

PRESS RELEASE

SOCIETÀ EDITORIALE IL FATTO S.P.A.:

The Board of Directors approves the draft financial statement at December 31, 2019

Stable revenues and strong investments in digital transformation

**Increase in revenues from digital activities
Total absence of financial and banking debt
Investments for more than double of the equity raised in the IPO**

- Stable revenues at Euro 31,985 thousand (Euro 32,039 thousand at 31 December 2018, -0,17%)
- EBITDA down to Euro 1,239 thousand (Euro 3,263 thousand at 31 December 2018, -62%) due to substantial investments in the Group's digital transformation process
- Positive net financial position of Euro 1,139 thousand (Euro 2,810 thousand at 31 December 2018), with total absence of financial debts
- Shareholders' equity of Euro 4,147 thousand (Euro 2,722 thousand at 31 December 2018)
- Increased weight on revenues from digital activities: media content, advertising sales and digital subscriptions

Rome, 31 March 2020 - The Board of Directors of SEIF S.p.A. (the "**Company**" or "**SEIF**") media content provider and publisher of several editorial and multimedia products announces that, today, the Board of Directors approved the draft financial statements for the year ended December 31, 2019.

In 2019 the Company has pursued the digital transformation process already undertaken, which represents the basis of the three-year business plan, investing more than double of the funds raised in IPO in this strategy. The results of this process are already visible in the increase in revenues from digital activities, which has allowed, as early as the second half of 2019, to increase the volume of sales offsetting the reduction in paper sales on newsstands of the newspaper.

The traditional "paper" market remains an important source of revenues, which shall be sustained and which can provide opportunities for revenue recovery. However, faced with the decline that has affected the entire newsstand market, SEIF has decided to invest heavily, to the detriment of the marginality of the year, in a process of digitalization, innovation and diversification, which the Company aims to complete by 2020, giving itself the necessary tools to seize all opportunities for marginality in the coming years.

Cinzia Monteverdi, Chairman and CEO of SEIF commented: *"In a context of deep evolution we believe that in the publishing sector only those who will be able to transform themselves will be able to grow; to stop investing in diversification and in digitalization would mean not keeping up with the times and exposing ourselves to the risk of contraction". "In this moment of strong uncertainty dictated by Covid-19" - continued Cinzia Monteverdi - "paradoxically the publishing market, defined for years as "in crisis", becomes an even more important support for all citizens; digital, together with the incredible effort of newsstands, allows us to keep up with the times and to be close to our readers even in a moment of extraordinary emergency offering a useful and quality service. The path of innovation, transparency and independence, together with the quality of content, will ensure that we stand by our partners, newsstands, readers and customers all in the right way. One cannot, of course, be pleased or delighted if the publishing market is growing during this period. We can and should simply be proud to provide a public service in smart working, and I am sure that this is the prevailing feeling among our investors as well".*

Main financial data

<i>(in thousands of Euro)</i>	Financial Year		
	2019	2018	% var..
A) Production value			
1) revenues from sales and services	26,768	28,335	-5,53%
2) variations of inventory of raw and auxiliary materials, consumables and supplies	-15	15	-205,93%
4) increases in fixed assets for internal works	4,504	3,480	29,43%
5) other revenues	728	210	247,17%
Total (A)	31,985	32,040	-0,17%

The table shows a substantial break-even in production value despite a reduction in revenues from sales and services, analysed in detail in the following table.

Revenues from sales and services	Value at 31.12.2019	% on revenues	Value at 31.12.2018	% on revenues
Publishing sector	19,914	74,40%	22,515	79,46%
Media content sector	2,329	8,70%	1,429	5,04%
Advertising sector	4,524	16,90%	4,391	15,50%
Total	26,768	100,00%	26,123	100,00%

Analyzing the variations in Company's revenues from sales and services, the following should be noted:

Publishing sector: revenues from the publishing sector recorded an overall decrease of 11.5% (it was over 15% at 30.06.19). They are essentially made up by (i) newsstand sales of the newspaper; (ii) sales of the monthly magazine FQMillennium; (iii) sales of books in the Paper First series in the newsstand and bookstore channel; (iv) sales of subscriptions of the newspaper and the site.

Media content sector: revenues in the media content sector grew by a total of 63% and are essentially made up of revenues from (i) the granting of rights to the exploitation of television content; (ii) sales of theatrical performances and events.

Advertising sector: advertising revenues show a further 3% growth in the year 2019 and are made up essentially of revenues from (i) advertising revenues from the newspaper; (ii) advertising revenues from the website; (iii) advertising revenues from the monthly magazine sales.

There is a further 5% increase in the year in revenues from digital activities equal to 35% of the total amount of the revenues (it was 30% in 2018), confirming the effectiveness of the strategic decisions taken by the Company to counter and mitigate the decrease in sales of paper products in the traditional version, with the digital transformation of processes and products.

By analyzing the marginality of the business management, the following should be pointed out:

<i>(in thousands of Euro)</i>	Financial Year	
	2019	2018
Production value	31,985	32,039
EBITDA	1,239	3,263
EBIT	-2,037	224
EBT	-2,026	269
Net Result	-1,492	0,4
Shareholders' Equity	4,147	2,722
Net Financial Position	-1,139	-2,810

EBITDA in 2019 is about 4% of the production value (it was about 2.5% at 30.06.19), decreasing by 10% in 2018. The impact of depreciation and amortization for the year (3,240 thousand euros) brings EBIT down to -2,037 thousand euros.

Production costs amounted to Euro 34,021 thousand (Euro 31,815 thousand at December 31, 2018), or 7% more than in 2018. Personnel costs amounted to Euro 10,978 thousand, up from Euro 10,294 thousand in 2018, due to an average increase of 14 units during 2019. The increase in both values is due to the growth in the size of the company structure, also as a result of its status as a listed company, and in production activities, particularly the production of "Loft productions" television content.

Allocation of the result for the year

The Board of Directors resolved to propose to the Shareholders' Meeting to carry forward the net result for 2019.

Shareholders' Equity increased by Euro 1,425 thousand, net of the loss for 2019, following the reduction of the negative reserve for treasury shares by Euro 2,917 thousand due to the placement of a 16.21% stake in the share capital in the IPO. Shareholders' Equity Reserves amounts to Euro 3,104 thousand and consists of the Extraordinary Reserve of Euro 3,695 thousand, the Legal Reserve of €500 thousand and the Negative Reserve for treasury shares in portfolio of Euro 1,091 thousand.

Cash flow		
<i>(in thousand of Euro)</i>	2019	2018
Profit (loss) of the year before taxes on the income, interests and dividends	(2,036)	224
Adjustments for non-monetary elements	3,781	3,553
Changes in net working capital	18	(581)
Other adjustments	(345)	(262)
Cash flow from operating activities (A)	1,418	2,934
Cash flow from investment activities (B)	(6,006)	(916)
Cash flow from financing activities (C)	2,917	-2,799
Increase (decrease) of cash and cash equivalents (A±B±C)	(1,671)	(781)
Cash and cash equivalents at the beginning of the year	2,212	2,993
Cash and cash equivalents at the end of the year	541	2,212
Changes in cash and cash equivalents	(1,671)	(781)

The Net Financial Position, positive by 1,139 thousand euros and consisting exclusively of cash and cash equivalents with no financial debts, decreased by 1,671 thousand euros. This reduction is entirely due to the use of available bank current account funds which, in addition to self-financing and net funds raised during the IPO

(2,000 thousand euros), made it possible to support the substantial investment program implemented during the year. The significant investment activity implemented in 2019 by the Company, amounting to 6,006 thousand euros (more than double of the equity raised in the IPO), was covered by the change in the NFP (- 1,671 thousand euros), the cash flow from the IPO (+ 2,917 thousand euros) and the cash flow from operating activities (+ 1,418 thousand euros).

Activities carried out in 2019

The 2019 financial year represented the beginning of an important moment of transformation for the Company in many ways. From a corporate point of view, as is now known, in March last year the Company was listed on the AIM - Italia, a multilateral trading facility, organized and managed by Borsa Italiana S.p.A., through the placement of treasury shares representing the 16.21% of the share capital. In July 2019, the Company also completed the dual-listing of its shares on the Euronext Growth Paris market. From the point of view of the business model, which has been at the center of important changes driven by the digital transformation of processes and products. The year ended December 31, 2019, for the Company, represented the year in which the implementation of the new projects underlying the strategic development lines of the three-year business plan began. From the point of view of the diversification, because during the year under review, product diversification was not only enhanced but also used, through data analysis, to reach different markets and targets, the latter also within the same market segment, keeping the corporate identity unchanged.

Significant events occurred after the end of the year

Following the end of the financial year, there were no significant events to report. The Company proceeded with normal management activities, which also include the gradual implementation of development projects. Therefore, the continuity of the company's production activities did not change, not even following the Covid-19 epidemiological emergency.

Business outlook

The Company operates in the publishing and information sectors, sectors that were not subject to restrictions by Ministerial Decree and/or Presidential Decree or by regional and/or municipal ordinances issued until the date of this press release. Production activities have, therefore, been carried out with continuity, adopting all the necessary measures to ensure the safety of workers also in compliance with the protocol signed between the Government and the social parties. The Company immediately started a program aimed at organizing the work with the use of the so-called smart working mode applied to all tasks, minimizing the physical presence of workers at the offices and editorial offices. It should be noted that the information sector, remaining among those of primary importance for the country, also in view of the current epidemiological emergency in progress, is not suffering a standstill and/or a significant drop in production and this does not suggest any possibility of deterioration of the company's continuity. It is possible, however, that there may be a temporary reduction in revenues from certain lines, such as the distribution of the new books in the Paper First series on the bookstore channel, or a slowdown in advertising sales due to reductions in the campaigns of investors operating in certain sectors. However, from the volumes of this first quarter of 2020 (and on the basis of pre-accounting data not yet approved by the Board of Directors or reviewed by the independent auditors KPMG S.p.A.), it can be seen that if there were to be a fall in the Company's revenues, it would be reasonable to think that this could in any case be offset by the growth of the number of visits on the website. On this point, it should be noted that the Company has recorded an increase in digital subscriptions due, in particular, to the fact that the Company is offering discounted subscriptions for the limited period due to the current restrictions due to the Covid-19 emergency. Lastly, there was a consolidation of copies sold on newsstands.

Notice of call of the Ordinary Shareholders' Meeting and filing of the documentation

The Board of Directors resolved to call the ordinary shareholders' meeting to resolve, inter alia, on the approval of the financial statements for the year ended 31 December 2019 on 29 April 2020 (on first call) and 12 May

2020 (if necessary, on second call).

The documentation required by current regulations will be available at the registered office at Via Sant'Erasmus 2, 00184 Rome, and on the company's website www.seif-spa.it, Investor Relations section, within the terms provided by current regulations. Please note that the draft financial statements have been audited by KPMG S.p.A..

SOCIETÀ EDITORIALE IL FATTO S.P.A. (SEIF) is an independent media company, founded in Rome in 2009 and led by Cinzia Monteverdi, Chairman and CEO. The company publishes several editorial and multimedia products, including Il Fatto Quotidiano, founded by Antonio Padellaro and directed by Marco Travaglio, the website ilfattoquotidiano.it and the monthly magazine FQ Millennium, directed by Peter Gomez, the publishing company Paper First and the TV and multimedia content platform Loft. Recently, SEIF has undertaken a process of diversification to become more and more a media content provider at 360° degrees, starting a strategy of development of its products in digital key and data driven.

For further information

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Further information

In addition to the financial information referred to above, the statement of assets and liabilities, the income statement and the cash flow statement are hereby attached.

Ordinary Statement of Assets and Liabilities

	31/12/2019	31/12/2018
Assets		
B) Fixed assets		
I – Intangible fixed assets	-	-
1) start-up and capital costs	988,893	588,818
4) concessions, licenses, trademarks and similar rights	24,073	63,833
6) assets under construction and payments on account	807,607	241,515
7) other	4,814,674	3,418,812
<i>Total intangible fixed assets</i>	6,635,674	4,312,978
II – Tangible fixed assets	-	-
4) other assets	223,703	123,260
<i>Total tangible fixed assets</i>	223,703	123,260
III – Financial fixed assets	-	-
1) shareholdings in	-	-
b) parent companies	932,939	
d-bis) other companies	-	712,939-
<i>Total shareholdings</i>	932,939	712,939
2) receivables	-	--
b) receivables from parent companies	121,277	--
d-bis) other receivables	89,882	87,692
due within the next year	-	4,034
due after the next year	-	83,658
<i>Total receivables</i>	211,159	87,692
<i>Total financial fixed assets</i>	1,144,098	800,631
<i>Total fixed assets (B)</i>	8,003,048	5,236,869
C) Current asset		
I - Inventories	-	-
1) raw, subsidiary and consumable materials	174,342	188,320
4) finished products and goods	76,378	91,738
<i>Total inventories</i>	250,720	280,058

	31/12/2019	31/12/2018
II - Receivables	-	-
1) trade receivables	4,087,782	3,923,629
due within the next year	4,087,782	3,923,629
5-bis) tax receivables	1,027,014	296,496
due within the next one year	-	296,496
5-ter) pre-paid taxes	798,216	264,116
5-quater) from third parties	328,082	276,225
due within the next one year	328,082	276,225
Total receivables	6,241,094	4,760,466
III – Financial assets not of a fixed nature	-	-
6) other assets	598,328	598,142
Total financial assets not of a fixed nature	598,328	598,142
IV – Cash and cash equivalents	-	-
1) bank and postal deposit	538,023	2,211,105
3) cash at bank and in hand	2,412	709
Total cash and cash equivalents	540,435	2,211,814
Total current assets (C)	7,630,577	7,850,480
D) Accrual and deferred income	240,303	104,021
Total assets	15,873,928	13,191,370
Liabilities		
A) Shareholders' equity	4,147,123	2,722,067
I – Share capital	2,500,000	2,500,000
IV – Legal reserve	500,000	500,000
VI – Other reserves, indicated separately	-	-
Extraordinary reserve	3,694,856	3,694,856
Total other reserve	3,694,856	3,694,856
VIII – Profit (loss) carried forward	35,407	-
IX – Profit (loss) of the year	(1,492,384)	35,407
X – Negative reserve for purchase of own shares	(1,090,756)	(4,008,196)
Total shareholders' equity	4,147,123	2,722,067
B) Provisions for risks and charges		
4) other	641,989	763,989
Total for risks and charges	641,989	763,989
C) Employee severance indemnity	2,097,011	1,789,118

	31/12/2019	31/12/2018
D) Payables		
7) trade payables	3,718,577	3,161,220
due within the next year	3,718,577	3,161,220
12) tax payables	444,255	412,475
due after the next year	444,255	412,475
13) amounts payable to social security institutions	1,012,179	942,302
due within the next year	1,012,179	942,302
14) other receivables	2,531,000	2,129,611
due within the next year	-	2,129,611
<i>Total receivables</i>	<i>7,706,011</i>	<i>6,645,608</i>
E) Accrual and deferred income	1,281,794	1,270,588
<i>Total liabilities</i>	<i>15,873,928</i>	<i>13,191,370</i>

Ordinary Income Statement

	31/12/2019	31/12/2018
A) Production value		
1) revenues from sales and services	26,767,687	28,334,999
2) variations of inventory of raw and auxiliary materials, consumables and supplies	(15,360)	14,500
4) increases in fixed assets for internal works	4,503,896	3,479,835
5) other revenues and income	-	-
other	728,296	209,783
<i>Total other revenues and income</i>	<i>728,296</i>	<i>209,783</i>
<i>Total production value</i>	<i>31,984,519</i>	<i>32,039,117</i>
B) Cost of production		
6) for raw and auxiliary materials, consumables and supplies	1,488,422	1,455,995
7) for services	16,251,673	15,264,940
8) for use of assets owned by others	1,490,026	1,180,269
9) for personnel	-	-
a) salaries and wages	7,791,923	7,329,782
b) social security	2,514,242	2,385,500
c) employee severance indemnity	427,072	359,487
e) other costs	244,384	183,701
<i>Total personnel costs</i>	<i>10,977,621</i>	<i>10,294,470</i>
10) amortization, depreciation and impairment	-	-

	31/12/2019	31/12/2018
a) depreciation of intangible fixed assets	3,163,222	2,919,380
b) depreciation of tangible fixed assets	76,730	67,092
<i>Total amortization, depreciation and impairment</i>	<i>3,239,952</i>	<i>2,986,472</i>
11) variations of inventory of raw and auxiliary materials, consumables and supplies	13,978	137,916
12) provisions for risks	35,442	53,240
14) other operating costs	524,076	442,154
<i>Total of cost of production</i>	<i>34,021,190</i>	<i>31,815,456</i>
Difference between value and costs of production (A - B)	(2,036,671)	223,661
C) Financial revenues and expenses	-	-
16) other financial revenues	-	-
a) from receivables recorded as fixed assets	-	-
from affiliated companies	1,277	-
<i>Total financial income from receivables recorded as fixed assets</i>	<i>1,277</i>	<i>-</i>
c) from securities included under the working capital which are not shareholdings	12,008	29,510
d) revenues different from the previous	-	-
other	3.583	24,443
<i>Total revenues different from the previous</i>	<i>3.583</i>	<i>24,443</i>
<i>Total of other financial revenues</i>	<i>16.868</i>	<i>53,953</i>
17) Interests and financial expenses	-	-
other	6.667	8,771
<i>Total interests and financial expenses</i>	<i>6.667</i>	<i>8,771</i>
17-bis) exchange gains and losses	(201)	(299)
<i>Total financial revenues and expenses (15+16-17+-17-bis)</i>	<i>10.000</i>	<i>44,883</i>
D) Value adjustment on financial assets	-	-
18) revaluations	-	-
c) of securities included under assets forming part of working capital which are not investments	186	-
<i>Total revaluations</i>	<i>186</i>	<i>-</i>
<i>Total value adjustments to financial assets (18-19)</i>	<i>186</i>	<i>--</i>
Result before taxes (A-B+C+D)	(2,026,484)	268,544
20) Current, deferred and prepaid taxes on the income of the year		
current taxes	-	207,703
taxes related to previous years	-	18,536
deferred and prepaid taxes	(534,101)	6,896

	31/12/2019	31/12/2018
<i>Total current, deferred and prepaid taxes on the income of the year</i>	<i>(534,101)</i>	<i>233,137</i>
21) Profit (loss) for the year	(1,492,384)	35,407

Cashflow statement, indirect method

	Amonut at 31/12/2019	Amont at 31/12/2018
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	(1,492,384)	35,407
Income taxes	(534,101)	233,137
Payable (receivable) interest	(10,000)	(45,182)
<i>1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances</i>	<i>(2,036,485)</i>	<i>223.362</i>
Adjustments to non monetary items that were not offset in the net working capital.		
Allocation to preserves	541,012	567,507
Depreciation of fixed assets	3,239,952	2,986,472
Other adjustments to increase/(decrease) non-monetary items	(186)	
<i>Total adjustments for non-monetary items that were not offset in the net working capital</i>	<i>3,780,778</i>	<i>3,553,979</i>
<i>2) Cash flow before changing net working capital</i>	<i>1,744,293</i>	<i>3,777,341</i>
Changes in net working capital		
Decrease/(increase) in inventory	29,338	123,415
Decrease/(increase) in payables to customers	(164,153)	(821,419)
Increase (decrease) in trade payables	557,357	(18,974)
Decrease/(Increase) in accrued income and prepayments	(125,076)	(50,319)
Other decreases/(Other increases) in net working capital	(279,328)	186,049
<i>Total changes in net working capital</i>	<i>18.138</i>	<i>(581,248)</i>
<i>3) Cash flow after changes in net working capital</i>	<i>1,762,431</i>	<i>3,196,093</i>
Other adjustments		
Interest received/(paid)	10,000	45,182
(Use of funds)	(355,119)	(307,560)
<i>Total other adjustments</i>	<i>(345,119)</i>	<i>(262,378)</i>
Cash flow from operating activity (A)	1,417,312	2,933,715
B) Cash flow from investment activity		
Tangible fixed assets		
(Investments)	(177,173)	(80,754)
Intangible assets		
(Investments)	(5,485,491)	(3,990,963)
Financial fixed assets		
(Investments)	(343,467)	-
Divestitures		32,000
Not fixed financial assets		
Divestitures		3,123,858

	Amonut at 31/12/2019	Amont at 31/12/2018
Cash flow from from investiment activity (B)	(6,006,131)	(915,859)
C) Cash flow from financing activity		
Own resources		
Transfer/(purchase= of own shares	2,917,440	(1,400,000)
(Dividends and interim dividends paid)	-	(1,398,697)
Cash flow from financing activity (C)	2,917,440	(2,798,697)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(1,671,379)	(780,841)
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	2,211,105	2,990,644
Money and equivalents on hand	709	2,011
Total of cash and cash equivalents at the beginning of the year	2,211,814	2,992,655
Cash and cash equivalents at the end of the year		
Bank and postal deposits	538,023	2,211,105
Money and equivalents on hand	2,412	709
Total cash and cash equivalents at the end of the year	540,435	2,211,814