**KEY FINANCIAL DATA**

**at December 31, 2021**

**Main financial data**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *(in thousands of Euro)* | Financial Year | | | |
| **2021** | **% revenues on production value** | **2020** | **% revenues on production value** |
| A) Production value |  |  |  |  |
| 1) revenues from sales and services | 32,533 | 84,52% | 31,244 | 82,16% |
| 2) variations of inventory of raw and auxiliary materials, consumables and supplies | -19 | -0,050% | 34 | 0,09% |
| 4) increases in fixed assets for internal works | 5,502 | 14.30& | 6,255 | 16,45% |
| 5) other revenues | 473 | 1,23% | 494 | 1,30% |
| **Total (A)** | 38,490 | **100%** | **38,027** | 100% |

The table shows, also for the year 2021, an increase in revenues from sales and services of Euro 1,289 thousand, equal to over 4%, and in the value of production of Euro 463 thousand, up 1.2%. The lower increase in Value of Production is influenced by the lower increase in fixed assets for internal work of Euro 753 thousand, essentially due to lower production costs of the television content of the Loft Produzioni division despite the increase in revenues from the exploitation of rights for the content produced.

**An analysis of the change in revenues from sales and services reveals the following:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **A.1 Revenues from sales and services** | **Value at 31.12.2021** | **% on revenues** | **Value at 31.12.2020** | **% on revenues** | **variat.** | **Var. %** |
| Publishing sector | 24,328 | 74.78% | 23,809 | 76.20% | 520 | 2.18% |
| Media content sector | 3,532 | 10.86% | 3,004 | 9.61% | 528 | 17.59% |
| Advertising sector | 4,673 | 14.36% | 4,431 | 14.18% | 241 | 5.45% |
| **Total** | **32,533** | **100.00%** | **31,244** | **100.00%** | **1.290** | **4.13%** |

Publishing sector: revenues in the publishing sector grew by more than 2.0% overall, which is a significant result if we consider that, in detail, revenues from subscriptions and digital content were able to grow to such an extent as to totally offset the reduction in revenues from newsstand sales, an across-the-board trend for the entire reference market. Revenues attributable to the publishing segment are essentially made up of revenues from (i) newsstand sales of the daily newspaper for Euro 16,248 thousand, which decreased by over 6% compared to the previous year; (ii) sales of the monthly magazine FQMillennium for Euro 540 thousand, which decreased by over 7% compared to the previous year; (iii) sales of Paper First books in the newsstand and bookshop channel for Euro 1.478 thousand, up 3%; (iv) subscription sales of publishing products and digital content, amounting to Euro 6,059 thousand, up 37% on 2020.

Media content sector: revenues from the media content segment show a total increase of around 17.6% and are essentially made up of revenues from (i) the exploitation of television content, amounting to Euro 3,471 thousand, which registered an increase of 18.1% compared with the previous year; (ii) sales of theater shows and events, amounting to Euro 61 thousand, which decreased slightly (down Euro 4 thousand) compared with 2020..

Advertising sector: advertising revenues increased by 5.4%, demonstrating that our media represent channels of interest for advertising investors, maintaining a strong attraction even in complicated periods such as that of the 2021 financial year, where the persistence of tensions on the national economy caused by the persistence of the Covid-19 pandemic should not be forgotten. Revenues essentially include (i) advertising sales for the newspaper (Euro 710 thousand) and (ii) advertising sales for the website (Euro 3,959 thousand).

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***(in thousands of Euro)*** |  | Financial Year | |  |
| **2021** | **% production value** | **2020** | **% production value** |
| Production value | 38,490 | 100.00% | 38,027 | 100.00% |
| EBITDA | 5,942 | 15.44% | 5,266 | 13.85% |
| EBIT | 466 | 1.21% | 162 | 0.42% |
| EBT | 453 | 1.18% | 479 | 1.26% |
| Net Result | 169 | 0.44% | 301 | 0.79% |

EBITDA is defined as: earnings for the year, adjusted for the following components: (i) income taxes for the year, (ii) financial components, and (iii) depreciation and amortization of property, plant and equipment and intangible assets, impairments and other provisions.

EBIT is defined as: earnings for the year, adjusted for the following components: (i) income taxes for the year, (ii) financial components.

EBT is defined as: earnings for the year, adjusted for the following components: income taxes for the year.

The value of EBITDA at 31.12.2021 shows an increase both in terms of incidence on the production value (+159 bps) and in terms of total amount (+ Euro 676 Euro).

EBIT shows an increase in margins after amortization and depreciation of around Euro 304 euros.

EBT and net income are lower than the previous year because, in 2020, these indicators were positively influenced by the financial income related to the capital gain on the sale of the equity investment which, moreover, being subject to taxation under the participation exemption regime, reduced the taxes due and allocated in the 2020 financial statements.

Information regarding the main balance sheet indicators for December 31, 2021 and 2020 is provided below. In particular, the reclassified statement of financial position by sources and uses is provided:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Balance Sheet** | | | | | | | | |
| **Uses** |  |  | **31.12.2021** | **31.12.2020** | **Sources** | | **31.12.2021** | **31.12.2020** |
| Intangible fixed assets | |  | 8,923,166 | 8,263,277 | share capital | | 2,501,000 | 2,500,000 |
| Tangible fixed assets | |  | 169,888 | 201,916 | reserves | | 3,072,684 | 3,076,103 |
| Financial fixed assets | |  | 969,405 | 215,478 | profit (loss) carried forward | | -1,156,051 | -1,456,976 |
|  | |  |  |  | profit (loss) for the year | | 168,787 | 300,925 |
|  | ***Fixed asset*** | | ***10,062,459*** | ***8,680,671*** | ***Shareholders' equity*** | | ***4,586,420*** | ***4,420,052*** |
| Cash on hand and in banks | |  | 93,823 | 160,038 | Consolidated liabilities | | 4,998,800 | 5,175,472 |
| Deferred cash | |  | 6,552,775 | 7,570,677 |  |  |  |  |
| Immediate cash | |  | 3,111,950 | 3,264,387 | Current liabilities | | 10,235,787 | 10,080,249 |
|  | **Current liabilities** | | ***9,758,548*** | ***10,995,102*** | **Liabilities** |  |  | **15,255,721** |
|  | ***Invested Capital*** | | ***19,821,007*** | ***19,675,773*** | ***Financing capital*** | | ***19,821,007*** | ***19,675,773*** |

Shareholders' Equity increased by Euro 166 thousand, following the achievement of the net profit 2021. The item Equity Reserves amounts to Euro 3,073 thousand and consists of the Extraordinary Reserve of Euro 3,695 thousand, the Legal Reserve of Euro 500 thousand, the negative Reserve for treasury shares in portfolio of Euro 1,137 thousand and the Reserve for expected cash flow hedging transactions of Euro 6 thousand. In addition, on November 30, 2021, the last conversion period for warrants issued at the time of the listing in 2019 expired. Following the exercise of conversion rights by the holders, 10,000 shares were issued in exchange for the payment of Euro 9.7 thousand, of which 1 thousand euros was allocated to increase the share capital and Euro 8.7 thousand to share premiums.

The following is an analysis of cash flows for 2021 compared to those for the same period last year:

|  |  |  |
| --- | --- | --- |
| **Cash flows** | | |
| ***(in thousands of Euro)*** | **31.12.2021** | **31.12.2020** |
| Profit (loss) for the year before income taxes, interest, dividends | 466 | 301 |
| Adjustments for non-monetary items | 6,123 | 5,713 |
| Changes in net working capital | 624 | 936 |
| Other changes | -393 | -578 |
| **Cash flow from operations (A)** | **6,820** | **6,372** |
| **Cash flow from investing activities (B)** | **-6,667** | **-6,109** |
| **Cash flow from financing activities (C)** | **-305** | **2,460** |
| **Increase (decrease) of cash and cash equivalents (A ± B ± C)** | **-152** | **2,723** |
| Cash and cash equivalent at the beginning of the financial year | 3,264 | 541 |
| Cash and cash equivalent at the end of the financial year | 3,112 | 3,264 |
| **Changes on cash and cash equivalent** | **-152** | **2,723** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Net Financial Position** | | **31.12.2021** | **31.12.2020** |
| *Current financial receivables* | |  |  |
| *Liquidity – cash and cash equivalent* | | (4,485,785) | (3,862.715) |
| *Current financial payables* | |  |  |
| Current financial payables | | 610,109 | 298,415 |
| ***Net current financial debt*** | | (3,875,676) | (3,564,300) |
| *Non-current financial payables* | |  |  |
| Non-current financial payables | | 1,581,146 | 2,191,255 |
| **Net financial position - NFP** | | (2,294,530) | (1,373,045) |
|  | | | |
| *Avarage collection days (giorni medi di incasso - DSO)* | 45 | | 56 |
| *Average payment days (giorni medi di incasso - DPO)* | 69 | | 61 |

Current Net Financial Position, amounting to Euro 3,876 thousand, consists exclusively of cash and cash equivalents, net of the portion of the medium-term loan whose repayment instalments fall due within 12 months of the end of the year. The loan of Euro 2,500 thousand originally intended to support investment in 2020 is regularly being repaid. Once again during the year under review, operations generated positive cash flow, enabling the Company to fund all its current operations as well as self-finance its investment program, without giving up its current cash on hand but rather investing any temporary surpluses. It should be noted that the overall Net Financial Position, net of the portion of loans falling due beyond the next financial year but within five years, amounts to Euro 2,295 thousand, marking an improvement of Euro 922 thousand.

**Allocation of profit for the year 2021**

The Board of Directors resolved to propose that the General Meeting of Shareholders carry forward the net income for the year, amounting to 168,787 euros, to be used to partially cover previous losses.

**Activities carried out in 2021**

In the year under review the Company kept all production branches operational, registering an increase of over 4% in revenues from sales and services. The upward trend in revenues of recent years was thus confirmed in 2021, reaching a total of 32.5 million euros, compared with approximately 31.2 million euros in the previous year. It should be noted that each division achieved an increase in revenues (publishing, media content, advertising sales). The Company also continued its investment program in the digitization of products, technological innovation and the production of television content.

The Company's financial structure allowed for adequate management of cash flows capable of supporting both current production activities and the fully self-financed investment program.

**Significant events occured after the end of the year**

After December 31, 2021 and up to the date of approval of the draft financial statement, no corporate events have occurred that would have an impact on the reported results of operations. As of today, the Company has not recorded any reductions in operating activities or in the related volumes of revenues and cash flows.

**Business outlook**

It is foreseeable that in 2022, also due to the negative effects caused by the conflict between Russia and Ukraine on the cost of raw materials, which in the publishing sector are mainly represented by energy, transport and paper, a continuous trend of increases in some industrial costs will be faced, which may weaken the entire production chain of the publishing sector in the broad sense and also cause a reduction in operating margins. The Company is implementing various countermeasures to promptly and flexibly streamline production models in order to reduce the impact on the current year as a whole, an impact that is not expected to affect the Company's production volumes and/or general operating capacity. The country's economic crisis is forcing the Company to accelerate its path towards digitalization, the revenue trend registered so far being in line with development objectives.

**Calling of Ordinary and Extraordinary General Meeting and filing of documents**

The Board of Directors granted the Chairman and Managing Director the power to convene the Shareholders' Meeting on April 29, 2022 in order to resolve, in ordinary session, on the approval of the financial statements for the year ended December 31, 2021, on the allocation of the result for the year, on the appointment of the audit firm for the financial years 2022, 2023 and 2024 and on the appointment of a member of the Board of Directors as well as, at an extraordinary session, to make some minor amendments to the Articles of Association requested by Borsa Italiana in order to clarify the Panel's responsibilities with regard to the Tender Offer.

The documentation required by current legislation, including the reasoned proposal that will be made by the Board of Statutory Auditors concerning the appointment of the external auditors, will be made available at the registered office in Via di Sant'Erasmo 2, Rome, and on the Company's website [www.seif-spa.it](http://www.seif-spa.it), Investor Relations section, within the terms set out by current legislation.

**Additional information**

In addition to the financial information referred to in the preceding points, the income statement, balance sheet and cash flow statement are hereby attached.

**Further information**

# In addition to the above financial information, the income statement, balance sheet and cash flow statement are attached.

# Ordinary Balance Sheet

|  | **31/12/2021** | **31/12/2020** |
| --- | --- | --- |
| **Assets** |  |  |
| **B) Fixed assets** |  |  |
| I – Intangible fixed assets | - | - |
| 1) start-up and capital costs | 563,425 | 829,554 |
| 4) concessions, licenses, trademarks and similar rights | 61,607 | 98,830 |
| 6) assets under construction and payments on account | 223,662 | 1.044.596 |
| 7) other | 8,074,472 | 6.290.297 |
| *Total intangible fixed assets* | 8,923,166 | 8,263,277 |
| II – Tangible fixed assets | - | - |
| 4) other assets | 169,888 | 201,916 |
| *Total tangible fixed assets* | *169,888* | *201,916* |
| III – Financial fixed assets | - | - |
| 2) receivables | - | - |
| d-bis) other receivables | 961,902 | 212,960 |
| due within the next year | 751,266 | 212,960 |
| due after the next year | 210,636 | - |
| *Total receivables* | 961,902 | 212,960 |
| 4) active derivative financial instruments | 7,503 | 2,518 |
| *Total financial fixed assets* | 969,495 | 215,478 |
| *Total fixed assets (B)* | 10,062,459 | 8,680,671 |
| **C) Current asset** |  |  |
| I - Inventories | - | - |
| 1) raw, subsidiary and consumable materials | 1,797 | 49,448 |
| 4) finished products and goods | 92,026 | 110,590 |
| *Total inventories* | 93,823 | 160,038 |
| II - Receivables | - | - |
| 1) trade receivables | 4,250,922 | 5,050,536 |
| due within the next year | 4,250,922 | 5,050,536 |
| 5-bis) tax receivables | 405,667 | 499,375 |
| due within the next one year | 405,667 | 499,375 |
| 5-ter) pre-paid taxes | 649,803 | 777,529 |
| 5-quater) from third parties | 416,813 | 421,364 |
| due within the next one year | 416,813 | 421,364 |
| *Total receivables* | *5,723,205* | *6,748,804* |
| III – Financial assets not of a fixed nature | - | - |
| 6) other assets | 622,659 | *598,328* |
| *Total financial assets not of a fixed nature* | *622,659* | *598,328* |
| IV – Cash and cash equivalents | - | - |
| 1) bank and postal deposit | 3,111,004 | 3,260,371 |
| 3) cash at bank and in hand | 946 | 4,016 |
| *Total cash and cash equivalents* | *3,111,950* | *3,264,387* |
| *Total current assets (C)* | *9,551,637* | *10,771,557* |
| **D) Accrual and deferred income** | **206,911** | **223,545** |
| *Total assets* | *19,821,007* | *19,675,773* |
| **Liabilities** |  |  |
| **A) Shareholders’ equity** | **4,586,420** | **4,420,052** |
| I – Share capital | 2,501,000 | 2,500,000 |
| II – Share premium reserve | 8,700 | - |
| 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 |
| VII – Reserve for hedging operations of expected cash flows | 5,702 | 1,914 |
| IX – Profit (loss) carried forward | (1,156,051) | (1,456,976) |
| IX – Profit (loss) of the year | 168,787 | 300,925 |
| X – Negative reserve for purchase of own shares | (1,136,574) | (1,120,667) |
| Total shareholders’ equity | 4,586,420 | 4,420,052 |
| **B) Provisions for risks and charges** |  |  |
| 2) tax provisions, including deferred tax liabilities | 1,801 | 604 |
| 4) other | 685,289 | 663,289 |
| *Total for risks and charges* | *687,090* | *663,893* |
| **C) Employee severance indemnity** | **2,730,564** | **2,320,324** |
| **D) Payables** |  |  |
| 4) bank financing | 2,191,255 | 2,489,670 |
| due within the next year | 610,109 | 298,415 |
| due after the next year | 1,581,146 | 2,191,255 |
| 7) tax payables | 3,942,364 | 3,727,114 |
| due within the next year | 3,942,364 | 3,727,114 |
| 12) tax payables | 481,563 | 551,583 |
| due after the next year | 481,563 | 551,583 |
| 13) amounts payable to social security institutions | 1,113,514 | 1,021,870 |
| due within the next year | 1,113,514 | 1,021,870 |
| 14) other receivables | 2,571,708 | 2.836,588 |
| due within the next year | 2,571,708 | 2.836,588 |
| *Total receivables* | *10,300,404* | *10,626,825* |
| **E) Accrual and deferred income** | **1,516,529** | **1,644,679** |
| *Total liabilities* | *19,821,007* | *19,675,773* |

# Ordinary Income Statement

|  | **31/12/2021** | **31/12/2020** |
| --- | --- | --- |
| **A) Production value** |  |  |
| 1) revenues from sales and services | 32,533,207 | 31,243,512 |
| 2) variations of inventory of raw and auxiliary materials, consumables and supplies | (18,564) | 34,212 |
| 4) increases in fixed assets for internal works | 5,502,187 | 6,255,486 |
| 5) other revenues and income | - | - |
| other | 473,016 | 494,100 |
| *Total other revenues and income* | *473,016* | *494,100* |
| *Total production value* | *38,489,846* | *38,027,310* |
| **B) Cost of production** |  |  |
| 6) for raw and auxiliary materials, consumables and supplies | 945,628 | 1,133,515 |
| 7) for services | 17,537,844 | 17,170,893 |
| 8) for use of assets owned by others | 1,635,078 | 1,795,058 |
| 9) for personnel | - | - |
| a) salaries and wages | 8,407,641 | 8,610,079 |
| b) social security | 2,646,645 | 2,696,310 |
| c) employee severance indemnity | 527,103 | 462,774 |
| e) other costs | 167,954 | 303,604 |
| *Total personnel costs* | *11,749,343* | *12,072,767* |
| 10) amortization, depreciation and impairment | - | - |
| a) depreciation of intangible fixed assets | 5,194,812 | 4,964,237 |
| b) depreciation of tangible fixed assets | 90,649 | 82,737 |
| d) writedowns of receivables included in current assets and cash and cash equivalents | 40,000 |  |
| *Total* amortization, depreciation and impairment | *5,325,461* | *5,046,974* |
| 11) variations of inventory of raw and auxiliary materials, consumables and supplies | 47,651 | 124,894 |
| 12) provisions for risks | 150,644 | 57,394 |
| 14) other operating costs | 632,423 | 464,312 |
| *Total of cost of production* | *38,024,072* | *37,865,807* |
| **Difference between value and costs of production (A - B)** | **465,774** | **161,503** |
| **C) Financial revenues and expenses** |  |  |
| 15) financial income from investments: | - | - |
| financial income from investments | - | 333,061 |
| *Total financial income from receivables recorded as fixed assets* | - | *333,061* |
| 16) other financial revenues | - |  |
| a) from receivables recorded as fixed assets | - | - |
| other | 1,800 | 1,800 |
| *Total revenues different from the previous* | *1,800* | *1,800* |
| c) from securities included under the working capital which are not shareholdings | 36,435 | 12,515 |
| d) revenues different from the previous | - | - |
| other | 4,388 | 37 |
| *Total of financial revenues other than the above* | *4,388* | 37 |
| *Total of other financial revenues* | *42,623* | *14,352* |
| 17) Interests and financial expenses | - | - |
| other | 54,209 | 31,343 |
| *Total interests and financial* expenses | 54,209 | *31,343* |
| 17-bis) exchange gains and losses | (942) | 1,061 |
| *Total financial revenues and* expenses *(15+16-17+-17-bis)* | (12,528) | *317,131* |
| **Result before taxes (A-B+-C+-D)** | **453,246** | **478,634** |
| **20) Current, deferred and prepaid taxes on the income of the year** |  |  |
| current taxes | 156,734 | 157,022 |
| taxes related to previous years | 127,725 | 20,687 |
| *Total current, deferred and prepaid taxes on the income of the year* | 284,459 | *177,709* |
| **21) Profit (loss) for the year** | **168,787** | **300,925** |

# Cashflow statement, indirect method

|  | **Amonut at 31/12/2021** | **Amont at 31/12/2020** |
| --- | --- | --- |
| **A) Cash flows from operating activities (indirect method)** |  |  |
| Profit (loss) for the year | 168,787 | 300,925 |
| Income taxes | 284,459 | 177,709 |
| Payable (receivable) interest | 12,528 | 15,930 |
| (Gains)/Losses on disposal of assets |  | (333,061) |
| *1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances* | 465,774 | *161,503* |
| Adjustments to non monetary items that were not offset in the net working capital. |  |  |
| Allocation to preserves | 812,730 | 666,433 |
| Depreciation of fixed assets | 5,285,461 | 5,046,974 |
| Other adjustments to increase/(decrease) non-monetary items | 24,331 |  |
| *Total adjustments for non-monetary items that were not offset in the net working capital* | 6,122,522 | *5,713,407* |
| *2)* *Cash flow before changing net working capital* | 6,588,296 | *5,874,910* |
| Changes in net working capital |  |  |
| Decrease/(increase) in inventory | 66,215 | 90,682 |
| Decrease/(increase) in payables to customers | 799,614 | (962,754) |
| Increase (decrease) in trade payables | 215,250 | 8,537 |
| Decrease/(Increase) in accrued income and prepayments | 16,634 | 16,758 |
| Increase/(Decrease) in accrued income and prepayments | (128,150) | 362,885 |
| Other decreases/(Other increases) in net working capital | (345,407) | 1,419,810 |
| *Total changes in net working capital* | 624,156 | *935,918* |
| *3) Cash flow after changes in net working capital* | 7,212,452 | *6,810,828* |
| Other adjustments |  |  |
| Interest received/(paid) | (12,528) | (15,930) |
| (Use of funds) | (380,490) | (421,820) |
| *Total other adjustments* | (393,018) | *(437,750)* |
| ***Cash flow from operating activity (A)*** | ***6,819,434*** | ***6,373,078*** |
| **B) Cash flow from investment activity** |  |  |
| Tangible fixed assets |  |  |
| (Investments) | (58,621) | (62,775) |
| Intangible assets |  |  |
| (Investments) | (5,854,701) | (6,974,730) |
| Financial fixed assets |  |  |
| (Investments) | (753,927) | - |
| Divestitures |  | 928,620 |
| ***Cash flow from from investiment activity (B)*** | ***(6,667,249)*** | ***(6,108,885)*** |
| **C) Cash flow from financing activity** |  |  |
| Third party resources |  |  |
| Increase (Decrease) in short-term payables to banks | (298,415) | 298,415 |
| Starting financing |  | 2,191,255 |
| Own resources |  |  |
| Capital increase against payment | 9,700 |  |
| Transfer/(purchase= of own shares | (15,907) | (29,911) |
| ***Cash flow from financing activity (C)*** | **(304,622)** | ***2,459,759*** |
| ***Increase (decrease) in cash and cash equivalents (A ± B ± C)*** | **(152,437)** | ***2,723,952*** |
| Cash and cash equivalents at the beginning of the year |  |  |
| Bank and postal deposits | 3,260,371 | 583,023 |
| Money and equivalents on hand | 4,016 | 2,412 |
| Total of cash and cash equivalents at the beginning of the year | 3,264,387 | 540,435 |
| Cash and cash equivalents at the end of the year |  |  |
| Bank and postal deposits | 3,111,004 | 3,260,371 |
| Money and equivalents on hand | 946 | 4,016 |
| Total cash and cash equivalents at the end of the year | 3,111,950 | 3,264,387 |