

Caltagirone Editore: the Board of Directors approves 2020 results

- Revenues: Euro 119.9 million (Euro 135.9 million in 2019)
- Ebitda reached Euro 5.5 million (Euro 2.5 million in 2019)
- Group net loss of Euro 44.3 million after Euro 57.4 million intangible assets with indefinite life write-down (Euro -30.6 million in 2019 after Euro 39.8 million write-down)
- Digital activities increase. Internet advertising revenues up of 7.4% and daily unique users on the Group's websites up of 25%
- The Board of Directors has resolved to propose to the Shareholders' Meeting not to distribute any dividend

Rome, March 8th 2021 – The Board of Directors of Caltagirone Editore, chaired by Mr. Francesco Gianni, examined and approved the results originated by the analysis on the value of intangible assets, examined and approved the draft financial statements for the year ended December 31st, 2020.

The year was marked by a national scenario characterized by the spread of the Coronavirus and the adoption, by the national authorities, of the necessary containment measures that affected the general economic situation and consequently also the organization and the activities. The Group reacted promptly with the implementation of measures to guarantee the health and safety of its personnel and to be more efficient in terms of costs by reducing the economic effects connected to the decline in advertising and sales revenues.

Group Performance

Operating revenues reached Euro 119.9 million (Euro 135.9 million in 2019). Circulation revenues, included the sales of digital copies, reached Euro 53.3 million and decreased by 12.4% compared to previous year. The Group's advertising revenues were down by 12.5% compared to 2019 and reached Euro 60.7 million. Advertising sales on the internet, including advertising on behalf of third parties, increased by 7.4% and is now 24.4% of the total advertising revenues. The Total Audience (PC or mobile) of the Group's web sites recorded, on December 2020, 4.93 million unique average daily users and increased by 25% compared the same month of 2019.

Ebitda reached Euro 5.5 million (Euro 2.5 million in 2019). The costs for personnel, including non-recurring charges that amounts to Euro 4.2 million (Euro 3.2 million in 2019) linked to the reorganization processes put in action by some subsidiaries, decreased by 7.1% compared to 2019. Excluding such non-recurring costs, the

costs for personnel decreased by 9.4%. The other Operating Costs decreased by 17.3% due to the actions taken in the Group reorganization process that have enabled cost savings, particularly in service costs. The cost of raw materials also decreased by 33.1% compared to 2019, mainly due to the lower quantities used in the production process and to the reduction in the price of paper.

Ebit recorded a loss of Euro 59.6 million (Euro -45.6 million as of December 2019) after the intangible impairment charge of Euro 57.4 million (Euro 39.8 million in 2019) amortizations of Euro 6.7 million (Euro 6.3 million of 2019), provisions of Euro 118 thousand (Euro 1.3 million as of 2019) and depreciations for Euro 914 thousand (Euro 691 thousand as of 2019).

Net financial result reached Euro 2.9 million (Euro 5.1 million as of December 31st 2019) and includes dividends received on listed shares net of financial charges connected to operational needs.

Group net loss reached Euro 44.3 million (loss of Euro 30.6 million in 2019).

Net financial position reached Euro 86 million and decreased by Euro 7.8 million (Euro 93.4 million as of December 31th, 2019) as a result of investments in listed shares net of dividends collected and positive cash flow.

Consolidated Group Shareholders' Equity reached Euro 339.3 million (Euro 408.2 million on December 31st 2019). The decrease is mainly due to the negative result of the year and to the negative effect in the *fair value* valuation of the equity investments held.

At December 31st 2020 the Group employed 596 people (611 at December 31st 2019).

The Board of Directors has resolved to propose to the Shareholders' Meeting not to distribute any dividend.

The Ordinary Shareholders' Meeting is convened at the Company's registered office on first call, for April 26st, 2021 and on second call on May the 5th, 2021 to approve the financial statements at December 31st, 2020, the renewal of the Board of Directors and of the Board of Statutory Auditors for the three-year period 2021 - 2022 and 2023 and the remuneration report.

The Board of Directors has approved the Report on corporate governance pursuant to Art. 123-bis of Legislative Decree n. 58/1998 as well as the Remuneration Report pursuant to art. 123-ter of Legislative Decree n. 58/1998 and article 84-quater of the Issuers Regulation, which will be made available, together with the Annual Report 2020, in the time required by law at the registered office, on the Company website

of www.caltagironeeditore.com in the Investors section, and on the storage mechanism authorized operated by Spafid Connect Spa at www.emarketstorage.com.

The Board of Directors confirmed that the Chief of Directors Francesco Gianni and the Directors Massimo Confortini, Annamaria Malato, Valeria Ninfadoro and Giacomo Scribani Rossi are Independent Directors according to the provisions contained in the Legislative Decree n. 58 of February 24th, 1998.

Outlook

In order to mitigate the negative impacts of the Covid-19 emergency on economic, equity and financial results, the Company will continue to implement measures aimed at containing all discretionary costs and structurally reducing direct and operating costs.

Fabrizio Caprara, as the Executive responsible for preparing the Company's financial reports, declares in accordance with article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the underlying documents, records and accounting entries.

Enclosed the financial statements, currently being examined by the independent audit firm and by the Board of Statutory Auditors.

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**CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET**



Assets

(in Euro thousands)

Non-current assets

	31.12.2020	31.12.2019
Intangible assets with definite life	866	809
Intangible assets with indefinite life	103,003	160,403
<i>Newspaper titles</i>	103,003	160,403
Property, plant and equipment	40,419	44,808
Equity investments and non-current securities	108,159	120,777
Other non-current assets	135	89
Deferred tax assets	53,389	53,616
TOTAL NON-CURRENT ASSETS	305,971	380,502

Current assets

Inventories	1,592	1,651
Trade receivables	41,031	42,849
<i>of which related parties</i>	208	123
Other current assets	1,024	804
Cash and cash equivalents	100,496	112,368
TOTAL CURRENT ASSETS	144,184	157,672
TOTAL ASSETS	450,155	538,174

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



(in Euro thousands)

	2020	2019
Revenues		
Revenues from sales and supply of services	116,411	132,108
<i>of which related parties</i>	241	249
Other operating revenues	3,485	3,751
<i>of which related parties</i>	76	54
TOTAL REVENUES	119,896	135,859
Costs		
Raw material costs	(7,833)	(11,714)
Personnel costs	(53,338)	(57,395)
<i>of which restructuring charges</i>	(4,212)	(3,190)
Other operating charges	(53,190)	(64,287)
<i>of which related parties</i>	(706)	(1,890)
TOTAL COSTS	(114,361)	(133,396)
EBITDA	5,535	2,463
Amortisation and depreciations	(3,056)	(2,903)
Leasing depreciations	(3,673)	(3,393)
Provisions	(118)	(1,256)
Intangible assets with indefinite life depreciation	(57,400)	(39,800)
Other write-downs	(914)	(691)
Amortisation, depreciation, write-downs & provisions	(65,161)	(48,043)
EBIT	(59,626)	(45,580)
Financial income	3,521	5,908
<i>of which related parties</i>	3,250	5,850
Financial charges	(651)	(821)
<i>of which related parties</i>	(62)	(83)
Net financial result	2,870	5,087
PROFIT/(LOSS) BEFORE TAX	(56,756)	(40,493)
Income taxes for the period	12,479	9,844
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(44,277)	(30,649)
NET PROFIT/(LOSS) FOR THE YEAR	(44,277)	(30,649)
Group net loss	(44,277)	(30,649)
Minority interest share	-	-
Earnings per share	(0.415)	(0.287)
Diluted earnings per share	(0.415)	(0.287)

CALTAGIRONE EDITORE GROUP
Consolidated Comprehensive Income Statement



(in Euro thousands)

	2020	2019
Net loss for the year	(44,277)	(30,649)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	(205)	(515)
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	(24,459)	24,089
Total other items of the Comprehensive Income Statement	(24,664)	23,574
Total comprehensive loss for the year	(68,941)	(7,075)
Attributable to:		
Parent Company shareholders	(68,941)	(7,075)
Minority interest	-	-

CALTAGIRONE EDITORE GROUP
Statement of changes in consolidated shareholders' equity



<i>(in Euro thousands)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Net profit/loss	Group net equity	Minority interest net equity	Total net equity
Balance at January 1st 2019	125,000	(18,865)	(23,641)	(3,002)	343,981	(8,298)	415,175	-	415,175
Previous year result carried forward					(8,298)	8,298			-
Total operations with shareholders					(8,298)	8,298			-
Change in fair value reserve				24,089			24,089	-	24,089
Change in employment termination reserve					(515)		(515)		(515)
Net Result						(30,649)	(30,649)	-	(30,649)
Comprehensive Profit/(Loss) for the year	-	-	-	24,089	515	(30,649)	(7,075)	-	(7,075)
Other Changes					110		110		110
Balance at December 31st 2019	125,000	(18,865)	(23,641)	21,087	335,278	(30,649)	408,210	-	408,210
Balance at January 1st 2020	125,000	(18,865)	(23,641)	21,087	335,278	(30,649)	408,210	-	408,210
Previous year result carried forward					(30,649)	30,649			-
Total operations with shareholders	-	-	-	-	(30,649)	30,649			-
Change in fair value reserve				(24,459)			(24,459)	-	(24,459)
Change in employment termination reserve					(205)		(205)		(205)
Net Result						(44,277)	(44,277)	-	(44,277)
Comprehensive Profit/(Loss) for the year	-	-	-	(24,459)	(205)	(44,277)	(68,941)	-	(68,941)
Balance at December 31st 2020	125,000	(18,865)	(23,641)	(3,372)	304,424	(44,277)	339,269	-	339,269

Caltagirone Editore Group
Consolidated Cash Flow Statement



(in Euro thousands)

	2020	2019
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	112,368	109,656
Net loss for the year	(44,277)	(30,649)
Amortisation & Depreciation	6,729	6,296
(Revaluations) and write-downs	58,313	40,490
Net financial income/(charges)	(2,870)	(5,086)
(Gains)/losses on disposals	(14)	(1)
Income taxes	(12,479)	(9,844)
Changes in employee provisions	(989)	(1,134)
Changes in current and non-current provisions	754	1,884
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	5,167	1,956
(Increase) Decrease in inventories	60	92
(Increase) Decrease in Trade receivables	905	2,654
Increase (Decrease) in Trade payables	(1,637)	(959)
Change in other current and non-current liabilities	(244)	100
Change in deferred and current income taxes	(121)	(158)
OPERATING CASH FLOW	4,130	3,685
Dividends received	3,250	5,850
Interest received	-	58
Interest paid	(549)	(476)
Other incomes received/(expenses paid)	271	-
Income taxes paid	(71)	(208)
A) CASH FLOW FROM OPERATING ACTIVITIES	7,031	8,909
Investments in intangible fixed assets	(600)	(1,246)
Investments in tangible fixed assets	(448)	(660)
Non-current investments and securities	(12,369)	-
Sale of intangible and tangible assets	63	374
(Inc.)/Dec in current investments and securities	(36)	-
B) CASH FLOW FROM INVESTING ACTIVITIES	(13,390)	(1,532)
Change in current fin. liabilities	(5,513)	(4,665)
Other changes	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES	(5,513)	(4,665)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(11,872)	2,712
CASH AND CASH EQUIVALENTS AT END OF PERIOD	100,496	112,368

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

Non-current assets

	31.12.2020	31.12.2019
Property, plant and equipment	633,490	849,406
Equity investments valued at cost:		
<i>subsidiary companies</i>	262,236,785	254,419,741
<i>other companies</i>	10	10
Equity investments and non-current securities	47,771,000	61,623,250
Deferred tax assets	43,786,902	42,715,651
TOTAL NON-CURRENT ASSETS	354,428,187	359,608,058

Current assets

Trade receivables	77,462	501,218
<i>of which related parties</i>	76,218	501,218
Current financial assets	33,111,181	57,252,158
<i>of which related parties</i>	33,111,181	57,252,158
Tax receivables	32,416	35,766
Other current assets	2,488,085	4,224,120
<i>of which related parties</i>	2,432,977	4,169,421
Cash and cash equivalents	1,694,355	3,134,015
TOTAL CURRENT ASSETS	37,403,499	65,147,277
TOTAL ASSETS	391,831,686	424,755,335



SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro)

Shareholders' Equity

Share capital	125,000,000	125,000,000
Share capital issue costs	(18,864,965)	(18,864,965)
Other reserves	254,574,952	308,891,573
Profit/(loss) for the year	(20,538,992)	(40,629,621)
SHAREHOLDERS' EQUITY	340,170,995	374,396,987

LIABILITIES

Non-current liabilities

Employee provisions	99,425	92,739
Non - Current financial liabilities	422,515	638,821
<i>of which related parties</i>	422,515	638,821
Deferred tax liabilities	15,744	182,181
TOTAL NON-CURRENT LIABILITIES	537,684	913,741

Current liabilities

Current provisions	36,071	70,493
Trade payables	588,520	1,712,920
<i>of which related parties</i>	318,117	1,583,332
Current financial liabilities	2,045,659	2,248,395
<i>of which related parties</i>	2,045,659	2,248,395
Current income tax payables	-	2,132
Other current liabilities	48,452,757	42,608,713
<i>of which related parties</i>	42,457,634	36,096,277
TOTAL CURRENT LIABILITIES	51,123,007	46,642,653

TOTAL LIABILITIES

51,660,691 **46,770,021**

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

391,831,686 **449,238,254**



INCOME STATEMENT

(in Euro)

	2020	2019
Other operating revenues	465,918	579,218
<i>of which related parties</i>	<i>458,000</i>	<i>508,000</i>
TOTAL REVENUES	465,918	579,218
Personnel costs	(174,443)	(201,075)
Other operating charges	(1,701,443)	(1,777,593)
<i>of which related parties</i>	<i>(570,222)</i>	<i>(548,364)</i>
TOTAL COSTS	(1,875,886)	(1,978,668)
EBITDA	(1,409,968)	(1,399,450)
Amortisation, depreciation and provisions	-	-
Leasing depreciation	(217,197)	(216,870)
EBIT	(1,627,165)	(1,616,320)
Financial income	1,675,000	4,780,707
<i>of which related parties</i>	<i>1,675,000</i>	<i>4,780,695</i>
Financial charges	(20,958,186)	(44,129,553)
<i>of which related parties</i>	<i>(7,755)</i>	<i>(10,096)</i>
Net financial result	(19,283,186)	(39,348,846)
PROFIT/(LOSS) BEFORE TAX	(20,910,351)	(40,965,166)
Income taxes for the period	371,359	335,545
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(20,538,992)	(40,629,621)
NET PROFIT/(LOSS) FOR THE YEAR	(20,538,992)	(40,629,621)



Comprehensive Income Statement

(in Euro)

	2020	2019
Net profit/(loss) for the year	(20,538,992)	(40,629,621)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	(572)	(2,315)
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	(13,686,023)	12,560,691
Total other items of the Comprehensive Income Statement	(13,686,595)	12,558,376
Total comprehensive profit/(loss) for the year	(34,225,587)	(28,071,245)



<i>(in Euro)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserve	Net Profit/Loss	Net equity
Balance at January 1st 2019	125,000,000	(18,864,965)	(23,640,924)	2,421,614	333,263,923	(15,711,415)	402,468,233
Previous year result carried forward					(15,711,415)	15,711,415	-
Total operations with shareholders	125,000,000	(18,864,965)	(23,640,924)	2,421,614	317,552,508	-	402,468,233
Change in fair value reserve				12,560,691			12,560,691
Change in employment termination reserve					(2,315)		(2,315)
Net Result						(40,629,621)	(40,629,621)
Comprehensive Profit/(Loss) for the year	-	-	-	12,560,691	(2,315)	(40,629,621)	(28,071,245)
Other Changes					(1)		(1)
Balance at December 31st 2019	125,000,000	(18,864,965)	(23,640,924)	14,982,305	317,550,192	(40,629,621)	374,396,987
Balance at January 1st 2020	125,000,000	(18,864,965)	(23,640,924)	14,982,305	317,550,192	(40,629,621)	374,396,987
Previous year result carried forward					(40,629,621)	40,629,621	-
Total operations with shareholders	125,000,000	(18,864,965)	(23,640,924)	14,982,305	276,920,571	-	374,396,987
Change in fair value reserve				(13,686,023)			(13,686,023)
Change in employment termination reserve					(572)		(572)
Net Result						(20,538,992)	(20,538,992)
Comprehensive Profit/(Loss) for the year	-	-	-	(13,686,023)	(572)	(20,538,992)	(34,225,587)
Other Changes					(405)		(405)
Balance at December 31st 2020	125,000,000	(18,864,965)	(23,640,924)	1,296,282	276,919,594	(20,538,992)	340,170,995

Caltagirone Editore SpA
Cash Flow Statement



(in Euro)

	2020	2019
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	3,134,015	1,681,854
Net loss for the year	(20,538,992)	(40,629,621)
Amortisation & Depreciation	217,197	216,870
(Revaluations) and write-downs	20,940,815	44,108,851
Net financial income/(charges)	(1,657,628)	(4,760,006)
<i>of which related parties</i>	<i>(1,667,245)</i>	<i>(4,770,599)</i>
Income taxes	(371,359)	(335,544)
Changes in employee provisions	5,232	(9,448)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(1,404,735)	(1,408,898)
(Increase) Decrease in Trade receivables	423,756	11,763
Increase (Decrease) in Trade payables	(1,483,787)	359,387
Change in other current and non-current liabilities	1,155,450	868,420
Change in deferred and current income taxes	(700,643)	(1,594,433)
OPERATING CASH FLOW	(2,009,959)	(1,763,761)
Dividends received	1,675,000	4,780,695
<i>of which related parties</i>	<i>1,675,000</i>	<i>4,780,695</i>
Interest received	-	12
Interest paid	(9,193)	(9,096)
A) CASH FLOW FROM OPERATING ACTIVITIES	(344,152)	3,007,850
Non-current investments and securities	(273,040)	(1,738,619)
Change in current fin. assets	(179,825)	399,800
B) CASH FLOW FROM INVESTING ACTIVITIES	(452,865)	(1,338,819)
Change in current fin. liabilities	(642,643)	(216,870)
Other changes	-	0
C) CASH FLOW FROM FINANCING ACTIVITIES	(642,643)	(216,870)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(1,439,660)	1,452,161
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,694,355	3,134,015