31.12.2023	31.12.2022	Change
Publishing	(1)	22	(23)
Gaming & Services	(5,092)	(5,399)	307
Finance	99	117	(18)
Holding Companies	487	364	123
Eliminations intrasegment	24	18	6
Total group	(4,483)	(4,878)	395

With specific reference to Holding Company activities, the NFP at 31 December 2023 was positive at +EUR 487 million. That figure reflects payables to banks of -EUR 4 million, the De Agostini S.p.A convertible bond issue with a value of -EUR 59 million (net of the repurchase of 3,137,864 bonds in 2023), cash and cash equivalents of +EUR 49 million and other net financial assets of +EUR 501 million, including the investment of excess liquidity and the vendor loan in connection with the LDH/Banijay Group/FL Entertainment operation.

At 31 December 2023 the NFP had improved by +EUR 123 million compared with the balance at 31 December 2022, attributable to the combined effect of the following factors:

- net dividends from equity investments of +EUR 88 million;
- the effect of the closing via physical settlement of the third and fourth tranches of the Dauphine Project, totalling +EUR 223 million;
- the effect of the US dollar/Euro exchange rate on the prepayment associated with the Dauphine Project (+EUR 3 million);
- the outlay linked to the public offer/purchase of DeA Capital shares in order to obtain 100% of the capital, totalling -EUR 128 million;
- the outlay linked to the purchase of treasury shares totalling -EUR 34 million;
- dividends paid to shareholders totalling -EUR 25 million;
- structural costs and financial fees/other of -EUR 4 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 Comprehensive Income (under other comprehensive income) or in the Income Statement; (-) financial liabilities.

The reconciliation statement below shows the key figures in the Consolidated Statement of Financial Position at 31 December 2023 as compared with the amounts included in the Net Financial Position.

<i>Figures in EUR million</i>	Carrying amount at 31.12.2023	of which in Net Financial Position
INVESTMENTS - NON-CURRENT ASSETS	691	202
Financial assets at amortised cost	192	192
Financial assets at fair value through OCI	178	5
Financial assets at fair value through profit or loss	321	5
LOANS AND RECEIVABLES - NON-CURRENT ASSETS	85	63
INVESTMENTS - CURRENT ASSETS	281	245
Financial assets at amortised cost	0	0
Financial assets at fair value through OCI	52	21
Financial assets at fair value through profit or loss	229	224
LOANS AND RECEIVABLES - CURRENT ASSETS	287	287
CASH AND CASH EQUIVALENTS	689	689
NON-CURRENT FINANCIAL LIABILITIES	(5,544)	(5,544)
CURRENT FINANCIAL LIABILITIES	(425)	(425)
Net Financial Position - Group	(3,936)	(4,483)

The differences seen, in particular between Financial Assets with changes in fair value recognised in Comprehensive Income (under other comprehensive income) and in the Income Statement are essentially related to the classification within these items of assets that do not meet the requirements for inclusion in the Net Financial Position management indicator in accordance with the Group's Accounting Principles; specifically, at 31 December 2023 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 ending 31 December 2023.

* * *

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

- www.atresmedia.com
- www.group.banijay.com
- www.igt.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. In addition, companies in the Holding Company structure – including the Parent Company and other directly and indirectly-controlled financial companies – carry out holding company activities in tandem with the above-mentioned businesses.

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).

It should be noted that the overall macroeconomic framework has been and will continue to be seriously affected by the conflict between Russia and Ukraine, the political and military tensions between China and the United States, connected to the crisis between China and Taiwan, the continuation of the war between Israel and Hamas and the recent escalation with Iran - with the resulting high risks of a widening of the conflict in a very sensitive geopolitical area - and by Houthi attacks on naval traffic in the Red Sea, creating further reasons for instability and concern.

Inflation is still the key issue among systemic risks, given that it is closely correlated with the consequent interest rate policies adopted by the central banks, which have direct effects on GDP. Any slowdown in the ongoing process of reducing inflation levels would involve higher interest rate policies for a longer period of time. Policies to increase interest rates, at least for the US market, cannot be ruled out, *a priori*, if the economy continues its positive trend recorded to date. Interest rate trends also have a significant impact on the financial markets, including the stock markets.

The elements mentioned above, as well as the scheduled elections in 2024 - specifically the European elections in June 2024 and, most importantly, the US presidential elections in November 2024 - and the continuing partial difficulties in the supply chain, contribute to creating significant elements of overall uncertainty and risk for 2024.

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, general reference 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 macro-economic trends), the ability to create new formats to offer the market, the costs of producing programmes and the possibility to travel in order to make certain kinds of programme;

- 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 bookmaking risk;
- for the Finance business, risks connected with the day-to-day alternative investment activities, such as the ability to effectively 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 investment 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 the availability of management, relationships with employees and suppliers, and debt management.

The specific risks relating to Holding Company activities – in addition to those connected with the management of operations in the businesses mentioned above and the associated effects in terms of collection of the dividends distributed by them – 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 by 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 art. 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 year ending 31 December 2023 with net profit of approximately EUR 129.2 million, a fall on the profit of EUR 174.3 million recorded at 31 December 2022.

Its operating performance is summarised in the table below.

<i>Figures in EUR thousand</i>	31.12.2023	31.12.2022	change
Net revenues	1,459	1,528	(69)
Other income	1,727	883	844
General expenses and other operating costs	(36,241)	(33,323)	(2,918)
EBITDA	(33,055)	(30,912)	(2,143)
Depreciation and amortisation	(709)	(615)	(94)
EBIT	(33,764)	(31,527)	(2,237)
Dividends	94,092	184,694	(90,602)
Financial income / charges	4,737	(15,073)	19,810
Non recurring items	61,344	35,696	25,648
EBT	126,409	173,790	(47,381)
Income tax	2,840	504	2,336
Net profit (loss)	129,249	174,294	(45,045)

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

Other revenues and income rose slightly in 2023 compared with 2022, mainly due to the following:

- the rental of the property in Rome for the entire financial year, whereas in the previous financial year it had been vacant for most of the period (+EUR 0.6 million);
- extraordinary income arising from the sale of buildings in Barcelona during 2023 (+EUR 0.1 million).

General expenses and other operating costs increased by approximately EUR 2.9 million overall, as a result of the higher provisions for multi-year incentive plans for directors (+EUR 1.9 million) and the increase in other operating costs (+EUR 1.4 million), which recorded higher contributions made during the year (+EUR 0.5 million), as well as the outlay for the stamp duty on the last two tranches of the Dauphine Project (+EUR 0.6 million), while the cost for total employees cost decreased (-EUR 0.4 million).

In 2023 the Company recorded net dividends from its equity investments of EUR 94.1 million, which were approved during the year, for a total of EUR 95.8 million, by the subsidiaries De Agostini Communications (EUR 10 million), IGT (EUR 66.5 million), DeA Capital (EUR 11.0 million) and De Agostini Editore (EUR 5.0 million), as well as the associate company Camperio SIM (EUR 0.5 million), Investitori Associati II in liquidation (EUR 0.9 million) and Assicurazioni Generali (EUR 1.9 million). A share of the dividends received by IGT, amounting to approximately EUR 1.7 million, was "rebated" to minority interests as part of the Dauphine Project. Financial income totalled around EUR 24.9 million and financial charges EUR 20.2 million; net

financial income was therefore about EUR 4.7 million in 2023, representing an increase of approximately EUR 19.8 million on 2022.

This change is mainly due to the following:

- net returns from investments of liquidity in working capital securities and long-term investments (+EUR 15.4 million);
- higher interest income from subsidiaries (+EUR 4.5 million);
- higher net income on derivatives from the portfolio management entrusted to Camperio SIM S.p.A. (+EUR 3.2 million);
- returns on bank deposits (both unrestricted and short-term restricted) (+EUR 2.3 million);
- lower interest expenses on bank loans (+EUR 3.4 million);
- higher interest expenses payable to subsidiaries (-EUR 4.1 million) and on bonds (-EUR 2.7 million)
- higher net exchange rate charges (-EUR 1.7 million).

Value adjustments and other non-recurring income/(expenses) mainly reflect the net capital gain arising from the sale of IGT PLC shares (+EUR 61.2 million) during the year at the closing of the Dauphine Project.

Income tax of EUR 2.8 million was booked for the year, equal to the income from the Group's participation in the national tax consolidation scheme for IRES, estimated at EUR 2.3 million for the year, income relating to taxes for previous years, and net deferred tax assets and liabilities for a total of EUR 0.5 million.

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

<i>Figures in EUR thousand</i>	31.12.2023	31.12.2022	Change
ASSETS			
Intangible assets	296	232	64
Tangible assets	12,654	13,753	(1,099)
Investments and other long-term securities	2,649,933	2,496,719	153,214
Investments and other short-term securities	247,345	481,226	(233,881)
Mark-to-market put and call option assets	166	444	(278)
Hedging financial derivatives assets	-	23,162	(23,162)
Trade receivables	549	401	148
Financial Receivables towards groups companies	93,377	98,406	(5,029)
Other financial receivables	152	-	152
Tax receivables due from group companies	4,099	6,840	(2,741)
Other receivables	3,682	7,199	(3,517)
Cash and cash equivalents	76,011	168,538	(92,527)
Accruals and deferrals	897	617	280
TOTAL ASSETS	3,089,161	3,297,537	(208,376)
LIABILITIES			
Shareholders' equity	2,823,862	2,800,714	23,148
Mark-to-market put and call option liabilities	97	186	(89)
Hedging financial derivatives liabilities	-	-	-
Provisions for risks and charges	18,873	11,185	7,688
Employee severance indemnities	408	454	(46)
Convertible bond	49,932	59,300	(9,368)
Trade payables	1,727	2,073	(346)
Financial Payables towards groups companies	184,065	194,045	(9,980)
Tax payables to Group companies	3,121	6,469	(3,348)
Other payables	7,039	10,029	(2,990)
Loans payable to banks	-	212,085	(212,085)
Accruals and deferrals	37	997	(960)
TOTAL LIABILITIES	3,089,161	3,297,537	(208,376)
Net Financial Position	331,603	126,901	204,702

The company did not carry out any research and development activities, as defined in art. 2428(3) of the Italian Civil Code, in 2023.

Intangible and tangible assets, totalling EUR 13.0 million at 31 December 2023 mainly reflected the sale of buildings in Barcelona (-EUR 0.5 million), with a capital gain of EUR 0.4 million recorded in the income statement and the effects of amortisation and depreciation in the period.

Shareholdings and other long-term securities, totalling approximately EUR 2,649.9 million at 31 December 2023, increased by EUR 153.2 million compared with 31 December 2022, mainly due to the net balance of:

- the net investment of liquidity in medium-term Euro bonds (+EUR 143.2 million);
- the capitalisation of Nova (+EUR 34.9 million).

- the partial reinstatement of the amount written down for the stake in IGT, as a result of the collar derivative contract taken out as part of the Dauphine Project (+EUR 20.6 million);
- the purchase of DeA Capital shares (+EUR 6.1 million).
- the merger by incorporation of Investendo Due (-EUR 51.6 million).

Investments and other working capital securities totalled EUR 247.3 million at 31 December 2023, a decrease of EUR 233.9 million on 31 December 2022, mainly owing to:

- management of the Camperio SIM portfolios (+EUR 3.7 million);
- the sale of the entire stake in DeA Fly (-EUR 5.2 million);
- the sale of 9 million IGT shares (-EUR 158.2 million) following the exercise of the put option for the last two tranches of the collar derivative contract taken out as part of the Dauphine Project;
- net disposal of liquidity in short-term bonds (-EUR 69.0 million);
- net disposal of the Quaestio management portfolios (-EUR 5.2 million).

Financial receivables from Group companies, amounting to EUR 93.4 million at 31 December 2023, comprise uses of the credit line granted to Nova (EUR 88.5 million) and existing liquidity at the end of the year with some intermediaries (EUR 4.9 million), under the portfolio management contracts signed with these operators.

At 31 December 2023 the Company's shareholders' equity increased by about EUR 23.1 million compared with the figure at the end of 2022, mainly as a result of:

- net profit of +EUR 129.2 million for 2023;
- use of the reserve to hedge against exchange rate differences allocated as part of the Dauphine Project (+EUR 4.2 million);
- merger by incorporation of Investendo Due (-EUR 48.5 million);
- purchase of treasury shares (-EUR 34.1 million);
- payment of dividends (-EUR 26.1 million).

Other provisions for risks and charges totalled EUR 18.9 million at 31 December 2023, and reflected provisions for the following:

- multi-year incentive-based plans for staff totalling EUR 18.4 million (EUR 10.7 million at 31 December 2022);
- risks related to equity investments and other long-term investments of EUR 0.5 million (unchanged on 31 December 2022).

The "Convertible bond issue", totalling EUR 59.3 million at 31 December 2022, relates to the convertible portion (tranche B) of the bond issue launched on 31 December 2009 with a total initial nominal value of EUR 80.5 million and a final maturity date of 31 December 2029.

Following the purchase of treasury convertible bonds during the year, the item decreased by EUR 9.4 million compared with the previous year and is recorded at a value of EUR 49.9 million at 31 December 2023.

Financial payables to Group companies totalled approximately EUR 184.1 million at 31 December 2023. These broadly relate to a credit line granted by subsidiary DeA Communications during the year (drawn down by EUR 134.0 million) and a credit line granted in the previous year by subsidiary De Agostini Editore (drawn down by EUR 50.0 million)

At 31 December 2023 the Group had a positive Net Financial Position of around EUR 331.6 million (including receivables and payables to Group companies and investments in the portfolios of Quaestio Capital Management SGR and short-term Euro bonds), an improvement of approximately EUR 204.7 million on 31 December 2022. The main items that brought about this change are summarised below:

- disposal of 9 million IGT shares as part of the Dauphine Project (+EUR 222.7 million);
- net dividends from subsidiaries (+EUR 94.1 million);
- sale of DeA Fly (+EUR 5.3 million);
- capitalisation of Nova (-EUR 34.9 million);
- purchase of treasury shares (-EUR 34.1 million);
- dividends paid (-EUR 26.1 million);
- purchase of treasury convertible bonds (-EUR 12.1 million);
- purchase of DeA Capital treasury shares (-EUR 6.1 million);
- operating/other cash flow (-EUR 4.1 million).

▪ **Intercompany transactions**

In 2023 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 under the national tax consolidation scheme.

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		Amount
	Type	Amount	Type	Amount	
Holding company					
B&D Holding S.p.A.	Admin. and general services	125	Admin. and general services	17	
			Consultancy costs	5	
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	587	Admin. and general services	329	
			Financial charges	2285	
			Rents liabilities and other costs for leases and rentals	827	
De Agostini Publishing S.p.A.	Admin. and general services	622	Admin. and general services	798	
DeA Capital Partecipazioni S.p.A.	Admin. and general services	11			
DeA Capital S.p.A.	Admin. and general services	91	Admin. and general services	54	
			Rents liabilities and other costs for leases and rentals	420	
			Rents liabilities and other costs for leases and rentals	1	
DeA Capital Alternative Funds SGR S.p.A.	Admin. and general services	1	Financial charges	7,552	
DeA Communications S.A.	Admin. and general services	226			
DeA Factor S.p.A.	Admin. and general services	82			
IGT Global Solutions INC	Admin. and general services	17			
IGT Lottery S.r.l.	Admin. and general services	20	Admin. and general services	158	
Nova S.r.l.	Financial incomes	4,542			
Associates					
Camperio SIM S.p.A.	Financial incomes	16	Financial charges and other financial costs	181	
Quaestio Capital Management SGR S.p.A.	Financial incomes	133			
			Financial charges and other financial costs	133	
Quaestio Holding SA	Admin. and general services	9			
	Admin. and general services	10			

Transactions with subsidiaries in existence at the year end are described in the Notes to the Financial Statements for the year ending 31 December 2023.

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 2023, mainly concerning dividend payments, capital increases and the transfer of equity investments. In the Consolidated Financial Statements for the year ending 31 December 2023, 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.

7. Treasury shares

Pursuant to art. 2428(3)(3) and (4) of the Italian Civil Code, at 31 December 2023, De Agostini S.p.A. was the holder, within the meaning of the provisions of art. 2359-*bis* of the Italian Civil Code, directly of 500,000 treasury shares, equal to about 1.29% of the ordinary shares purchased in 2023. For more details, please see the comments in the "Significant events during the year" section of this Report on Operations.

Note that at 31 December 2022 De Agostini S.p.A. was the holder - directly and indirectly via subsidiary Investendo Due - of a total of 2,558,208 treasury shares, corresponding to 6.02% of share capital, which were cancelled during 2023. For more details, please see the comments in the "Significant events during the year" section of this Report on Operations.

Pursuant to art. 2428(3)(3) and (4) of the Italian Civil Code, at 31 December 2023 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 2023 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, which in turn are organised into sub-holding companies, and financial assets. 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 2023

- 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 the CEO is currently assigned to one of the Vice-Chairs of De Agostini S.p.A., offices serving to link 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, note that the holding company does not exercise management and coordination over this sub-holding as it is based abroad. At the end of 2023, 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)

As regards DeA Capital, since the duties of Chairman are currently assigned to the CEO of De Agostini S.p.A. and the role of the Vice-Chairman is currently assigned to one of the Vice-Chairmen of De Agostini S.p.A., the functions that link the holding company and the sub-holding company are performed directly by the Board of Directors of the subsidiary.

* * *

After the close of 2023, 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 2023, in February 2024, IGT and Everi signed binding agreements, pursuant to which IGT will transfer its Global Gaming and PlayDigital businesses into a corporate vehicle, with subsequent distribution of the vehicle's shares to IGT shareholders, with the ultimate aim of merging IGT's Gaming activities with those of Everi and creating a comprehensive global and diversified gaming and fintech enterprise (Voyager Project).

Following completion of the business combination, IGT shareholders will receive around 54% of the company resulting from the merger, De Agostini will receive 23%, and the current shareholders of Everi will hold the remaining portion of share capital.

Following completion of the transaction, Everi will change its name to International Game Technology, Inc. and its shares will be traded on the NYSE with the code IGT.

The enterprise value of IGT's Global Gaming and PlayDigital businesses is around USD 4 billion, while that of Everi is approximately EUR 2.2 billion.

The transaction, which was approved unanimously by the Boards of Directors of IGT and Everi, is subject to obtaining regulatory approval and the approval of the Everi and IGT shareholders, and satisfying other conditions. It is expected to be completed around the end of 2024 or early 2025.

The transaction will produce a new business combination of significant financial dimensions, with 2024 pro forma revenues of approximately USD 2.7 billion and 2024 adjusted pro forma EBITDA of approximately USD 1 billion, and will enable IGT to receive liquidity of USD 2.6 billion.

Following completion of the merger, IGT's remaining activities, comprising its current Global Lottery business and related support functions, will focus on developing the lotteries business over the long term.

As regards the business outlook, it should be noted that the geopolitical context in the early part of 2024 continues to experience a high level of uncertainty owing to the conflict between Russia and Ukraine, the political and military tensions between China and the United States, the continuation of the war between Israel and Hamas, and the recent escalation with Iran - with the resulting high risks of a widening of the conflict in a very sensitive geopolitical area.

In financial and economic terms, there were positive signs recorded in the early part of 2024, notably a decreasing inflationary trend in both the United States and Europe with market expectations of an interest rate cut in the next few months, more likely in Europe than in the United States.

The US economy also continues to deliver positive surprises in 2024, disregarding the recession hypotheses that have been feared many times, unlike the European economy, which forecasts growth of less than 1% with particular weakness in Germany. Concerns are emerging from China with an economic performance below forecasts.

The elements mentioned above, as well as the scheduled elections in 2024 - specifically the European elections in June 2024 and, most importantly, the US presidential elections in November 2024 - contribute to creating significant elements of overall uncertainty for the current year, although, as mentioned earlier, there have been some positive signs observed in the early part of the year.

Despite this complex scenario, the ordinary results of the Group's businesses are expected to remain broadly stable for the current year - not least thanks to the favourable trend seen in the main investee companies since the beginning of the year.

Against this backdrop, De Agostini S.p.A. will continue to concentrate on developing its businesses, and will focus particularly on identifying medium- to long-term strategic investment opportunities, leveraging its available financial resources, in order to seize any opportunities that come its way during this period of uncertainty.

10. Proposal to approve the Annual Financial Statements for the Year Ending 31 December 2023 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 ending 31 December 2023.

De Agostini S.p.A. achieved a net profit of EUR 129,248,988.70 in 2023 (a net profit of EUR 174,293,952.95 in 2022).

The Board of Directors proposes distribution of a dividend of EUR 33,909,252.73 under Article 27 of the Articles of Association, as the Legal Reserve is already equal to one-fifth of the share capital, as provided for by article 2431 of the Italian Civil Code, and allocation of the remaining EUR 95,339,735.97 to the Extraordinary Reserve.

In addition, given the availability of EUR 3,351,450.91 in the Ordinary Net Income Reserve, the Board of Directors also proposes a partial distribution of that reserve in an amount of EUR 3,108,486.37.

Lastly, given the availability of other distributable reserves, and in view of the good performance in 2023, the Board of Directors exceptionally proposes the distribution of an extraordinary dividend of an additional EUR 10,000,000.00 to be drawn from the Extraordinary Reserve.

The Board of Directors' proposal therefore consists of a total dividend, including the partial distribution of the Ordinary Net Profit Reserve and the distribution of part of the Extraordinary Reserve, of EUR 47,017,739.10 or EUR 1.192 per eligible share.

Finally, given that the Net Foreign Exchange Gains Reserve, totalling EUR 371,209.44 at 31 December 2023, is free and available within the meaning of art. 2426 para. 8-*bis* of the Italian Civil Code, in an amount of EUR 192,689.67, the Board of Directors proposes to allocate this 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 ending 31 December 2023, which report a net profit of EUR 129,248,988.70 (a net profit of EUR 174,293,952.95 in 2022),
- having reviewed the Report on Operations which accompanies the Financial Statements for the year ending 31 December 2023,
- 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 ending 31 December 2023, 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, in an amount of EUR 33,909,252.73 to be taken from the net profit achieved in 2023, and allocating the remaining EUR 95,339,735.97 to the Extraordinary Reserve, as the Legal Reserve has already reached the statutory limit of one-fifth of the share capital.
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3. approve the proposal for a partial distribution of the Ordinary Net Profit Reserve in an amount of EUR 3,108,486.37;
4. approve the proposal to distribute an extraordinary dividend totalling EUR 10,000,000.00, to be drawn from the Extraordinary Reserve;
5. approve the proposal to allocate a portion of the Net Foreign Exchange Gains Reserve, in an amount of EUR 192,689.67 to the Extraordinary Reserve.”

Novara, 24 May 2024

FOR THE BOARD OF DIRECTORS
The Chairman
Lorenzo Pellicoli