

## **Caltagirone Editore: the Board of Directors approves the results for first half of 2021**

- Revenues: Euro 55.8 million (Euro 54.6 million for first half of 2020)
- Ebitda: Euro 3.1 million (Euro -1.8 million for first half of 2020)
- Group net result: Euro 16.2 million (Euro -18.1 million for first half of 2020)

**Rome, July 26<sup>th</sup>, 2021** - The Board of Directors of Caltagirone Editore, chaired by Mrs. Azzurra Caltagirone, examined and approved the results of the first half of 2021.

### **Performance of operations**

Compared to the corresponding period of 2020 all the items of the income statement recorded an improvement in the first six months of the 2021 financial year.

**Revenues** amounted to Euro 55.8 million, up 2.1% compared to the same period of 2020 due to the increase of advertisement incomes net of the reduction in circulation. Total revenues from the sale of the paper and digital editions of the Group newspapers went down by 4.7% compared to the corresponding period of 2020. Group advertising revenue increased by 7.4%. The contribution of the internet sector to the total advertising turnover is 24.1%. The Total Audience (pc or mobile) of the Group's web sites recorded, in the period January – May 2021, 3.49 million unique average daily users.

**Costs** decreased by 6.6% on the first half of 2020 and amounted to Euro 52.7 million (Euro 56.4 million as of June 30<sup>th</sup>, 2020). The cost of raw materials went down by 12.2% due to the lower quantities used in the production process and the decrease of the paper price. Labor costs, that includes non-recurrent costs of Euro 289 thousand (Euro 992 thousand as of June 30<sup>th</sup>, 2020) related to operations put in place by some controlled companies, decreased by 6.5%. The other operating costs decreased by 5.8%.

**EBITDA** was Euro 3.1 million (Euro -1.8 million as of June 30<sup>th</sup>, 2020).

**EBIT** recorded a loss of Euro 528 thousand (Euro -27.5 million in the first half 2020) and includes amortizations of Euro 3.3 million (Euro 3.2 million as of June 30<sup>th</sup> 2020), provisions of Euro 52 thousand (Euro 30 thousand as of June 30<sup>th</sup> 2020) and depreciations for Euro 271 thousand (Euro 468 thousand as of June 30<sup>th</sup> 2020). The first half of 2020 included Euro 22 million writedowns of intangible assets with an indefinite life, following the effects of the Covid-19 pandemic and in accordance with the provisions of the reference accounting standards.

**Net income from financial operations**, positive for Euro 8.1 million, went up compared to Euro 2.8 million in the first half of 2020 due to the higher dividends received on listed shares (Euro 8.3 million in the first half 2021 compared to Euro 3.3 million in the first half of 2020).

**Group net result** was positive for Euro 16.2 million (Euro -18.2 million as of June 30<sup>th</sup> 2020) also due to the use of the realignment rules operated by some subsidiaries.

**The net financial position** amounts to Euro 78.8 million, decreasing by Euro 7.2 million from December 31<sup>th</sup>, 2020 mainly due to the investments in listed shares net of dividends collected on listed shares and of the positive operating cash flow.

**Shareholders' equity** amounts to Euro 375.8 million (Euro 339.3 million as of December 31<sup>th</sup>, 2020). The increase is due to the positive effect achieved during the semester in the *fair value* valuation of the equity investments held and to the result of the period.

### **Forecasts for the current year**

The Group will continue its initiatives to enhance the multimedia versions and improve internet activities in order to increase advertising flows and acquire new readers. The Group will continue to improve the containing of all discretionary costs and to reduce direct and operating costs.

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*The Executive responsible for the preparation of the corporate accounting documents, Luigi Vasta, declares in accordance with article 154 bis, paragraph 2, of the “Testo Unico della Finanza”, that the accounting information contained in the present press release corresponds to the underlying documents, records and accounting entries*

*Attached the statutory balance sheets and income statement currently under review of the Board of Statutory Auditors and the Independent Auditors.*

**CALTAGIRONE EDITORE GROUP**  
**CONSOLIDATED BALANCE SHEET**



**Assets**

(in Euro thousands)

**Non-current assets**

	<b>30.06.2021</b>	<b>31.12.2020</b>
Intangible assets with definite life	682	866
Intangible assets with indefinite life	103,003	103,003
<i>Newspaper titles</i>	<i>103,003</i>	<i>103,003</i>
Property, plant and equipment	37,563	40,419
Equity investments and non-current securities	150,233	108,159
Other non-current assets	127	135
Deferred tax assets	52,944	53,389
<b>TOTAL NON-CURRENT ASSETS</b>	<b>344,552</b>	<b>305,971</b>

**Current assets**

Inventories	1,994	1,592
Trade receivables	33,586	41,031
<i>of which related parties</i>	<i>117</i>	<i>208</i>
Tax receivables	-	41
Other current assets	1,596	1,024
<i>of which related parties</i>	<i>3</i>	<i>3</i>
Cash and cash equivalents	89,686	100,496
<b>TOTAL CURRENT ASSETS</b>	<b>126,862</b>	<b>144,184</b>
<b>TOTAL ASSETS</b>	<b>471,414</b>	<b>450,155</b>

**CALTAGIRONE EDITORE GROUP  
CONSOLIDATED BALANCE SHEET**



**SHAREHOLDERS' EQUITY AND  
LIABILITIES**

(in Euro thousands)

**Shareholders' Equity**

	<b>30.06.2021</b>	<b>31.12.2020</b>
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	253,383	277,411
Profit/(loss) for the year	16,244	(44,277)
<b>Group shareholders' equity</b>	<b>375,762</b>	<b>339,269</b>
Minority interest shareholders' equity	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>375,762</b>	<b>339,269</b>

**LIABILITIES**

**Non-current liabilities**

Employee provisions	14,527	14,802
Other non-current provisions	148	155
Non-current financial liabilities	2,467	3,562
<i>of which related parties</i>	1,100	1,936
Other non-current liabilities	1,452	1,859
Deferred tax liabilities	18,394	27,548
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>36,988</b>	<b>47,926</b>

**Current liabilities**

Current provisions	11,609	11,769
Trade payables	18,212	19,647
<i>of which related parties</i>	501	248
Current financial liabilities	8,448	10,916
<i>of which related parties</i>	2,180	2,783
Tax payables	699	-
Other current liabilities	19,696	20,628
<i>of which related parties</i>	27	33
<b>TOTAL CURRENT LIABILITIES</b>	<b>58,664</b>	<b>62,960</b>

**TOTAL LIABILITIES**

**TOTAL SHAREHOLDERS' EQUITY AND  
LIABILITIES**

<b>95,652</b>	<b>110,886</b>
<b>471,414</b>	<b>450,155</b>

**CALTAGIRONE EDITORE GROUP**  
**CONSOLIDATED INCOME STATEMENT**



(in Euro thousands)

	<b>1st half 2021</b>	<b>1st half 2020</b>
<b>Revenues</b>		
Revenues from sales and supply of services	54,392	53,296
<i>of which related parties</i>	160	134
Other operating revenues	1,408	1,331
<i>of which related parties</i>	36	36
<b>TOTAL REVENUES</b>	<b>55,800</b>	<b>54,627</b>
<b>Costs</b>		
Raw material costs	(3,525)	(4,013)
Personnel costs	(24,761)	(26,492)
<i>of which non-recurring charges</i>	(289)	(992)
Other operating charges	(24,442)	(25,936)
<i>of which related parties</i>	(442)	(381)
<b>TOTAL COSTS</b>	<b>(52,728)</b>	<b>(56,441)</b>
<b>EBITDA</b>	<b>3,072</b>	<b>(1,814)</b>
Amortisation	(1,472)	(1,405)
Leasing amortisation	(1,805)	(1,792)
Depreciation	(52)	(30)
Intangible assets with indefinite life write-down	0	22,000
Other write-downs	(271)	(468)
<b>Amortisation, depreciations and other write-downs</b>	<b>(3,600)</b>	<b>(25,695)</b>
<b>EBIT</b>	<b>(528)</b>	<b>(27,509)</b>
Financial income	9,086	3,253
<i>of which related parties</i>	7,575	3,250
Financial charges	(979)	(419)
<i>of which related parties</i>	(21)	(35)
<b>Net financial result</b>	<b>8,107</b>	<b>2,834</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>7,579</b>	<b>(24,675)</b>
Income taxes for the period	8,665	6,524
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>16,244</b>	<b>(18,151)</b>
Group net loss	16,244	(18,151)
Minority interest share	-	-
Earnings per share	0.152	(0.170)
Diluted earnings per share	0.152	(0.170)

**CALTAGIRONE EDITORE GROUP**  
**Consolidated Comprehensive Income Statement**



*(in Euro thousands)*

	<b>1st half 2021</b>	<b>1st half 2020</b>
<b>Net income/(loss) for the year</b>	<b>16,244</b>	<b>(18,151)</b>
<b>Items which are not reclassified subsequently to profit/(loss) for the period</b>		
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	20,282	(31,757)
Gain/(loss) from sale of capital instruments assets, net of fiscal effect	(14)	-
<b>Total other items of the Comprehensive Income Statement</b>	<b>20,268</b>	<b>(31,757)</b>
<b>Total comprehensive income/ (loss) for the year</b>	<b>36,512</b>	<b>(49,908)</b>
<b>Attributable to:</b>		
Parent Company shareholders	36,512	(49,908)
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
<b>Balance at January 1st 2020</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(23,641)</b>	<b>21,087</b>	<b>335,278</b>	<b>(30,649)</b>	<b>408,210</b>	-	<b>408,210</b>
Previous year result carried forward					(30,649)	30,649	-	-	-
<b>Total operations with shareholders</b>	-	-	-	-	<b>(30,649)</b>	<b>30,649</b>	-	-	-
Change in fair value reserve				(31,757)			(31,757)		(31,757)
Net Result						(18,151)	(18,151)		(18,151)
<b>Comprehensive Income/(Loss) for the year</b>	-	-	-	<b>(31,757)</b>	-	<b>(18,151)</b>	<b>(49,908)</b>	-	<b>(49,908)</b>
<b>Balance at June 30th 2020</b>	<b>125,000</b>	<b>- 18,865</b>	<b>- 23,641</b>	<b>(10,670)</b>	<b>304,629</b>	<b>(18,151)</b>	<b>358,302</b>	-	<b>358,302</b>
<b>Balance at January 1st 2021</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(23,641)</b>	<b>(3,372)</b>	<b>304,424</b>	<b>(44,277)</b>	<b>339,269</b>	-	<b>339,269</b>
Previous year result carried forward					(44,277)	44,277	-	-	-
<b>Total operations with shareholders</b>	-	-	-	-	<b>(44,277)</b>	<b>44,277</b>	-	-	-
Change in fair value reserve				20,282			20,282		20,282
Other Changes					(14)		(14)		(14)
Net Result						16,244	16,244		16,244
<b>Comprehensive Income/(Loss) for the year</b>	-	-	-	<b>20,282</b>	<b>14</b>	<b>16,244</b>	<b>36,512</b>	-	<b>36,512</b>
Other Changes					(19)		(19)		(19)
<b>Balance at June 30th 2021</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(23,641)</b>	<b>16,910</b>	<b>260,114</b>	<b>16,244</b>	<b>375,762</b>	-	<b>375,762</b>

**Caltagirone Editore Group**  
**Consolidated Cash Flow Statement**



(in Euro thousands)

	<b>1st half 2021</b>	<b>1st half 2020</b>
<b>CASH AND CASH EQUIV. AT BEGINNING OF YEAR</b>	<b>100,496</b>	<b>112,368</b>
Net income/(loss) for the year	16,244	(18,151)
Amortisation & Depreciation	3,277	3,197
(Revaluations) and write-downs	271	22,468
Net financial income/(charges)	(8,106)	(2,834)
(Gains)/losses on disposals	0	(14)
Income taxes	(8,665)	(6,524)
Changes in employee provisions	(479)	(542)
Changes in current and non-current provisions	(167)	123
<b>OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL</b>	<b>2,375</b>	<b>(2,277)</b>
(Increase) Decrease in inventories	(402)	(344)
(Increase) Decrease in Trade receivables	7,174	7,677
Increase (Decrease) in Trade payables	(1,435)	(1,927)
Change in other current and non-current liabilities	(2,002)	(1,667)
Change in deferred and current income taxes	30	22
<b>OPERATING CASH FLOW</b>	<b>5,740</b>	<b>1,484</b>
Dividends received	8,338	3,250
Interest received	10	-
Interest paid	(259)	(279)
Other incomes received/(expenses paid)	738	3
Income taxes paid	(521)	-
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>14,046</b>	<b>4,458</b>
Investments in intangible fixed assets	(75)	(510)
Investments in tangible fixed assets	(97)	(360)
Non-current investments and securities	(20,605)	-
Sale of intangible and tangible assets	-	373
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(20,777)</b>	<b>(497)</b>
Change in current fin. liabilities	(4,079)	(3,463)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(4,079)</b>	<b>(3,463)</b>
D) Effect exc. diffs. on cash & cash equivalents	-	-
<b>Change in net liquidity</b>	<b>(10,810)</b>	<b>498</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>89,686</b>	<b>112,866</b>