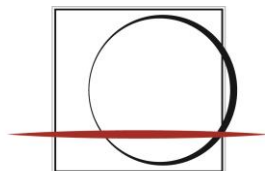


POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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# **Financial statements**

**31/12/2021**

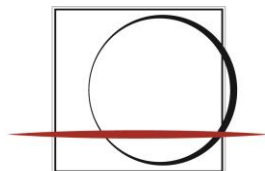


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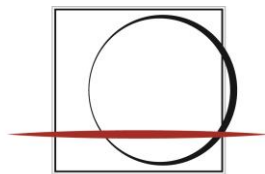
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## **Accounting statements and related comments**

### *Financial statements*

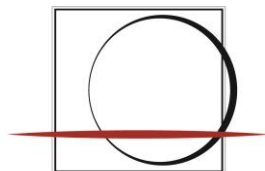
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# **Management report**



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### Board of Directors

(Shareholders' Meeting of 23 December 2020: three-year period 2020-2022)

President

*Antonio Palma*

Managing Director

Francesca Reich (appointed by the Board of Directors on January 25, 2022)<sup>1</sup>

Directors

*Pier Paolo Cento*

*Alessia Gualdani*

*Ilaria Pagni*

### Board of Statutory Auditors

(Shareholders' Meeting of 23 December 2020: three-year period 2020-2022)

President

*Domenico Livio Trombone*

Statutory Auditors

*Monica Medici*

*Paola Noce*

Alternate Auditors

*Maurizio Accarino*

*Angela Florio*

### Court of Auditors

(art. 12 Law 21.3.1958, n. 259)

Chief Magistrate

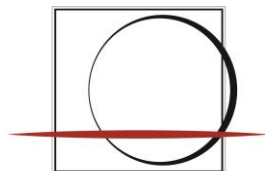
*Fabio Gaetano Galeffi*

Deputy Chief Magistrate

*Adriano Gribaudo*

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<sup>1</sup> Paolo Aielli, appointed by the Board of Directors on 7 January 2021, remained in office until 30 November 2021).



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External Auditor  
(Shareholders' Meeting of 28 September 2020: three-year period 2020-2022)

Independent Auditor  
*Ernst & Young SpA*

Director in charge of preparing corporate accounting documents  
(Board of Directors meeting of 17 May 2021)

Massimo Proietti with effect from 1 June 2021<sup>1</sup>.

Supervisory body  
(Board of Directors meeting of 18 October 2017<sup>2</sup>)

President  
*Tiziano Onesti*

Members  
*Pietro Cavasola*  
*Massimo Proietti*

(Board of Directors of 15 February 2021<sup>3\*\*</sup>)

President  
*B. Vito Straziota*

Members  
*Paola Primon*  
Stefano Pescarolo effective 1 June 2021 (Board of Directors of 17 May 2021) <sup>4</sup>

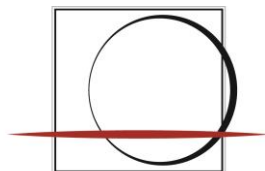
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<sup>1</sup> The previous Executive in Charge, Raffaele Zappa, appointed by the Board of Directors on 7 January 2021, remained in office until 31 May 2021.

<sup>2</sup> The members of the Supervisory Board remain in office for three years and, in any case, until reappointment.

<sup>3</sup> The members of the Supervisory Board remain in office for three years, expiring on 31 December of the third year of their term of office and, in any case, until reappointment.

<sup>4</sup> Massimo Proietti remained in office until 31 May 2021.

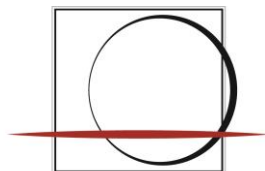


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## Main income, financial and operating figures

Below are the main economic, financial and management indicators used.

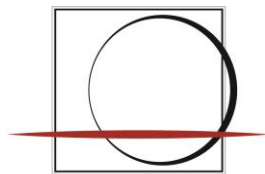
<i>Income figures</i>				
<i>values in thousands of euros</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Revenues	418,834	401,858	503,455	459,694
Production Value	425,902	405,539	511,152	466,684
EBITDA	137,172	136,439	182,378	180,505
Ebitda/Turnover %	32.75	33.95	36.23	39.27
Financial Income	1,487	1,790	2,382	380
Net profit	50,851	54,050	84,129	57,358
R.O.S. %	16.85	18.60	24.05	24.05
R.O.I. %	14.58	14.07	22.28	22.28
R.O.E. %	12.01	12.85	20.20	20.20
<i>Balance sheet and financial data</i>				
<i>values in thousands of euros</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Shareholders' Equity	474,286	474,783	500,656	470,084
<i>Net liquidity</i>				
<i>values in thousands of euros</i>	<b>2021</b>			<b>2020</b>
	Within the year	Beyond the financial year	Total	Total
Cash and cash equivalents	465,024		465,024	484,539
<i>Payables:</i>				
to banks	0	0	0	0
towards other lenders	(230)	(4,446)	(4,676)	(4,894)
<b>Total</b>	<b>464,794</b>	<b>(4,446)</b>	<b>460,348</b>	<b>479,645</b>
<i>Other information</i>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Investment values in thousands of euros	39,621	54,609	76,373	95,994
No. of employees at the beginning of the year	1,630	1,850	1,860	1,736
<i>of which in finance</i>	35	39	90	0
No. of employees at the end of the year	1,700	1,630	1,850	1,860
<i>of which in finance</i>	56	35	39	90



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<i>Production volumes delivered</i>					
Products units in thousands	um	2021	2020	Change	%
Pharmaceutical stamps	pcs	2,039,517	2,281,743	(242,226)	(10.62)
Prescription pads	bl	1,088	1,827	(739)	(40.45)
Tobacco tags	pcs	5,133,396	4,412,150	721,246	16.35
Markings:	pcs	2,356,643	1,882,488	474,155	25.19
- Wine labels	pcs	1,999,193	1,679,488	319,705	19.04
Paper and experimental identity cards	pcs	357,450	203,000	154,450	76.08
Lottery	set	297	273	24	8.78
Electronic passports	pcs	921	1,613	(692)	(42.90)
Residence permits	pcs	1,209	865	344	39.74
Electronic identity cards 3.0	pcs	7,534	4,886	2,648	54.20
Paper and experimental identity cards	pcs	83	72	11	15.28
Driving licenses Card	pcs	7,580	7,595	(15)	(0.20)
Plaques	pcs	2,496	2,337	159	6.81
- Car plates	pcs	1,865	1,834	31	1.70
- Moped and motorcycle plates	pcs	470	404	66	16.33
- Misc. registration plates	pcs	161	99	62	62.03
Legal tender	pcs	193,767	274,753	(80,986)	(29.48)





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Dear Shareholder,

the year that ended was marked by a high degree of uncertainty related to the health emergency linked to the spread of the SARS-CoV-2 virus, albeit with considerable progress due to the vaccination campaign.

The rise in Italian GDP was stronger than expected, at +6% (source: Centro Studi Confindustria). The large upward revision is explained by the lower impact of the Delta variant of Covid, and the effectiveness and ubiquity of vaccination, which made it possible to relax containment measures. According to statistical surveys, this robust GDP rebound of over +10% expected in the two years, after almost 9% in 2020, would bring our economy back above pre-crisis levels in the first half of 2022 initial expectations.

Although the recovery is proceeding faster than elsewhere, the gap compared to the pre-crisis level is, at the moment, even wider than in the other main partners because the drop in 2020 in Italy was greater: in Q2 2021, it was -3.8% on Q4 2019, in Germany -3.3%, in France -3.2%, while the US already reached the pre-crisis level in Q2 2021.

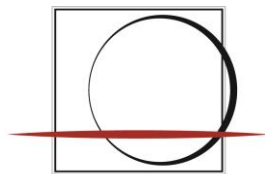
The economic recovery is certainly due to the European resources used within the National Resilience and Recovery Plan (NRP) framework to finance structural reforms and additional investments. The Plan's implementation should also lead to an increase in growth potential.

The gradual increase in consumption should be noted within this macroeconomic framework, alongside the investment recovery; services are beginning to show signs of dynamism, although they remained below pre-crisis levels throughout 2021.

Europe envisaged a Recovery Plan to enable individual states to adopt strong and incisive economic policy strategies that would enable the recovery and development of economic activities. The pillars of recovery, identified by the NRP, are based on the processes of digitisation, innovation and ecological transition as key factors for restoring the growth potential of the Union's economies. In the coming years, Italy will benefit from substantial funds, including the PNRR and a parallel plan adopted by the government. The latter adopted a series of measures on the issues of environmental sustainability and digitisation of the country, defining digitisation, innovation and development as priorities as drivers for economic recovery and social cohesion.

In this context, Poligrafico represents an effective partner to support the Country to facilitate this conversion process. In continuity with the strategic management path undertaken in previous years, the company strengthened its skills and assets regarding infrastructure and capital goods, continued rationalising its production and organisational set-up, streamlining processes, and consolidating important business initiatives.

Consistent with the company's mission, activities focused on enhancing the company's ability to represent a point of reference for the protection of the primary interests of the State Community



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through high-value products, services and projects regarding safety guarantees and health protection, anti-counterfeiting, traceability and sustainable development.

Consistently with the Business Plans of recent years, the initiatives carried out, as part of the technological renewal program of production assets and strengthening of internal skills, have been aimed at consolidating the industrial structure of Poligrafico from a traditional "factory" to integrated and digital competence center.

The activities carried out are aimed at identifying the Company as an entity capable of carrying out the task of guarantor of public trust, in an efficient, innovative way and with a high potential of growth, and to represent a distinctive competence center in the country, able to integrate and manage complex issues of both physical and logical security, with the awareness of the responsibility to oversee particularly relevant sectors to the general interests of the community such as physical and digital identity, of people and things, anti-counterfeiting and traceability of essential products such as drugs and food, the treatment of sensitive information (state laws, databases of public interest) and coinage.

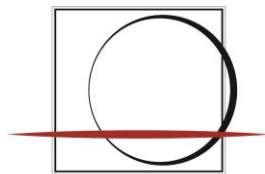
During the year, Poligrafico keep on reinforcing its solid industrial structure, based on innovation, capable of effectively fulfilling the mission entrusted by the State as guarantor of public faith.

The management orientation is addressed to further concentrate the Company in the key sectors of ID documents, anti-counterfeiting and the secure handling of sensitive information, also through a diversification of the offer and opening to new markets.

The effects of the pandemic crisis in 2021 impacted the production organisation. All health protocols aimed at preventing the risk of infection were reinforced. This revealed the consolidation of a policy of reducing flexibility in personnel management, especially in the production departments, which on the one hand, undermined the objectives of maximising production efficiency and, on the other, validated the strategies of production backup.

However, the company has guaranteed the planned production levels for the main product lines throughout 2021, adapting to the customer's needs and guaranteeing the required service levels without significantly impacting operating costs. Customers have requested variations in orders, some of them substantial, both in quantity and delivery times, particularly for passports and alcohol labels.

The Poligrafico, by its institutional mandate, has invested, in the area of recognition documents, considerable resources and innovation capacity that find in the principles of public security protection and simplification of the strategic objectives of the dissemination of Digital Identity, represented by the Electronic Identity Card (CIE) for the use of online services of public and private entities also in the EU.



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Within the Recognition Document chain, an annual production of about 7.5 million Electronic Identity Cards was recorded, of which 3.3 million were produced at the Foggia site, the remainder (about 4.2 million) at the Rome plant (Officina Carte di Valori).

During the year, the last phase of the backup plan for CIE's production facilities at the Foggia plant was completed with the installation of the screen printing press, while work is underway on the construction of the offset printing press, which is expected to be completed during 2022. These interventions, integrated with those already carried out in 2020, will ensure the total interchangeability of the two sites and the continuity of production of the CIEs, for which there has been a trend of increasing demand over the years.

Based on agreements with the Ministry of Foreign Affairs and International Cooperation (MAECI), CIE workstations at Consulates have been increased to issue the card to Italian citizens living abroad. There are 102 workstations installed at the 53 European consulates, through which a total of 111,491 CIEs were issued.

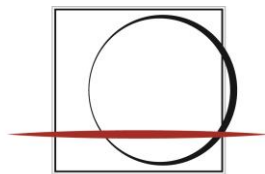
Support activities continue to enable digital service providers to integrate the CIE into their systems. Technical tables were opened with public and private operators to use the CIE instead of traditional identification tools for physical and digital access.

On 12 August 2021, the Framework Agreement with the Ministry of the Interior was signed, which, among other things, provides for the development of numerous functionalities to make the CIE-based digital identity more usable. These include developments aimed at facilitating the configuration of the CIEid (PUK) app, simplifying authentication (level 1 and level 2 credentials that will allow access to many online services without necessarily having to use the CIE), and the management of citizens' digital identity, and the implementation of a system for the prevention and monitoring of logical security of systems at the Ministry of the Interior by the Cyber Physical Security Centre of the Poligrafico, and a system for the use of the CIE in the private physical environment (mobility, access, etc.).

There has been a significant increase in the number of Public Administrations (P.A.) that allow access to their network services through the CIE: from 34 P.A. federated to 'Enter with CIE' in 2020 to 2,540 at the end of 2021; moreover, the use of the CIE for access to network services rose from 165,000 in 2020 to 1,846,347 average monthly accesses.

Concerning the production of electronic passport, amounting to 880,000 pieces in 2021, there was a sharp drop in demand compared to forecasts; due to the reduced emissions caused by the ongoing pandemic crisis, the customer (MAECI) revised its requirements.

An upgrade of the passport line was completed at the Rome plant based on a proposal to revise the Electronic Passport (EP) layout according to the highest international security standards (ICAO), which allows the production of PEs with a polycarbonate data page. The installation of a new



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backup line will ensure production continuity and better production planning concerning demand volumes.

Regarding the new provisions of the EU Regulation 1954 of 2017, the production of the new residence permit to be issued to third-country nationals (ESP 1954) came into full swing, with emissions amounting to approximately 1.2 million. More modern security elements have been incorporated into the document to make it more secure against the risks of counterfeiting and forgery. This model is also used for issuing residence documents to citizens of the United Kingdom and their family members, beneficiaries of the rights recognised by the Agreement on the withdrawal of the United Kingdom from the European Union.

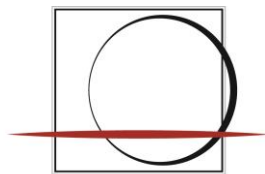
To comply with the principles of uniformity and security promoted by the EU in the field of recognition documents, the Poligrafico was selected by the European Commission for the graphic design and development of the technical specifications of the new European Union provisional travel document Emergency Travel Document (ETD), as the single model used by all Member States to assist EU citizens abroad. Following the sharing of the document specifications and print runs of the sticker and the form with the European Commission and the Member States, the project will conclude with the dispatch of the kit containing all classified product specifications to the European Commission and the Member States.

The Poligrafico, in implementation of EU Regulation no. 1381/2013 of the European Parliament and of the Council of 17 December 2013, establishing the Rights, Equality and Citizenship Programme for the period 2014-2020, in cooperation with INPS and the Presidency of the Council and Ministry of Disability, designed the Disability Card, intended for people with disabilities. The Member States participating in the system voluntarily mutually recognised the card. The document will be personalised by the Poligrafico and sent to the address indicated by the holder during the request phase. It is a document to ensure equal access to benefits or services for people with disabilities, especially in culture, recreation, sport and transport.

Concerning the production of driving licences, during the year the company won the tender for the customisation phase of driving licences and registration cards, for a duration of 48 months, with expected volumes of approximately 7.2 million cards per year. This assignment will enable the management of the entire production and personalisation process, which will be aligned with the high security standards of security cards to guarantee public trust.

In the area of Traceability and Anti-Counterfeiting, the Company has in recent years consolidated its role as 'guarantor of public faith and health' through the development of solutions and products in this area, with a view to innovation and security.

Of the total (around 2 billion), 66% was produced at the Foggia site (1.3 billion) and the remainder (700 million) was produced at the Rome plant. In a context characterised by a high variability of



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demand, with very tight delivery times, the backup policy ensured production continuity and full compliance with customer requirements (pharmaceutical companies).

The Italian system of traceability of medicines for human use, consisting of the combination of the NSIS information system, implemented and managed by the Ministry of Health, and the Bollino farmaceutico produced by the Poligrafico, achieves complete traceability of individual drug packages, guaranteeing the lowest levels of counterfeiting in Europe. The effectiveness of this system is at risk with the entry into force in Italy of European Regulation 161/2016 scheduled for 9 February 2025, which provides for a traceability system based on a unique identifier and a tampering prevention system. In this context and to promote the distinctive features of the Bollino System, first and foremost anti-counterfeiting, training activities were carried out, in collaboration with the Ministry of Health and the MiSE, to raise awareness of the Bollino System (e.g. Taiex), deepening the importance of traceability on medicines. The company took part in technical tables, convened by AIFA, on combating pharmaceutical theft and unavailable drugs to promote awareness of good practices in the Italian system and provide the necessary support.

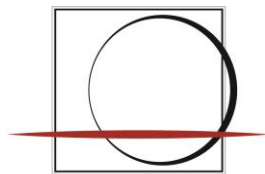
Cooperation was initiated with partners in the pharmaceutical sector, aimed at studying and testing solutions with innovative security elements to combat counterfeiting (e.g. use of special taggants in inks and glue) or additional customisation elements to meet specific needs (e.g. logistical traceability) or to guarantee the legitimacy of certain stages of production processes.

Also in the area of security and the fight against counterfeiting, the Poligrafico participated in a call for proposal from the European Commission aimed at combating property crime and supporting the programmes of the European Security Agenda 4. Therefore, the European project MEDI-THEFT- Data Sharing and Investigative Platform against Organised Thefts of Medicines was developed, coordinated by the Agenzia Italiana del Farmaco and in collaboration with stakeholders at EU level, in which the Poligrafico took on the role of IT partner of the initiative. The solution's objective is to effectively combat organised theft of medicines by designing and implementing of a dedicated intelligence platform, enabling the sharing and analysis of data on cases of theft and laundering of medicines registered at the European level. The initiative received the Commission's approval and the Poligrafico's activities started in November.

In the Food & Wine sector, numerous initiatives have been put in place to protect a fundamental sector to the national economy and particularly affected by attempts at counterfeiting and the use of 'Italian Sounding' practices.

The production backup policy has also been consolidated to produce wine labels. Production at the Foggia site accounted for 42% (630 million) of the total, with the completion of the production lines for the numbering of wine bands. The remaining production (about 400 million) concerns glue paper wine labels, completely manufactured in the OCV plant.





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Collaboration with several Protection Consortia, including Cioccolato di Modica IGP and Aceto Balsamico di Modena IGP, has been strengthened with the establishment of a Digital Passport model, which involves the affixing of a physical security marker on each product unit and integration with the information system made available through the Trust Your Food® App.

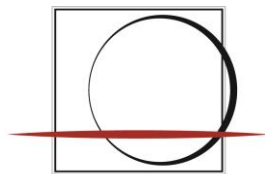
To actively contribute to the defence and recognition of certified Italian agri-food products, to the benefit of the country's quality and safety policies, Poligrafico has joined as a Founding Member of the Qualivita Foundation, a non-profit organisation whose aim is to enhance the sector of European quality food products, with particular attention to PDOs and PGIs.

The 'Poligrafico to Farm' meeting campaign was conceived and launched for all wine-producing companies, with the support of the Control Bodies and Protection Consortia, to share the main issues concerning wine labels and to establish a virtuous synergy with all stakeholders. These initiatives confirm the willingness of certification bodies to use Poligrafico's know-how as a guarantor of the traceability of Italian agri-food products, to guarantee the protection of their authenticity.

For the tobacco sector, Law no. 128/2021, Art. 1124 (d) provided the lawful circulation of inhaled products without combustion with special labels from 1 April 2021. Thus, the presence of the State label on non-combustion inhalation products, with and without nicotine, in three formats identical to those for tobacco products, processed with the same visible and invisible security elements and with two new distinctive colours, was realised. Stamps produced during the year amounted to approximately 5.7 billion pieces, divided into the three required formats and set up in sheets (amounting to 4.3 billion) or pre-cut stamps (amounting to 1.2 billion), registering an increase in demand and a change in the production mix, with a significant increase in the demand for pre-cut stamps. While the start-up of production of stamps for liquid inhalation products resulted in an output of 164 million pieces.

The re-engineering of the Official Gazette towards a digital model of publishing the act and no longer as a 'State Newspaper' has been started, and the completion of the re-engineering activities of the Normattiva Portal and its management, in an evolutionary perspective, in line with the European standards of representation of the legal document (AKN, ELI, etc.), to simplify access to legislation, and to correlate the different regulatory sources. Furthermore, to bring citizens closer to regulatory sources, the Poligrafico promoted the 'Law for You' service, optimising the searchability and use of sources.

At the Zecca plant and the production site in Verrès, the technological renovation of mechanical production, a traditional activity of the two plants, continued to improve the quality of production. To this end, the following were purchased: the 'anti-tarnish' plant with the function of applying a thin film of a few nanometres of alumina to the coins to protect them from oxidation; the visual



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inspection plant for the coins to detect all flaws in the minting of the minting dies; the packaging plant for the handling of special coin series, equipped with cameras for further quality control on the coins.

At the plant Card Factory and Traditional Production, the upgrade of the passport line was completed and the installation of the new backup line, compatible with the production of passports with a polycarbonate data page.

The upgrade of all equipment required for laser engraving customisation of the new PSE was completed, in compliance with the new EU Regulation 1954/2017.

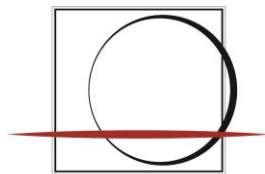
The digital reel-to-reel printing press was installed and tenders were awarded for the new production facilities, which are intended to produce publishing material, premium publications and elections, such as the three-side trimmed paperback line and the thread trim line.

At the Foggia site, adaptations of the existing production lines were completed: two paging machines were installed in the number plate department to carry out automatic and customised car number plate deep-drawing, making the deep-drawing phase fully automated, improving quality and decreasing production waste. A new automatic packaging machine for car number plates, an automatic handling system, and an offset machine are being installed. On the other hand, investments are underway for the printing of the semi-finished white and CIE vaults to internalise the production process, limiting the risk on the transport of semi-finished values from the OCV plant.

The production upgrade of the printing press will allow a high degree of production flexibility, guarantee the design of solutions adapted to the different traceability and security requirements of the various clients, and make the production process completely internalised from paper production to the finished label product.

A cogeneration plant is currently being tested (SAT) at the Foggia plant, which will allow notoriously energy-hungry paper plants to be almost autonomous regarding their needs, and making our company 'green'. Related to this investment is installing a sludge drying plant, which will allow economic savings compared to the current cost of disposing of sewage sludge from the treatment plant and producing secondary raw material that can be used in external production processes.

The development of the following projects continued: Data Collection, which will allow constant, real-time monitoring of production line performance, with consequent impacts on production efficiency; the computerisation of logistics movements with the implementation of SAP's Warehouse Management module; and the automation of logistics warehouses at all sites with a system that includes stacker cranes, integrated management software, and the execution of activities via radio frequency terminals.



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The new model of looking at innovation to do business translates into constant and growing attention to research and development activities, also through new partnerships with excellent Bodies / Institutes / Universities.

Work continued on the development of new materials, innovative solutions and the strengthening of security and anti-counterfeiting requirements on 'core' products and the development of IT solutions for new value-added services. The research activities were strengthened by the consolidation of high-profile professional skills capable of governing research processes and interaction with the best external skills/excellence, prospectively able to compare with other international players and be proactive concerning technological and market changes. In this sense, the partnerships with the La Sapienza University of Rome continued,

For the implementation of these objectives, the Company has deemed it appropriate to identify national and EU financial subsidies (grants) accessible for projects located in the territory of the Puglia Region, aimed at encouraging development, strengthening the competitiveness and attractiveness of the territories. and promote employment.

On 22 November 2021, the Programme Contract was signed with the Region of Puglia, following the approval of the final project submitted by Poligrafico for the Programme for the Creation of a Research and Development Centre in Foggia with D.G.R. no. 1639 of 15/10/2021 for a total eligible amount of over €8 million, with a charge to the public finance of €2.4 million and with the expectation of achieving an increase in employment of no less than 6 labour units (ULA) during the year.

All additions and clarifications requested so far were provided for the production expansion programme at the end of the year. In addition, all administrative authorisations (town planning, environmental, single operating authorisation for the cogeneration plant) were sent. The preliminary examination procedure by Puglia Sviluppo S.p.A. was completed and the application was sent to the Region for approval by the Regional Council.

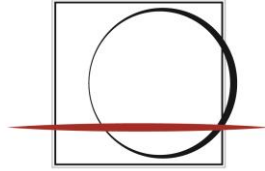
Under Art. 21 of Legislative Decree no. 50/2016 and the Decree of the Ministry of Infrastructure and Transport no. 14 of 16/01/2018, the Board of Directors approved the two-year programme for the procurement of goods and services 2020/2021 and the three-year works plan 2021/2023.

The activities related to the enhancement of the Heritage have seen further development initiatives of the Zecca Museum and the monumental complex of Via Principe Umberto through coin and stamp presentation events.

The redevelopment of the Principe Umberto building, with a view to corporate shared value, led to the definition of the winning project, with the subsequent start of the executive plan of works for the construction of a multifunctional pole.

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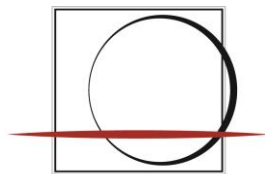
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It is the Company's will to continue in the development and enhancement of human assets, artistic and cultural heritage and real estate assets.

The issue of sustainability has become a fundamental objective at the basis of corporate strategic choices. In addition to achieving positive economic results, in line with its specific mission, the Company has chosen to offer benefits to the community, generating positive effects in environmental and social terms.

For more information and information on non-financial indicators, please refer to the contents of the Sustainability Report.

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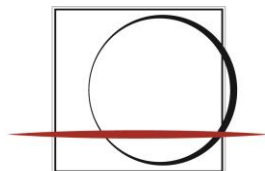
## **Covid Health Emergency - 19**

Following the prolongation of the Covid-19 epidemiological emergency that has spread throughout the country, given the containment and management measures adopted by the Government through legislative and regulatory measures, Poligrafico has extended and strengthened prevention and protection measures to mitigate the risk of contagion in the workplace for its employees.

The communication campaign aimed at all personnel continued; the Employer updated the Risk Assessment Document (DVR) with the analysis and assessment of risks, implementing all the measures envisaged, which were also made explicit through specific communications to all personnel, and also defining a specific protocol for the management of the various possible emergency scenarios.

Consistent with the risk assessments, in the face of each positive case in the company, the Employers with the support of the delegated executives and the Competent Doctors conducted a careful contact tracing, removing as a precautionary measure all colleagues from the shift or office of the person who had tested positive. The tracing activities were carried out, in advance of those conducted by the health authorities and where possible directly, or by contacting the infected person directly and reconstructing his close and occasional contacts. The performance of rapid antigenic and molecular nasopharyngeal swabs also continued, to be carried out both at the laboratory and at the dedicated spaces at some of the company's sites. The protocol 'Operational Modalities for Organising Green Pass Verifications', which defines the operational procedures adopted by the Poligrafico Group following current legislation, has been made operational. Finally, given the epidemiological spread, to reduce the risk of error in a differential diagnosis, a flu vaccination campaign was conducted and completed for 2021.

The continuous dialogue with the trade unions allowed optimal management of the organisational criticalities caused by the pandemic, enabling the company to ensure its operational continuity. To optimising the use of the work factor and meeting the needs of plants committed to guaranteeing production in such a critical historical phase, specific agreements have been signed with the Trade Union Representatives in the company, including one on working hours. In addition, activities were carried out to rationalise corporate services and consolidate facilities to support all structures, balancing the principles of sustainability, efficiency and quality of services with the health security requirements related to the risk of the spread of the Covid-19 pandemic. A major plan was prepared to upgrade IT equipment to ensure access to smart working and remote connections to company networks, following enhanced IT security protocols. The replacement and/or upgrading of IT Assets and user SW, relating to approximately 2,500 active Workstations (PdL) for staff and



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equipment in common areas, continued. Physical spaces and workstations were adjusted to minimise the risk of infection.

Below are the main costs incurred to cope with the health emergency in 2021.

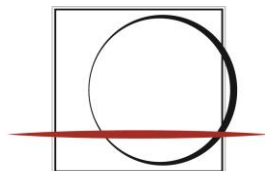
<b>Costs incurred for the health emergency</b>	<i>values in thousands of euros</i>
Personal Protective Equipment (PPE) and sanitizing materials	70.31
Sanitation of environments and cars	113.49
Rental of tensile structures and bathrooms	3.33
Rapid Swabs	0.49
Covid-19 tests	13.35
<b>Total</b>	<b>200.97</b>

*Negative impacts on the supply chain and turnover*

In 2021, as a further effect of the unexpected pandemic, uncertainty emerged in the commodity markets, where price instability and supply shortages were observed. In particular, the sectors most involved concerning Poligrafico's supply chain are those related to the following products: microprocessors and technological components; derivatives of plastic, wood and paper for packaging; steel, aluminium, copper and other alloys; transport; chemical products.

Poligrafico tried to mitigate the price increase by entering into contracts with a short-term time window and increasing its inventories wherever possible to cope with this changing market situation.

Concerning the supply of certain products (e.g. electronic passport), there was a sharp drop in demand compared to the forecasts, as indicated above.



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The 2021 financial year, from an economic-income point of view, closes with positive results: 2021 turnover reached about euro 419 million, an increase of about 4% compared to the 2020 figures; EBITDA reached euro 137 million (about 33% of turnover); EBIT amounted to about euro 71 million, after provisions of about euro 26 million to take into account future charges and potential business risks; the result for the year amounted to about euro 51 million, after provisions for taxes for the year of euro 21 million.

The Company's self-financing capacity and liquidity indicators remain particularly positive and allow it to face the current and prospective demanding programme of technical, IT and real estate investments, and strategic projects with deferred profitability, with reasonable security.

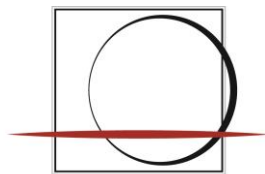
The only reason for uncertainty remains that linked to the lack of approval by the Ministry of Economy and Finance of the credits relating to the supply of common cards (2006-2021) and related transport costs (2002-2006), which amount to net of the advances received for 166 million euros with related VAT to be paid equal to 82 million euros. It is important to note that special funds have been set up for transport costs, net of VAT. The dispute between Poligrafico and Unicredit Factoring remains open on these sums. The first and second phase of judgment concluded favorably for the Poligrafico in June 2020, Unicredit filed an appeal before the Court of Cassation to challenge the appeal sentence and Poligrafico appeared in court through the State Attorney General. At the moment, the hearing for the discussion of the appeal has not been set.

In 2021, against 48 exits, 97 people joined the company, with the workforce reaching 1,644 at the end of the year (plus 56 temporary staff).

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The 2022-2024 Business Plan was approved by the Board of Directors on 18 October 2021: Poligrafico, in continuity with previous Plans, intends to orient its activities at the service of the country on the themes of digitalisation, innovation and security, and inclusive and sustainable development, in the context of its mission as guarantor of the physical and digital identity of citizens, things and, in a broader sense, of the data and infrastructures that host them.

In the coming years, the Company will be committed to supporting and accelerating the country's digital transformation process, providing solutions that guarantee easy access to the digital services of the PA and private operators; to strengthening citizens' trust in identification, authentication and certification processes, also in the digital sphere, guaranteeing innovation, security, reliability and transparency; and to enhancing the Artistic and Cultural Heritage, renewing how it is offered and used for the benefit of the community.



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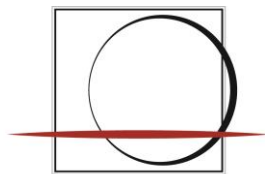
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Poligrafico will continue to emphasise an integrated vision of its way of operating, combining specific business and profit objectives with those benefiting the community, implicit in the corporate mission and in the characteristics of the services/products offered, and social environmental sustainability. It will be his task to contribute to the realization of an inclusive and sustainable development model, confirming the Company's action to the principles of economic, social and environmental sustainability, continue to guarantee the highest levels of safety and technological innovation while remaining competitive, implementing interventions of efficiency of business processes and continuing to pursue the objective of a balanced economic structure capable of guaranteeing self-financing in support of development.

We are confident that the company initiatives put in place will be instrumental in giving further impetus to the virtuous path undertaken by the company and in strengthening its ability to operate at market conditions and with the highest standards of innovation, while pursuing public interest objectives.

The determination of the management and staff will be very important, and we count, as always, on the trust of our Sole Shareholder and the people. They work with us and are committed to contributing to the company's results daily.

We sincerely thank you all for making the Poligrafico better, giving a better service to citizens and public administrations.



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## **Corporate Governance Report, Internal Control System, Code of Ethics**

*(Art. 6 paragraphs 2 and 4 of Legislative Decree no. 175/2016 as amended)*

Poligrafico's internal control and risk management system (hereinafter SCIGR) consists of rules, procedures, and organisational structures aimed at effectively identifying, measuring, managing, and monitoring the main risks sustainable success of the company. It contributes to a management of the company consistent with the corporate objectives defined by the Board of Directors invested with the broadest powers for the administration of the Company, with the right to carry out all the appropriate actions to achieve the corporate purposes, apart from reserved acts - by the Law and the Articles of Association - to the Shareholders' Meeting.

The Board plays a role of absolute centrality in the ICRMS as it defines the basic lines of the organizational, administrative and accounting structure and guidelines; consequently, the main risks relating to the Company are correctly identified, measured, managed and monitored.

Then the control system facilitates the process of informed decisions and helps to ensure the protection of corporate assets, the efficiency and effectiveness of business processes, the reliability of the information provided to the corporate bodies and the market, compliance with laws and regulations, as well as the Statute and internal procedures, as defined by the Self-Regulatory Code of Borsa Italiana for listed companies.

Poligrafico's current internal control system is the result of successive additions and updates, aimed at implementing a governance model that is increasingly evolved and in line with the reference models and best practices existing at a national level.

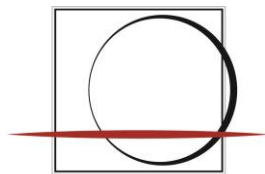
The control and risk management system generally involves all operational levels of the company. It consists of the set of organisational structures, procedures and corporate practices that aim to ensure the pursuit and achievement of the following goals:

- compliance with strategic and operational plans;
- compliance with current legislation;
- effectiveness and efficiency of business processes;
- integrity and reliability of accounting and management information;
- asset protection and prevention of illegal events.

It is the responsibility of Poligrafico's management and staff to carry out systematic self-diagnosis of the internal control system in their areas of responsibility.

To support the top management in the overall supervision of the corporate control system, the following roles with control functions are envisaged:

- first line, by the operational management, which defines and manages the so-called line controls, inherent in the operational processes; these are procedural, IT, financial, behavioural controls,



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carried out both by those who implement a given activity and by those who have supervisory responsibility for it. All company functions carry out these direct controls in the management of their responsibilities;

- second line, which oversees the process of risk assessment and control, ensuring its consistency with corporate objectives and meeting organisational segregation criteria sufficiently to enable effective monitoring. This is the responsibility of certain central monitoring and control functions such as the Manager in charge, the Quality, Safety, Compliance, Privacy and other management system audits provided by international standards (e.g. UNI EN ISO 9001:2015, UNI ISO 45001, etc.). These forms typically do not meet the criteria of full independence and are therefore considered valid second level controls;
- third line, overseen by Internal Auditing, which assesses the adequacy of the overall SCIGR with a systematic professional approach.

The Poligrafico has activated a complex internal control system through a plurality of Bodies and with specific dedicated organizational structures and a procedural and regulatory system.

The Company has not prepared specific regulations for the protection of competition as it is not a contributor, given the institutional activity performed by Poligrafico. With reference, on the other hand, to the protection of industrial and intellectual property, the Company, as part of its management systems for quality (certified ISO 9001: 2015) and for information security (certified ISO / IEC 27001: 2017) guarantees the compliance with the relevant legislation applicable to intellectual property rights.

The following are the subjects and bodies responsible for control, with a description of the activity under their responsibility.

### *Board of Statutory Auditors*

It is called upon to monitor compliance with the law and the deed of incorporation and compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company and its actual functioning.

### *Statutory Auditing Company*

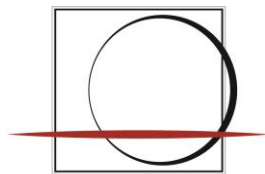
2409-bis and following of the Civil Code.

### *Magistrate of the Court of Auditors*

The management of the Poligrafico is subject to the control of the Court of Auditors, which, pursuant to article 12 of the law of 21 March 1958, n. 259, reports the results of the checks carried out to the Presidencies of the two Houses of Parliament.

### *the Supervisory Body pursuant to Legislative Decree 231/01*





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As part of the "Organization, management and control model", the Poligrafico envisaged the establishment of a specific Supervisory Body (SB) - with autonomous powers of initiative and control - with the task of supervising the functioning and " compliance with the Model and to update it. The latest update of the Model was approved by the Board of Directors in the meeting of 10 December 2020 and considers the regulatory changes that occurred after the approval of the previous Model (22 May 2019), jurisprudential and organizational ones. The Supervisory Body made up of two external members and one internal member<sup>1</sup>, who are not assigned operational tasks, also guarantees the supervision of reports by third parties and of the information periodically sent by the heads of the corporate functions, on the processes "at risk of crime".

The Supervisory Body supervised the functioning and observance of the Model and ensured the management of reports from third parties and the information periodically received by the managers of the processes identified as "at risk of crime"; the activity carried out did not reveal any cases that required interventions in relation to the provisions of the Model and the Code of Ethics of the Poligrafico. The Body periodically reported to the Board of Directors and to the other corporate control bodies (Board of Statutory Auditors, etc.) on the progress of its activities on the activities under its responsibility, in line with the provisions of the current Model and the Articles of Association. of the OdV.

To ensure the correct implementation of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, the Corruption Prevention Plan pursuant to Law 190/2102 and the principles contained in the Code of Ethics, the Poligrafico has prepared an information plan and integrated training that took place, during the reference year, with specific training interventions carried out in a manner in line with the regulatory provisions adopted in order to prevent contagion from Covid-19.

#### *Ethics Committee*

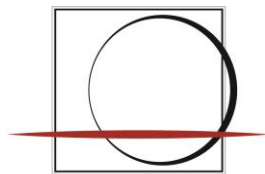
The Board of Directors of Poligrafico, in its meeting of 10 December 2020, approved the updated version of the Code of Ethics, which gathers the principles and behavioural rules in which Poligrafico recognises itself and defines the general discipline to which all those who operate in the corporate context are subject.

Furthermore, since 2016, Poligrafico has set up a specific Ethics Committee, with advisory and guiding tasks. This Committee is composed of the pro-tempore managers of the Legal Affairs and Purchasing Department, the Personnel, Organization and General Services Department and the Internal Auditing Department and is responsible for monitoring the implementation and

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<sup>1</sup>Appointed, in its current composition, at the meeting of the Board of Directors on 17 May 2021 for a three-year term.





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compliance with the principles of the Code of Ethics. The Committee has adopted its own Operating Regulations and examined the reports received on alleged violations of the Code.

#### *Risk Management Committee*

In May 2020, Poligrafico established the Risk Management Committee with the task of guaranteeing support for the process of implementation of corporate objectives, through preventive and integrated management of all corporate risks in the strategic, operational, financial, insurance, safety, environment, legal and compliance. In particular, the Committee guarantees, among other things, the mapping and monitoring of corporate risks, ensures the definition of the Risk Policies and the measurement parameters to be submitted to the Board of Directors. The Committee reports directly to the Board of Directors, is coordinated by the Head of the Internal Auditing Department and includes the Heads of the Departments: Legal Affairs and Purchasing, Administration, Finance and Control, Engineering and Innovation, Operations, Personnel Organization and General Services, Business Prevention and Protection, Development and Integrated Solutions.

#### *Risk Management Function*

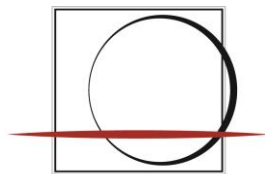
Starting from 1 September 2021, Poligrafico - as a further strengthening of the Internal Control System - established the Risk Management Function with the task of ensuring the definition, implementation and evolution of the Risk Management methodology and tools, to promote an integrated management model of the corporate risk profile - Enterprise Risk Management (ERM) - and contribute to the risk culture within the Group.

#### *Manager in charge of preparing the corporate accounting documents pursuant to Law 262/2005*

Following the provisions of the Articles of Association, Poligrafico has appointed a Financial Reporting Officer who, together with the Board of Directors, certifies that the financial statements and, where applicable, the consolidated financial statements, are prepared following the administrative and accounting procedures adopted and in compliance with applicable national and international regulations.

Poligrafico has introduced into its governance model with a specific amendment to its Articles of Association, as per the expressed will of the Shareholders, the figure of the Manager Responsible for the preparation of corporate accounting documents, with the task of

- prepare adequate administrative accounting procedures for the preparation of the annual financial statements and, where applicable, the consolidated financial statements and any other financial disclosures;
- certify the adequacy and effective application of the same procedures during the financial year to which the documents refer, and the correspondence of these with the results in the books and accounting records and their suitability to provide a true and fair representation of the company's



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assets and liabilities, economic and financial situation and, where applicable, the consolidated financial statements.

*Head of Corruption Prevention and Transparency ex. L. 190/2102*

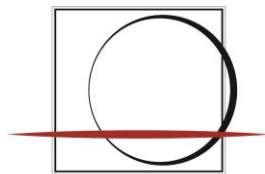
In compliance with the provisions for the prevention and repression of corruption and illegality in the public administration pursuant to Law 190/2012 and about transparency and advertising obligations, pursuant to Legislative Decree no. 33/2013, the Board of Directors appointed on 22 September 2015 a single Head of Corruption Prevention and Transparency (hereinafter RPCT). The RPCT has prepared the document updating the Poligrafico's Plan for the Prevention of Corruption and Transparency (hereinafter PPCT), approved by the Board of Directors in the meeting of 22 January 2021, which includes within it, as a specific section, the fulfilments on transparency, provided by art. 10 par. 2 of Italian Legislative Decree 33/2013.

The Plan also includes an ad hoc section devoted to the identification of corruption risk processes concerning the company Valordicarta S.p.A. - a company under the joint analogous control of Poligrafico and Banca d'Italia - and the company Futuro & Conoscenza S.r.l. - a company under the joint analogous control of Poligrafico and Fondazione Bruno Kessler - together with a descriptive part of the activities arising from the service contract entered into between the latter and Poligrafico.

The Plan was drawn up in compliance with the guidelines outlined by the National Anti-Corruption Authority and contains the general principles of conduct defined in the Code of Ethics and the measures and indicators aimed at preventing corruption phenomena pursuant to Law no. 190/2012 identified by the RPCT and adopted by the governing body of the company, which integrate the prevention and control measures with reference to the offences envisaged by Articles 24 and 25 of Legislative Decree 231/2001, specifically adopted in a separate document called the "Organization, Management and Control Model" of the Poligrafico.

In 2021, the RPCT carried out, with the support of the "Compliance, corruption prevention and transparency" Organizational Unit of the Internal Auditing Department, the supervisory activity on the functioning and observance of the Prevention Plan and on compliance with the rules on incompatibility and non-transferability of offices pursuant to Legislative Decree 39/2013. The RPCT has also started monitoring compliance with the deadlines, concerning the implementation of the prevention measures identified during the interview with the heads of Departments/Functions, to prepare the 2022-2024 'Prevention of Corruption and Transparency Plan'.

Finally, to protect against the risk of corruption and in harmony with the regulatory requirements on the matter, the Poligrafico's anti-corruption policy was drawn up, approved by the Board of Directors at the meeting of 15 December 2016, in which the purposes that the Top Management



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intends to pursue for the prevention of corruption, establishing the general principles and standards of conduct to be adopted in order to comply with external and internal provisions on the prevention of corruption and transparency.

#### *Internal Auditing*

The Internal Auditing Department of the Poligrafico is independent and autonomous, reporting directly, pursuant to art. 17.2 of the Articles of Association, to the Board of Directors, through a supervision and coordination activity carried out by the Chairman of the BoD.

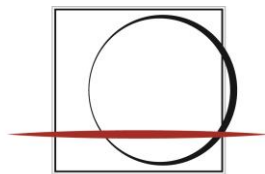
In line with the *Standards for the Professional Practice of Internal Audit*, issued by the "Institute of Internal Auditors", the Internal Auditing Department is entrusted with the task of assisting the organisation in the pursuit of its objectives, supporting the Top Management and management through independent and objective assurance and advisory activities, aimed at assessing and improving control, risk management and corporate governance processes. The Internal Auditing Department assesses the adequacy of the overall SCIGR with a systematic professional approach, considering the size and operational specificities of the Poligrafico, bringing to the attention of top management and management any critical aspects that may compromise the corporate objectives. The annual audit plan is set up based on a path aimed at the progressive coverage of the main company processes, to be achieved in the medium / long term, according to a risk analysis logic that ensures the assessment of the adequacy of the overall internal control system. This Plan is implemented through an integrated approach, which supports, among other things, the verification plans of the Supervisory Body, the Head of Corruption Prevention and Transparency and the Data Protection Officer.

The Internal Auditing Department carries out the verification activities on the relevant processes through an integrated SCIGR assessment methodology, to ensure regulatory compliance concerning the different reference areas of the same assignment. This with the aim of reducing the impact on the operations of the corporate organizational units and maximizing the coverage, in terms of audits, of corporate processes.

The Internal Auditing Department of the Poligrafico underwent an external Quality Assurance Review (QAR) in 2018, through independent validation, by an external company, of the results of the internal self-assessment.

The external company, selected through a specific tender procedure, issued a "general compliance" Report (maximum positive assessment expected) of the structure and the Internal Audit activities carried out by the Management with respect to the Standards and Code of Ethics issued by the Institute of Internal International auditors. The external QAR will be repeated within the terms provided by the same Standards (at least every 5 years).

*Responsible for the protection of personal data pursuant to EU Regulation 2016/679*



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In compliance with the provisions of art. 37, paragraph 1, of Regulation (EU) 2016/679, on 11 May 2018, the Board of Directors appointed the Personal Data Protection Officer (RPD) or Data Protection Officer (DPO), organically placing him, as an organizational unit in on its own, within the Internal Auditing Department and reporting directly to the top management.

In 2019, in consideration of the establishment of Valordicarta SpA, Poligrafico resolved to extend the appointment of its Data Protection Officer to the Poligrafico Group. The DPO then proceeded to map the processes that also report to Valordicarta, supporting the necessary fulfilments.

Among the main tasks and functions of the DPO is that of monitoring compliance with the GDPR and other provisions of the Union or of the Member States relating to data protection as well as the policies of the Data Controller or Data Processor regarding protection. of personal data.

The DPO has also been assigned the task of ensuring the monitoring, with the support of other company Departments/Functions, of the implementation and application of the GDPR, other Union or Member State provisions, and internal data protection policies and procedures.

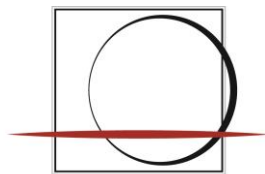
To this end, the DPO annually draws up its own verification plan - which flows into the related Audit Plan of the Internal Auditing Department - aimed at verifying the processes of the Poligrafico based on the level of risk to which the personal data are exposed. The DPO's Plan includes compliance audits to be carried out both at the internal company structures and at some external suppliers. In order, then, to monitor the fulfillment of the privacy obligations of the external parties appointed as Managers pursuant to art.

28 of EU Regulation 2016/679, the DPO sends - again annually - self-assessment questionnaires, relating to the main obligations required by the privacy legislation.

Based on the results of the responses received to these questionnaires, the DPO prepares and transmits, to each Manager appointed pursuant to art. 28 GDPR, customized action plans, aimed at reducing the identified risks, also indicating the relative implementation times.

In light of the internal organizational changes and the new processing purposes recorded at the corporate structures, the following corporate documents were updated: the Data processing register, of which the Poligrafico is the owner; the Register of treatments that the Poligrafico carries out as a Manager pursuant to art. 28 GDPR on behalf of other Administrations / Bodies; the list of internal contact persons for the processing of personal data and of those authorized to process the data, as well as of the system administrators; the appointments of internal managers. Various Impact Assessments (DPIAs) have also been carried out on high-risk treatments for the Data Subjects, while others are in the finalization phase.

During 2021, the DPO provided its support as part of an awareness and training campaign on the processing of personal data pursuant to the European Regulation (EU) 2016/679, to spread the culture in the field of privacy in company and provide the updates required by European and



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national legislation. In particular, in addition to providing training days dedicated to privacy officers, training days were organised for newly recruited trainees and training meetings dedicated to specific topics (e.g. use of cookies, preparation of the Impact Assessment, privacy roles and responsibilities).

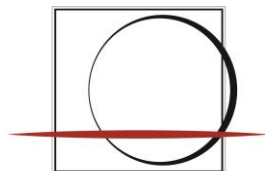
### **Risk assessment tools**

The company conducted its corporate risk measurement using the assessment tools set out in the Programme drawn up Under Art. 6, para. 2, Legislative Decree no. Legislative Decree 175/2016 and verifying the possible existence of corporate crisis risk profiles.

The analysis of the financial statements was divided into the collection of information obtainable from the financial statements, sector analyzes and any other significant source; from a reclassification of the balance sheet and income statement; from the development of tools for the evaluation of margins, indices, flows; finally, by comparing the data relating to the current year and the three previous ones.

The analysis of balance sheet ratios and margins focuses on:

- a. **solidity:** the analysis is aimed at appreciating the relationship between the various sources of financing and the correspondence between the duration of the loans and the sources;
- b. **liquidity:** the analysis concerns the company's ability to meet short-term payments with the liquidity created by short-term management activities;
- c. **profitability:** the analysis verifies the ability of the company to generate an income capable of covering all company costs as well as, possibly, remunerating capital.



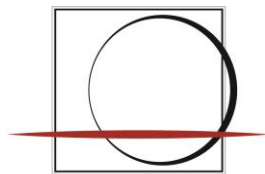
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These analyzes are conducted considering a four-year historical period, based on the financial ratios and margins indicated below.

<i>values in thousands or %</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Balance sheet</b>				
<b>**Margins**</b> <i>values in thousands of euros</i>				
Treasury margin	234,445	230,557	253,352	250,219
Asset cover ratio	150,578	150,319	159,514	186,601
Availability margin	301,694	292,900	317,486	314,146
<b>**Indices**</b> <i>values in %</i>				
Liquidity index	4.06	3.92	3.76	4.13
Availability ratio	4.60	4.37	4.18	3.77
Fixed asset coverage index	1.60	1.62	1.70	1.93
Financial independence	1.70	1.41	1.34	1.44
Leverage	0.01	0.01	0.01	0.09
<b>Profit and loss account</b>				
<b>**Margins**</b> <i>values in thousands of euros</i>				
Gross operating profit (GOM)	137,172	136,439	182,377	180,505
Operating result (EBIT)	70,555	74,738	121,077	103,307
<b>**Indices**</b> <i>values in %</i>				
Return on Equity (ROE)	12.01	12.85	20.20	13.90
Return on Investment (ROI)	14.58	14.07	22.28	19.06
Return on sales (ROS)	16.85	18.60	24.05	22.47
<b>Other indices and indicators</b>				
Return on capital employed (ROT)	0.87	0.76	0.93	0.85
Cash flow from core business before changes in the NWC	147,327	146,975	194,647	195,932
Cash flow from core business after changes in the NWC	120,653	157,675	146,378	412,044
NFP to EBITDA ratio	3.38	3.52	2.85	3.04

The results of the monitoring activities conducted in accordance with the requirements of Art. 6 (2) and Art. 14 (2) to (5) of Legislative Decree no. 175/2016 lead the administrative body to believe that the risk of a corporate crisis relating to the Company should be ruled out.





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## **Information on business risks**

Governance and risk management processes are the responsibility of the System of Internal Control and Risk Management ('SCIGR'); the System represents the set of guidelines, rules and organisational structures aimed at enabling the identification, measurement, management and monitoring of the main risks, which are placed at the disposal of stakeholders.

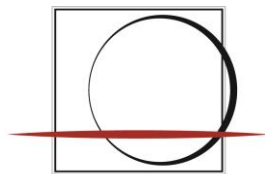
In this context, to support Top Management in the overall control system, there are a first level of control, overseen by Line Management, consisting of the set of control activities that the Group's individual organisational structures carry out on their own processes to ensure the correct performance of operations; a second level of control, entrusted to structures or units set up for this purpose, with hierarchical and functional autonomy and independence from the 'first level' organisational structures, with specific tasks and control responsibilities on specific types of risk a third level of control, overseen by Internal Auditing, which provides independent and objective assurance on the adequacy and effective operation of first- and second-tier controls, verifying that the internal control and risk management system is adequate and consistent with the guidelines defined by the Board of Directors. Different risk assessment activities are periodically carried out within the second and third levels, based on a shared process mapping, also for the planning purposes of Internal Auditing.

The ultimate aim is to ensure an effective global model for the identification of relevant risks, using methodologies for mapping and prior assessment of potential negative effects on the business and stakeholders, and identifying the control measures currently in place or to be implemented to mitigate the risk.

The internal control system and governance model adopted are in line with the reference models and best practices on the subject.

Already during the last financial year, the Company strengthened its internal control and risk management system by setting up a Risk Management Committee - entrusted with the task of guaranteeing support for the process of implementing the Company's objectives, through preventive and integrated management of all corporate risks in the strategic, operational, financial, insurance, safety, environmental, legal and compliance areas, security, environment, legal and compliance - and establishing a Risk Management function, which supports the Committee in the design, implementation and evolution of the integrated risk monitoring system, known as the Enterprise Risk Management (ERM) process, to strengthen the internal control system and risk management by offering an integrated view of the various control objectives and risk profiles.

The initiative achieved several objectives structured formulation of the Integrated Risk Management Model, with the definition of a risk catalogue, to facilitate management in the process of identifying and classifying the main risk factors, and by assessment scales, defined regarding



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probability and impact, necessary to have a homogeneous and integrated weighing and assessment by the various departments; launch of the Risk Assessment activity through targeted interviews with management, to define the company's risk profile and identify the main threats that are expected to jeopardise the achievement of Poligrafico's objectives for the next three years and the treatment actions that will be implemented.

The current mapping of risks can be traced to the following five areas:

### *External context*

Risks related to external events such as natural events, social and health emergencies, international crises, etc;

### *Strategic*

Risks that could threaten the Group's competitive position and the achievement of its strategic objectives;

### *Operational*

Risks inherent in the Group's operations that may arise from human error, inefficient internal systems and processes, unlawful conduct, interruption of products and services or accidents/incidents that may cause harm to people or the environment;

### *Financial*

Risks that could threaten the Group's financial equilibrium and business performance;

### *Legal & Compliance*

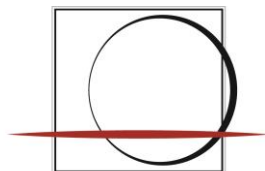
Risks arising from non-compliance with laws, internal regulations and/or contractual obligations of the Group.

To ensure integrated governance in the current risk management and control system in the company, the definition of the operating model and organisational structure that will manage the Integrated Risk Management process was also initiated, ensuring its evolution, the periodic updating of the company's risk profile, the monitoring of risk treatment and mitigation actions, and reporting to the company bodies.

As in the previous year, in 2021 Poligrafico was again called upon to operate in a context of great uncertainty; as the Bank of Italy pointed out, 'by the end of 2021 the recovery had strengthened in the United States and other advanced countries, while in the euro area output had decidedly decelerated. The resurgence of the pandemic and supply-side bottlenecks pose downside risks to growth. Inflation rose further almost everywhere; in the euro area it is at its highest since the start of monetary union, due to exceptional energy price rises; Eurosystem forecasts indicate a gradual return of inflationary pressures in the course of the year".

The overall effect of this scenario introduces elements of uncertainty that could affect the recovery of demand for Poligrafico's products also in the financial year 2022.





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## Summary of results for the year

Poligrafico achieved a turnover volume of approximately euro 419 million in 2021, a change of more than 4 per cent compared to 2020. This result is a sign of recovery from the general health emergency situation that has affected the country since March 2020.

The year just ended was characterised by a marked acceleration in the country's transition to digital, due to the exponential increase in the use of technology, which has profoundly marked the management of daily activities. In this context, Poligrafico, which for years has chosen to focus on products characterised by a high presence of digital and IT solutions, has seen the business models already undertaken in previous years further affirmed.

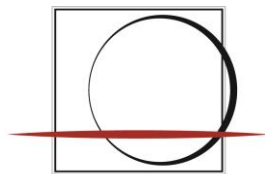
The company, despite the pandemic effect of Covid-19, guaranteed the planned production levels for the main product lines, adapting to the needs of the customer and guaranteeing the required service levels, without significant impact on operating costs. Here below the breakdown of turnover:

<b>Turnover</b> values in thousands of euros	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>%</b>
Identification documents	172,883	152,921	19,962	13.05
Security print	105,134	102,799	2,335	2.28
Plaques	49,300	47,300	2,000	4.22
Electoral materials	13,573	18,789	(5,216)	(27.76)
Legal-administrative	37,702	35,767	1,935	5.40
Zecca and Artistic Heritage	38,655	43,279	(4,624)	(10.68)
Other assets	1,587	1,010	577	57.13
<b>Total</b>	<b>418,834</b>	<b>401,865</b>	<b>16,969</b>	<b>4.22</b>

### Identification documents

Identification documents consolidated as Poligrafico's main products, accounting for 41% of revenues. Regarding turnover, the supply chain as a whole recorded a 13% increase, despite the health emergency and Circulars 5 (March 2020) and 14 (December 2020) of the Ministry of the Interior and Decree-Law no. 56 of 30 April 2021, which extended the validity of expired documents (until 30 September 2021 for CIE and until 31 July 2021 for PSE).

The electronic identity card (CIE) remains one of the leading products within the portfolio, with euro 103 million turnover (about 25 per cent of total revenues). By the end of 2021, some 26 million identity cards had been issued by 7,903 municipalities through 11,421 workstations since the start of the project.



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The demand for electronic passports with a turnover of euro 32 million decreased due to a reduction in requests from the MAECI customer, which was reflected in the turnover of 43% compared to last year.

Turnover of electronic residence permits increased by euro 29.6 million, reflecting the higher number of applications received by police headquarters. The increase was 38% compared to 2020. During the year, 1.2 million electronic residence permits were produced,

#### *Traceability and anti-counterfeiting*

The turnover of the anti-counterfeiting and traceability supply chain increased by about 2%, contributing euro 105 million to the total turnover, of which euro 51 million is attributable to deliveries of pharmaceutical labels, down by 9% compared to 2020. Turnover of both tobacco and alcohol labels increased. Approximately 357 million alcohol labels were produced during the year. The Poligrafico was involved in the design of the new Alcohol label. This project represents an integration of traditional security elements, such as intaglio printing, and innovative aspects, such as digital serialisation, which also includes the use of datamatrix, as an element of traceability thanks to the technological tools developed by Poligrafico. Final evaluations by the Monopolies Agency, in cooperation with some bottling companies, are underway, which should allow production to start with the requirements for the year 2023.

Constant growth in wine labelling, generating a turnover of more than euro 17 million with +10% compared to 2020.

#### *Plaques*

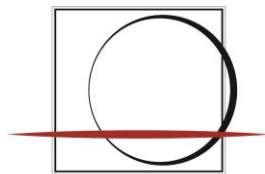
The production of number plates amounted to 2.5 million pieces, of which 1.9 million pieces from the car market, generating a turnover of approximately euro 49 million, an upturn (4%) compared to 2020. Following the implementation of the new automatic plant to produce plates at the Verrès plant, about 29% (577 thousand plates) of the requirement was realized at the Aosta Valley site, while the remaining portion was realized at the site production of Foggia.

#### *Administrative legal and web-based products*

The very nature of the supply chain activities characterizes its geographical spread at national level, without neglecting the presence at the regulatory tables at European and international level, as regards the issues of legal information technology and regulatory standardization.

The target customers therefore range from the Public Administration, to businesses, to citizens.

The activity managed by this Sector revolves around the concept of dissemination of information from Public Sources, a sector in which the Poligrafico, in the performance of its institutional tasks, carries out important activities, favouring and promoting its dissemination in all its forms, both through the traditional paper channel and through digital channels, obtaining significantly more



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advantageous results regarding dissemination, usability, ease of sharing and reuse, while at the same time enabling the Public Administration to contain its expenditure commitments.

The main sectors of activity are: Official Gazette, with the transmission in digitized version of documents and Legal Databases, Electoral Service, Publications, forms and stationery, Web services, information portals and dematerialization.

The development objectives pursued during the year were directed at the start of the re-engineering activities of the Official Gazette towards a digital model of publishing the act and no longer a 'State Newspaper'; the completion of the re-engineering activities of the Normattiva Portal and its management, in an evolutionary perspective, in line with the European standards of representation of the legal document (AKN, ELI, etc.), to simplify access to legislation, and to correlate the different regulatory sources. Furthermore, to bring the citizen closer to regulatory sources, the Poligrafico promoted the 'Law for You' service, optimising the searchability and use of sources.

The turnover of the chain is mainly influenced by the Official Gazette, where there is a growth in advertisements with a turnover in 2021 of more than euro 37 million; the election order recorded a turnover of approximately euro 6.4 million, which was influenced by the election events of the year (local elections).

#### *Coinage, numismatics, medals and philatelic*

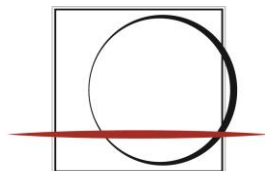
Monetisation and valorisation of the historical and artistic heritage are institutional activities historically overseen by the Poligrafico; however, the spread of electronic money as a payment instrument has affected requirements for several years, with a progressive negative effect on production.

The company introduced strategic activities for the relaunch of numismatics with targeted campaigns, a launch plan and themes of greater interest to the community, which allowed, also thanks to the introduction of the e-commerce site dedicated to numismatics, to expand the customer portfolio and the markets served.

The primary objective is therefore to relaunch the activities of the Zecca sector both through numismatic commercial initiatives and participation in foreign coinage tenders.

For 2021, the Ministry of Economy and Finance has requested the minting of a circulation coin quota of 196 million pieces, up from the 2020 request (156 million). The quota was fully minted in 2021 (euro 38 million).

The production of the Special Coinage of the Italian Republic amounted to 199,198 pieces, divided between Proof and Brilliant Uncirculated, with different types of packaging, to make numismatic products increasingly attractive on the market. In 2021, two new types of packaging were designed in-house, one in wood for the packaging of the 999.9 Au 'iconic lira' coins (a novelty in the use of the fine Au material), the other in the shape of a basketball, in an environmentally friendly material



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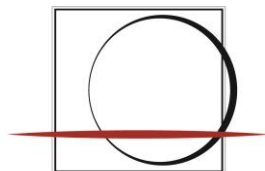
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for the rhodium-plated coin dedicated to the centenary of the Italian Basketball Federation (a novelty in the galvanic treatment using rhodium with the effect of turning the coins black).

Coins were also produced for the Vatican State, totalling 2.4 million pieces, between ordinary and special coins, and the coinage for the Republic of San Marino amounting to 1.9 million pieces.

Due to participating in the tender for the supply of coinage to SLOVENIA, 7 million pieces of 2 euro cent and 8 million pieces of 10 euro cent ordinary coinage, and 1.2 million pieces of special coinage were also minted delivered.

In 2021, as in the previous financial year, coloured coins were minted for the Italian Republic, while the Vatican State maintained the production of coins with partial gilding, although the latter required the production of two coloured coins with a rectangular proof finish, coins dedicated to Caravaggio and Dante with a production run of 1,300 pieces per type.



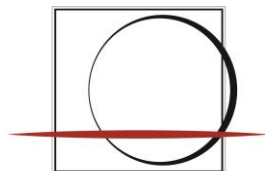
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## Analysis of the Economic, Financial and Financial Situation

The economic situation reclassified according to the nature of the items and set out below, it shows a net profit for the year of € 50.9 million, after making provisions and write-downs for € 26 million and allocating taxes for the year of € 21.2 million.

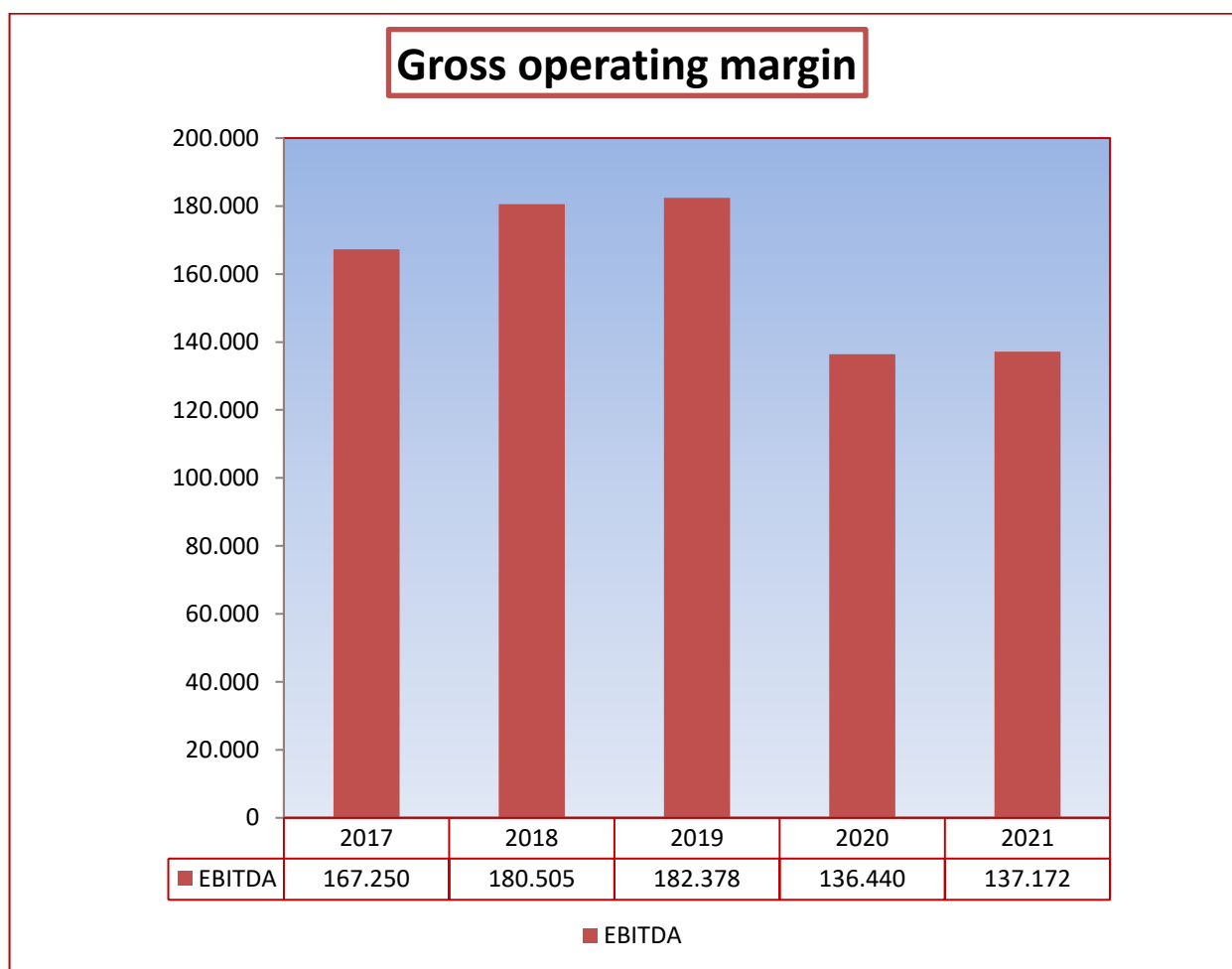
<b>Reclassified income statement</b> <i>values in thousands of euros</i>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Revenues from sales and services	418,834	401,858	16976
Change in inventories of work in progress, semi-finished and finished products	278	(2,754)	3032
<b>Product of the year</b>	<b>419,112</b>	<b>399104</b>	<b>20008</b>
Purchase of materials	(68,908)	(61,241)	(7,667)
Change in inventories of raw materials	4,554	1013	3541
Services	(115,801)	(101,419)	(14,382)
Use of the use of third party assets.	(4,894)	(3,646)	(1,248)
Other expenses	(5,241)	(4,690)	(551)
Other revenues and income	6,791	6434	357
<b>Value added</b>	<b>235,613</b>	<b>235,555</b>	<b>58</b>
Staff costs	(98,441)	(99,116)	675
<b>Gross operating profit (EBITDA)</b>	<b>137,172</b>	<b>136,439</b>	<b>733</b>
<i>Depreciation:</i>			0
Intangible assets	(6,304)	(4,457)	(1,847)
Tangible fixed assets	(34,370)	(32,244)	(2,126)
Provisions and write-downs of receivables included in current assets	0	0	0
<b>Operating profit</b>	<b>96,498</b>	<b>99,738</b>	<b>(3,240)</b>
Extraordinary provision for risks	(25,943)	(25,000)	(943)
<b>Operating result after provisions</b>	<b>70,555</b>	<b>74,738</b>	<b>(4,183)</b>
Financial income	1,751	2064	(313)
Interest and other financial charges	(264)	(275)	11
<b>Result before taxes</b>	<b>72,042</b>	<b>76,527</b>	<b>(4,485)</b>
Taxes for the year	(21,191)	(22,477)	1,286
<b>Profits and losses for the financial year</b>	<b>50,851</b>	<b>54050</b>	<b>(3,199)</b>

Ebitda of euro 137 million, in line with 2020, amounted to about 33% of turnover, while operating profit, at about 17% of turnover for the year, amounted to about euro 71 million.



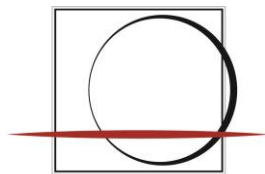
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The increase in turnover developed a general increase in costs (raw materials and electronic document services) related to the volumes generated and general services. In addition, costs were incurred for sanitisation and protective equipment related to the Covid-19 emergency.



In a logic of continuity with the actions undertaken in previous years, the actions aimed at the organisational rationalisation of factory processes and support activities, and the prudent and proactive management of the procurement processes for goods and services continued, which have enabled substantially positive results to be achieved.

Intense action continued to control and rationalise the costs of purchasing goods and services, to guarantee economic and qualitative conditions in line with the general policy of revising spending, through the expansion of competitive tendering procedures and the improvement of the planning process of requirements with the aggregation of internal demand; elements that made it possible to limit the constant increase in energy prices and some raw materials; in percentage terms, the



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incidence of the purchase costs of raw materials and services on the operating product was 16% for materials and 28% for services.

In addition to what has already been highlighted in relation to the turnover for all the other main aggregates, the following is noted:

Costs of production increase as a function of production volumes; this is compounded by constant actions aimed at cost control, the effects of internalisation processes, public tendering procedures, and finally, rationalisation of inventory.

The added value of EUR 236 million represents about 56% of the year's output;

Labour costs (euro 98 million), in line with the costs incurred in the previous period.

The cost of salaries and fringe benefits decreased, despite the increases resulting from the renewal of the sector's national collective labour agreement, in line with the decrease in the average number of resources in the company (around 70). On the other hand, there was an increased use of agency work (about 27 more on average).

The gross operating margin of euro 137 million, due to the dynamics outlined above, represents about 33% of the year's product.

Depreciation and amortisation totalled more than euro 41 million, reflecting the contribution of investments for the period.

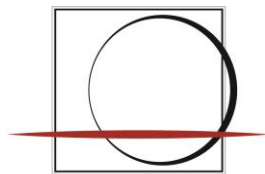
Provisions for risks and charges, in the amount of euro 26 million, relate to the adjustment of the provision for risks and charges, for the activities, currently being defined, for the redevelopment of the real estate assets pertaining to the Mint, i.e. the functional restoration of the first Mint of the United Italy (building in Via Principe Umberto).

The financial market trend declined, due to the strong increase in bank liquidity and the application of negative interest rates on deposits by the ECB. The financial management is positive by approximately euro 1.5 million. The Company achieved positive returns through the opening of short-term restricted current accounts which made it possible to minimize risks while benefiting from interest.

Income taxes refer to IRES of euro 16.5 million and IRAP of euro 4.7 million. The item includes the amounts of taxes on income (IRES 24%) and on production activities (IRAP 4.82% for Lazio and Puglia and 3.10% for Valle d'Aosta) for the year. No provision was made for deferred taxes and there were no changes that led to the adjustment of what has already been set aside.

Among the increases for IRES purposes, the provisions for risks, which are not tax deductible, should be highlighted. These are provisions for sums intended to meet potential liabilities associated with existing situations, the values of which are estimated (including extraordinary maintenance work, early retirement and corporate restructuring).





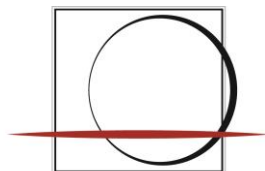
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Among the decreasing variations, the positive impact was generated both using the provisions for risks (to materialize the expenses for which they were allocated) and using the tax concessions introduced for investments in new capital goods ("Super depreciation ") And in assets functional to the technological / digital transformation according to the " Industry 4.0 "model (" Hyper-depreciation "): concessions that allow you to enjoy increased depreciation for tax purposes.

In fact, the company, as part of its major investment plan, was able to access the subsidy for all those assets for which the requirements of interconnection to the company system were fulfilled.

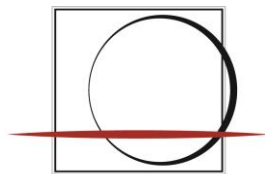




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The financial situation has been reclassified in the table below, highlighting the balances for 2021, compared with the previous year.

<i>Analysis of capital structure values in thousands of euros</i>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
<i>Fixed assets:</i>			
Intangible	13,598	5,909	7,689
Materials	216,763	221,918	(5,155)
<i>financial:</i>			
- participation	40,760	40,760	0
- participation in debts for payments to be made	0	0	0
- credits and other titles	1,737	1,827	(91)
<i>subtotal financial fixed assets</i>	42,497	42,587	(90)
<b>Total intangible assets</b>	<b>272,858</b>	<b>270,414</b>	<b>2,444</b>
<i>Working capital:</i>			
Inventories	67,249	62,342	4,907
Trade receivables	34,435	39,516	(5,081)
Receivables from related parties	119,636	158,344	(38,708)
Tax receivables	25,255	35,317	(10,063)
Other assets	2,040	3,738	(1,698)
Accruals and Deferrals	4,616	3,862	754
Trade payables	(119,638)	(124,715)	5,077
Payables to related parties	(71,300)	(119,088)	47,788
Tax and social security payables	(89,759)	(103,378)	13,619
Provisions for risks and charges	(205,037)	(203,890)	(1,147)
Other liabilities	(17,801)	(15,926)	(1,875)
<b>Total working capital</b>	<b>(250,304)</b>	<b>(263,878)</b>	<b>13,574</b>
<b>Capital invested (net of operating liabilities)</b>	<b>22,545</b>	<b>6,536</b>	<b>16,009</b>
Employee severance indemnity	(8,615)	(11,398)	2,783
<b>Capital invested (after deduction of TFR Liabilities)</b>	<b>13,938</b>	<b>(4,862)</b>	<b>18,800</b>
<i>Cover by:</i>			
<i>Own capital:</i>			
Share	340,000	340,000	0
Reserves and results carried forward	83,436	80,733	2,703
Operating result	50,851	54,050	(3,199)
<b>Total equity</b>	<b>474,286</b>	<b>474,783</b>	<b>(496)</b>
<i>Medium and long-term financial debt</i>	4,446	4,676	(230)
<i>Short-term financial debt (net cash and cash equivalents):</i>			
Net financial debt	230	218	12
Availability and short-term financial receivables	(465,024)	(484,539)	19,515
<b>Total net cash available</b>	<b>(464,794)</b>	<b>(484,321)</b>	<b>19,527</b>
<b>Total coverage</b>	<b>13,938</b>	<b>(4,862)</b>	<b>18,800</b>



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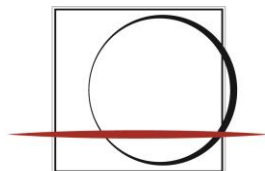
The most significant changes in the elements of assets and liabilities concern:

*Current assets* totalled euro 273 million, due to the following dynamics:

- *intangible* (euro 13.6 million): in addition to software programmes and licences, development costs related to industrial research projects were capitalised during the year. The amortization for the period was 6.3 million euros, while net disposals amounted to 500 thousand euros;
- *materials* (euro 216.8 million): capital expenditure amounted to euro 37.3 million, depreciation euro 34.4 million, plus divestments, sales reclassifications and advances.
- *financial fixed assets* (euro 42.5 million): mainly relating to the investments in the subsidiaries Futuro & Conoscenza S.r.l. set up in 2020, according to the organisational model of in-house providing jointly controlled by Poligrafico (80%) and Fondazione Bruno Kessler - FBK (20%) and Valoricarta S.p.A. incorporated in 2018, according to the organisational model of in-house providing jointly controlled by Poligrafico (80%) and the Bank of Italy (20%).

*The working capital* it is negative for 250 million euros. The elements of the assets and liabilities that contributed to this result were:

- *inventories* (euro 67 million): stocks of raw materials and semi-finished products of legal tender coins increased. Finished products were in line with last year. The item “inventories” also includes company assets disposed of from the production cycle and valued at the lower of the residual value and their presumed realizable value (176 thousand euros);
- *trade receivables and other assets* (euro 161 million): comprising receivables from customers, parent companies, associates, subsidiaries and related parties.
- *tax receivables* (euro 25 million): these refer to VAT advances, IRES credits for advances paid over taxes for the period, and deferred tax assets and refunds requested;
- *trade payables and other liabilities* (euro 209 million): this item includes payables to suppliers, subsidiaries, associates, parent companies, related parties, employees and social security and welfare institutions for the related contributions. In addition, this item includes the payable to the Ministry of Economy and Finance relating to the funding disbursed by the latter to pay the injunctions of Unicredit Factoring against the invoices of Omnia Logistic as part of the transport service for the years 2002-2006;
- *tax and social security payables* (euro 90 million): this item consists mainly of the VAT debt for the supply of common printed matter from 2006 to 2018, which amounts to approximately euro 82 million. In addition, this item includes the withholdings on income from employees and similar for the month of December paid in January 2021;
- *other provisions for risks and charges* (euro 205 million): net of utilisations and provisions. The provisions were determined by valuing, following prudential criteria, the potential charges and liabilities in general that could arise from the settlement of commercial and industrial items and



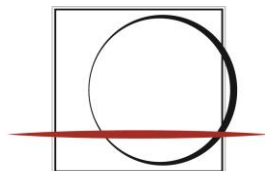
POLIGRAFICO E ZECCA DELLO STATO ITALIANO

possible non-existence of assets. In particular, this provision refers to: returns on orders related to the supply of safety documents, plates and pharmaceutical labels; charges related to orders in progress for which costs are estimated to be incurred in future years; restructuring charges against the estimate of costs to be incurred given the planned rationalisation of production sites and for the modernisation and safety of the various plants.

*The net financial position:* is positive at euro 460 million and consists of cash and cash equivalents and short-term financial receivables of euro 465 million, short-term debt of euro 230 thousand, and medium- and long term debt of euro 4.4 million. During the year, the ordinary dividend for the 2020 financial year of € 51 million was paid.

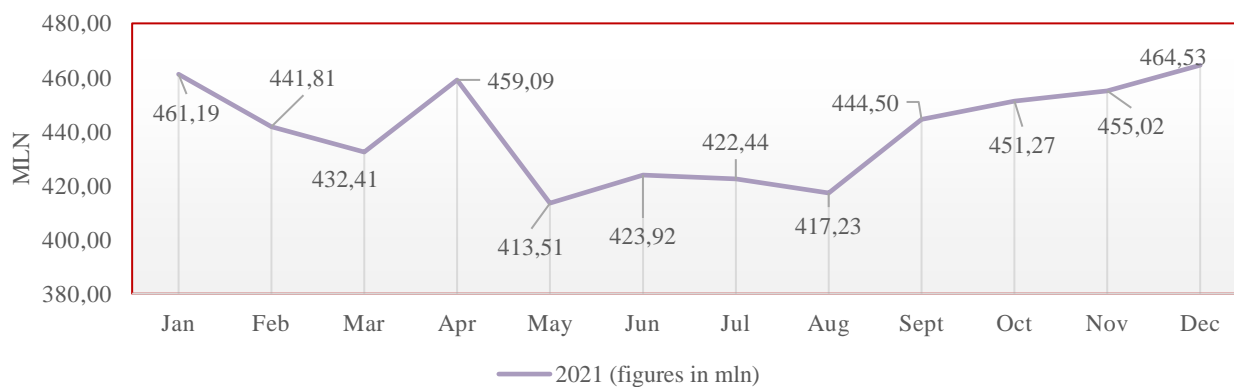
Financial payables consist of the residual debt for the loans granted by the Cassa Depositi e Prestiti and expiring on 31 December 2035, 4.6 million euros (4.4 million euros beyond one year and 230 thousand euros within the year).

<i>Net liquidity</i>				
<i>values in thousands of euros</i>	2021			2020
	Within the year	Beyond the financial year	Total	Total
Cash and cash equivalents	465,024		465,024	484,539
<i>Payables:</i>				
to banks			0	0
towards other lenders	(230)	(4,446)	(4,676)	(4,894)
<b>Total</b>	<b>464,794</b>	<b>(4,446)</b>	<b>460,348</b>	<b>479,645</b>
<b>Financial availability</b>	2021		2020	
<i>values in thousands of euros</i>	Amount	Rate (%)	Amount	Rate (%)
Liquidity with credit institutions	464,528	0.31	483,950	0.37
Cash on hand	20		25	
Total	464,548		483,975	
Unpaid accrued interest	476		564	
Total	465,024		484,539	

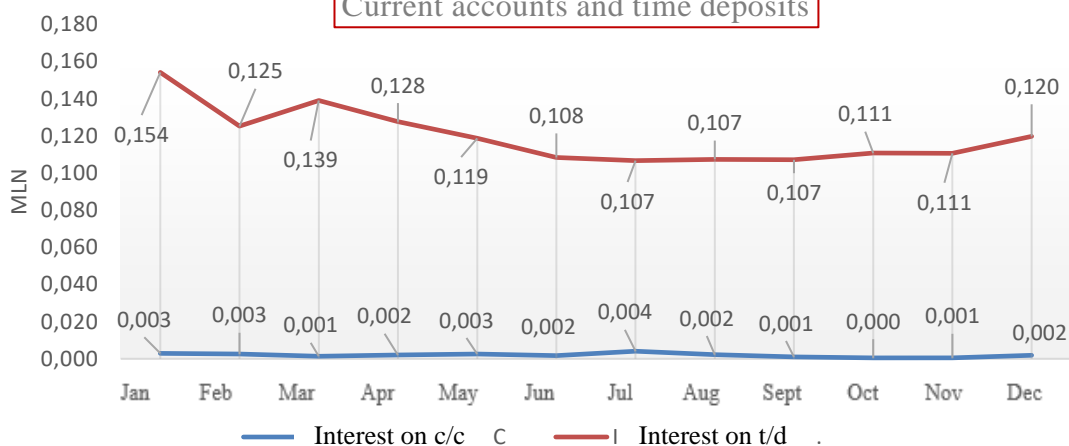


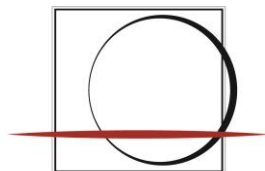
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Trend in Cash and Cash Equivalents



Trend in interest income  
Current accounts and time deposits

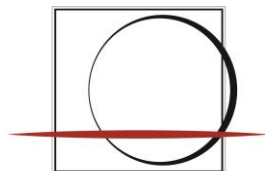




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The following table shows the main cash flow items:

Availability 31.12.2020		484,539
Availability 31.12.2021		465,024
		(19,515)
<b>Availability 31.12.2020</b>		<b>484,539</b>
	credit	debit
Salaries and Stipends		(63,526)
Social security and welfare deductions		(48,939)
Taxes		(49,520)
Suppliers		(258,998)
Customers	452,756	
Advances		
Mortgages		(481,)
Dividend		(51,348)
Other receipts	2,316	
Other payments		(2,682)
Financial transactions	907	
<i>Total movement</i>	<i>455,979</i>	<i>(475,494)</i>
		(19,515)
<b>Availability 31.12.2021</b>		<b>465,024</b>



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## Investments

The investments made in 2021 respond to the strategic lines already identified in previous years and confirmed by the business plan. The Company has strengthened its skills and assets with the technological renewal of the production and technological infrastructure, as a point of reference for the protection of the primary interests of the Community State. The investments were all aimed at creating products, services and projects with high intrinsic values, in terms of safety, health protection, anti-counterfeiting and traceability.

With the creation of back-ups on core products, production was able to support all the required needs. This organisation has made it possible to create synergies between the different plants, increasing the flexibility and resilience of the production system, while at the same time satisfying the changing needs of customers, especially in a pandemic phase, which has seen multiple requests for contractual changes, both regarding quantity and delivery schedules, from major customers.

The following are the main investments made for each production site:

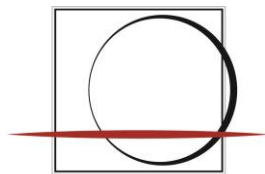
Productive settlements values in thousands of euros	2021		2020		Change
	Procurement	%	Procurement	%	
Central Functions	17,216	43.45	11,043	20.23	6,173
Values Cards and Traditional Productions Workshop	6,140	15.49	20,020	36.67	(13,880)
Zecca and Verrès	2,685	6.78	6,052	11.08	(3,367)
Foggia	11,278	28.47	16,149	29.58	(4,871)
Research and Development	1,537	3.88	1,335	2.44	202
IT Projects	764	1.93			764
<b>Total</b>	<b>39,620</b>	<b>100</b>	<b>54,599</b>	<b>100</b>	<b>(14,979)</b>

The most significant investments made in 2021 were:

*Security documents:* the CIE backup plan started in previous years at the Foggia production site was completed with the installation of a screen printing plant and the contract for the construction of an offset printing plant, which is scheduled for delivery in 2022.

A new passport line was installed at the OCV plant, which is able to guarantee production continuity, i.e. the handling of large volumes of demand throughout the year. At the same time, based on the proposal to revise the product layout with a polycarbonate page, the passport line already in use was updated. The installation of a system for the construction of PE booklets is being finalised.

The upgrade of all equipment required for laser engraving customisation of the new PSE was finalised, in compliance with the new EU Regulation 1954/2017.



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*Olography:* all planned installations were completed in 2020; in 2021, the new foil hot foil application line, mainly used to produce paper for revenue stamps and banknotes, was installed.

*Traditional Production:* a structural modification was carried out on the Gallus Labelfire plant at the Foggia production site, which enabled the reconversion of the plant's production capacity, leading to high production flexibility and increased results on the 'Wine labels' product, to produce which, two production plants, Prati and Gallus, are available.

*Plates:* In the Foggia plate production department, modifications were made to the Utsch paging presses through the purchase of inking machines that made the deep-drawing phase fully automated, also offering the possibility of customised car number plates and guaranteeing greater reliability and quality in the process and less production waste. For both sites, the new quality control system (QCS) is being implemented to improve and guarantee greater product safety and quality, systems for handling automation, and a new packaging line for Foggia. These interventions are financed by the Apulia Region.

*Numismatic and Medals Coinage:* the investments made reveal a policy of improving the quality of the Mint's production through the creation of a packaging line for coins in the Brilliant Uncirculated series equipped with a visual and product QCS, identifying any defects in the coinage; the purchase of a sputtering plant capable of depositing a micrometric metal film on coinage cones to protect the coin from oxidation. At the Verrès plant, upgrades were carried out on the vision system and the safety of Proditec's sorting machines, i.e. the upgrade at the Shuler polishing plant.

*Process/Product Improvement Activities:* The loading bay in Hall M of the plant at Via Salaria 691 was modified to meet the requirements of the 14298 regulation on security in the production of securities cards.

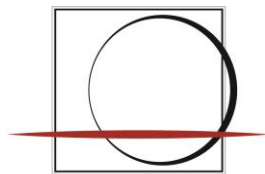
Hardware work on the video surveillance system at the Mint was also completed.

*Investments and Renovations in Real Estate:* work continued on the modernisation and streamlining of equipment and work spaces, following an ongoing process of real estate redevelopment characterised by a strong focus on optimisation and energy savings.

*Research & Development:* in line with previous years, the monitoring of costs incurred on industrial research projects whose completion will lead to the improvement of existing assets, new products/processes or new industrial patents continued. During the year, the project in cooperation with the Bruno Kessler Foundation aimed at creating an electronic document in card format, equipped with a biosensor capable of identifying the holder through the detection of biometric data, was completed; the project led to the granting of two industrial patents.

*Projects in progress:* Concerning security documents investments in upgrading existing passport production facilities and the installation of new production and initialisation machines, which have



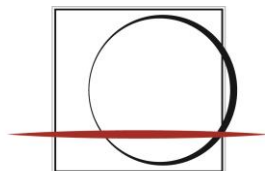


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been slowed down due to the pandemic, are at an advanced stage. Activities will be completed in early 2022.

In the SAT phase, the cogeneration plant installed at the Foggia site will allow the notoriously energy-hungry paper mills to be almost autonomous regarding their needs, making our company 'green' even in this production process.



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## Human Resources and Organization

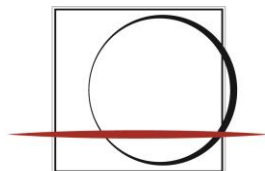
As at 31 December 2021, the number of resources was 1,644, 49 more than at 31 December 2020 (+ 3.1%).

The hiring plan implemented during the year led to the insertion of 97 units between factories and central structures: 1 middle manager, 14 managers, 17 clerical workers and 65 worker, with an average age of hires equal to 30.1 years. There were 48 departures (with an average age of 51 years); in particular, 2 executives, 2 middle managers, 14 managerial employees, 16 clerical staff and 14 workers left the service. The reasons for the 48 releases are distributed as follows: 24 employees joined the redundancy incentive plan and the remaining 24 terminations were distributed between voluntary resignations (19) and other reasons (5).

During the year, the Company made use of supply contracts, to meet the temporary needs, both of production and of staff activities. As of 31 December, there were 56 active positions.

The breakdown of personnel by production facilities and by functional qualification, compared with the exact value at the end of the previous year, is as follows:

Productive Settlements	Executives and Employees	Manual workers	2021	Executives and Employees	Manual workers	2020
Values Cards and Traditional Productions Workshop	161	357	518	167	343	510
Foggia	76	220	296	80	209	289
Zecca	51	71	122	47	69	116
Verrès	11	25	36	10	24	34
Integrated Solutions Development	134	1	135	138		138
Information Systems and IT Services	140		140	137		137
Central Functions	382	15	397	355		355
<b>Sub Total</b>	<b>955</b>	<b>689</b>	<b>1,644</b>	<b>934</b>	<b>645</b>	<b>1,595</b>
Staff in administration	36	20	56	35		35
<b>Total</b>	<b>991</b>	<b>709</b>	<b>1,700</b>	<b>969</b>	<b>645</b>	<b>1,630</b>



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Productive Settlements	31.12. 2020	Input	Terminations	Changes	31.12. 2021	Staff in administration	Total
Values Cards and Traditional Productions Workshop	510	40	(12)	(20)	518	9	527
Foggia Plant	289	14	(8)	1	296	2	298
Mint Plant	116	9	(4)	1	122	4	126
Verrès Plant	34	3	(1)	0	36	6	42
Integrated Solutions Development	138	5	(2)	(6)	135	5	140
Information Systems and IT Services	137	10	(5)	(2)	140	6	146
Staff Functions	371	16	(16)	26	397	24	421
<b>Total</b>	<b>1,595</b>	<b>97</b>	<b>(48)</b>	<b>0</b>	<b>1,644</b>	<b>56</b>	<b>1,700</b>

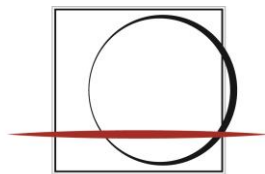
In 2021, the workforce average age as at 31 December was 42.5 years, consolidating the figure reached in 2020 (42.4 in 2020; 43.9 in 2019, 45.5 in 2018 and 46.3 in 2017). In particular, 72 per cent of the working population is under 50 years of age (69.5 per cent in 2020), while those over 60 years of age in companies account for 4.4 per cent of the working population (4.2 per cent in 2020).

Concerning the breakdown of staff by gender, a stable male/female ratio is confirmed compared to the previous two years.

Gender / Age	20 ≤ Age ≤ 30	31 ≤ Age ≤ 40	41 ≤ Age ≤ 50	51 ≤ Age ≤ 60	<60	Total	%
Females	24	98	124	100	22	368	22
Males	207	451	277	290	51	1,276	78
<b>Total</b>	<b>231</b>	<b>549</b>	<b>401</b>	<b>390</b>	<b>73</b>	<b>1,644</b>	<b>100</b>

The analysis of the composition of the workforce, by level of education, shows that 93% of the staff have a medium-high educational qualification, a percentage that is increasing compared to previous years (in 2020 it was 92% and in 2019 88%), since for new entrants the percentage is 100%. The table below highlights the distribution by qualifications and level of education:

Qualification / Education	Degree	Diploma	Media	Employees	Total
Executives and directors	278	172	4	0	454
Office workers	147	318	35	1	501
Manual workers	11	599	79	0	689
<b>Total</b>	<b>436</b>	<b>1,089</b>	<b>118</b>	<b>1</b>	<b>1,644</b>



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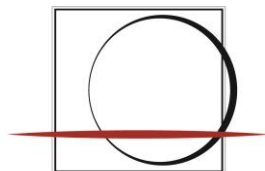
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Regarding the productivity factor, the average days worked per capita in 2021 increased by 7.37 compared to 2020 (209.04 vs. 201.67). Despite the continuing health emergency, the events that contributed to the increase in services rendered are mostly related to the partial recovery of economic activity compared to the previous year. The most significant changes include a decrease in absenteeism strictly related to COVID19 - leading to an increase in performance of 2.83 average days compared to 2020 - and an increase in 'onsite hours' totalling 5.47 average days. In addition, there was less absenteeism, net of COVID-19-related absences, totalling 4.7 more days worked than in 2020.

The absenteeism rate stood at 7.19%, down 1.45 percentage points from the previous year (8.64%). Furthermore, net of COVID-19-related absences, the rate drops to 6.7%, down 0.3% compared to 2020, confirming that the generational turnover process together with the general improvement in the corporate climate and the significant use of agile work (smart working) are favouring the descent of this important indicator.

However, on an analytical level, absenteeism, again net of COVID-19-related absences, shows an uneven trend in the different company structures. Cumulatively, the management structures are well below the overall average value with an absenteeism rate of 5.09% (reducing the rate by about 0.54% compared to 2020). As far as production plants are concerned, it is noted that the absenteeism rate of Verrès, at 2.76%, is well below the average and is further down on the figure for 2020 (3.20%). In contrast, in the plants Officine Carte Valori, Zecca and Foggia, absenteeism was higher than the average, with rates of 7.52%, 6.78% and 7.09%, although the figures in the first two plants decreased compared to the previous year (respectively 9.25% and 8.47% in 2020). Extraordinary services compared to the previous year show a decrease of 0.51 days per capita (5.88 vs 6.39). In fact, total overtime hours decreased from about 85,900 in 2020 to about 75,300 in 2021.

As far as the plants are concerned, the situation appears diverse: there is a reduction in overtime for Foggia, from 30,200 in 2020 to 24,100 hours in 2021, and for the Officina Carte Valori, which shows the largest decrease, from about 36,400 to 29,300. The opposite situation occurred at Verrès and Zecca. In the first case, overtime hours rose from around 800 in 2020 to 1,100 in 2021 due to a contingent increase in the production of plates against a second shift that was not at full capacity. In the second case, the number of overtime hours rose from about 2,600 in 2020 to 3,300 in 2021



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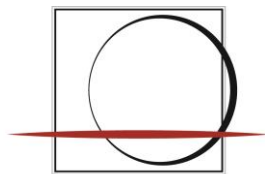
due to an anticipation of both the supply of 8 million 2-cent pieces of the 'Slovenia' order and the presentation of the numismatic collection in 2022.

Labour costs as at 31 December amounted to euro 98.4 million, slightly down from 2020 (euro 675,000). The cost of wages and salaries and additional components fell, despite the increases resulting from the renewal of the sector's national collective labour agreement, in line with the decrease in the average number of resources in the company (around 70). Extraordinary services also decreased by about euro 500,000. Offsetting these effects was the increased use of agency work (around 27 more on average).

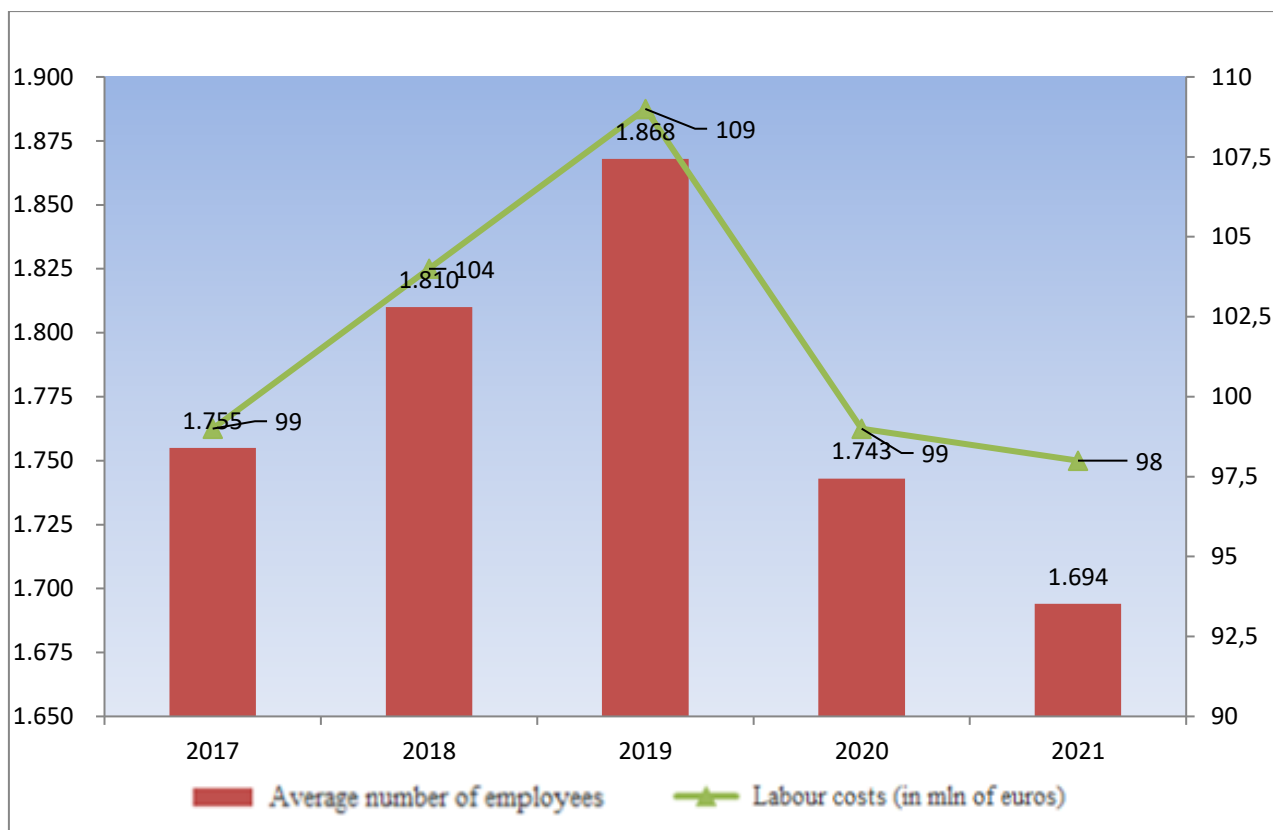
#### *Organisation*

Regarding updating the corporate organisational structure, in 2021, the Real Estate Department - renamed Real Estate Management Department - was entrusted with the entire process of managing maintenance activities on buildings (productive and non-productive) and related service technology systems.

It should also be noted that, as part of the plan for the development and integration of internal skills, the job rotation process of responsibilities in managerial roles - including top management - and in professional roles continued, to foster the exchange of experience between the various organisational areas.



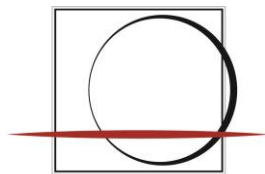
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### *Formazione (Training)*

The Company Training Plan, also in 2021, was readjusted - regarding delivery methods - to the needs of the pandemic emergency. The training initiatives therefore continued to be delivered, at least in the first part of the year, in the distance mode, also helping to strengthen the process of growing the digital culture in the company.

Training initiatives to support change were geared towards promoting the development of digital competences and behavioural competences (soft skills). Among the most relevant development training initiatives is the programme aimed at supporting a network of 'Internal Facilitators', 50 employees from the various organisational structures and charged with promoting an innovative approach through a daily activity of confrontation, collaboration and dialogue. An activity that involved sharing ideas between people from different areas, experimenting with a common language and training in continuous adaptation. The course also included a comparison with external realities through the testimony of leading figures from both production and service companies. The path led to the presentation of project initiatives aimed at innovation and to be implemented during 2022.



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To improve transversal skills, a plan was implemented for the development of the managerial behaviour of staff involved in production processes. This plan aimed to improve the internal climate by adopting behavioural and communication styles geared towards inclusion, supporting group motivation and constructive conflict and error management. Production personnel were also involved in specialisation courses on both technical topics - such as 'Printing Techniques' - and the correct use of management tools to support operations. The first course involved - first in the classroom and then on the machine - the Lithography, Publishing, Chalcography, Continuous Forms and Gioco Lotto departments of the OCV and PT factory. On the other hand, the second course responded to a demand for literacy and consolidation of SAP knowledge for all colleagues working in the Logistics and Handling, Value Control and Finished Goods Warehouse departments of the Poligrafico plants.

The Central Functions benefited from a series of training interventions for the use of systems that enable the digitalised management of processes (Transfer; Time Management; SAP) and from a significant 'awareness' action on corporate management systems and on Anti-Corruption and Transparency, Risk Management and Privacy.

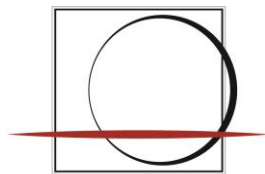
The transition to digital has, of course, entailed an increasing investment in Information Technology skills, fostering the acquisition of knowledge aimed at developing skills to support strategic projects for the company. These include initiatives in the area of Application Development and Legal Databases in preparation for the launch of the Official Gazette re-engineering project.

Also significant was the training commitment dedicated to trainee personnel, who could benefit from an integrated 'onboarding' training programme that covered company organisation, management systems, regulations and the Collective Bargaining Agreement, Poligrafico products, etc.

Total hours of training provided in 2021 were 45,236 with an average of 27 hours per capita, an increase of 14% over the 2020 figure. This increase is due to both training for trainee staff and facilitation training and the increased impetus given to Information Technology training. Regarding the distribution of training hours for the different subjects, those dedicated to Machine Training amounted to 31,089 and those for Technical Training to 8,121, while the total number of hours developed for Transversal Training was 6,025. of which 2,145 hours were in English.

Compulsory safety training initiatives amounted to 5,800 hours and involved both Central Functions and Plants, particularly those of Officina Carte Valori and Foggia for forklift training and refresher training/updating and training/updating for supervisors, for a total of 974 participants. As part of the preparatory actions for the 'Academy Poligrafico' project, a network of internal trainers was identified in 2021 to train employees, once the ongoing health emergency phase is over.





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### *Search and selection of personnel*

In 2021, while being affected by the continuing effects of the health emergency, the programme to recruit new staff continued, to enhance professional and organisational skills to support the ongoing innovation and development processes.

39 Job Alerts on the company website, also using advertising channels for further n. 7 traineeship searches: University Placement Offices, Specialized Schools and Educational Institutions.

For personnel searches, following the provisions of the internal 'Personnel Selection' procedure, the task was entrusted - employing calls for tenders - to external companies specialised in this field.

From the results of the various screenings, around 320 candidates considered to be most suitable were interviewed and assessed employing specific tests (logic, psycho-aptitude and personality questionnaires) and individual interviews, also in telematic mode.

In addition, Concerning the need to strengthen Poligrafico's positioning vis-à-vis young graduates from the universities of greatest interest to the company, it was deemed appropriate to continue the Employer Branding strategy.

### *Industrial relations*

A central theme in the year 2021 was the management of the impacts on the organisation and people resulting from the pandemic, through continuous dialogue in the Covid Joint Committee, which met regularly. The continuous dialogue with the trade unions allowed optimal management of the organisational criticalities caused by the pandemic, enabling the company to ensure its operational continuity.

To optimising the use of the work factor and meeting the needs of plants committed to guaranteeing production in such a critical historical phase, specific agreements have been signed with the Trade Union Representatives in the company, including one on working hours.

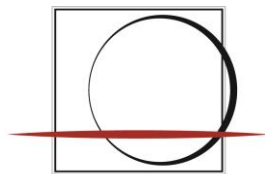
An agreement with the Parties, the Company provided the introduction of extremely challenging objectives - such as the reduction of non-quality costs and the reporting of near misses - which mark the Company's strong focus on two particularly relevant issues, such as Product Quality and Safety in the Workplace.

Lastly, to ensure continuous training and professional updating of the personnel involved in the different company functions, the Parties signed an agreement on financed training, presenting different training activities for a total of about 2,000 hours.

In addition, the year 2021 saw the renewal of the Unitary Trade Union Representatives for all company sites, an important event to relaunch the process of change taking place in the company.

### *Services to People and Business*

On the front of initiatives aimed at improving wellbeing at work and environmental sustainability, corporate Mobility Management projects were consolidated in 2021 (completion of upgrading to



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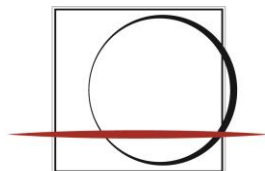
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electric/hybrid and rationalisation of Fleet Management, Car Sharing for work journeys with electric cars and Car Pooling, Employee Taxi App) to simplify staff home-work journeys and for the complete upgrading of business travel from a green perspective.

Also to reduce environmental impact, the new plan for the requirements of goods and services for the company's operations has been drawn up by foreseeing stringent low environmental impact requirements in the technical tender specifications, consistent with the energy and environmental sustainability criteria of the National Action Plan on Green Public Procurement (PAN GPP), maximising the use of materials that are not harmful to the ecosystem (e.g. for the supply of furniture, for the textile materials of work uniforms, for catering services, activation of water supply columns with a 35% reduction in the use of plastics, use of compostable or biodegradable materials for catering services, etc.).

On the front of greater environmental sustainability, and improved work processes, the first document standards were released in the course of 2021 as part of the company's Digital Document Management project, particularly the 'Classification Title Book' for proper document indexing and metadata. In addition, the first assessment of document processes was completed with the parallel survey of physical and digital archives, and an initial feasibility study was carried out for the new document management model and for an Integrated Document System in a 'zero paper' business perspective and totally 'born-digital' process management.

In line with the objectives of rationalising space and disposing of obsolete assets, some 2,000 IT assets (WEEE) and over 50,000 kg of iron, wood, plastic and paper materials were disposed of and sent for environmentally sustainable recycling, with consequent economic and space recovery benefits.



## Litigation

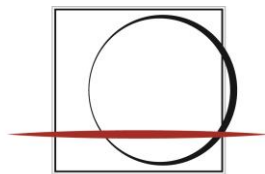
Corporate disputes are mainly attributable to the following cases:

- civil law disputes, during the year, three new deeds of claim were served for an unquantified claim; while one case in civil matters was conciliated for a total value of approximately euro 7,000.

The dispute relates to contracts stipulated with private customers / suppliers. These are mostly cases, the definition of which, in the absence of valid settlement conditions, is linked to the timing of the judicial proceedings instituted.

At the end of the year, 15 civil lawsuits are pending for a total value of approximately € 35 million. Concerning the above-mentioned claim, it should be noted that most of it (euro 33,713,963.21) refers to the claims brought by Unicredit Factoring S.p.A.

- administrative law cases, seven administrative appeals were served for which the claim was not quantified, while 9 administrative law cases were filed. As a result, seven administrative law cases were pending as at 31 December. In this regard, it should be noted that only regarding one of these disputes was the claim quantified at approximately euro 600,000. For the remaining judgements, however, no quantification was made.
- labour disputes, seven new appeals were served during the year (for seven claimants), four for occupational asbestos disease; one for superior duties; one for opposition to disciplinary sanction; and one for recognition of incentives for technical functions. Two cases were conciliated during the reporting period (for two claimants), namely: one for accident and one for recognition of employment. No cases were dismissed following a final judgement. Therefore, as at 31 December 2021, 13 cases were pending in labour matters (for 13 plaintiffs), of which 4 for occupational disease due to exposure to asbestos; 2 for occupational disease due to asbestos and other substances; 1 for occupational disease due to exposure to harmful substances; 2 for demotion and mobbing; 1 for opposition to disciplinary sanction; 2 for superior duties; 1 for request of incentives for technical functions. The value of pending cases as at 31 December 2021 is approximately euro 9 million. The largest part of the value of total labour disputes is made up of occupational disease cases (approximately euro 8.6 million).
- litigation in tax matters, no tax law appeals were served during the year. At the end of the financial year there was one case pending for a claim of about euro 2,000.
- judicial debt recovery 56 active cases are pending, initiated for the recovery of debts, with a total value of approximately euro 3 million. The receivables that represent the greatest criticalities in recovery are those relating to debtors for which bankruptcy or composition proceedings are pending for an amount amounting to approximately 1.6 million euros.



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- recovery of debts arising from labour cases, in the area of recovery of debts arising from labour cases there are 8 active cases pending with a total value of approximately euro 100,000.
- out-of-court debt collection, at the end of the year 380 out-of-court cases for credit recovery on invoices were open. 85% of these positions are attributable to receivables that the Poligrafico boasts from the Public Administration and, at present, the relative amounts are recoverable. Finally, out-of-court receivables deriving from labor disputes amounted to 51 for a total value of approximately 400 thousand euros.

In 2021, no legal actions are pending or have been brought against Poligrafico for anti-competitive behaviour or violations of antitrust regulations and monopolistic practices in which the organisation has been identified as a participant.

Furthermore, it should be noted that as at 31 December 2021, no administrative or judicial sanctions had been received for non-compliance with laws and/or regulations in social and economic matters.

### *Evolution of the main disputes in progress*

- *Civil Litigation*

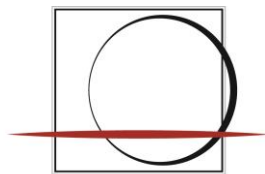
#### *Unicredit Factoring*

The three different cases with Unicredit Factoring S.p.A. The three different lawsuits with Unicredit Factoring S.p.A. (hereinafter also referred to as "Unicredit Factoring") originated from the opposition filed by Poligrafico against three different injunctions served by the same in 2008, 2010 and 2011, respectively, as assignee of the receivables claimed by Omnia Logistic S.p.A. (hereinafter also referred to as "Omnia Logistic") from Poligrafico for common card transport services organised on behalf of the Ministry of Economy and Finance.

The total amount of the three injunctive orders was euro 33,713,963.21, plus interest under Legislative Decree 231/2002 and legal fees.

It should be recalled that Poligrafico, in execution of the first injunction, issued and immediately enforceable, had paid the sum of more than euro 31 million (of which euro 24 million by way as a result of what happened) with a provision from the Ministry by way of advances, since these were claims relating to transport services organised, as mentioned, by Poligrafico on behalf of the Ministry itself.

In particular, Poligrafico, on behalf of the Ministry of Economy and Finance, had contractual relations with Omnia Logistic S.p.A. for the distribution of so-called 'common printed products' from the production workshops to the peripheral offices of the same Ministry. For this reason, the Ministry guaranteed the funding needed to meet the contractual commitments of the Poligrafico. Based on the contracts, Omnia Logistic - to receive the agreed consideration - had to attach to the invoices the forms prescribed by the Ministry as proof of the transports and the manner of deliveries made.



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Starting from the second half of 2005 and until after the end of the first half of 2006, the invoices were no longer accompanied by the necessary documentation and therefore the Poligrafico, in agreement with the Ministry itself, suspended the payment of the invoices, inviting Omnialogistic to regularise the position.

Moreover, in early 2008, the Ministry carried out an audit of the services rendered by the company, which revealed a significant difference between the services declared by Omnialogistic, listed in a simple spreadsheet, and those also ascertained at the provincial structures of the Ministry itself.

At the same time, Omnialogistic assigned its invoices to Unicredit, which then proceeded to serve the three aforementioned injunctive decrees against which Poligrafico filed an opposition through the Milan District Attorney's Office.

These proceedings were settled by the Civil Court of Milan, which upheld the opposing actions brought by Poligrafico and revoked the three injunctions, sentencing Unicredit Factoring to return to IPZS the sum of euro 31,360,824.57, i.e., the sum - inclusive of interest - paid by Poligrafico itself in execution of the injunction notified in 2008.

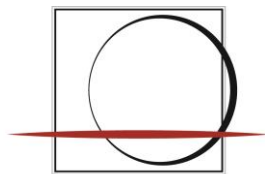
Poligrafico has therefore taken action to recover the aforementioned sums paid, plus interest accrued from the date of payment to the date of actual payment.

Unicredit factoring appealed the above-mentioned judgements, but proceeded to pay the sum of approximately euro 35 million including accrued interest.

The case was decided by the favourable appeal judgement no. 5245/2019, which upheld the decisions of the first instance. In this judgement of the Court of Appeal, it was essentially reaffirmed that the documentation provided by Omnialogistic to claim payment of the invoices issued did not prove the existence of the claim asserted. This was also in consideration of the investigation conducted at the time by the Ministry of Economy and Finance through a special Commission, which had ascertained that the contractually required documentation did not accompany almost all of the services invoiced. In the Territorial Court's view, the plea of non-performance raised by Poligrafico regarding the failure to produce the documents stipulated in the agreement is well-founded, since in the absence of the contractually prescribed models, proof of the actual performance of the services could not be said to have been provided.

Unicredit Factoring S.p.A. appealed to the Court of Cassation against the above reasoning, putting forward six grounds of complaint. Poligrafico promptly joined the proceedings through the Avvocatura Generale dello Stato, arguing that the appeal was inadmissible and unfounded. At present, the hearing has not yet been scheduled.

For the sake of completeness, it should also be noted that the Ministry filed a complaint with the Public Prosecutor's Office of Rome in respect of the aforesaid facts, from which proceedings were



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commenced against the directors of Omnia Logistic, in which the Ministry and Poligrafico have joined as civil plaintiffs, again through the Attorney General's Office.

These proceedings ended with Judgement no. 15914 filed on 27 October 2016, which convicted the defendants jointly for fraud against the State and damages against the Ministry, which were provisionally paid over euro 31 million. The criminal proceedings are currently at the appeal stage.

#### *Acea Energia SpA*

By injunction no. 28584/2017 (served on Poligrafico on 16 January 2018), the Court of Rome ordered Poligrafico to pay the sum of euro 541,737.40, plus legal interest and costs of the proceedings.

The injunction was issued at the request of Farmafactoring S.p.A. (hereinafter also "Farmafactoring") - assignee of the receivable from Acea Energia S.p.A. (hereinafter also referred to as "Acea Energia") - on the basis of two balance invoices relating to the period from 1 May 2012 to 30 March 2013 in which the assignor supplied electricity to the Salario Plant.

Given the lack of proof of the claim's existence, Poligrafico filed an opposition to the injunction mentioned above.

In particular, IPZS first of all objected that Farmafactoring lacked standing to bring an action against it, alleging the circumstance that the assignment of the credit made in favour of the applicant by Acea Energia had been refused within the time limit laid down in Article 117 of Legislative Decree 163/2006, in force *ratione temporis* and was therefore ineffective.

Furthermore, it was represented that the bills in question were based on technical assessments conducted not in the adversarial process of the parties but unilaterally by the Manager Acea Distribuzione (the owner of the distribution networks). The Operator itself, in fact, in replacing the metering elements of the meter, arbitrarily recalculated the value of the so-called billing constant K, that is to say, of the multiplier necessary for the determination of the correct value of the electricity withdrawn and based on which the bills in question were issued.

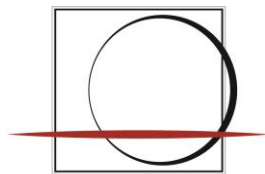
This is, moreover, in open violation of the sectoral regulations, which stipulate that the measuring elements of the meters must only be replaced with the written consent of the user, who has the right to verify the values reported by the meters.

In its favourable judgement no. 13117/2021, the Court of First Instance upheld Poligrafico's opposition and ordered Farmafactoring to pay Poligrafico's costs. The time limits for appeal are currently pending.

#### *Royalties on a patent relating to the pharmaceutical stamp*

With a writ of summons before the Civil Court of Rome, notified on 1 March 2018, the Poligrafico was asked to prohibit the production of the stamp according to the current technical specifications,





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as well as the condemnation of the same to the payment of royalties - not quantified to date - for the abusive use of the patent.

The Company appeared in court contesting the adverse claims at the root and noting the nullity of the patent in question due to lack of novelty and inventive activity.

It was highlighted that the Poligrafico, as a subject appointed by law to supply pharmaceutical stamps exclusively, is necessarily required to comply with the technical specifications contained in specific decrees - the Health Ministerial Decree of 2 August 2001 and the subsequent decree of the Ministry of Health of 30 May 2014 - specifications that cannot be disregarded in any way except by incurring a regulatory violation.

In this regard, the Ministry of Health was called into question to support the non-enforceability of the patent at the Poligrafico.

Furthermore, as regards the lack of inventive activity of the patent in question, it has been shown that at the time the patent was filed for registration at UBIM (in 2001), it did not proceed to the prior art checks to check that the invention to be patented had the characteristics of novelty with respect to the state of the art existing at the time of the application.

A specific appraisal commissioned to expert consultants in the sector revealed that the technical characteristics of the patent at the date of its registration were already known to the technical knowledge of the sector, resulting similar to those relating to previous patents.

In fact, as clarified by Poligrafico's defence, the civil action in question is part of a broader context put in place by the usual parties through companies affiliated to them in an attempt to prevent the process of internalisation of the production of labels carried out by Poligrafico. In particular, it is pointed out that today's plaintiffs are directly linked to certain companies that in the past supplied the Poligrafico with pharmaceutical labels and that, as is known, have repeatedly brought actions - without success - before the Regional Administrative Court and the Council of State to attack Poligrafico's privative rights and challenge the internalisation process.

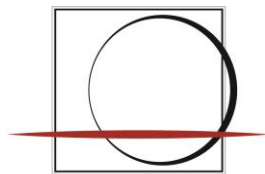
This important circumstance was also highlighted in Poligrafico's entry on appearance. Concerning the status of the case, it should be noted that in the course of the proceedings, an expert's report was filed in favour of Poligrafico, according to which the patent claims relating to the layout are null and void, while for those relating to the production process, the interference with the production methods adopted by Poligrafico for the pharmaceutical label has not been proven.

The case was adjourned for closing arguments to the hearing of 22 November 2023, without the provision of any further preliminary investigation.

The opposing party requested the revocation of the order insisting on the continuation of the investigation.

- *Criminal Litigation*





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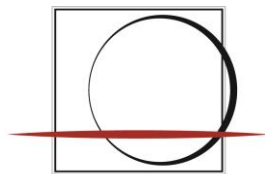
- Judgment before the Criminal Court of Rome against a former manager for an accident at work in which the Poligrafico assumed, as per the relevant National Collective Labor Agreement, the defensive charges.
- Litigation before the Criminal Court of Rome in which Poligrafico has joined as a plaintiff seeking damages for material and non-material loss arising from the unlawful occupation of a building owned by Poligrafico at the time of the occupation. At first instance, Poligrafico's claim for damages was upheld.
- Trial before the Criminal Court of Rome in which the Poligrafico has joined as civil plaintiff, through the Attorney General's Office, to claim the moral damages deriving from the criminal conduct of a former employee, charged with the offences under Article 416 and 61 bis of the Criminal Code, for having associated himself with other persons to commit criminal conduct aimed at forging false identity documents, taking advantage of the role of Serra's warehouseman at the time held, inasmuch as at the time he was in charge of the destruction and discarding of defective documents.
- Judgment before the Criminal Court of Milan in which the Poligrafico filed a civil action against two Directors of the Omnialogistic company. This procedure is related to the lawsuits against Unicredit factoring, as better specified above.

For the sake of completeness, it should be noted that in January 2022 Poligrafico joined as a civil party in the criminal proceedings brought against two former executives, who were investigated for the crimes of fraud in public supply and fraud against Radiotelevisione italiana S.p.A. (hereinafter also 'RAI') of RAI, alleged by the Public Prosecutor's Office of Rome regarding the framework agreement with the aforementioned RAI concerning the supply of gold tokens for the winners of television games with prizes. In particular, in the criminal proceedings in question, pending before the Criminal Court of Rome, it was alleged that these executives had engaged in fraudulent conduct, consisting in failing to mint the tokens to be supplied and in charging RAI with production costs that had never been incurred.

In the same proceedings, Poligrafico also acted as civilly liable following a specific request made by the other civil plaintiff RAI Radiotelevisione Italiana.

- *Estimation of the burden that could arise on the Poligrafico from potential causes of the Ina Policy*

Four former employees extrajudicially claimed the right to the recalculation of the redundancy payment based on an insurance policy taken out at the time by Poligrafico in favour of its employees and cancelled - as required by law - after the entry into force of Law 297/82, which introduced the less favourable regulation of severance indemnity as the only form of severance indemnity.



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This claim originates from a sentence of the Council of State - made against other former employees and partially unfavorable to Poligrafico - which established that Poligrafico had to maintain this policy until 1988, until its transformation into a public economic entity.

Following this sentence, following lengthy negotiations aimed at quantifying the right, the positions of the applicants brought to the sentence were reconciled.

As regards the four former employees referred to above, it was not deemed necessary to proceed with an amicable closure, as, as mentioned, the sentence of the Council of State - even if relating to the same subject - did not concern said former employees.

Since the former employees did not quantify their economic claims to the state, it is not possible to estimate the charges that could derive to the Poligrafico from a possible dispute.

- *Compensation for damages for occupational disease*

Four out-of-court requests were received from the heirs of former employees to request compensation for damages - iure proprio and iure hereditatis - allegedly deriving from occupational diseases contracted by their relatives during the work carried out at the Poligrafico production plants. At present, for four of these requests, there is no quantification of the claims claimed.

- *Claims for damages received on behalf of RAI*

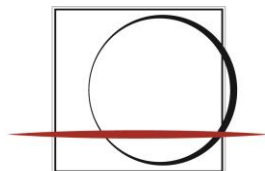
Regarding the contractual relationship concerning the minting, supply and delivery of gold tokens as prizes for the games included in RAI programmes and for which, as mentioned, criminal proceedings are pending in which RAI itself has joined as a plaintiff, a claim for damages has been received for alleged breaches of certain contractual obligations by Poligrafico, regarding contractual services not rendered.

The amount requested for the title is approximately euro 1.9 million.

- *Damages for failure to set up Regulations for incentives for technical functions*

Two former employees and one resource currently in service, after stating that they had acted as Contract Execution Director (DEC) for several agreements entered into by the Poligrafico, requested, Under Article 113, para. 1 and following Law Decree Law Decree 50/2016, compensation for damages for Poligrafico's failure to comply with its obligations under the relevant provisions of law.

This is because the Poligrafico did not implement the regulation to which it was bound under the aforementioned provisions, which provide that the contracting authorities are to allocate to a specific fund financial resources up to a maximum of 2% of the amount of the works, services and supplies, put out to tender, to remunerate certain technical functions set out in those provisions, including activities relating to the Contract Execution Department. The claims at present have not been quantified. The company-wide relevance of the issue, potentially generating serial litigation, is noted.



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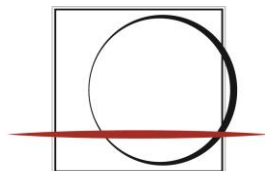
## **Procurement Processes for Goods and Services**

In 2021, the number of contracts concluded amounted to 1,417, an increase in value of 7% compared to 2020, a change distributed differently concerning the various types of assignment. In particular, it should be noted that there was an increase (+14%) in the number of contracts signed resulting from open procedures (open to anyone who meets the requirements set out in the call for tenders and, as a rule, are above the EU threshold of euro 215,000 for supplies and services and euro 5,382,000 for works - threshold in force from 2022). A contract deriving from the Partnership for Innovation, a specific procedure provided for in the Public Contracts Code (Legislative Decree no. 50/2016), aimed at developing innovative products and subsequently purchasing the resulting supplies, services or works, was entered into for the purpose of developing biodegradable plastic materials suitable for the construction of card format documents and biodegradable plastic materials suitable to produce security threads and holographic strips.

In line with the new provisions on public procurement (Legislative Decree In line with the new provisions on public procurement (Law Decree 76/2020 as converted by Law 120/2020 et seq, also known as the 'simplifications decree'), aimed at encouraging investments, which have, among other things, broadened the thresholds for the use of direct awarding (the threshold currently in force for direct awarding of services and supplies is euro 139 thousand, for works is euro 150) - there has been an increased use of the latter type of procedure in 2021, both regarding amounts (+65%) and regarding the number of contracts signed (+20%), and an increase in the amounts contracted for direct awards following market surveys among several economic operators (+39%).

There was also a significant decrease in the number of contracts resulting from direct awarding of emergency works (-80%), also regarding total amounts contracted (-86%).

The following table shows the data on the assignments concluded by Poligrafico in 2021, grouped according to the type of assignment and concerning the results obtained in 2020, with the exclusion of assignments exempt from the CIG (except for in-house assignments), payments excluded from the Public Contracts Code (welfare plan assignments) and those relating to the service.



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Type of assignment	Number of contracts		Change	
	2021	2020	Absolute	%
Open procedure (Art. 60)	50	44	6	13.64
Negotiated procedure without prior publication of a contract notice (Art. 63)	197	208	(11)	5.29
Innovation Partnership (Art. 65)	1		1	100.00
Competitive procedure with negotiation		2	(2)	(100,00)
Direct award (Art. 36(2)(a))	575	478	97	20.29
Direct award after comparison of several economic offers (Art. 36, para. 2 lit. a)	332	373	(41)	(10.99)
Negotiated procedure after consultation of several economic operators (Art. 36(2)(b), (c) c bis) and (d)	131	210	(79)	(37.62)
Direct award under framework agreement/convention (Art. 3(1)(c))	88	65	23	(35.38)
Direct awarding for emergency works	3	15	(12)	(80.00)
Entrustments "in-house"	9	12	(3)	(25.00)
Contracts excluded from the Public Contracts Code	1	5	(4)	(80.00)
Exercise of tender option	24	30	(6)	(20.00)
Variants over 20%	6	6	0	
<b>Overall total</b>	<b>1,417</b>	<b>1,448</b>	<b>(31)</b>	<b>(2.14)</b>

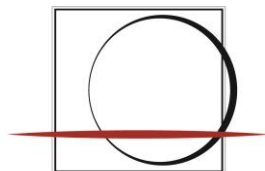
The amounts contracted in 2021 broken down by type of assignment procedure are as follows:

Type of assignment <i>values in million of euro</i>	%	Contracted amounts		Change	
		2021	2020	Absolute	%
Open procedure (Art. 60)	44.24	125.08	161.54	(36.46)	(22.57)
Negotiated procedure without prior publication of a contract notice (Art. 63)	15.10	42.71	26.78	15.93	59.48
Innovation Partnership (Art. 65)	1.24	3.51		3.51	100.00
Competitive procedure with negotiation			2.97	(2.97)	(100,00)
Direct award (Art. 36(2)(a))	0.97	2.74	1.66	1.08	65.06
Direct award after comparison of several economic offers (Art. 36, para. 2 lit. a)	1.89	5.33	3.85	1.48	38.44
Negotiated procedure after consultation of several economic operators (Art. 36(2)(b), (c) c bis) and (d)	8.63	24.41	22.99	1.42	6.18
Direct award under framework agreement/convention (Art. 3(1)(c))	11.05	31.24	23.98	7.26	30.28
Direct awarding for emergency works	0.04	0.10	0.68	(0.58)	(85.29)
Entrustments "in-house"	1.49	4.20	3.14	1.06	33.76
Contracts excluded from the Public Contracts Code	0.02	0.06	1.85	(1.79)	(96.76)
Exercise of tender option	15.17	42.89	13.92	28.97	208.12
Variants over 20%	0.16	0.44	0.43	0.01	2.33
<b>Overall total</b>	<b>100</b>	<b>282.71</b>	<b>263.79</b>	<b>19</b>	<b>7.17</b>

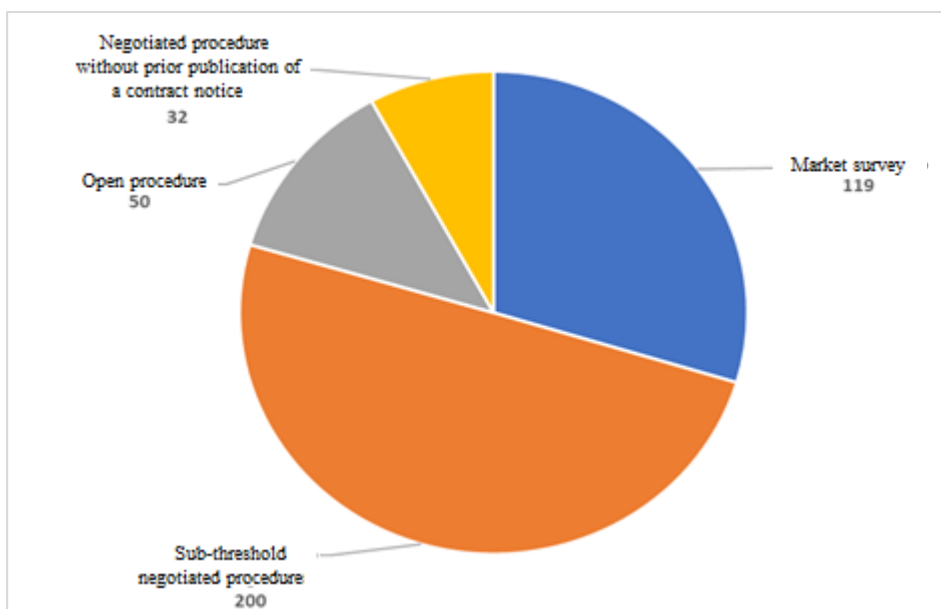
In the year 2021, 50 notices of open procedures and 200 sub-threshold negotiated procedures were published on the Telematic Procurement System.

In 2021, a specific tender was published on Consip's Dynamic Purchasing System for the supply of VMWare licences.

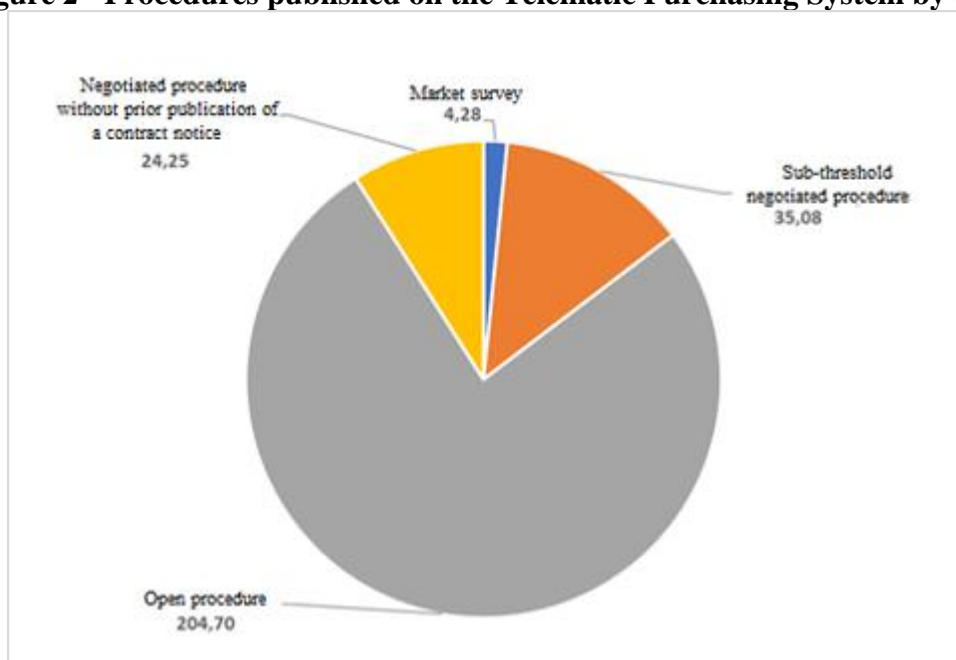
The following graphs show the breakdown of procedures published on the Telematic Purchasing System by type and amount.



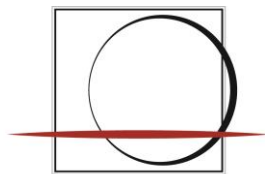
**Figure 1 - Procedures published on the Telematic Purchasing System by type**



**Figure 2 - Procedures published on the Telematic Purchasing System by type**



To achieve the optimal economic and qualitative conditions of the purchases made, and in line with the general policy of spending review, the Company constantly monitors the award prices of all purchases, particularly those that are strategic and awarded through procedures above the thresholds, adopting, where possible, numerous levers and expedients made explicit in the tender



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documentation and also aimed at widening the competitive market, while respecting the quality of the products supplied or the manner in which the services are provided.

Poligrafico, as a body wholly owned by the Ministry of Economy and Finance, is subject to the discipline of the ordinary sectors of the Public Contracts Code (Legislative Decree no. 50 of 18 April 2016, as amended).

The acquisition of services, supplies and works therefore takes place following the aforementioned Code and the Guidelines approved by the National Anti-Corruption Authority (ANAC).

The e-procurement platform (proprietary on premise) enables all procedures required by current legislation to be carried out electronically. Data on tenders and the supplier register are stored and can be consulted via a multi-user web application.

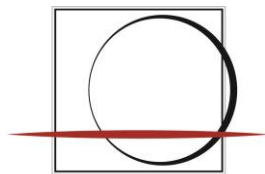
As at 31 December 2021, there are approximately 8,900 suppliers on the telematics purchasing system, of which approximately 1,700 are operational suppliers, 1,000 are in the process of being registered and 6,050 are registered and the remainder in other states.

Within the scope of its institutional tasks and because of the need to protect the general interests related to security and public faith for the correct performance of voting rights, the Poligrafico manages the supplies and services necessary for the conduct of the different types of elections (European, political, administrative, referendum, regional, ballot), in agreement with the Ministry of the Interior and the Ministry of Economy and Finance.

Consistent with the strategic and operational guidelines agreed upon at the table with the Ministry of the Interior, the Ministry of the Economy and Finance and Consip, work continued, taking into account the indications received from the ANAC, and identified the Dynamic System for Acquisition (SDAPA), developed by Consip on behalf of the MEF, as the appropriate tool to adopt to be able to issue tenders above the thresholds with a simplified procedure that is compatible with the voting time. All procurement related to electoral consultations is therefore carried out in line with the provisions of the Procurement Code:

- specific procurements on SDAPA for amounts above the EU threshold, where there is a technical timeframe of 60-70 days to implement them concerning the date set for the election round;
- telematic pieceworking procedures for amounts below this threshold;
- as a residual measure, direct awards for small contracts based on the IPZS registered printers with a positive outcome of the inspection and according to proven experience and territoriality criteria, in agreement with the Prefectures.

For the purchase of the materials needed for the 2021 'election service' were made: 1 open procedure in two lots for the printing of cards and tables for the Municipality of Rome, entrusted pursuant to Art. 55 open procedure in two lots for the printing of cards and tables for the Municipality of Rome, entrusted pursuant to art. 55 of the Procurement Code through the Public



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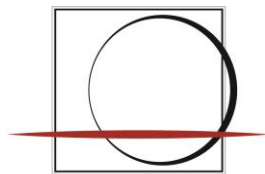
Administration's Dynamic Purchasing System; 7 direct entrusting, after market survey, pursuant to art. 36, c.2 lett. b) of the Code as amended.

Finally, in the course of 2021, as a further effect of the unexpected pandemic situation, uncertainty emerged in the commodity markets, where price instability and supply shortages were observed. In particular, the sectors most involved concerning Poligrafico's supply chain are those related to the following products:

- microprocessors and technology components;
- derivatives of plastics, wood and paper for packaging;
- steel, aluminium, copper and other alloys;
- transport;
- chemicals.

To cope with this changing market situation, Poligrafico tried to mitigate the price increase by entering into contracts with a short-term time window, and increased its inventories wherever possible.





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## **Information Systems and Digitization**

During the reporting year, in continuity and coherence with the objectives of the Poligrafico's strategic plan, the protection of public faith, digital transformation, the enhancement of skills, innovation and security were the fundamental lines of programmatic action.

In the course of 2021, all critical services were migrated to the new IT infrastructure consisting of two data centres through which business continuity of services is guaranteed: in the event of unavailability of the primary site, services continue to be provided by the business continuity site. In 2022, the third site (Disaster Recovery at the Green Data Centre in Foggia) will also be integrated into the IT infrastructure, through which it will be possible to provide services in the event of a metropolitan disaster that compromises the operation of the sites in Rome (primary and business continuity).

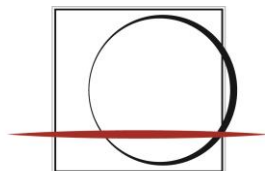
For the IT infrastructure owned by the Ministry of the Interior and managed by the Poligrafico for the provision of services supporting the issuance and use of the electronic identity card (CIE), the integration and start-up activities of the Disaster Recovery site were completed. In the event of an incident that compromises the availability of the primary site, these services may be provided by the Disaster Recovery site.

The evolution of the Normattiva portal in 2021 made it possible, for acts in multi-vigilance and for those already in the database, to convert to the international standard for logical modelling of legal documents AKOMA NTOSO. Also in the area of legal databases, the project for the complete re-engineering of the Official Gazette publication process through the reuse and customisation of the telematics platform developed by the Grand Duchy of Luxembourg was launched.

The publication of the federation portal 'Enter with CIE', the so-called Onboarding Portal, made available to all PPs. AA. From February 2021 (LAW-DECREE no. 76 of 16 July 2020 on 'Urgent measures for simplification and digital innovation'), the Service Provider federation process was computerised and automated.

During the year 2021, the National Recovery and Resilience Plan was finalised, which placed special emphasis on the digital transformation process of the country's public administration. To meet the needs of evolving solutions related to the use of digital identity, new functionalities were developed to complement the 'Sign in with CIE' solution and projects to implement new services were initiated.

In particular, the PUK retrieval system was set up for the use of CIE-holding citizens who have lost the codes communicated at the time of the application and at the time of delivery of the identity card. Complementing the tools for the use of digital identity is the 'citizen portal', which will enable CIE-holders to define their credentials for first- and second level digital identity and to check the



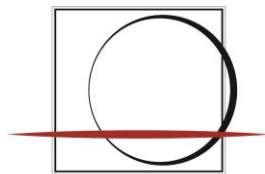
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chronological detail of digital identification operations employing the CIE. The solutions will be released into operation, and available for use by citizens, during 2022.

Law no. 108 of 29 July 2021 (also known as the Simplification bis Decree) established a new digital system for the management of proxies (activation, exercise, revocation of proxies through a system based on the use of digital identity). The Poligrafico was given the responsibility for implementing and managing this system, an initial version of which was produced for prototyping and detailed design support purposes. Completion of the system and start-up of operation are expected during 2022.

In the field of industrial automation aimed at ensuring a computerised approach in the business management of production sites, a project called 'Plant Data Collection' was launched to implement a real-time data collection and production planning system for all the company's factories and plants. In 2021, the implementation of the Proof of Concept was completed, which covered a limited and heterogeneous perimeter of plants.



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## **Corporate prevention and protection systems**

Poligrafico has always been an important reference for the State in the protection of the physical and digital identities of people and things, in anti-counterfeiting and traceability systems, in the management of sensitive information (State laws, public interest databases), and in coinage.

During the year 2021, all the technical and administrative activities continued, in line with the company's strategic objectives, to complete the process of integrating the Health, Safety at Work and Environmental Management Systems with the other Management Systems referring to the International Schemes by implementing the high-level processes integrated into a single Company Management System.

In particular, within the Occupational Health and Safety Management System framework, the system was consolidated to the UNI ISO 45001:2018 standard, evidenced by the passing of the renewal audit in November.

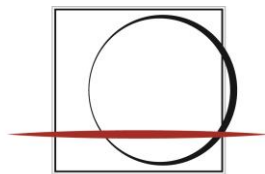
As for the Environment Management System, again in November, the surveillance audit required by the 14001:2015 standard was passed.

Having implemented and updated these systems has also allowed an integrated management of risk prevention measures in the field of Occupational Health and Safety and the Environment, also in relation to the Model pursuant to Legislative Decree 231/2001, reinforcing its control structures.

With a view to sustainability, within the chain of custody, through the traceability of forest products, the organisation carried out all activities related to the monitoring and implementation of the management system for the chain of custody according to the international standard FSC-STD-40-004 V3-0, passing the surveillance audit in November 2021. The project to study transformation technologies to reuse materials (mainly plastic and metal) discarded from Poligrafico's production processes in a 'zero waste factory' logic continued. As a prototype project and as an example of an opportunity, gadgets (pen holders) were produced for the Security Awareness campaign, made from 100 per cent reuse of polycarbonate scrap from the production of plastic cards (identification documents) without the addition of further substances or dyes.

Also for 2021, an examination of the main indicators (ex. accident severity and frequency index), compared with the data available for the industry sector of reference in Italy, shows the significance of the results achieved, which make it possible to confirm the validity of the policy adopted.

The activities carried out by the Poligrafico allowed a precise identification of the critical aspects, which consequently led to the management of the related processes with a greater degree of effectiveness and efficiency. The monitoring of the technical parameters relating to the protection



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of the health and safety of workers and the environment is constant, as well as the adaptation of structures and means of protection, to ensure the improvement of the level of safety in the workplace and environmental impacts.

With this in mind, the periodic dissemination of the most significant indicators in the field of Health, Safety at Work and the Environment continued during the year to all senior figures and the Departments concerned, to further develop the company's awareness in this area and provide a further impetus to improve performance.

To improve workers' awareness of Health, Safety at Work and the Environment, a plan of workshops for production department personnel was initiated.

Concerning energy savings, the replacement of existing lighting systems with new LED technology continued throughout 2021, completed for the Rome and Verrès sites and underway for the Foggia plant, which has significantly reduced the organisation's energy consumption.

To reduce energy consumption at the Foggia plant, a CHP combined heat and power unit was authorised and installed. The planned system is of the trigeneration type, i.e. the simultaneous production of thermal, electrical and cooling energy, which is currently being installed. In fact, at the end of 2021, work began on the transition tuning of the turbogenerator belonging to the CHP plant.

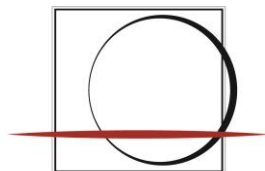
An additional dewatered sludge drying plant is also under construction that will utilise the quantities of hot water produced by the plant's new cogeneration plant to reduce the volumes of sludge produced by the Foggia purification plant.

To reduce the water supply of the Foggia plant, a system was also installed to allow further filtration of the water treated by the water purifier, to the extent of about 17 l/sec, to reuse it in the paper production process.

In line with previous years, the zero impact on biodiversity resulting from the Poligrafico Group's activities is confirmed.

It is also confirmed that for all the sites pertaining to the Poligrafico, all the environmental authorizations required by current legislation have been obtained and maintained.

In April 2021, regarding the Foggia plant site, the final inspection was issued certifying the war reclamation of the entire Paglia Park area. Some areas within the former Centro Chimico Militare were still to be decontaminated; these activities were started at the same time as the start of the Characterisation Plan approved by the Puglia Region with Executive Determination no. 29 of 2 February 2021, and ended on 30/11/2021. Activities under the Characterisation Plan for the completion of the former Military Chemical Centre will continue in the first half of 2022. With Executive Determination no. 223 of 24 September 2021, the Apulia Region approved the reclamation project (Messa in Sicurezza Operativa) within the plant's production area.

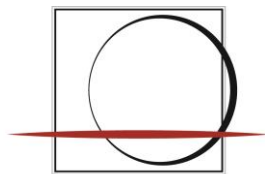


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In addition, the procedure on the Ideas Project for the redevelopment and transformation of Paglia Park was awarded on 27 April.

Concerning the Nomentano plant, with Managerial Determination QL/1644/2020 of 02/11/2020, received by the Poligrafico on 02/07/2021, the Environmental Protection Department of the Municipality of Rome approved and authorised the execution of the site characterisation plan. As stipulated in the determination, Poligrafico announced the start of operations on 13 September 2021.



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## **Quality management system**

In 2021, activities continued to maintain the certification of the quality system for IT services according to the ISO/IEC 20000-1:2018 standard and to renew the certification according to the UNI EN ISO 9001:2015 standard. In December, Poligrafico successfully passed audits by the Certification Body, confirming the company's commitment to management systems and obtaining the renewal of its certifications.

At the company level, activities to integrate company management systems were continued with dedicated working tables. The simplification of flows and procedures according to a process approach and the initiation of management system integration activities allowed the development of a new organisation for both the scheduling of internal and external audits and the definition of single templates for documentation.

The computerisation of the quality system, which started in 2020, saw the activation of the SAP Quality Management module for Plates, Tokens and Special Coinage in 2021, and enabled a review of the logic of blocking and releasing raw materials, semi-finished and finished products according to process controls (automatic and non-automatic) and the introduction of a product risk analysis process.

The definition of controls according to specifications and residual risk for CIEs, Licences, PSEs, Wines, Plates, VISAs, Coinage, Passports and Labels allowed, in the same year, the introduction of a risk approach for core products (FMEA).

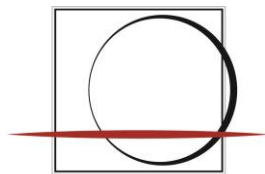
In the same year, work continued on the introduction of a non-quality cost assessment model, the collection of related KPIs and the implementation of the continuous improvement plan. At the same time, work continued on defining and monitoring production efficiency KPIs. In 2022, the computerisation of these models will be started.

Technical coordination of working groups was also undertaken to reduce external non-conformities; the most significant improvement actions introduced in 2021 include the introduction of the Galvanic Rhodium Plating process and the Anti-Tarnish Coating process.

Work continued on defining test methods and implementing an ISO/IEC 17025-compliant management system to achieve the Laboratory (Mint unit) accreditation planned for 2022.

## **Research, Development and Innovation**

The research and technological innovation activity continued during the year with the development of numerous projects that will allow the Company to oversee the market, improve the efficiency of production processes, the quality and innovation of the product, using new technologies. The



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guidelines adopted concerned the strengthening of the security requirements of the company's main products, especially in the field of anti-counterfeiting, the development of new solutions in the field of traceability, as well as the use of technologically advanced solutions for the offer of new value-added services, overseeing the patenting processes of the identified solutions and products.

The organisational model adopted by the company has enabled it to develop greater integration between the two research structures present, the former directing its activities to the development of technologies and materials to be used in Poligrafico's products to improve their characteristics and performance or to innovate them radically; the latter designing the innovation of the products and services offered, proposing new components, new products and new services, or evolving the products and services already in its portfolio.

Underlying the various initiatives undertaken, either independently identified or expressed by internal or external clients, are market scouting activities, to assess trends and possible technologies to be acquired in all Poligrafico's sectors of interest, and a careful evaluation phase of strategic, technical, operational, economic and sustainability aspects.

The main activities conducted during the year are listed below, grouped by type of objectives achieved.

a. Internalisation of critical product components:

- development of a process for the in-house production of lamination plates with CLI/MLI and Braille effects for Electronic Residence Permits and Disability Cards;
- definition of a new construction process for embedded holograms made directly in the plastic carrier to produce driving licences, CIEs, Ate models, etc.
- start-up of activities at the Verrès Innovation Pole for the synthesis of proprietary inkjet inks and plastic materials containing taggant safety elements.

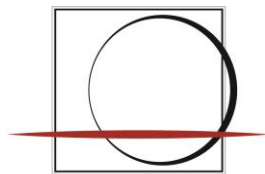
b. Increasing the use of the CIE digital identity through the design of the following initiatives:

- simplified authentication mode with CIE (L1L2) for accessing CIE services without NFC;
- Delegation Management System solution for national digital identity holders;
- PUK recovery: recovery of CIE access codes without going to municipal offices.

c. Design and prototyping of new products and services:

- Design, realisation and patenting of a prototype marker label integrating security fibrils within data matrix;
- development of PINLess services for the use of CIEs in access control and transport applications;
- automatic CIE onboarding to streamline internal and external processes with the use of the CIE as an authentication tool.





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d. New orders from Member States, through the design of the Emergency Travel Document (ETD), a project funded by the European Community.

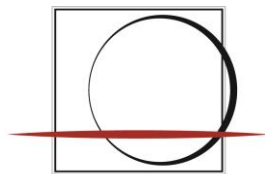
Three innovation poles are being set up, each dedicated to specific activities: *Verrès Innovation Pole*: - synthesis of security inks; - development of ink-jet printing processes on plastics; - extrusion of special plastics; - development of galvanic processes. *Rome Innovation Pole*: - designing solutions for digital identity and CIE-related services: - development of digital solutions and services; - centre of competence for the study of holographic technologies; - development of eco-sustainable materials for documents and security products; - anti-counterfeiting competence centre (Carabinieri, Scientific Police, Local Police agreements); - prototyping of innovative products and processes for the Mint's productions. *Foggia Innovation Pole*: Foggia Innovation Hub: - development of new materials to produce security systems for banknotes; - development of innovative processes and materials for paper substrates (functionalised nanocelluloses); - synthesis of taggant materials; - innovation of production processes through the development of environmentally friendly technologies.

The development of innovation activities passes through the Hub & Lab model: in the innovation hubs of the Poligraphic Centre, innovation needs are defined and transferred for development to internal and external working groups, according to different operating modes:

- strong synergy with the Bruno Kessler Foundation and the newly established in-house company Futuro e Conoscenza;
- collaboration with universities and research centres (Italian Institute of Technology, CNR, Sapienza, PoliBa);
- call for innovation and innovative tenders for the selection of European start-ups and companies (PoliMI, AGID);
- agreements for counterfeit and forgery analysis and training activities (Carabinieri, Scientific Police).

Particularly significant are the projects launched in 2021 with the subsidiary Futuro & Conoscenza. Specifically:

- taggant development: the project involves the development of taggant materials for use in anti-counterfeiting and supply chain tracking; the development of processes to make taggants compatible with inks and other security elements such as fibrils; and the development of optical signal reading systems for taggants;
- ALD protective coatings: the aim of the project is to develop coatings employing Atomic Layer Deposition (ALD) that make the surface of coins and medals made of vile and valuable material resistant to oxidation;



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- 3D prototype modelling: the aim is to test the possibility of producing coinage or masters, using Additive Manufacturing techniques in which metal is added in powder form according to a 3D digital model, selectively melted by a localised heat source (laser) and consolidated after cooling;
- innovative scenarios for digital identity: study of emerging digital identity technologies to implement POC/MVPs to identify innovative solutions compared to the current 'Sign in with CIE' digital identity scheme. The aim is to test regarding feasibility, security, usability and privacy, the different solutions including: OpenID Connect (OIDC), Fast Identity Online (FIDO2), Self-Sovereign Identity (SSI), Verifiable Credentials (VCs);
- innovative scenarios for physical identity: emerging technologies are being studied to realise POC/MVP for innovative solutions in the field of document dematerialisation. In particular, the aim is to test regarding feasibility, security, usability and privacy, different solutions including: Digital Travel Credential, mobile Driving Licence, mDL solutions based on SSI / Verifiable Credential, eWallet of dematerialised documents (eIDAS);
- e-voting: prototype implementation design of an e-voting solution. In addition to privacy on voting, issues of correct user identification, non-coercion, security of operations and data processing are central;
- authentication with CIE: update of eIDAS notified scenarios with security assessment of new functionalities and design of possible evolutions.

## **Analysis and Enhancement of Real Estate Assets**

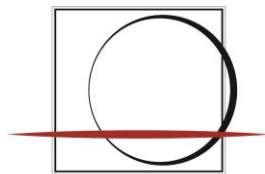
The company's real estate assets are located in Rome and Foggia and include production properties (active or disposed of), office buildings (offices), warehouses and special destinations (Scuola dell'Arte della Medaglia, sales point, etc.), as well as some land.

Overall, the gross area of the buildings is about 270 thousand square meters and the undeveloped land measures about 70 hectares.

The Poligrafico also leases:

- in Rome, a shop in Piazza Verdi n.1, intended for the point of sale;
- in Verrès (AO), an industrial complex used to produce rounds for coinage and currently being redeveloped for the start-up of other production lines.

To allow the carrying out of its "Production of special and high value paper" activities, during the previous years (April 2019) the entire Building 36 and part of Buildings 31, 33 and 64, of the Foggia plant.



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In line with the Industrial Plan, activities have been directed at pursuing the objective of modernising and improving the efficiency of the equipment and spaces in which corporate activities are carried out, contemplating an ongoing process of upgrading the assets, characterised by a strong focus on optimisation and energy saving. In addition, support interventions were planned and implemented to improve safety conditions in the workplace, to further strengthen the anti-intrusion and control measures of production sites, to safeguard IT data and to focus on optimization and savings. energy with a view to continuous implementation of production safety.

The annual reviews saw partial changes in the initially assumed commitments, also as a consequence of the continuing COVID-19 emergency, with a concentration of activities on security and upgrading aspects. In particular, the COVID-19 emergency led to objective difficulties in the management of workforce and supplies, a lesser impact was recorded on the progress of projects, except for the related authorisation procedures, which were affected by the impossibility of full interaction with the offices of the Authorities in charge of the preliminary investigation of the various dossiers, and by the reduced efficiency of various external offices in charge of issuing opinions.

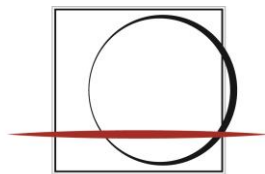
Consistent with the contents of the Integrated Sustainability Report, the main actions carried out in 2021 or in progress are summarised below, broken down by relevant site or area.

In the context of the redevelopment of the Salario Complex, the most important works concerned the plants of the Salario Plant (building at Via Salaria 691) and Pavilion C (building at Via Salaria 712); the technological modernisation of the plants' premises and systems, including external areas related to production, continued. The interventions concerned both the common networks (water, aeraulic, electrical and gas systems) and localized points of the departments, up to the individual machines. Therefore, the management and supervision systems of security controls for the premises and the related external areas have been substantially implemented. At the same time, these interventions ensured compliance with the most recent regulations relating to fire prevention, raising the quality and performance level of the building.

Furthermore, the equipment related to corporate security and safety was significantly improved through the implementation of video surveillance services, the creation of works for the segregation and restructuring of individual departments, as well as the execution of widespread requalification interventions on the environments. dedicated to services and common areas.

To promote the redevelopment of the Polo Salario, various interventions were completed to ensure a general improvement in the conditions of use and safe access to the buildings by internal staff and external users, and a significant increase in parking facilities.

More precisely, the completed works are as follows:



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- redevelopment of the square at the entrance to the building in via Salaria 691, with the creation of paved areas, well-defined pedestrian paths, green-furnished areas, an area for parking bicycles and a smoking area;
- redevelopment of Via Marciana Marina, also to optimise access from Via Salaria, with resurfacing of the road surface and road markings, creation of level parking spaces, pavements, green areas;
- construction of a garage on the basement floor of the building in Via Salaria 709 (Ex San Pellegrino); the garage is equipped with approximately 90 parking spaces, 40 motorbike parking spaces and 3 charging stations for electric vehicles.

The COVID-19 emergency, accelerated the launch of the 'Smart Working' project, aimed at fostering a better work-life balance for its employees.

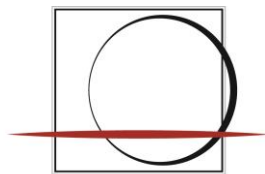
The project is divided into several phases; the two underway to date concern the Polo Salario:

- reorganisation of the main office areas of the Polo Salario, through the development of a preliminary layout, to be subsequently taken to executive project level, designed organically for the buildings at Via Marciana Marina 28 (Pavilion A), Via Salaria 691, Via Salaria 709, for a total of approximately 12,000 square metres;
- renovation of the third floor of Pavilion L of the Salario Building, covering an area of approximately 3,600 square metres; the characterising element of this intervention is the creation of 4 new cloisters that will allow a different distribution of the internal spaces and a greater comfort of the rooms; the perimeter spaces and the areas bordering the cloisters, directly illuminated, will be prepared to accommodate the new offices with a "Smart Working" perspective; the service areas will be located mainly in the lateral area along the eastern side, the classrooms and meeting rooms will be placed in the more central areas; in 2021 the executive project will be drawn up.

The building known as Stabilimento Salario has undergone various interventions in recent years to optimise the production spaces (ground, first and second floors) and offices (Office Building and third floor of Halls L and M).

As part of a general program of modernization and efficiency of the spaces in which company activities are carried out, the Poligrafico has promoted an important redevelopment of the building in via Salaria 709, through the inclusion of functions of a general nature within it. at the service of the entire Salary Center, exploiting its central position with respect to the other buildings of the Polo itself.

The project is based on a conservative approach, aimed at the recovery of the existing building without increasing the volume and usable surface area, with an increase in the number of parking spaces, recovery of outdoor spaces as green spaces, removal of the asbestos roofing, seismic



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improvement of the entire building, and great attention to the environmental sustainability of the intervention, including the adaptation of the building as a whole regarding energy efficiency. The installation of photovoltaic panels on the roofs will be evaluated during the development of the project through a cost / benefit analysis.

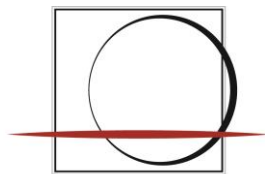
The redevelopment that is to be carried out considers the introduction of a series of functions within the building that are instrumental to the Polo's activities and that can be included in the general corporate welfare programme. The project envisages the arrangement of the entire basement floor for use as a garage, storage, warehouses and technical rooms; the construction, in two central bays of the raised ground floor, of a company restaurant; the reorganisation and expansion of the premises for offices and archives; the creation of various spaces for meetings, presentations, events, and coworking, relaxation and fitness areas; and finally the optimisation of outdoor spaces and the access system.

For the project described, a unitary feasibility study and a differentiated implementation strategy were developed, having found that it was possible to anticipate the completion of certain works, due to the portions of the building involved and the type of work to be carried out. Work on the garage was completed in 2021 and the construction of the company restaurant is expected to be completed by early 2022.

The main upgrading activities (in the strictest sense) of the Company's real estate assets concern the buildings pertaining to the Mint Pole, i.e. the functional restoration of the first Mint of the United Italy (building in Via Principe Umberto) and the opening of the monumental entrance to the Mint (building in Via Gino Capponi).

The building in Via Principe Umberto is the subject of a general restoration project that envisages its transformation from a production site to a multifunctional cultural centre. It will be home to the museum centre dedicated to the company's productions. To this end, the current Mint Museum, located in Via Salaria, will be relocated and enlarged to accommodate collections of other institutions. There are also plans for: temporary and accessory exhibition spaces (Poligrafico shop, cafeteria, restaurant); a library dedicated to the heritage of the State Library and Historical Archives; the School of the Art of Medals (SAM); rooms to be dedicated to Italian artistic and artisan culture, with the possibility of carrying out teaching and workshop activities, mainly linked to the SAM; a conference room; office spaces; and finally a guesthouse, to serve teaching activities and other functions.

The intervention was developed with a view to preserving the industrial character of the place, combined with contemporary architectural and technological solutions. The project is in fact aimed at the recovery of the building and its enhancement for a renewed public use. In particular, following the MiBACT Decree of constraint to which the building is subjected, the project consists



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of "a complex of operations aimed at the material integrity and recovery of the asset itself".

In 2021, the project activities continued, which led to the approval of the project at the Services Conference called by the Superintendency and, more generally, to the obtaining of authorisations from all the competent Authorities, with the subsequent validation of the executive project and publication of the tender for the awarding of the works contract. Restoration work on the facades of the monumental body was also completed. Preparatory activities to implement the work are in the final stages, including the relocation of the School of the Art of Medal at the Stabilimento Nomentano, the census of the material present in the building with subsequent transfer to another location (if not to be disposed of), and the plant strip-out to secure the historic building.

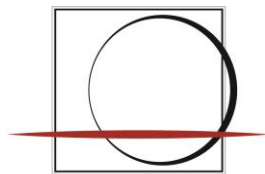
At the moment, the scientific design of the entire cultural centre and the consequent elaboration of the fittings/furniture project is being finalised.

In the year 2021, construction and installation works were completed to allow the so-called monumental entrance of the Mint Building, at number 51 Via Gino Capponi, to be opened to the public. This entrance, for logistical and security reasons, has never been easy to use; the spaces have been upgraded and the necessary adaptations made to allow the safe entrance of external visitors. Work has been completed on the 'Mint Gallery', where numismatic and medal design events can take place, with exhibition areas and areas dedicated to the retail sale of numismatic products.

The building complex of the Stabilimento Nomentano (Viale Gottardo site) is the subject of a general redevelopment programme, aimed at its efficiency upgrading for use mainly as warehouses. To this end, various activities are underway regarding environmental, plant engineering, fire prevention and structural aspects. Specifically:

- environmental aspects: reclamation works continued in correspondence with the tanks serving the thermal power plant; for the area subject to reclamation, the characterisation plan was forwarded to the competent Authorities, which was approved at the Services Conference; the investigations envisaged in the characterisation plan are currently being carried out, and based on the results of these initial investigations, the investigation phases will be planned for the remaining lots on the site;
- plant engineering aspects: verifications for the purpose of issuing DIRIs for electrical installations have been completed;
- fire prevention aspects: the programme to implement fire prevention-related safety was continued: all the design activities of the new plant and building works planned for the various buildings were completed;
- structural aspects: a programme of investigations and verifications has been drawn up to assess the seismic vulnerability of all the buildings; the programme envisages proceeding by giving





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priority to the buildings inside the Establishment, then moving on to the 'satellite' buildings (Ex Commissariat and Ex CRAL).

Finally, in 2021, some work was carried out inside the former Editalia building to allow the temporary relocation of the School of the Art of Medals, functional to the vacating of the building in Via Principe Umberto given the start of restoration work.

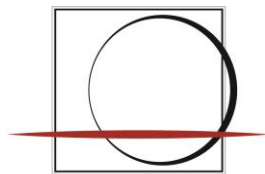
The Foggia plant has undergone extensive restructuring in recent years, aimed at improving working conditions, expanding and upgrading existing departments and warehouses, and building several new production hubs and the new Green Data Centre for Disaster Recovery, to be part of a broader integrated industrial development project of the Poligrafico, linked to the implementation of business continuity capabilities and the production of papers and special security elements, with consequent works for building and plant upgrading and the implementation of the related electronic and physical security measures.

During the year, work continued on buildings at the Foggia plant, including personnel service rooms, production areas, fire safety systems and buildings for special security papers, including buildings used for the production of material for the subsidiary Valoridicarta S.p.A. A number of buildings were adapted, in accordance with the Industrial Plan, for the installation of the production of safety elements. These interventions concerned the adaptation of both the buildings and the perimeter of the Plant, from a functional, structural and plant engineering point of view, with particular regard to safety and security aspects. Work was completed on the relocation of the stamp department from Building 33 to Building 10, and the works for the construction of the screen printing department in Building 10. For Building 2, a feasibility study is underway to recover and reuse it for paper storage and production departments; in the meantime, work is underway to adapt the building to accommodate election material for the 2022 round. For Building 31 (Paper Mill), it was necessary to implement an intervention strategy for the seismic improvement of the entire structure. To this end, a specialised external party has been identified, which will be responsible for the design activity and the task of defining the methods and timing of the works, taking into account the production needs of the Plant.

To ensure safety in the workplace, the activities to be carried out to obtain the Fire Prevention Certificate continued, proceeding with the designs and with the requests for authorisations prior to the publication of the works tenders.

Demolition work continued on the first buildings that had been disused for some time and for which it was not possible to proceed with redevelopment, as they were in need of extensive work, including structural work, and in any case considered no longer suited to the needs of the Establishment, all in favour of new functions that met current needs. These include the construction of the new trigenerative cogeneration plant, that can produce thermal, electrical and cooling energy,





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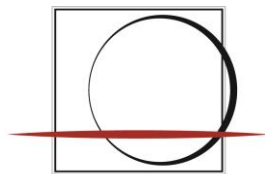
in place of two buildings that housed old plant engineering plants.

Following designs carried out internally, work was entrusted with the structural reinforcement of the central plant warehouse and the commissioning of the new Research Centre. It also supervised the external designers and construction management of the civil works of the new Green Data Centre, contributing to the testing operations. An expression of the need to expand research and development activities, the Research Centre planned at the Foggia plant aims to gather knowledge and experience not yet present at Poligrafico. The Center will consist of a large and adequate space for the development, verification and fine-tuning of products and processes that will have their focus in the innovative productions conducted on the site, with reference to the production of paper, holography, and plates. It will be established in a portion of currently disused real estate. This portion concerns a continuous series of single-level buildings on the western perimeter of the site (Buildings 21def). To make them suitable for use, important building works will also be necessary for the seismic improvement of the building. It is designed to accommodate up to 40 researchers, in line with the prospect of expanding research and development activities and networking with other players such as universities, start-ups, public and private institutes, and external suppliers, according to the open innovation model. Work started in 2021, with completion scheduled for the first part of 2022. The identification, analysis and evaluation of strategic interventions for the Foggia plant could not ignore the issue of reusing existing buildings; from this point of view, the dilapidation of various buildings, attributable to the time of establishment of the Plant, made it necessary to carry out a specific examination of the state of conservation of the buildings, from the point of view of the seismic risk, which led to the identification of some for which it was possible to proceed through a restructuring and therefore to be destined for demolition; this choice will make it possible to dispose of an obsolete heritage as well as to have new areas available, with the possibility of rationalizing the spaces according to the needs of the industrial organization and the contemporary principles of environmental sustainability.

A new temporary waste storage area is planned to be built at the Foggia Plant over the next three years to optimise and improve the environmental impact of waste produced at the Plant and destined for disposal/treatment.

For this purpose, a reinforced concrete slab will be created with impermeability characteristics such as to avoid percolation of products and runoff water that can infiltrate the ground towards aquifers, equipped with a rainwater collection and run-off network, which must flow into a treatment plant. waters of first rain. The area will be provided with suitable coverage and fencing along the entire perimeter.

Initiatives undertaken at the Verrès site mainly involved upgrading work on the Monetary Building and the implementation of field wiring, and ongoing improvement activities regarding site security



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and safety (upgrades following UNI CEI EN 50518:2020 certification are underway). Building-plant renovation work was carried out on the plant's central office building. Finally, the redevelopment of the Artistico building for the commissioning of a Research Centre was completed. The building formerly used as an artistic foundry has been redeveloped for use as a Research Centre in the fields of security inks, plastics and metal coatings. More specifically, a module was built inside the building to be used as a research laboratory for security inks with annexed services and an openspace for positioning machinery.

The intervention was developed in a logic of conservation of the original characteristics of the building, coordinated and combined with architectural and technological solutions aimed at enhancing the saving and management of energy resources. The project is in fact aimed at the recovery of the building and its enhancement for a renewed sustainable use.

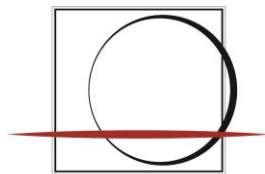
Finally, some general initiatives are outlined.

#### *Guardia di Finanza (Financial Police)*

Law 178/2020 on the 'State budget for the financial year 2021 and multiannual budget for the three-year period 2021-2023' provided in Article 1, paragraph 1001, that the Guardia di Finanza shall cooperate with the Poligrafico for the performance of surveillance and protection services on the realisation of goods produced by the Poligrafico on behalf of the State and for the performance of related security services. Within this regulatory framework, a special agreement was stipulated between the Guardia di Finanza and the Poligrafico, defining the number of personnel units to be employed, and the operational modalities of the collaboration and the incurring of the charges necessary for the Guardia di Finanza to perform the services. By signing this Convention, Poligrafico undertook to directly provide the Guardia di Finanza with the tools, materials and any other means necessary to carry out the activities aimed at achieving the objectives of the Convention. For this purpose, it was agreed to put at the disposal of the Guardia di Finanza, on loan for use, suitable premises owned by the Poligrafico for the housing of personnel employed by the Guardia di Finanza. The properties covered by the initiative are:

- Rome: work requested at the Stabilimento Zecca (guest quarters redevelopment) and via Salaria 712 (changing rooms redevelopment) completed. The first eight beds were delivered at the building in via Salaria 709.
- Foggia: building 13: it is planned to use a portion of the building to set up changing rooms. Building 20: intended for offices for 9 workstations. Former Diaz School - Building 21 (former presentation hall): both buildings will be used as guest quarters with extraordinary maintenance work to create a total of 43 beds.

A co-generator for the combined production of electricity and heat using natural gas as a raw material, a sludge drying plant, and a photovoltaic plant installed on canopies in the car park of the



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Foggia plant are planned.

These interventions take the form of energy rationalisation and technological upgrading of plant assets, implementing a 'Trigeneration' system, i.e. the simultaneous production of thermal energy, electricity and cooling.

The guiding objectives in the development of the project are:

- reduction in the consumption of primary energy resources compared to separate production;
- maximum coverage of energy needs (electricity, steam);
- important electrical, thermal and overall efficiency values of the system;
- possibility of operating the plant in High Efficiency Cogeneration mode;
- availability of refrigeration energy for the needs of the plant;
- high level of automation;
- high level of integration with existing systems.

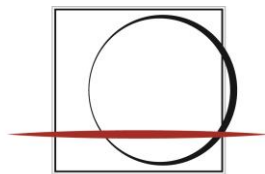
The cogeneration plant consists of a turbogenerator to produce electricity whose hot fumes are recovered in a steam generator to produce the steam necessary for the operation of the paper mill. Part of the heat of the fumes, recovered from the boiler, is transformed into hot water which will be used both for a drying system of the sludge resulting from the paper making process, with considerable savings in disposal costs due to the decrease in the weight of the sludge, and for the power supply of a refrigeration cycle absorber for summer conditioning of the rooms served.

For the operation of the cogeneration plant, a series of auxiliary equipment and control and supervision systems are required, which will be housed in a technical building specifically built to serve the plant. The cogeneration plant was designed to supply electricity to the plant even in the absence of electricity from the national grid.

Together with the cogeneration plant, the construction of a photovoltaic system on canopies in the main employee car parks is planned, with an occupation of approximately 3,700 square meters and approximately 200 kW of power in three distinct areas.

In 2021, the process of obtaining the Single Authorisation was successfully concluded. Work then started on the construction of the plants, which were inaugurated in December 2021 with the first parallel tests with the electricity grid.

With reference to the theme of energy and environmental sustainability, in 2021 a series of interventions were implemented, and some projects were developed aimed at improving the energy efficiency of buildings and processes. In fact, existing lighting fixtures were replaced with LED fixtures for all the 'active' buildings in Rome and Verrès; an energy monitoring system was studied and implemented; minimum environmental criteria were respected in renovations, with particular attention to the thermal insulation values of external fixtures and the technology of the buildings' air conditioning systems; and, as part of the project, a broad intervention was defined to eliminate



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purifiers and the transfer of purified water to the Tiber river. In all the new interventions, the windows and doors were replaced with more efficient elements and the use of heat and cold generation methods with heat pump equipment, where possible.

Finally, as part of the redevelopment project of the Salaria Center, the reconfiguration of the domestic and industrial discharges of the factories owned by the Poligrafico downstream of the Salaria (buildings in via Salaria 691, 709 and 712, via Marciana Marina 28) is envisaged. The discharges were reconfigured with the consequent abandonment of the current discharges to the Roma Nord purification plant and the construction of a new plant network. For domestic discharges, it is possible to proceed with the commissioning of the plant, while for industrial discharges, the authorisation of ACEA is awaited, following some works to be carried out by the latter on the Roma Nord purification plant.

### **Artistic supply chain**

The company's artistic structures continued to ensure the conception, design and artistic creation of company products, responding to the requests of various external, institutional and non-institutional clients.

#### *Editorial Products*

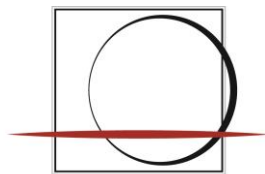
The activity was essentially concentrated in the printing of texts and graphic products of institutional value on behalf of the Public Administration.

In addition, during the year, activities were started to implement the Portal Find Medication Regulations, within the framework of the Collaboration Agreement with AIFA.

In particular, for web-based products, the re-engineering of the Normattiva Portal was completed, and work started on the creation of the TrovaNormeFarmaco Portal, in collaboration with AIFA. With the latter, publications and information material on anti-counterfeiting drug issues were produced.

On the occasion of Remembrance Day, a digital exhibition was published on the site Foreign Policy and History.

Finally, the following have been published: the valuable volume 'File la Perla del Nilo salvata dalle acque' in collaboration with MAECI, the Italian Embassy in Cairo and the Italian Cultural Institute-Cairo's Italian Archaeological Centre; at the request of MIBACT, the 'Notiziario del Portale di Numismatica' no.15, whose excerpt will be the catalogue of the permanent exhibition on the treasures of the Biblioteca Casanatense; the volume 'Il primato del Cioccolato di Modica' (The primacy of Modica chocolate) in collaboration with the Consorzio Cioccolato di Modica and the MIPAAF. At the request of the SSM, the series 'Quaderni della Scuola Superiore della



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'Magistratura' was launched, and the production of the book 'Libro bianco sulla lettura e i consumi culturali in Italia' (2020-2021) edited in cooperation by the Italian Publishers' Association and the Centre for Books and Reading of the MiC.

#### *Numismatic Products*

The numismatic issues of 2021 were dedicated to themes and anniversaries of national importance, with the addition of new themes characterising the Italian reality.

Activities relating to the enhancement of heritage included initiatives to enhance the Mint Museum and the monumental complex in Via Principe Umberto through events presenting coins and stamps. Finally, the redevelopment of Principe Umberto, with a view to corporate shared value, led to the definition of the winning project, with the subsequent launch of the executive plan for the works.

#### *School of the Art of the Medal*

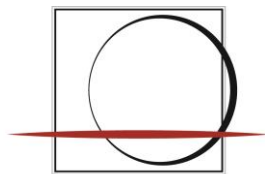
The 2020-2021 academic year, its 113th year, ended on 30 July 2021 with 34 students for the ordinary course, of whom 14 were admitted for the first year, 11 for the second and 9 for the third. 5 admitted to the propaedeutic course and 7 scholarship students. For the academic year 2021-22, the 114th year, selections were held on 15-16 and 17-18 November 2021 for the first, in the historical location and the courses started on 13 December 2021 in the new temporary location at 140, viale Gottardo, with 35 students, of whom 10 for the first year, 12 for the second, 13 for the third and 7 scholarship students.

In addition to teaching, the School's activities were characterised by the realisation of integrated training with on-the-job training projects for scholarship holders, who deepened their training activities in the production workshops, and a training programme for technical workers was also established.

The School, at the urging and with the support of the Technical Coordination Committee for Principe Umberto, drew up a development plan with new proposals and expanded activities.

In October 2021, the move of the School to its new temporary location in the Nomentano plant began. During the selection phase of the new academic year in November, laboratory equipment and materials were transferred to the new location so that teaching activities could begin in December 2021.

In addition, work has begun on the 'census' of materials of cultural interest for the tracing of what is present in the historic building in Via Principe Umberto, for transfer to the temporary location in safety. Among the materials surveyed are, in addition to works of art and material of historical interest, historical and current teaching materials and teaching projects and exercises from past academic years. The work is done by filing individual materials for physical and transport tracking. Eight special projects were realised in the area of art medal products, both for design and prototyping, for external clients and for corporate needs. A plan for new art products was



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developed, among them still in progress and up-to-date, two coordinated projects became part of the company's e-commerce product package (art prints and ex libris digital graphics) also combined with Qr-code communication in the packaging.

A project was carried out with the Mint production of innovative packaging with environmentally friendly materials for the 50 and 20 euro gold issues.

October 2021 saw the completion of the exhibition *Ars Metallica, Matter and Contemporary Creativity* in the historic Mint building.

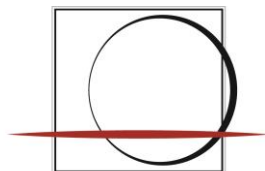
In 2021, the school hosted two students from the Tor Vergata University of Rome, to carry out a training internship aimed at the pre-catalogue of the school's historical heritage works, a project promoted by human resources aimed at digitising the school's historical heritage.

#### *Cultural and dissemination activity*

In 2021, the gradual return to exhibitions and events, including those of an institutional nature, led to a resumption of graphic design activities for communication material, no longer only in digital format to promote Poligrafico's products and services and enhance its brand. Intense multimedia production activities also continued with the creation of informative and promotional videos for effective storytelling of the corporate image and products.

Internal communication has found, in an increasingly frequent and conscious use of the company intranet, an effective way to circulate information and allow employees to be kept up-to-date on initiatives and events involving the company, while the Microsoft SharePoint platform has helped to network the company population. The shared access offered by SharePoint has, in fact, made it possible to interact and work in teams quickly, reliably and securely both inside and outside the company, simplifying and enhancing cross-Facilities collaboration.





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## Zecca

In 2021, the demand from the Ministry of Economy and Finance to mint the euro for circulation amounted to 196 million pieces.

Book in millions of pieces	2021	Composition %	2020	Composition %	Change
€ 0,05	60	30.61	50	32.05	10
€ 0,10	50	25.51	45	28.85	5
€ 0,20	35	17.86	20	12.82	15
€ 0,50	25	12.76	20	12.82	5
€ 1,00	1	0.51	1	0.64	0
€ 2,00	25	12.75	20	12.82	5
Total	196	100.00	156	100	40

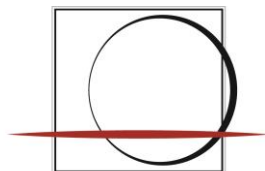
For 2021, the Ministry of Economy and Finance has requested the minting of a circulation coin quota of 196 million pieces, up from the 2020 request (156 million). The contingent was fully minted in 2021 (euro 38 million); packaging will be completed during the first quarter of 2022, according to the customer's delivery requirements.

Similarly to previous years, the Verrès plant produced 232.4 million banknotes in 2021, following the delivery plan, to take into account the requirements of foreign coinage and stock policies.

The production of the Special Coinage of the Italian Republic amounted to 199,198 pieces, divided between Proof and Brilliant Uncirculated, with different types of packaging, to make numismatic products increasingly attractive on the market.

Due to participating in the tender for the supply of coinage to Slovenia, 7 million pieces of 2 euro cent and 8 million pieces of 10 euro cent ordinary coinage and 1.2 million pieces of special coinage were also minted and delivered.





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*The Zecca Segment Accounts*

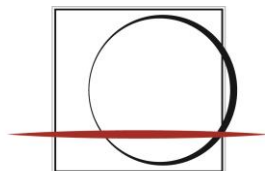
Pursuant to Article 1 of Ministerial Decree. Under Article 1 of Ministerial Decree 8 August 1979, the unaudited sector account of the Mint Section was prepared, which shows a negative result of approximately euro 3 million and, in its reclassified form, is shown below.

Reclassified Profit and Loss Account values in thousands of euros	2021	2020	Change
Revenues from sales and services	37,604	41,868	(4,264)
Changes in inventories of work in progress, semi-finished and finished products	1,735	(6,146)	7,881
<b>Product of the year</b>	<b>39,339</b>	<b>35,722</b>	<b>3,617</b>
Purchase of raw materials, consumables and goods	(22,859)	(20,953)	(1,906)
Change in inventories of raw materials	837	4,301	(3,464)
Services	(6,149)	(5,478)	(671)
Other expenses	(598,)	(503)	(94)
Other revenues and income	206	163	44
<b>Value added</b>	<b>10,776</b>	<b>13,252</b>	<b>(2,474)</b>
Staff costs	(10,808)	(11,619)	811
<b>Gross operating margin</b>	<b>(32)</b>	<b>1,633</b>	<b>(1,663)</b>
<b>Depreciation:</b>			0
Intangible assets	(359,)	(310)	(49)
Tangible fixed assets	(2,617)	(2,347)	(270)
<b>Operating profit</b>	<b>(3,008)</b>	<b>(1,024)</b>	<b>(1,982)</b>
<b>Result before taxes</b>	<b>(3,008)</b>	<b>(1,024)</b>	<b>(1,982)</b>
<b>Fiscal year result</b>	<b>(3,008)</b>	<b>(1,024)</b>	<b>(1,982)</b>

The turnover of the entire sector is decreasing, mainly due to lower volumes delivered for ordinary coinage.

In particular, turnover by area can be represented as follows:

- legal tender: 22.2 million, a decrease of more than 20% compared to last year's turnover, representing 59% of the chain's revenue;
- numismatics: 8.9 million, an increase of more than 50 per cent over 2020 figures, representing around 24 per cent of the chain's revenues;
- medal design: 5.7 million, attributable to the sale of medals to private individuals, the associated company Treccani Reti, and the RAI order for the production and delivery of gold tokens to the winners of prize competitions (15% of revenues from the sector);
- foreign coinage and miscellaneous: 0.8 million.

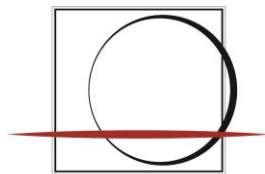


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The number of staff employed at the Rome and Verrès plants of the Mint at the end of the year was 158, compared to 150 in 2020. During the year, five resources left, 12 resources were recruited and one resource was redeployed.

In light of the above, EBITDA was negative by euro 3 million, as was the segment result.



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## **Other information**

### *Headquarters and secondary offices*

Registered Office:

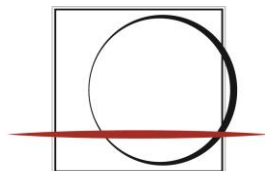
- Via Salaria, 691, Rome

Secondary locations:

- Via Principe Umberto 4, Rome
- Via G. Capponi, 51, Rome
- Via Salaria 691, Rome
- Via Salaria 712, Rome
- Via Salaria 709/711, Rome
- Via Di Tor Sapienza 211, Rome
- Piazza Giuseppe Verdi 1, Rome
- Via Marciana Marina 28, Rome
- Viale Gottardo 140/142, Rome
- Via Glair 36, Vèrrès (AO)
- Viale Leone XIII 331/333, Foggia

### *Treasury Shares*

The company does not hold and did not hold any treasury shares during the financial year 2021



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## Relations with subsidiary companies

Pursuant to Article 25 of Legislative Decree. 127/91, subsequent amendments and additions, the Poligrafico is required to draw up the consolidated financial statements.

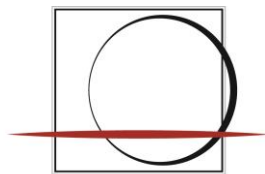
In application of the provisions of Legislative Decree 127/91, as amended by Legislative Decree no. 32/2007 transposing Directive 51/2003 / EC, the Poligrafico made use of the option provided for by art. 40, paragraph 2 bis. Therefore, additional information on the Group's economic and financial situation, as a whole and in the various sectors, about costs, revenues and investments, as well as for a description of the main risks and uncertainties of the Group are indicated in this Report. The main information is provided below:

### *Valoridicarta SpA 81.74%*

Net assets values in thousands of euros	2021	2020	Changes
Share Capital	43,800	43,800	0
Legal Reserve	23	0	23
Losses carried forward	(573,)	(1,011)	438
Operating result	175	461	(286)
<b>Total Shareholders' Equity</b>	<b>43,425</b>	<b>43,250</b>	<b>175</b>
P&L account values in thousands of euros	2021	2020	Changes
Product of the year	21,163	24,271	(3,108)
Production Costs	(17,701)	(20,786)	3,085
<b>Value added</b>	<b>3,462</b>	<b>3,485</b>	<b>(23)</b>
Staff costs	(1,916)	(1,697)	(219)
<b>Gross operating margin</b>	<b>1,546</b>	<b>1,788</b>	<b>(242)</b>
Depreciation and provisions	(1,352)	(1,282)	(70)
<b>Operating profit</b>	<b>194</b>	<b>506</b>	<b>(312)</b>
Financial income and expenses	(4)	(1)	(3)
<b>Income before taxes</b>	<b>190</b>	<b>505</b>	<b>(315)</b>
Taxes	(15)	(44)	29
<b>Profits and losses for the financial year</b>	<b>175</b>	<b>461</b>	<b>(286)</b>

Company incorporated in 2018, is a in-house company jointly controlled by Poligrafico (81.74%) and Banca d'Italia (18.26%), active in the production of special papers and holographic elements for banknotes and other security products.

Founded in a strategic perspective of directly overseeing the entire production cycle of high-end watermarked paper and holographic systems to produce special papers (paper for banknotes and for identification documents), the Company has achieved important results in these first years of



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activity: start-up of production of paper for passports and other watermarked papers; attainment of the main certifications in the fields of quality, safety, health and environment (UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, UNI ISO 45001:2018); BCE<sup>1</sup> accreditation for the manufacture of special papers for euro banknotes; start of production of paper for euro banknotes; start of production of holographic elements for Poligrafico's productions (thread for passports, holographic strip for revenue stamps); finally, BCE<sup>1</sup> accreditation for the manufacture of security thread and foil for euro banknotes, an enabling element to start industrialisation tests.

The year 2021 shows results in line with budget expectations: the production of banknote paper, which is essential for the country, was only affected by the Covid-19 effect regarding business slippage. In addition to the production of banknote paper for the Bank of Italy, the company also produced special papers for passports, diplomas and other processes that Poligrafico previously outsourced to third parties.

During the year, a number of critical issues in the production process that had arisen during the start-up phase were resolved, thus enabling a significant increase in quality standards in full compliance with customer requirements.

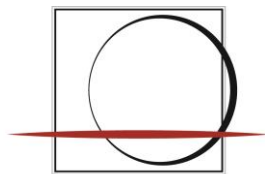
In 2021, more than 500 tonnes of banknote paper were produced for the Bank of Italy member, and some tonnes of paper were also replenished due to 'non-conformities' received related to the first supply contract (2019-20).

Despite the difficulties related to the general pandemic situation, an initial supply of a limited quantity of banknote paper for the Banque de France was made during the year, with extremely positive feedback on the quality of the product, which was also confirmed by the supply requests subsequently received by the Company from other Central Banks and market operators.

The 'banknote paper' project is currently oriented towards the new challenge of realising security items for euro banknotes (security thread and holographic foil). In the course of 2021, all the main steps of the accreditation programme for wire production were passed, pending final approval by the ECB and the Bank of Italy for the production and papering of the wire. On 30 November 2021, the Bank of Italy was provided with the sheets to produce 4 million banknotes (the quantity needed to carry out the final test): the findings do not reveal any particular problems concerning achieving the final approval. It is estimated that in the second half of 2022, euro paper deliveries will be made with the thread produced by Valordicarta.

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<sup>1</sup> According to Article 23 of Decision BCE/2020/24 of 27 April 2020 '*Accredited manufacturers that have been granted accreditation or provisional accreditation under Decision BCE/2013/54 shall be deemed to be accredited under this Decision from the date of entry into force of this Decision.*' Therefore, the 'provisional' accreditations obtained by the Company during 2019 and 2020 are to be considered definitive.



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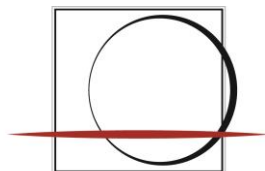
The emergency situation (Covid-19 pandemic) led to a deviation from the assumed timeframe for the completion of the ECB accreditation processes and the consequent postponement of the start of in-house production of holographic security elements, in particular the holographic foil.

Concerning the latter, engineering activities are underway to define the production process for the realisation of an initial dummy prototype.

As mentioned above, in 2021, the production of foil stamps and security thread for passport paper became fully operational, and the necessary activities to start production of additional holographic security elements for Poligrafico partner productions are being assessed.

It should be noted that the facilities and equipment for holographic production have been loaned on loan by Poligrafico to the subsidiary for the performance of tests and the acquisition of the know-how required to support and complete the accreditation process.

The company closed the financial year with a profit of euro 175,000 after allocating euro 15,000 for taxes. Employees as of December 31st amounted to 7 units.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

*Futuro & Conoscenza Srl (80%)*

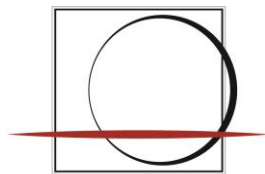
Net assets values in thousands of euros	2021	2020	Changes
Share Capital	10	10	0
Retained earnings	1	0	1
Operating result	1	1	0
<b>Total Shareholders' Equity</b>	<b>12</b>	<b>11</b>	<b>1</b>
P&L account values in thousands of euros	2021	2020	Changes
Product of the year	827	42	785
Production Costs	(329,)	(27)	(302)
<b>Value added</b>	<b>498</b>	<b>15</b>	<b>483</b>
Staff costs	(489,)	(11)	(478)
<b>Gross operating margin</b>	<b>9</b>	<b>4</b>	<b>5</b>
Depreciation and provisions	(3)	0	(3)
<b>Operating profit</b>	<b>6</b>	<b>4</b>	<b>2</b>
<b>Income before taxes</b>	<b>6</b>	<b>4</b>	<b>2</b>
Taxes	(5)	(3)	(2)
<b>Profits and losses for the financial year</b>	<b>1</b>	<b>1</b>	<b>0</b>

The company was established in 2020, with a share capital of euro 10,000 of which Poligrafico holds an 80% share and FBK the remaining 20%, according to the organisational model of jointly controlled in-house providing. The activity is aimed at the development of new materials, innovative production techniques, digital products and service delivery processes, and has as its main goal the continuous innovation of the security elements characterising Poligrafico's products, to guarantee their non-replicability.

The company ended the year with an essentially break-even result (profit of euro 557) after taxes. During the year, one resource was hired and seconded from the Bruno Kessler Foundation.

\* \* \* \* \*





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

## **Significant events occurring after the close of the financial year and foreseeable evolution of management (Article 2427, point 22-quater of the Civil Code)**

In continuity with the activities undertaken in previous years, in 2022 Poligrafico intends to focus its activities at the service of the country on the issues of digital transformation, innovation and security, and inclusive and sustainable development, as part of its mission as guarantor of the personal and digital identity of citizens, things and, in a broader sense, of the data and infrastructures that host them. Therefore, management initiatives will continue to pursue the following objectives: Therefore, management initiatives will continue to pursue the following objectives: - digital transformation: to support and accelerate the country's digital transformation process, providing solutions that guarantee easy access to digital services of the Public Administration and private operators; -innovation and security guaranteeing innovation and security in identification, authentication and certification processes for the protection of public faith; - enhancing the Poligrafico's artistic and cultural heritage, renewing how it is offered and used for the benefit of the community; - competitiveness and sustainability: promoting a sustainable and competitive development model, producing products and high social value and low environmental impact, guaranteeing their safety and quality.

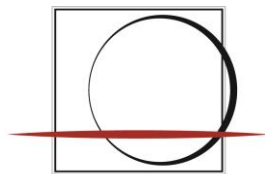
Poligrafico will therefore continue to emphasise an integrated vision of its way of operating, combining specific business and profit objectives with those benefiting the community - implicit in the corporate mission and in the characteristics of the services/products offered - and social and environmental sustainability.

As part of the framework agreement with the Ministry of the Interior for the period 2021-2024, the executive contract outline for Prevention and Monitoring Services in the area of logical security was sent in January.

At its meeting on 19 January, the Permanent Interministerial Commission CIE approved the text of the CIE Services Decree. Also in the CIE area, the new layout has been defined, pending the issuance of the director's decree by the MIN after finalising the issue concerning the correct indication of the parental figure.

The draft executive agreement with the Ministry of the Interior on the system to facilitate the retrieval of the PIN/PUK for the use of the CIE is being shared.

After the signing of the agreement between the Presidency of the Council of Ministers, Inps and Poligrafico, the first applications for the disability card can be made from the end of February 2022. Tender for the supply of blank seals concluded. Once the Poligrafico has acquired the seals, it will stamp them with the logo of the Customs and Monopolies Agency, personalising them with a unique numbering.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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A new phase in the Digital Balsamic Vinegar of Modena Passport project has begun, involving voluntary participation by companies for a period of one year and the subsequent modification of the control plan to make the label compulsory for all producers.

Following the inspections carried out at the Parma Ham producers' premises, the graphic design of an adhesive label solution for the sliced product was started, which at the explicit request of the Consortium also includes the presence of a hologram among the security and enhancement elements.

The infrastructural enhancement of the e-commerce site was completed, enabling the launch of the numismatic collection 2022 in January, which was presented at the Mint Museum.

A tender was awarded for the purchase of 2 new Pre-cut Tobacco Stamps' plants, which will enable the company to cope with increased production volumes, improving production performance and product quality.

In the first few months of the year, the turnover recorded was higher in both absolute and relative terms than in the same period last year, attributable to the general improvement in the health emergency situation.

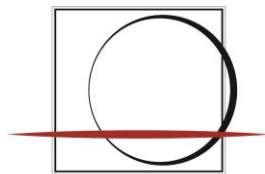
Also for 2022 the Company will continue its action aimed at building a solid industrial structure, based on innovation and capable of effectively fulfilling the mission entrusted by the State: guaranteeing public faith; to evolve its role as a Center of Excellence for the development and implementation of complex systems for identity management and security protection, extending the scope of activities in sectors adjacent to those in which it already operates with particular reference to certification of identity.

In the first months of 2022, due to the different characteristics of the building heritage, a seismic risk census programme was developed to carry out an organic action of mitigation of the same risk, taking into account the combination of hazard, vulnerability and exposure, i.e. the measure of damage expected for a building in a given time interval, based on the type of seismicity of the site (hazard), the response of the building (vulnerability) and the people/assets contained in the building (exposure).

It is the Company's will to continue in the development and enhancement of human assets, artistic and cultural heritage and real estate assets.

The recent Russian-Ukrainian crisis will have inevitable repercussions: the main ones will be felt in the price of raw materials, especially gas and oil, with consequential effects on energy prices. If the local conflict is long-lasting, there is a prospect of higher inflation, which could reach up to 6%, and a negative effect on corporate profitability as well.

The impact of the crisis resulting from the invasion of Ukraine could weigh heavily on companies; Cerved Rating Agency has drawn up an initial estimate (Credit Outlook 2022 March Update) which



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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sees the risk of default, expected in December 2022 for non-financial companies, at 6.32%, compared to 5.71% in December 2021; the projections made are based on the assumption that the sanctions will last at least until the end of 2022. In particular, rising commodity prices and supply problems will lead to an erosion of margins for companies, a decrease in household purchasing power and problems for the production cycles of the most energy-intensive sectors.

In spite of this, from an economic-income point of view, positive results are expected to be maintained, albeit with reduced margins, which will allow the company to have an adequate self-financing capacity for programmes for technical, IT and real estate investments and for research activities.

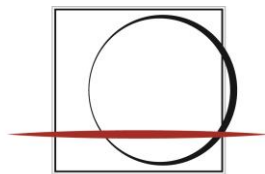
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In relation to what has been illustrated, in line with the redesign of the corporate mission, the management levers, during 2022, will be increasingly focused on enhancing the Company's ability to represent a point of reference for the protection of the primary interests of the Community through products, services and projects with high intrinsic value, in terms of security guarantees, health protection, anti-counterfeiting and traceability.

Unceasing attention will be paid to the efficiency conditions of the plants, to the dynamics of expenditure, to the rigorous care in the management of corporate finance, and to the ability to 'make a system', developing agreements and collaboration relationships with partners capable of bringing complementary skills and generating new business, which will see the central role of Poligrafico as a guarantor of identity and authenticity, which will allow, in addition to self-financing the considerable financial commitments linked to the considerable investment plan envisaged, the maintenance of an adequate level of profitability, guaranteeing a satisfactory creation of value for stakeholders.

The possibility of maintaining a satisfactory level of self-financing and a marginality that is in any case positive, does not, however, disregard decisions external to the company, related to choices made in the governmental sphere.

With the aim of constantly improving its strategic structure, positioning on the market and the consequent ability to create value for the shareholder, the Company will continue to pay particular attention to improving efficiency parameters, development and training of personnel, to the development of adequate management control tools, to the active supervision of markets and customers to seize every possible commercial opportunity, to confirm its role as a leading operator for technologies and solutions for the Public Administration and center of excellence in the field of anti-counterfeiting and security.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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## **Allocation of the result for the year (Article 2427, point 22-septies of the Italian Civil Code)**

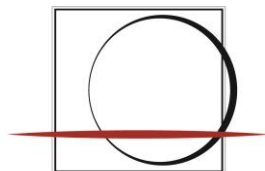
Dear Shareholder,

in these financial statements, which are submitted for approval, you have been informed of the economic, equity and financial situation of the Poligrafico for 2021 and of the main events that took place during the first months of 2022. In particular, account was given of the considerable investment plans that the company has made and will have to make for important 'country system' projects (identification documents, anti-counterfeiting systems, sensitive databases) and potential risk profiles.

The 2021 financial statements closed with a positive net result of € 50,850,775, as the rounding of € 50,850,775.38 which it is proposed to be allocated as:

- legal reserve 5% equal to € 2,542,538.77;
- as for the residual part, equal to € 48,308,236.61 as dividend.

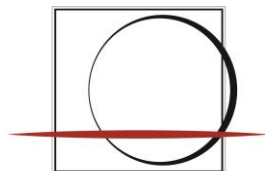
**BOARD OF DIRECTORS**



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

## Balance sheet

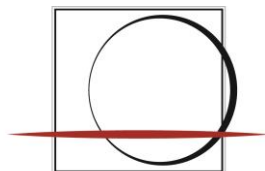
	31.12.2021	31 December 2020	Changes
<b>ACTIVE</b>			
<b>B) Fixed assets</b>			
I Intangible fixed assets			
2) Costs of research and development and advertising	385,138	441,401	(56,263)
3) Industrial patent rights and intellectual property rights	9,546,629	3,406,482	6,140,147
4) Concessions, licenses, trademarks and similar rights	27,611	47,543	(19,932)
6) Fixed assets in progress and advances	3,158,394	1,712,127	1,446,267
7) Others	480,235	301,074	179,161
<b>Total</b>	<b>13,598,007</b>	<b>5,908,627</b>	<b>7,689,380</b>
II Tangible fixed assets			
1) land and buildings	65,459,047	67,151,152	(1,692,105)
2) plant and machinery	100,262,453	100,028,809	233,644
3) industrial equipment	1,414,297	212,765	1,201,532
4) other assets	17,101,653	24,755,022	(7,653,369)
5) assets in progress and advances	32,525,328	29,770,245	2,755,083
<b>Total</b>	<b>216,762,778</b>	<b>221,917,993</b>	<b>(5,155,215)</b>
III- Financial fixed assets			
1) equity investments			
a) subsidiary companies	35,808,000	35,808,000	0
a) affiliated companies	4,950,957	4,950,957	0
d) other companies	799	799	0
2) receivables			
d) other accounts receivable			
within the year	216,421	294,714	(78,293)
beyond the financial year	1,520,931	1,532,722	(11,791)



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<b>Total</b>	<b>42,497,108</b>	<b>42,587,192</b>	<b>(90,084)</b>
<b>Total intangible assets</b>	<b>272,857,893</b>	<b>270,413,812</b>	<b>2,444,081</b>

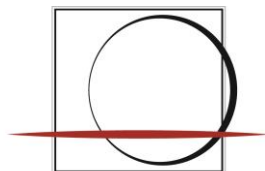
<b>ACTIVE</b>	<b>31.12.2021</b>	<b>31 December 2020</b>	<b>Changes</b>
<b>C) Current assets</b>			
I Inventories			
1) raw materials, consumables and goods	29,905,551	25,351,537	4,554,014
2) work in progress and semi-finished products	25,493,225	25,147,616	345,609
4) finished products and goods	11,674,158	11,742,200	(68,042)
5) fixed assets held for sale	176,120	100,952	75,168
<b>Total</b>	<b>67,249,054</b>	<b>62,342,305</b>	<b>4,906,749</b>
II Credits			
1) trade receivables	34,435,459	39,516,411	(5,080,952)
2) to subsidiaries	4,869,888	1,740,369	3,129,519
3) from affiliated companies	1,123,535	767,216	356,319
4) towards parent companies	111,246,257	153,637,684	(42,391,427)
5) due from companies controlled by parent companies	2,395,971	2,198,243	197,728
5 bis) tax credits	3,759,682	13,822,218	(10,062,536)
5 ter) pre-paid tax	21,494,972	21,494,972	0
5 quater) towards others	2,040,346	3,738,126	(1,697,780)
<b>Total</b>	<b>181,366,110</b>	<b>236,915,239</b>	<b>(55,549,129)</b>
IV) - Cash and cash equivalents			
1) bank and postal deposits	465,003,518	484,513,784	(19,510,266)
3) cash and cash equivalents	20,233	25,317	(5,084)
<b>Total</b>	<b>465,023,751</b>	<b>484,539,101</b>	<b>(19,515,350)</b>
<b>Total current assets</b>	<b>713,638,915</b>	<b>783,796,645</b>	<b>(70,157,730)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

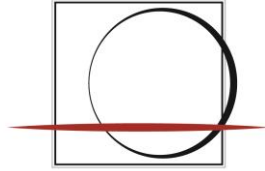
<b>D) Accruals and prepayments</b>	<b>4,956,847</b>	<b>4,255,636</b>	<b>701,211</b>
<b>TOTAL ASSETS</b>	<b>991,453,655</b>	<b>1,058,466,093</b>	<b>(67,012,438)</b>





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

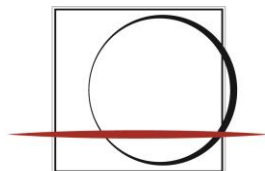
LIABILITIES	31.12.2021	31 December 2020	Changes
<b>A) Shareholders' equity</b>			
I Capital	340,000,000	340,000,000	0
IV Legal reserve	51,012,754	48,310,245	2,702,509
VII Other reserves:			
Reserve available	30,939,490	30,939,490	0
Contribution reserve	932,318	932,318	0
Capital grants	551,081	551,081	0
IX Result for the year	50,850,775	54,050,193	(3,199,418)
<b>Total Equity</b>	<b>474,286,418</b>	<b>474,783,327</b>	<b>(496,909)</b>
<b>B) Provisions for risks and charges</b>			
3) other provisions for risks and charges: other	205,037,074	203,889,574	1,147,500
<b>Total provisions for risks and charges</b>	<b>205,037,074</b>	<b>203,889,574</b>	<b>1,147,500</b>
<b>C) Provision for staff severance indemnity</b>	<b>8,615,318</b>	<b>11,398,462</b>	<b>(2,783,144)</b>
<b>D) Payables</b>			
5) payables to other lenders			
within the year	230,220	218,194	12,026
beyond the financial year	4,445,596	4,675,816	(230,220)
6) advances	988,617	55,647	932,970
7) trade payables	118,649,129	124,659,444	(6,010,315)
9) payables to subsidiary companies	1,381,035	1,077,630	303,405
11) payables to parent companies	65,780,127	108,210,279	(42,430,152)
11-bis) payables to companies controlled by parent companies	4,138,793	9,800,139	(5,661,346)
12) tax payables	84,776,852	98,050,539	(13,273,687)
13) payables to welfare and social security institutions:	4,982,046	5,327,523	(345,477)
14) other payables	17,801,355	15,925,890	1,875,465
Total payables	<b>303,173,770</b>	<b>368,001,101</b>	<b>(64,827,331)</b>
<b>E) Accruals and prepayments</b>	<b>341,075</b>	<b>393,629</b>	<b>(52,554)</b>
<b>TOTAL LIABILITIES</b>	<b>991,453,655</b>	<b>1,058,466,093</b>	<b>(67,012,438)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

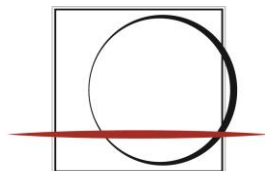
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## **Profit and Loss Account**



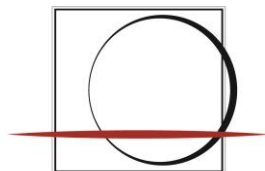
POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<b>INCOME STATEMENT</b>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
<b>A) Value of production</b>			
1) revenues from sales and services;	418,833,623	401,857,553	16,976,070
2) change in inventories of work in progress, semi-finished and finished products	277,963	(2,754,213)	3,032,176
5) other revenues and income	6,790,715	6,433,410	357,305
<i>a) operating grants</i>	51,077	326,973	(275,896)
<i>b) various</i>	6,739,638	6,106,437	633,201
<b>Total production value</b>	<b>425,902,301</b>	<b>405,536,750</b>	<b>20,365,551</b>
<b>B) Production costs</b>			
6) for raw materials, consumables and goods	(68,908,004)	(61,241,670)	(7,666,334)
7) for services	(115,800,557)	(101,419,003)	(14,381,554)
8) for use of third-party assets	(4,894,019)	(3,645,700)	(1,248,319)
9) for staff	(98,441,109)	(99,115,657)	674,548
<i>a) salaries and wages</i>	(70,662,685)	(71,075,265)	412,580
<i>b) social security contributions;</i>	(19,918,058)	(20,503,739)	585,681
<i>c) provision for staff severance indemnity</i>	(5,098,747)	(5,097,306)	(1,441)
<i>e) other costs</i>	(4,419,438)	(3,889,839)	(529,599)
<i>f) recovery of seconded personnel</i>	1,657,819	1,450,492	207,327
10) amortisation, depreciation and write downs	(40,673,846)	(36,700,838)	(3,973,008)
<i>a) amortization of intangible fixed assets</i>	(6,304,097)	(4,457,282)	(1,846,815)
<i>b) depreciation of tangible fixed assets</i>	(34,369,749)	(32,243,556)	(2,126,193)
11) change in inventories of raw, ancillary and consumable materials and goods	4,554,014	1,013,403	3,540,611
12) provisions for risks	(25,942,663)	(25,000,000)	(942,663)
14) miscellaneous operating costs	(5,241,475)	(4,689,507)	(551,968)
<b>Total production costs</b>	<b>(355,347,659)</b>	<b>(330,798,972)</b>	<b>(24,548,687)</b>
<b>Difference between value and cost of production</b>	<b>70,554,642</b>	<b>74,737,778</b>	<b>(4,183,136)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

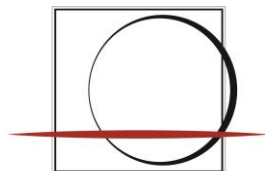
<b>INCOME STATEMENT</b>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
<b>C) Financial income and expenses</b>			
16) other financial income			
a) from non-current receivables			
from others	163,777	8,013	155,764
d) other income:			
from others	1,587,535	2,056,283	(468,748)
17) interest and other financial charges			
from others	(263,692)	(275,591)	11,899
17bis) profit and losses on exchange rates	(423,)	891	(1,314)
<b>Total financial income and expenses</b>	<b>1,487,197</b>	<b>1,789,596</b>	<b>(302,399)</b>
<b>D) Value adjustments to financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income before taxes</b>	<b>72,041,839</b>	<b>76,527,374</b>	<b>(4,485,535)</b>
22) income taxes for the year			
currents	(21,191,064)	(22,477,181)	1,286,117
<b>23) Result for the year</b>	<b>50,850,775</b>	<b>54,050,193</b>	<b>(3,199,418)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

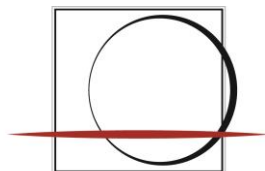
## Cash Flow Statement

	2021	2020
<b>Net cash and cash equivalents 01-Jan-21</b>	<b>484,539,101</b>	<b>524,677,750</b>
Tax year result	50,850,775	54,050,193
Income tax	21,191,064	22,477,181
Interest expense	263,692	275,591
Capital gains / losses from assets	63,114	97,353
<b>Result for the year adjusted by non-monetary elements</b>	<b>72,368,645</b>	<b>76,900,318</b>
Amortisation, depreciation and write downs	40,736,378	36,700,838
Severance indemnity provision	5,098,747	5,097,306
Allocation to the Funds	29,123,324	28,276,129
<b>Adjustments to non-monetary items that have no counterpart CCN</b>	<b>74,958,449</b>	<b>70,074,273</b>
<b>Cash flow before changes in the BCC</b>	<b>147,327,094</b>	<b>146,974,591</b>
<i>Changes in the CCN</i>		
Inventories	(4,906,751)	1,792,404
Trade receivables	43,788,806	14,109,546
Trade payables	(52,865,437)	(9,274,263)
Tax and social security payables and receivables	19,483,945	26,070,384
Indirect taxes paid	(31,186,360)	(20,788,907)
Accruals and Deferrals	(753,766)	1,832,936
Other assets	1,697,780	(2,436,624)
Other liabilities	1,875,464	(1,094,619)
Payments on account	(3,807,846)	489,079
<b>Total changes in net working capital</b>	<b>(26,674,165)</b>	<b>10,699,936</b>
<b>Cash flow after changes in the BCC</b>	<b>120,652,929</b>	<b>157,674,527</b>
<i>Other adjustments</i>		
Interest paid	(263,692)	(275,591)
Income taxes paid	(13,045,277)	(30,808,451)
Use of the severance indemnity fund	(7,881,891)	(8,620,376)
Use of funds	(27,975,824)	(26,999,828)
<b>Total other adjustments</b>	<b>(49,166,684)</b>	<b>(66,704,246)</b>
<b>Financial flow of income management</b>	<b>71,486,245</b>	<b>90,970,281</b>
Investments in fixed assets:		
Intangible fixed assets	(13,993,468)	(5,180,994)
Tangible assets	(25,600,846)	(49,343,967)
Sale of fixed assets	(63,114)	(97,353)
Goods intended for resale	131,626	120



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Financial:		
Equity investments	0	3,768,920
Credits and other securities	90,084	(65,873)
<b>Cash flow from investment activities in fixed assets</b>	<b>(39,435,718)</b>	<b>(50,919,148)</b>
Dividends paid	(51,347,683)	(79,922,715)
Reimbursement of loans	(218,194)	(267,067)
<b>Cash flow from financing activities</b>	<b>(51,565,877)</b>	<b>(80,189,782)</b>
<b>Change in cash and cash equivalents</b>	<b>(19,515,350)</b>	<b>(40,138,649)</b>
<b>Net cash and cash equivalents 31-Dec-21</b>	<b>465,023,751</b>	<b>484,539,101</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

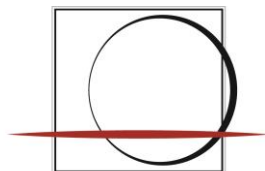
## Zecca Segment Accounts

(Pursuant to the Ministerial Decree 08/08/1979

Not subject to audit

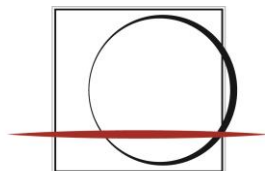
PROFIT AND LOSS ACCOUNT MINT	2021	2020	Changes
<b>A) Value of production</b>			
1) revenues from and services	37,604,034	41,868,093	(4,264,059)
2) change in inventories of work in progress, semi-finished and finished products	1,734,793	(6,145,614)	7,880,407
5) other revenues and income			
b) various	206,274	163,494	42,780
<b>Total production value</b>	<b>39,545,101</b>	<b>35,885,973</b>	<b>3,659,128</b>
<b>B) Production costs</b>			
6) for raw materials, consumables and goods	(22,859,308)	(20,955,360)	(1,903,948)
7) for services	(6,148,678)	(5,478,488)	(670,190)
9) for staff	(10,808,081)	(11,618,676)	810,595
a) salaries and wages	(7,541,818)	(8,129,323)	587,505





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<i>b) social security contributions;</i>	(2,196,590)	(2,409,764)	213,174
<i>c) provision for staff severance indemnity</i>	(557,768)	(596,825)	39,057
<i>e) other costs</i>	(511,905)	(482,764)	(29,141)
10) depreciation and write-downs	(2,976,654)	(2,656,135)	(320,519)
<i>a) intangible Fixed Assets</i>	(359,339)	(309,504)	(49,835)
<i>b) property, plant and equipment</i>	(2,617,315)	(2,346,631)	(270,684)
11) change in inventories of raw, ancillary and consumable materials and goods	836,735	4,301,034	(3,464,299)
14) miscellaneous operating costs	(597,913)	(503,198)	(94,715)
<b>Total production costs</b>	<b>(42,553,899)</b>	<b>(36,910,823)</b>	<b>(5,643,076)</b>
<b>Difference between value and cost of production</b>	<b>(3,008,798)</b>	<b>(1,024,850)</b>	<b>(1,983,948)</b>
<b>C) Financial income and expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>D) Value adjustments to financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income before taxes</b>	<b>(3,008,798)</b>	<b>(1,024,850)</b>	<b>(1,983,948)</b>
20) income taxes for the year	0	0	0
<b>21) Result for the year</b>	<b>(3,008,798)</b>	<b>(1,024,850)</b>	<b>(1,983,948)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

## Notes to the Accounts

### Structure and content of the financial statements

These financial statements have been prepared following the regulatory provisions contained in the Italian Civil Code, concerning financial statements, as amended by Legislative Decree no. 139/15, implementing European Directive 2013/34, and supplemented by the OIC, comparing the figures for the financial year ending 31 December 2021 with those resulting as at 31 December 2020.

The Financial Statements are made up of the following documents:

- Balance Sheet;
- Income statement;
- Cash Flow statement;
- Explanatory Note.

This Explanatory Note has the function of providing an illustration, analysis and, in some cases, an integration of the financial statements and contains the information required by art. 2427 of the Civil Code which are in line with the regulatory changes introduced by Legislative Decree no. 139/15 and with the accounting principles issued by the Organismo Italiano di Contabilità.

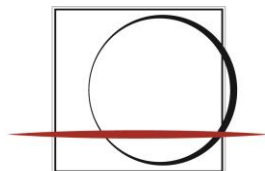
The valuation of items is made regarding the general principles of prudence and accrual and on a going concern basis, and taking into account the substance of the transactions.

The application of the provisions of the Civil Code did not lead to situations of incompatibility with the truthful and correct representation of the facts and of the company situation, therefore, no derogation from the provisions was necessary, pursuant to art. 2423, paragraph 4, of the Civil Code. There have also been no exceptional cases that made it necessary to resort to the derogation provided for by art. 2423 bis, 2nd paragraph, of the Civil Code.

For the purposes of data comparability and therefore informative presentation, appropriate reclassifications of the comparative balances at 31 December 2020 have been made in the Financial Statements and in the Report on Operations, where necessary; these reclassifications did not affect the Company's net result or shareholders' equity.

### Accounting Principles

The Company has implemented the provisions of the Italian legal system in implementation of the European Directive 2013/34, with the publication in the Gazzetta Ufficiale of Legislative Decree no. 139/15, which integrates and amends the Civil Code in the general rules for the preparation of the financial statements relating to the layouts, the valuation criteria, the content of



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

the explanatory notes and the management report, changes and additions entered into force from the first January 2016.

All values are expressed in thousands of euros except as otherwise indicated.

The valuation criteria adopted for the preparation of the financial statements as of 31 December 2021 are set out below.

*Non-current intangible assets*

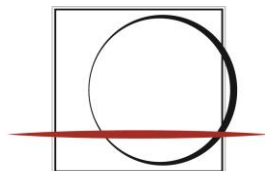
They represent costs for which a multi-year utility can be identified and are accounted for based on the cost actually incurred, a cost that is systematically amortized in each year based on the relative economic useful life, which is on average three years, considering the speed of renewal of goods. Capitalized research and development costs are normally amortized on a straight-line basis, based on an amortization plan, over a period not exceeding 5 years. In cases where the values determined above are permanently of a lower value, a corresponding reduction was made. For costs incurred on third party assets, for which a utility referable to several financial years can be identified, amortization was carried out according to the duration of the lease.

*Tangible fixed assets*

They are entered at acquisition or production cost, increased by directly attributable accessory charges and, for some of them, by the share of revaluations and / or write-downs carried out in accordance with the law in previous years. The cost of the assets, as determined above, is systematically depreciated based on the residual possibility of use. Fixed assets which, at the closing date of the financial year, are permanently of a lower value than that determined in accordance with the above are recorded at this lower value. This lower value is not maintained in subsequent years if the reasons for the adjustment no longer apply.

The estimated useful economic life is indicated below by type of asset:

Type of asset	Estimated useful life expressed in years	
	from	a
depr. reval.	18	33
Lightweight construction	10	10
Plant and Machinery	5	20
Photocomposition systems	4	4
Rotary	5	3



## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Industrial and Commercial Equipment	3	4
Other assets	4	8
Electronic document workstations	Duration of the contract	

The value of fixed assets also includes expenses of an incremental nature, where these have led to an increase in the useful life of the asset to which they refer and are amortized in relation to the new residual possibility of use of the same. The book value of the replaced parts is eliminated, and the maintenance and repair costs are recognized in the income statement in the period in which they are incurred.

Land is not depreciated, even if purchased together with a building, as well as tangible assets intended for sale, the depreciation of which ceases on the date in which the asset is reclassified in current assets among assets intended for sale valued at the lower of the net book value and the realization value inferable from the market trend, in accordance with OIC 16.

### *Long-term investments*

Equity investments are recognized at cost, determined based on the purchase or subscription price. The book value of the equity investments is adjusted to take account of permanent losses in value based on the corresponding fraction of shareholders' equity. This lower value is not maintained in subsequent years if the reasons that led to the adjustment no longer apply.

Securities that do not constitute equity investments are recognized based on the purchase cost, which is adjusted in the event of permanent losses in value. This lower value, where recorded, is not maintained in subsequent years if the reasons that led to the recognition no longer exist.

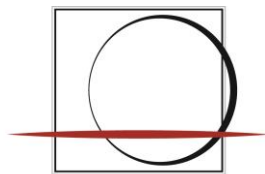
### *Inventories*

Inventories consist of stocks of raw materials, various materials, paper and spare parts, to be used for operation or maintenance, semi-finished products, work in progress and goods intended for resale.

- Raw materials, consumables and goods are valued at the lower of purchase cost, calculated using the 'weighted average purchase cost' method, and realisable value based on market trends.
- *Changes in inventories of work in progress, semi-finished and finished products:* work in progress, semi-finished and finished products: they are valued at the lower of market value and standard operating cost. At the end of the year, an analysis of the existing orders is carried out to identify any final losses. Assets intended for resale are reclassified under this item.

Obsolete or slow-moving assets have been written down in relation to their residual possibility of use or considering their possible realizable value.

### *Loans*



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Receivables are recognised at amortised cost, taking into account the time frame and the expected realisable value. In particular, the initial value recorded is represented by the nominal value net of all premiums, discounts, rebates, and including any costs directly attributable to the transaction that generated the receivables. Such transaction costs, any commission income and expense, and any difference between the initial value and nominal value at maturity are included in the calculation of the amortised cost using the effective interest rate method.

A specific bad debt provision has been set up to cover possible insolvency risks, whose congruity with respect to doubtful positions is checked periodically. In any case, at the end of each financial year, further assessments are made taking into consideration both the situations of bad debt that have already occurred or considered probable, and the general economic conditions, sector and country risk.

#### *Accruals and Deferrals*

They are determined based on the principle of temporal competence. This item includes the revenues and costs pertaining to the year that will be earned or incurred in subsequent years and those earned or incurred by the end of the year but pertaining to subsequent years.

#### *Provision for staff severance indemnities*

It is determined based on the provisions of the laws in force and of the National Collective Labor Agreements of the Graphic Companies.

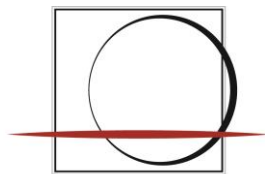
It represents, for employees in force on 31 December 2021, the liability relating to the severance indemnity accrued and remaining in the company, in addition to what accrued from the beginning of 2007 until the time of the choice by the employees who opted for pension funds, net of the advances paid and including the revaluation at 31 December 2021 pursuant to Legislative Decree no. 252 of 5 December 2005, and subsequent amendments introduced with Law no. 296 27 December 2006, (2007 Finance Law).

#### *Payables*

Payables are recognised at amortised cost, taking into account the time frame. In particular, the initial value recorded is represented by the nominal value net of the debt, net of all transaction costs and premiums, discounts, and allowances directly attributable to the transaction that generated the debt. Such transaction costs, any commission income and expense, and any difference between the initial value and nominal value at maturity are included in the calculation of the amortised cost using the effective interest rate method.

#### *Provisions for liabilities and charges*

The allocations to the provisions for risks and charges mainly regard allocations made to cover charges or debts, of certain or probable existence, the amount or date of occurrence of which, however, could not be determined at the end of the year. In the assessment of risks and charges,



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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those related to events that became known after the closing date of the financial year and up to the date of preparation of the financial statements are also considered.

#### *Operations and items in foreign currency*

Receivables and payables in foreign currencies outstanding at the end of the year, recorded at the exchange rate in effect at the time the transaction is carried out, are converted at the exchange rate in effect at the end of the year. Exchange gains and losses are recognized in the income statement as income components of a financial nature. Any net profit from conversion is set aside in a special non-distributable reserve until it is realized.

#### *Costs and Revenues*

Revenues and income, costs and charges are recognized net of returns, discounts, allowances and bonuses, as well as taxes directly related to the sale of products and the provision of services and recognized at the time of transfer of risks benefits associated with ownership, which normally coincides with the shipment or delivery of goods or provision of services. Revenues and income, costs and charges relating to foreign currency transactions are determined at the current exchange rate on the date on which the related transaction was completed.

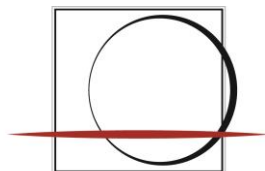
#### *Taxes for the year*

Income taxes are calculated based on the estimated taxable income and the tax rates in force at the balance sheet date, in compliance with the provisions in force and in compliance with the accrual principle. Prepaid and deferred taxes (and the related assets and liabilities) are recognized in the income statement (and in the balance sheet) in the year in which the temporary differences emerge. The calculation of deferred assets and liabilities considers the specificities of the various tax regulations regarding taxability and deductibility.

### **Consolidated financial statements**

Pursuant to article 25 of Legislative Decree no. 127/91 and subsequent amendments and additions, the Poligrafico is required to prepare the Consolidated Financial Statements.

The present financial statements have been subjected to a statutory audit by Ernst & Young SpA



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

## Balance sheet

### Assets

#### B.Fixed assets

#### B. Intangible assets

The composition of the item and the changes that occurred during the year are summarized in the table below:

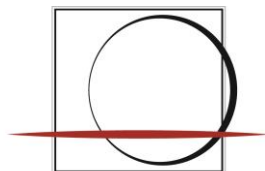
values in thousands of euros	01.01. 2021	Handling		31.12. 2021	01.01. 2021	Handling		31.12. 2021	Total
	Historical cost	Credit	Debit	Historical cost	Accumulated amortisation	Depreciation for the period	Debit	Accum. Deprec.	Book Equity
Development costs	627	76		704	(186)	(133)		(318)	385
Industrial patent rights and use of intellectual property	60,627	12,196	(12)	72,811	(57,220)	(6,056)	12	(63,264)	9,547
Concessions, licenses and trademarks	10,899		(98)	10,801	(10,852)	(20)	98	(10,774)	28
Fixed assets in progress	1,712	1,949	(503)	3,158			0	0	3,158
Other	1,612	275		1,887	(1,311)	(96)		(1,407)	480
<b>Total</b>	<b>75,477</b>	<b>14,496</b>	<b>(613)</b>	<b>89,361</b>	<b>(69,568)</b>	<b>(6,304)</b>	<b>110</b>	<b>(75,763)</b>	<b>13,598</b>

values in thousands of euros	01.01. 2020	Handling		31.12. 2020	01.01. 2020	Handling		31.12. 2020	Total
	Historical cost	Credit	Debit	Historical cost	Accumulated amortisation	Depreciation for the period	Debit	Accum. Deprec.	Book Equity
Development costs	182	445		627	(68)	(117)		(185)	442
Industrial patent rights and use of intellectual property	57,556	3,677	(606)	60,627	(53,586)	(4,236)	602	(57,220)	3,407
Concessions, licenses and trademarks	10,841	58		10,899	(10,832)	(20)		(10,852)	47
Fixed assets in progress	883	1,335	(477)	1,712					1,712
Other	1,433	150		1,612	(1,225)	(84)	(2)	(1,311)	301
<b>Total</b>	<b>70,895</b>	<b>5,665</b>	<b>(1,083)</b>	<b>75,477</b>	<b>(65,711)</b>	<b>(4,457)</b>	<b>600</b>	<b>(69,568)</b>	<b>5,909</b>

#### Error! Not a valid link. Development costs

The historical cost of euro 704,000 amortised by euro 318,000 is attributable to the purchase of a DMI prototype for reading magnetic codes, a device enabling the application of the security thread in the production of value cards, and development costs incurred on industrial research projects, related to nickel plating roundels and authentication with the Electronic Identity





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Card. During the financial year, development costs were incurred for the digital signature project with CIE.

*Industrial patent rights and use of intellectual property rights*

The historical cost of 72.8 million euros (60.6 million euros at 31.12.2020) was amortized for a total of 63.3 million euros (57.2 million euros at 31.12.2020) and refers to:

- industrial patent rights for euro 876,000 amortised for euro 373,000;
- rights to use software programmes in the amount of euro 71.9 million amortised in the amount of euro 62.9 million.

Amortization for the year was 6.1 million euros.

*Permits, licences, trademarks and similar rights*

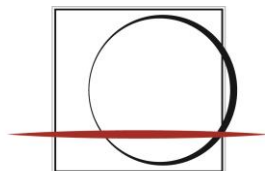
The historical cost of 10.8 million euros (10.9 million euros at 31.12.2020) was amortized for a total of 10.8 million euros (10.9 million euros at 31.12.2020) and refers to user licenses for software programs.

The amortization for the year was 20 thousand euros.

*Fixed assets in progress*

They indicate internal and external costs (euro 3.2 million) incurred for the start-up of Research and Development and Information Technology projects.

Projects values in thousands of euros	Beginning year	End year	Fixed assets in progress	Capitalisation
Card with biosensor	2017	2021		767.75
RFID development	2017	2022	485.62	
Tagging Development	2017	2024	233.73	
Diffraction metallic elements	2017	2022	387.93	
New document creation method	2020	2022	230.81	
Graphic safety codes	2018	2022	124.71	
3D prototype modelling	2020	2022	120.93	
Material development Prod. Base Holographic	2021	2023	248.05	
Implementation of the plate production process	2021	2023	121.99	
Dough Development Supp. High Res, Int. Artificial Normative Application	2021	2023	204.96	
Digital signature with CIE	2021	2021	69.46	76.48
ALD protective coatings	2021	2022	166.66	
Re-engineering OJ publication	2021	2023	510.35	
Wine label Portals for ADM	2021	2022	233.19	
Unified Portal of Legislation	2021	2022	20.01	
<b>Total</b>			<b>3,158.40</b>	<b>844.23</b>



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Other fixed assets

The total capitalized cost, equal to 1.9 million euros and amortized for 1.4 million euros, refers to the works carried out on the leased buildings (Verrès plant and commercial premises in Piazza Verdi).

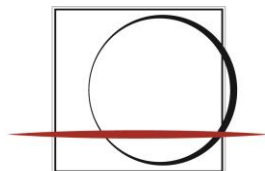
The amortization for the year, 96 thousand euros, was calculated considering the duration of the related lease contracts.

## B. IITangible fixed assets

Tangible fixed assets are recorded at purchase or production cost, increased by directly attributable charges and modified, for some of them, by the amounts of revaluations and / or write-downs carried out in accordance with the law, including those made pursuant to art. 15, Law 333/92 in the definitive determination of the share capital of the Poligrafico. The cost of the assets, as determined above, is systematically depreciated according to the residual possibility of use. The consistency of the item tangible fixed assets is as follows:

values in thousands of euros	01.01. 2021		Handling		31.12. 2021	01.01. 2021	Handling		31.12. 2021	Total
	Historical cost	Rev. Write-down	Credit	Debit	Historical cost	Accumulated amortisation	Ammortisation year	Debit	Accum Deprec.	Book Equity
Land and buildings	202,740	61,664	2,123	(233)	266,294	(197,253)	(3,815)	233	(200,835)	65,459
Plant and Machinery	377,258	497	20,556	(5,009)	393,302	(277,727)	(20,192)	4,879	(293,040)	100,262
Industrial and Commercial Equipment	509	0	1,462	0	1,971	(296)	(260)	0	(556)	1,415
Other Assets	107,645	57	2,513	(366)	109,849	(82,947)	(10,165)	365	(92,747)	17,102
Fixed assets in progress	19,744	0	11,987	(13,040)	18,691	0	0	0	0	18,691
<b>Sub Total</b>	<b>707,896</b>	<b>62,218</b>	<b>38,641</b>	<b>(18,648)</b>	<b>790,107</b>	<b>(558,223)</b>	<b>(34,432)</b>	<b>5,477</b>	<b>(587,178)</b>	<b>202,929</b>
Payments on account	10,026	0	9,311	(5,503)	13,834					13,834
<b>Total</b>	<b>717,922</b>	<b>62,218</b>	<b>47,952</b>	<b>(24,151)</b>	<b>803,941</b>	<b>(558,223)</b>	<b>(34,432)</b>	<b>5,477</b>	<b>(587,179)</b>	<b>216,763</b>
									* of which rev./deval. as at 31.12.2021	<b>62,213</b>

values in thousands of euros	01.01. 2020		Handling		31.12. 2020	01.01. 2020	Handling		31.12. 2020	Total
	Historical cost	Rev. Deval.	Increases	Divestments	Historical cost	Accumulated amortisation	Ammortisation year	Divestments	Accum Deprec.	Net value
Land and buildings	198,945	61,664	3,796	(1)	264,404	(192,588)	(4,665)		(197,253)	67,151



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Plant and Machinery	327,566	497	50,410	(718)	377,755	(261,174)	(17,229)	677	(277,726)	100,029
Industrial and Commercial Equipment	470		39		509	(209)	(87)		(296)	213
Other Assets	102,520	57	5,409	(284)	107,702	(72,744)	(10,494)	291	(82,947)	24,755
Fixed assets in progress	30,020		14,723	(24,999)	19,744					19,744
<b>Sub Total</b>	<b>659,521</b>	<b>62,218</b>	<b>74,377</b>	<b>(26,002)</b>	<b>770,114</b>	<b>(526,715)</b>	<b>(32,475)</b>	<b>968</b>	<b>(558,222)</b>	<b>211,892</b>
<b>Payments on account</b>	10,515		13,949	(14,438)	10,026					<b>10,026</b>
<b>Total</b>	<b>670,036</b>	<b>62,218</b>	<b>88,326</b>	<b>(40,440)</b>	<b>780,140</b>	<b>(526,715)</b>	<b>(32,475)</b>	<b>968</b>	<b>(558,222)</b>	<b>221,918</b>
* of which rev./deval. as at 31.12.2020										<b>62,218</b>

*Land and buildings*

The historical cost of € 266.3 million refers to the production buildings and related land on which they stand. The accumulated depreciation as at 31.12.2021 is equal to 200.8 million euro, of which 3.8 million euro amortization for the year, and refers only to industrial buildings as the land is not subject to depreciation.

*Plant and Machinery*

The historical cost is equal to 393.3 million euros, amortized for 293.0 million euros, of which 20.2 million euros depreciation for the year. Purchases made during the year were directed towards process and product improvement activities, including the upgrade of the production facilities for electronic passports and residence permits, the purchase of a digital printing machine and a packaging machine for special coins.

*Industrial and Commercial Equipment*

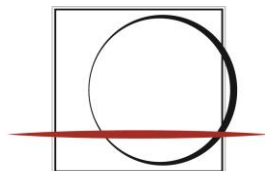
The historical cost as at 31/12/2021 was euro 2.0 million, depreciated by a total of euro 556,000, of which euro 260,000 in the year. During the year, specific equipment was purchased for the quality laboratories in Verrès and Foggia.

*Other Assets*

The historical cost is euro 109.8 million, amortised for euro 92.7 million, of which euro 10.2 million in the year. The item mainly concerns the equipment necessary for carrying out work activities at the central structures, such as hardware devices and furniture.

*Fixed assets in progress and advances*

The item Fixed assets in progress reflects the trend of uncompleted investments at the end of the financial year.



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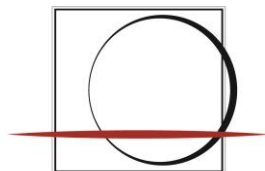
The Advances as at 31 December amounted to 13.8 million euro, confirming the trend of strong investments to be initiated, with contractual obligations undertaken. The advances disbursed for:

- the CHP cogeneration and waste treatment plant (euro 5.9 million), lithographic printing machine (euro 1.6 million), and the set up and packaging equipment to be implemented on the plate line (euro 0.6 million) at the Foggia plant;
- the plant for the initialisation and production of electronic passport booklets, upgrades to the INLAY production and cutting line and equipment (2.0 million), the upgrade of the packaging plant for the Official Gazette (0.1 thousand euro) and the purchase of a binding machine in the Publishing area at the Officina Carte Valori;
- automatic coin and coin weighing system (euro 0.2 million), sputtering plant for the deposition of micrometric metal films on special coinage cones (euro 0.1 million), upgrading of presses for the minting of medals (euro 0.2 million) at the Mint plant;
- revamping the presses in use at the Verrès plant;
- work related to the renovation of a portion of the plant in use by staff facilities (euro 2 million).

Finally, as part of the activities for which the subsidiary Futuro&Conoscenza was established, advances were paid for research projects.

Purchases broken down by production site and referring to homogeneous groups of assets are shown in the following table:

<i>values in thousands of euros</i>	Values Cards and Traditional Productions Workshop	Zecca and Verrès	Foggia	Central Functions	Total
Development costs				56	56
Industrial patent rights and intellectual property rights	1	46		8,469	8,516
Concessions, licenses and trademarks					
Fixed assets in progress				1,949	1,949
Other		225			225
<i>Intangible assets</i>	1	271	0	10,474	10,746
Land and buildings	69		594	420	1,083
Plant and machinery	5,235	1,583	3,409	2,298	12,525
Industrial and commercial equipment	44	163	323	913	1,443
Other assets	430	133	225	1,049	1,837
<i>Tangible fixed assets</i>	5,778	1,879	4,551	4,680	16,888
<i>Fixed assets in progress</i>	361	535	6,727	4,364	11,987
<b>Total</b>	<b>6,140</b>	<b>2,685</b>	<b>11,278</b>	<b>19,518</b>	<b>39,621</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

For a more detailed comment on the main investments made during the year, please refer to what is illustrated in the Management Report.

## B. III Financial fixed assets

Financial fixed assets are entered at cost, determined based on the purchase or subscription price and adjusted in the event of lasting losses in value.

The balance of the item, taking into account their purchase cost and changes, is represented as follows: **Error! Not a valid link.** Shareholdings

<i>values in thousands of euros</i>	31 December 2020				31.12.2021		
	Cost	Revaluations Increases	Write-downs Decreases	Current	Revaluations Increases	Write-downs Decreases	Current
In subsidiary companies	56,278	8	(20,478)	35,808			35,808
In affiliated companies	3,999	951		4,950			4,950
In other companies	1			1			1
<b>Total</b>	<b>60,278</b>	<b>959</b>	<b>(20,478)</b>	<b>40,759</b>	<b>0</b>	<b>0</b>	<b>40,759</b>

<i>values in thousands of euros</i>							
	Reg.	Share Capital	Profit (Loss)	Net Equity	% participation	Current	
Valoridicarta SpA	Rome Via Salaria, 691	43,800	175	43,426	81.74	35,800	
Futuro & Conoscenza Srl	Rome Via Salaria, 691	10	1	11	80.00	8	
<b>Total</b>						<b>35,808</b>	

### *Equity investments in subsidiaries*

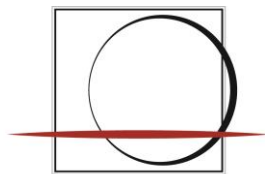
As at 31 December 2021, the Company held the following investments:

- Valoricarta S.p.A.: 81.74%, represented by 35,800,000 shares with a nominal value of euro 1.00 each. At 31 December 2021, the holding amounted to euro 35.8 million. The company ended the year with a positive result of euro 175,000.
- Futuro & Conoscenza S.r.l.: 80%, represented by a share with a nominal value of euro 8,000. As at 31 December, the company closed with a profit of euro 557.

For more information on the subsidiary companies, please refer to the Report on Operations.

### *Equity investments in associated companies*

- Istituto della Enciclopedia Italiana S.p.A, of which Poligrafico owns 6,758,944 shares with a nominal value of 1.00 euro each, representing 8.66% of the share capital. The value recorded in the balance sheet is euro 4.9 million and corresponds to historical cost.



## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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### *Equity Investments in other companies*

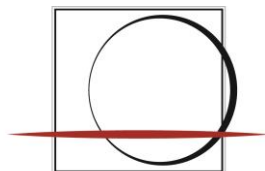
- Meccano S.p.A, of which Poligrafico owns three shares with a nominal value of euro 266.22 each, representing 0.10% of the share capital. The book value of this investment corresponds to the historical cost and is equal to 0.7 thousand euros.

### *Loans*

Receivables from others, falling due within one year, amounted to 216 thousand euros (295 thousand euros at 31.12.2020), while those falling due beyond the following year amounted to 1.5 million euros (1.5 million euros at 31.12.2020).

The overall sum refers to:

- to the premiums paid in respect of the collective capitalisation policy, guaranteeing the payment of severance pay, held with an insurance company in the amount of euro 657,000. The policy ensures the coverage of the severance indemnity for the staff of the categories of clerks, already included, on 31 December 1985, in the policy stipulated pursuant to the Royal Decree of 8 January 1942, no. 5, converted into Law 2 October 1942, n.1251. Regarding this ratio, there are further entries in the balance sheet, in the liabilities:
  - severance indemnity, the amount of which includes the company's liability, to all personnel in the clerical categories, accrued as at 31 December 1985, to which the above coverage refers;
  - payables showing substitute taxes related to yields accrued at the end of 2021, amounting to euro 330,000;while in the assets:
  - current assets - receivables from others which include the portion of the premiums paid for the collective capitalization policy that will become available in the following year for a total of 0.8 million euro;
  - payables which include the return on the policy accrued over the years and which at the end of 2021 totalled euro 1.5 million.
- A receivable from employees totalling euro 114,000 (euro 160,000 as at 31 December 2020), which arose due to the measures adopted following the earthquakes of 31 October 2002 in favour of the population of the Molise region and the province of Foggia (Decree-Law no. 245 of 4 November 2002 converted into Law no. 286 of 27 December 2002 and subsequent amendments and additions). These measures suspended the payment of social security and welfare contributions for the period November 2002 - November 2005, providing for the reimbursement, in monthly installments, starting from February 2006, both for the share to be paid by the company and by the workers. The amount indicated represents, therefore, the



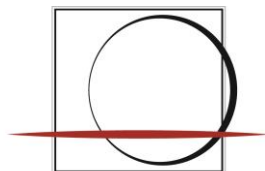
## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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Company's receivable, as substitute, from workers for their share and its reduction, compared to last year (euro 46,000), represents the collection of instalments pertaining to 2021. The suspension of the payment of social security contributions, for both the company's and employees' share, also entailed the entry of the corresponding debt to INPS under liabilities in the item payables to social security institutions;

- to security deposits for fees in the amount of euro 681,000.
- to loans to employees totalling euro 214,000;
- receivables from employees pending the settlement of outstanding claims totalling 71,000 euro.





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## C. Current assets

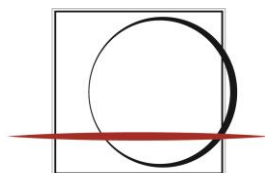
### C.I Inventories

The value of inventories amounted, at the end of the year, to 67.2 million euros (62.3 million euros at 31.12.2020). Based on the provisions of the ministerial resolution of 11 August 1977, n. 9/995, the value of editorial publications is annually adjusted with a write-down fund, which as of 31 December 2021 was equal to € 16.4 million. In addition, there is an additional provision to take into account, on a prudential basis, the limited possibility of realising these products. The value of inventories is net of value adjustments, which are made to take into account the level of obsolescence and to cope with uncertainties in their utilisation, also based on their movements. As of December 31st, the warehouse is made up as follows:

Returns Values in thousands of euros	31.12.2021			31 December 2020			Change
	historical value	depreciation provision	Net value	historical value	depreciation provision	Net value	
Raw materials, subsidiaries, consumables and goods	46,123	(16,217)	29,906	41,279	(15,928)	25,351	4,555
Work in progress and semi-finished products	31,813	(6,320)	25,493	30,934	(5,787)	25,147	346
Finished products and goods	32,954	(21,104)	11,850	32,911	(21,067)	11,844	6
<b>Total inventories</b>	<b>110,890</b>	<b>(43,641)</b>	<b>67,249</b>	<b>105,124</b>	<b>(42,782)</b>	<b>62,342</b>	<b>4,907</b>

Closing inventories are made up of

- raw materials, consumables and goods amounted to euro 46.1 million, (euro 41.3 million as at 31/12/2020) before write-downs of euro 16.2 million. They are represented by production material such as inlays, overlays, 1000-thousandths gold, cellulose and purchased paper. Prudentially, write-downs were made based on the slow turnover principle;
- work in progress and semi-finished goods amounted to euro 31.8 million (euro 30.9 million as at 31/12/2020), with a write-down of euro 6.3 million. At the end of the year there are semi-finished products relating to wine labels, ordinary coinage and security documents;
- finished goods and merchandise amounted to euro 33.0 million (euro 32.9 million as at 31/12/2020) before write-down of euro 21.1 million, in line with the previous year. These are products relating to numismatics produced and not delivered at the end of the year, (Italy and the Vatican), labels for wines, spirits, as well as goods intended for resale, or those left out of the production cycle and reclassified from fixed assets to working capital to be destined for sale. or divestment.



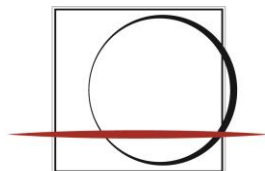
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## C. II Credits

Credits totalled euro 181.4 million (euro 236.9 million as at 31/12/2020). The breakdown of receivables by homogeneous groupings is as follows:

Credits Values in thousands of euros	31.12.2021	31 December 2020	Changes
Trade receivables	34,435	39,516	(5,081)
To subsidiaries	4,870	1,740	3,130
Towards affiliated companies	1,124	767	357
Due to parent companies	111,246	153,638	(42,392)
Towards companies controlled by the parent companies	2,396	2,199	197
<b>Sub total</b>	<b>154,071</b>	<b>197,860</b>	<b>(43,789)</b>
Tax	3,760	13,822	(10,062)
Deferred tax assets	21,495	21,495	0
Due to others	2,040	3,738	(1,698)
<b>Sub total</b>	<b>27,295</b>	<b>39,055</b>	<b>(11,760)</b>
<b>Total</b>	<b>181,366</b>	<b>236,915</b>	<b>(55,549)</b>

Credits by maturity <i>values in thousands of euros</i>	31.12.2021			31 December 2020			Change
	Within the financial year	Other the financial year	Total	Within the financial year	Other the financial year	Total	
<b>Receivables recorded in fixed assets</b>							
Other accounts receivable	216	1,521	1,737	295	1,533	1,828	(91)
<b>Sub total</b>	<b>216</b>	<b>1,521</b>	<b>1,737</b>	<b>295</b>	<b>1,533</b>	<b>1,828</b>	<b>(91)</b>
<b>Receivables from current assets</b>							
Trade receivables	34,435		34,435	39,516		39,516	(5,081)
To subsidiaries	4,870		4,870	1,740		1,740	3,130
Towards affiliated companies	1,124		1,124	767		767	357
Due to parent companies	111,246		111,246	153,638		153,638	(42,392)
Towards companies subject to the control of the parent companies	2,396		2,396	2,199		2,199	197
Tax	3,760		3,760	13,822		13,822	(10,062)
Deferred tax assets	21,495		21,495	21,495		21,495	0
Due to others	2,040		2,040	3,738		3,738	(1,698)
<b>Sub total</b>	<b>181,366</b>	<b>0</b>	<b>181,366</b>	<b>236,915</b>	<b>0</b>	<b>236,915</b>	<b>(55,549)</b>
<b>Total</b>	<b>181,582</b>	<b>1,521</b>	<b>183,103</b>	<b>237,210</b>	<b>1,533</b>	<b>238,743</b>	<b>(55,640)</b>



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Changes in trade receivables are shown below:

<i>values in thousands of euros</i>	<b>31.12. 2020</b>	<b>Credits of the year</b>	<b>Other variations *</b>	<b>Collections</b>	<b>Total</b>	<b>Write- downs</b>	<b>31.12. 2021</b>
Trade receivables	43,459	172,527		(177,743)	38,243	(3,808)	34,435
To subsidiaries	1,740	3,646		(516)	4,870		4,870
Towards affiliated companies	844	2,457		(2,053)	1,248	(124)	1,124
Due to parent companies	272,134	263,050	(41,328)	(264,386)	229,470	(118,224)	111,246
Towards companies subject to the control of the parent companies	2,418	8,301		(8,058)	2,661	(265)	2,396
<b>Sub Total</b>	<b>320,595</b>	<b>449,982</b>	<b>(41,328)</b>	<b>(452,756)</b>	<b>276,493</b>	<b>(122,421)</b>	<b>154,071</b>
Provision for bad debts	(122,735)	314			(122,421)	122,421	
<b>Total</b>	<b>197,860</b>	<b>450,296</b>	<b>(41,328)</b>	<b>(452,756)</b>	<b>154,071</b>	<b>0</b>	<b>154,071</b>

\*compensation resulting from the approval of the 2006 Municipal Printed Matter Report

Customer receivables amount to a total of euro 34.4 million (euro 39.5 million as at 31/12/2020) and refer to trade relations with customers for the sale of goods and services. Specifically:

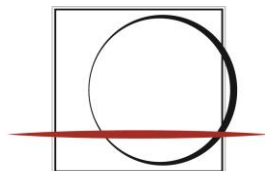
- towards public customers amount to 8.5 million euros compared to 12.1 million euros in 2020.

These receivables are mainly composed of the receivable accrued from the Ministry of the Interior (4.0 million euros) as part of the Carta d'Electronic Identity, for the supply of peripheral infrastructures; receivables from ministries and other public administrations for the supply of forms, publications and advertisements (1.2 million euros); and receivables from Regions and Local Health Authorities for the supply of prescription books (0.4 million euros).

- towards private customers they amount to 26.0 million euros against 27.4 million euros in the previous year. This amount is mainly made up of receivables from pharmaceutical companies (€9.1 million) for the supply of labels; from agro-food companies for the supply of labels (foodstuffs and DOC and DOCG wines) (€10.1 million); from Lotto Italia (€2.2 million) for the supply of Lotto game receipts towards concessionaires (approximately €1.7 million) as part of the contractual relationship for the collection of advertisements in the Official Gazette; and lastly, towards the Vatican State and San Marino (€0.1 million) as part of the supply of coinage and medals for the year 2021.

Receivables from subsidiary companies amounted to euro 4.9 million (euro 1.7 million as at 31/12/2020) and are mainly related to the service contract, rental fees, and charges for utilities functional to the performance of production activities, and the secondment of personnel.

Receivables from affiliated companies amount to euro 1.1 million (euro 0.8 million as at 31/12/2020), referring to the company Treccani Reti S.p.A. for the supply of publications and



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medals.

Receivables from parent companies represent receivables accrued for the supply of goods and services in favour of the parent company Ministry of Economy and Finance. These receivables amount to a total of 111.2 million euros net of the write-downs made (153.6 million euros at 31.12.2020).

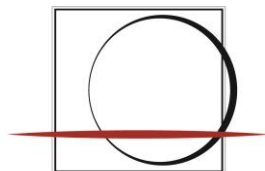
Considering the uncertainty relating to the recognition of the transport costs incurred by the Poligrafico on behalf of the Ministry of Economy and Finance for the years 2002-2006, also considering the ongoing criminal proceedings, during the previous years the Company has prudently set aside specific funds that take this situation into account (104 million euros).

As reported in the Management Report, the civil proceeding between Poligrafico and Unicredit Factoring concerning the transfer of invoices relating to transport costs is still pending. Unicredit, during 2020, notified an appeal before the Court of Cassation to challenge the appeal sentence; Poligrafico appeared before the Court of Cassation through the Attorney General's Office; at present, no hearing has been set for the discussion of the aforesaid appeal.

In the course of the financial year, the statement of accounts for the 2006 Municipal Printed Matters was approved, and the related residual credit of more than euro 41 million was not collected but offset against the statements of the following years until it was fully absorbed. Since the approval of the 2006 Joint Statement of Accounts, more than euro 12 million of VAT on supplies became due. As for the following years, given the IT procedure implemented at the time, for the transfer of information between the Ministry of Economy and Finance and the Poligrafico, the same Dicastery believes that the data recorded in its archives are substantially in line with those of the company. The amount of the advances received is exclusively attributable to the 2007-2018 common printed reports still suspended. Credits accrued thereafter fall under the ordinary electronic invoicing and split payment regime.

The details of the receivables from the parent company are as follows:

<b>Situation MEF Receivables as at 31 December 2021</b>				
<i>values in thousands of euros</i>	net amount	deliveries	advances	of which VAT
Values	6,860	6,860		
Electronic documents	24,023	24,023		
Postal values	112	112		
Common printed matter	166,062	559,252	(393,190)	81,557
<i>of which transport costs</i>	<i>124,602</i>			<i>20,688</i>
<i>of which residual Chap. 1340 Municipalities</i>	<i>41,460</i>			<i>60,869</i>
Monetation	1,639	34,058	(32,419)	7,484



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	<b>Net total</b>	<b>198,696</b>	<b>624,305</b>	<b>(425,609)</b>	<b>89,041</b>
higher advances received: <i>The majority</i>		30,774			
	<b>Total gross</b>	<b>229,470</b>			
Devaluation:					
transportation fee		104,747			
Other		13,477			
	<b>Net total</b>	<b>111,246</b>			

The following table shows the formation and movements of the bad debt provision.

<i>values in thousands of euros</i>	MEF	Other	Total
<b>Fund as at 01 January 2021</b>	118,496	4,239	122,755
Use	(137)	(177)	(314)
Reclassifications			0
<b>Fund as at 31 December 2021</b>	<b>118,359</b>	<b>4,062</b>	<b>122,421</b>

Receivables from companies subject to the control of the parent company amount to euro 2.4 million (euro 2.2 million as at 31/12/2020). Receivables from RAI in the amount of €1.8 million under the service agreement for the supply and delivery of gold tokens related to prize games and other related parties due to the service of advertisements in the Official Gazette for publication of tenders.

Overdue receivables were managed with the relative credit recovery procedure; those in distress were entrusted to the Legal Department.

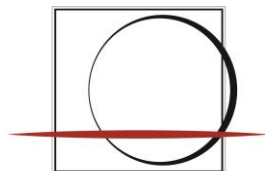
The bad debt provision considers, on a prudential basis, non-performing loans and the risk relating to the recognition of transport costs made on behalf of the Ministry of Economy and Finance.

Tax receivables amount to a total of euro 3.8 million and are mainly composed of the IRES credit, taxes claimed for reimbursement and the VAT advance paid in December 2021.

Deferred tax assets totalled euro 21.5 mn. Deferred tax assets were recognised to account for future tax liabilities arising from temporary differences between the carrying amounts in the financial statements and the corresponding amounts recognised for tax purposes.

Other receivables totalled euro 2.0 million (euro 3.7 million as at 31/12/2020). The item other receivables include the receivables accrued from the insurance company Generali for premiums paid in relation to the collective capitalization policy and which will be collected in the course of 2022, the advances to suppliers, the advances on severance indemnities paid to workers but to charge to the INPS treasury fund and finally, advances paid to employees but charged to INAIL.

#### C. IV Cash and cash equivalents



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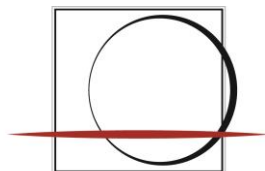
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Cash amounted to euro 465.0 million (euro 484.5 million as at 31/12/2020). During the year, the ordinary dividend of 51.3 million euros was paid, direct taxes were paid as advances for 13.0 million euros, and VAT for 31.2 million euros, plus social security contributions and withholding taxes.

#### **D. Prepayments and accrued income**

In this item, according to the principles of temporal competence:

- active accruals, which amounted to euro 1.5 million (euro 1.4 million as at 31/12/2020), related to accrued returns on the insurance policy through 2021;
- *active prepayments*, which amounted to EUR 3.4 million (EUR 2.8 million as at 31/12/2020), mainly related to the purchase of Wmware, Telecom and Converge licences. This item also includes costs for insurance policies, software support contracts, various fees and publishing subscriptions activated in 2021, but pertaining to subsequent years.



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## Balance sheet

### Liabilities

#### A. Shareholders' Equity

The financial statements as of 31 December 2021 closed with a profit of 50.8 million euros. As required by art. 2427 of the Civil Code, paragraph 7-bis, an analytical table of all the items of the Shareholders' Equity is indicated below with an indication of their origin, possibility of use and distribution, as well as their use in previous years.

For further details on the number and par value of the shares, please refer to the section "Other Information".

<i>values in thousands of euros</i>	<b>Amounts as at 31 December 2021</b>	<b>Useful life</b>	<b>Available portion</b>		<b>Summary of uses during the three previous years</b>
Share Capital	340,000				
Capital reserves:					
-Capital contribution	551	B			
-Other reserves					
Profit reserves:					
- Legal reserve	51,013	B	51,013	(1)	
- Reserve available	30,940	A, B, C	30,940	(2)	
- Contribution reserve	932	B		(1)	
Operating result	50,851				

**Key:**

A share capital increase

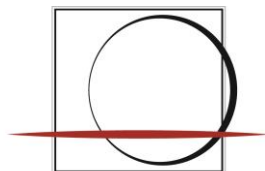
B loss coverage

C distribution to members

(1) Non-distributable portion

(2) Distributable portion





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The following table shows the movements in the shareholders' equity items:

<i>values in thousands of euros</i>	Share Capital	Legal Reserve	Reserve available	Contribution reserve	Contributions pursuant to Law 64/86	Fiscal year result	Total
<b>01-Jan-20</b>	<b>340,000</b>	<b>44,104</b>	<b>30,940</b>	<b>932</b>	<b>551</b>	<b>84,129</b>	<b>500,656</b>
Allocation of the result for the year							
- Other allocations	0	4,206			0	(4,206)	<b>0</b>
- Dividend distribution	0	0	0	0	0	(79,923)	<b>(79,923)</b>
Fiscal year result	0	0	0	0	0	54,050	<b>54,050</b>
<b>31/12/2020</b>	<b>340,000</b>	<b>48,310</b>	<b>30,940</b>	<b>932</b>	<b>551</b>	<b>54,050</b>	<b>474,783</b>
Allocation of the result for the year							
- Other allocations	0	2,703			0	(2,703)	<b>0</b>
- Dividend distribution	0	0	0	0	0	(51,347)	<b>(51,347)</b>
Fiscal year result	0	0	0	0	0	50,851	<b>50,851</b>
<b>31/12/2021</b>	<b>340,000</b>	<b>51,013</b>	<b>30,940</b>	<b>932</b>	<b>551</b>	<b>50,851</b>	<b>474,287</b>

The General Meeting of Shareholders at its meeting on 07 May 2021, with the approval of the financial statements for the year ended 31 December 2020, resolved to allocate the profit for the year, amounting to euro 54.0 million, as follows:

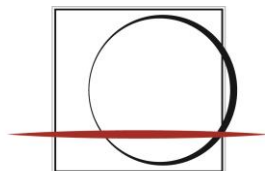
- Legal reserve of 2.7 million euros;
- Dividend of € 51.3 million.

## B. Provisions for liabilities and charges

The change in the amount, formation and utilisation of the provisions for risks and charges Under Article 2427 no. 4 of the Civil Code is set forth below.

The provision for other risks and charges is intended to face risks and charges of certain or probable existence, whose amount or date of occurrence could not be determined at the end of the year. The provisions reflect best and prudent estimates based on the information available at the date of the financial statements. The total amount of these funds is euro 205.0 million (euro 203.9 million as at 31/12/2020) after recognising utilisations, to cover charges incurred and previously set aside, of euro 27.8 mn and provisions of euro 29.1 mn; provisions of euro 0.2 mn were released during the year. The other provisions for risks and charges include:

- The provision for litigation risks, amounting to 42.6 million euros, is intended to cover, on a prudential basis, potential liabilities that could arise from ongoing legal disputes and possible settlements, against which, during the year, utilisations of 16.2 million euros and provisions of 11 million euros were recorded.
- The provision for industrial risks, amounting to euro 162.4 million, is determined by valuing, following prudential criteria, the potential liabilities that could arise from the settlement of



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commercial and industrial items and possible non-existence of assets. Against these positions, utilisations of euro 11.5 million were recorded for the year. It refers to: returns on orders relating to the supply of safety documents, license plates and pharmaceutical labels; restructuring charges against the estimate of the costs to be incurred in view of the planned rationalization of the production sites and for the modernization and safety of the various plants.

### C. Provision for staff severance indemnities

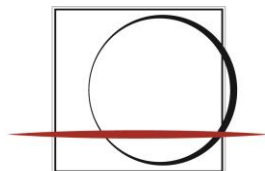
Termination benefits amounted to euro 8.6 million (euro 11.4 million as at 31/12/2020). The change, equal to 2.8 million euros, is determined by the algebraic sum of the provisions, the revaluation, the indemnities paid to staff who have left the service and the advances paid. A total of 48 left during the year resources and 97 were hired.

The details of the changes that took place during the year are shown below:

Termination Payment Values in thousands of euros	
<b>Amount as of December 31, 2020</b>	<b>11,398</b>
<b>Movements in the year</b>	
Allocation to the income statement	5,099
Indemnity paid to retired or resigned staff	(2,804)
Advances pursuant to law 297/1982	(283,)
Transfers to Pension Funds	(1,805)
Transfers to the Treasury Fund at INPS	(2,526)
Solidarity contribution 0.5%	(332,)
Substitute tax on revaluations	(64)
Corrections	(68)
<b>As at 31 December 2021</b>	<b>8,615</b>

Movements in the provision for severance indemnities during the financial year 2021 are as follows:

- income statement 5.1 million euros (of which 376 thousand euros for revaluation of the pre-existing provision);
- pension funds 1.8 million euros;
- allowances to staff who resigned or retired, including advances paid euro 3.1 million;



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- treasury fund set up at INPS 2.5 million euro;
- solidarity contribution 332 thousand euros;
- substitute tax on revaluations for the year 64 thousand euros.

## D. Payables

Debts totalled euro 303.2 million (euro 368.0 million as at 31/12/2020).

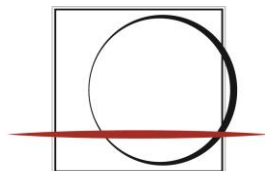
Their breakdown by homogeneous groupings and maturity is as follows:

<i>values in thousands of euros</i>	31.12.2021			31 December 2020			Change
	Within the year	Beyond the financial year	Total	Within the year	Beyond the financial year	Total	
towards other lenders	230	4,446	4,676	218	4,676	4,894	(218)
Payments on account	989		989	56		56	933
Trade payables	189,949	0	189,949	243,747	0	243,747	(53,798)
<i>Trade payables</i>	<i>118,649</i>		<i>118,649</i>	<i>124,659</i>		<i>124,659</i>	<i>(6,010)</i>
<i>To subsidiaries</i>	<i>1,381</i>		<i>1,381</i>	<i>1,078</i>		<i>1,078</i>	<i>303</i>
<i>Due to parent companies</i>	<i>65,780</i>		<i>65,780</i>	<i>108,210</i>		<i>108,210</i>	<i>(42,430)</i>
<i>Towards companies subject to the control of the parent companies</i>	<i>4,139</i>		<i>4,139</i>	<i>9,800</i>		<i>9,800</i>	<i>(5,661)</i>
Tax	84,777		84,777	98,051		98,051	(13,274)
towards welfare and social security institutions	4,982		4,982	5,328		5,328	(346)
From others	17,801		17,801	15,926		15,926	1,875
<b>Total</b>	<b>298,728</b>	<b>4,446</b>	<b>303,174</b>	<b>363,325</b>	<b>4,676</b>	<b>368,001</b>	<b>(64,827)</b>

Debts to other financiers amount to euro 4.7 million (euro 4.9 million as at 31/12/2020). Payables still outstanding on 31 December refer to loans granted by the Cassa Depositi e Prestiti between 1978 and 1980 and falling due, by virtue of a renegotiation, which took place on 31 December 2035.

Advances totalled euro 989,000 (euro 55,000 as at 31/12/2020). The item consists of advances received from customers for the issues of numismatic products, referring to the year 2021.

Trade payables totalled euro 189.9 million. The movement is shown in the table below:



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<i>values in thousands of euros</i>	<b>31 December 2020</b>	<b>Debts of the year</b>	<b>Payments of the year</b>	Other variations *	<b>31.12.2021</b>
Trade payables	124,659	224,516	(230,526)		118,649
Towards check	1,078	2,110	(1,807)		1,381
From parent companies	108,210	8	(1,110)	(41,328)	65,780
Towards related	9,800	19,894	(25,555)		4,139
<b>Total</b>	<b>243,747</b>	<b>246,528</b>	<b>(258,998)</b>	<b>(41,328)</b>	<b>189,949</b>
*compensation resulting from the approval of the 2006 Municipal Printed Matter Report					

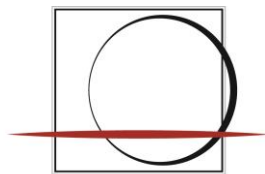
Trade payables amount to euro 118.6 million (euro 124.7 million as at 31/12/2020) and relate to the supply of goods and services.

Payables to subsidiary companies amounting to euro 1.4 million (euro 1.1 million as at 31/12/2020), relate to trade payables to the subsidiaries Valoricarta S.p.A. and Futuro & Conoscenza S.r.l.

Payables to the parent company totalled euro 65.8 million (euro 108.2 million as at 31/12/2020). This item includes advances received on so-called 'chapter' deliveries over deliveries made (euro 30.8 million), the amount to be paid to the parent company in connection with the demonetisation of coins (euro 3.6 million). In addition, this item included the funding disbursed by the Ministry of the Economy and Finance, amounting to €31.4 million, to enable the payment of injunctions filed by Unicredit Factoring and relating to transportation costs incurred by Omnia Logistic on behalf of the same Ministry of the Economy and Finance.

*Payables to companies subject to the control of the parent company* for €4.1 million (€9.8 million as at 31/12/2020) mainly refer to payables to Vitrociset, for the supply of the Primary Site and Business Continuity management software, and to St Microelectronics Srl for the provision of Inlay for CIE 3.0.

Taxes payable amount to euro 84.8 million (euro 98.0 million as at 31/12/2020), mainly comprising deferred VAT payable, the payment of which is linked to the approval of the statements for the supply of common printed matter for the years 2007-2018, the decrease is attributable to the payment of VAT that became due following the approval of the 2006 Common Printed Matters statement, in the amount of over euro 12 million. In addition, this item includes payables for withholding taxes paid to employees (€ 1.7 million) and paid to the tax authorities in January 2022.



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Pension and social security liabilities totalled euro 5.0 million (euro 5.3 million as at 31/12/2020). They refer, for the part due within the following year, to the contributions accrued on the wages for the month of December, paid to the social security institutions in 2022, to the TFR accrued in the month of December, paid in 2022 to the Pension and Treasury Funds at the INPS, and to the part, to be paid again in 2022, of the social security contributions to be paid by the company and employees whose payment, as part of the aforementioned measures adopted following the 2002 earthquakes, has been suspended.

Other payables amounted to euro 17.8 million (euro 15.9 million as at 31/12/2020). This item includes payables to personnel for ascertained accruals.

### E. Accruals and deferred liabilities

The following have been accounted for in the item in question, according to the principle of temporal competence:

- accrued expenses, euro 330,000 (euro 383,000 as at 31/12/2020) mainly related to the substitute tax on the income being accrued on the collective policy as at 31 December 2021;
- deferred income, related to subscriptions and evolutionary maintenance fees invoiced in advance (euro 11 thousand).

## INCOME STATEMENT

### A. Core production

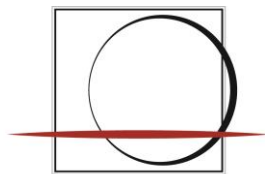
The value of production amounted to euro 425.9 million (euro 405.5 million as at 31/12/2020).

#### A.1 Revenues from sales and services

I revenue from sales and services amounted to 418.8 million euro (401.9 million euro as at 31/12/2020), an increase of approximately 16.9 million euro, reflecting the recovery from the health emergency situation that has affected the country since March 2020. The Poligrafico, despite the effect of Covid-19, has guaranteed the expected production levels for the main product lines, adapting to the needs of the client and guaranteeing the required service levels, without significant impact from the point of view of costs. management.

The turnover, divided by type of product, is made up as follows:

- Identification documents: 172.8 million euros (152.9 million euros at 31.12.2020). In the course of 2021, the new electronic identity card (CIE 3.0) is still confirmed as one of the leading products, despite government measures which, given the health emergency, extended the validity of expired documents. The contribution in terms of turnover was 103.0 million euros. The e-passport, with a turnover of euro 32.0 million, recorded a negative trend due to lower requests from MAECI. Turnover from the permit to stay increased to 29.6 million euro.



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- Security print: Legal-Administrative: € 105.1 million (€ 102.8 million at 31.12.2020). The driving turnover is still that of pharmaceutical labels, amounting to euro 50.9 million, although they are down on the previous year due to lower demand from pharmaceutical companies. Turnover for wine labels (euro 17.4 million), tobacco stamps (euro 13.1 million), lotto (euro 6.6 million) and alcohol labels (euro 12.1 million) increased. Decreasing turnover of medical receipts, revenue stamps and bills of exchange (euro 4.8 million).
- Plaques: 49.3 million euros (47.3 million euro at 31.12.2020). The 2021 marks a recovery in registrations compared to the 2020 figures.
- *Electoral materials*: 13.6 million (euro 18.8 million as at 31/12/2020), the election order recorded a turnover of approximately euro 6.4 million. This turnover is linked to the types of elections that take place during the year. The remaining part relates to the supply of publication and paper for common use.
- Judicial-Administrative: 37.7 million euros (35.8 million euros at 31.12.2020). Turnover increased by euro 1.9 million in connection with the higher number of requested advertisements. The remuneration recognized by the Ministry of Economy and Finance for the management of the on-line Gazzetta Ufficiale is equal to 4 million euros, an amount set in previous years.
- Money, numismatics, medals and philately: 38.7 million euros (43.3 million euros at 31.12.2020), a decrease compared to that of 2020. The 2021 quota requested by the Ministry of Economy and Finance was 196 million pieces, up from last year's quota regarding the number of pieces to be minted. The turnover generated by ordinary coinage amounted to euro 22.2 million. The remaining part of the turnover can be attributed to numismatics and medals (euro 10.8 million), which increased thanks to the development of the e-commerce channel, to foreign coinage and numismatics (euro 2.0 million), to the RAI order (euro 2.2 million) for the production and delivery of gold tokens to the winners of prize competitions, and finally to stamps turnover (euro 1.0 million).
- Other: 1.6 million, mainly attributable to the management of portal access services.

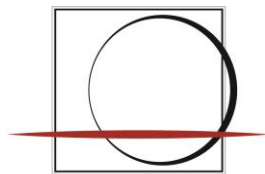
### **A.2 Change in inventories of work in progress, semi-finished and finished products**

The change in inventories of work in progress, semi-finished and finished products is positive in the amount of euro 0.3 million (euro -2.8 million as at 31/12/2020). The change is related to higher inventories of orders and work in progress and finished products.

### **A.5 Other income**

Other revenues and income amounted to euro 6.7 million (euro 6.4 million as at 31/12/2020).





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This item includes operating grants, penalties to suppliers, rents for premises, various reimbursements, capital gains on the sale of assets, insurance indemnities and differences on assessments.

## **B Cost of production**

Costs of production, up from the previous year, amounted to euro 355.3 million (euro 330.8 million as at 31/12/2020) and reflected not only the higher production volumes realised, but also the sharp rises, especially in the latter part of the year, in energy products. Cost control and stock rationalisation actions continue steadily.

### **B.6 Costs for raw materials, consumables and goods**

Costs of raw materials, consumables and goods amounted to euro 68.9 million (euro 61.2 million as at 31/12/2020). The increase, in the amount of euro 7.7 million, is attributable to higher costs for raw materials, maintenance and auxiliary materials.

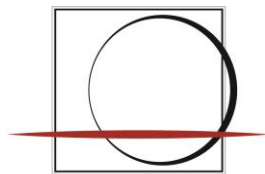
### **B.7 Costs for services**

Costs for services amounted to euro 115.8 million (euro 101.4 million as at 31/12/2020), an increase of euro 14.4 million over the previous year.

Specifically:

- external graphic work and other services, euro 14.9 million (euro 20.0 million as at 31/12/2020). These are services whose performance is a function of election orders so that the decrease can be attributed to the lower number of election rounds during the year;
- security and portage services, in the amount of euro 8.6 million (euro 8.7 million as at 31/12/2020); these are expenses incurred for the security of production sites and storage premises;
- electricity, gas, water and telephone expenses, in the amount of euro 16.6 million (euro 10.4 million as at 31/12/2020), the increase was affected by the sharp rise in energy products in the last period of the financial year;
- maintenance and repair of assets, service contracts and others, amounting to euro 32.6 million (euro 30.4 million as at 31/12/2020). These are ordinary maintenance costs to which all capital goods have been subjected and accessory costs to real estate investments. The space rationalization policy continued, with the reallocation of some productions in the production sites, subjecting the assets to complete overhaul. This item includes the maintenance of equipment relating to safety document projects;
- cleaning, for euro 5.0 million (euro 5.4 million as at 31/12/2020), in line with last year. These





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costs related to the sanitisation of environments in line with containment measures for the spread of the coronavirus;

- transport, for euro 4.1 million (euro 4.2 million as at 31/12/2020);
- professional services, for euro 1.5 million (euro 1.3 million as at 31/12/2020). This item includes commercial, administrative, legal services and collaboration contracts;
- *travel, travel, professional development courses, insurance, health checks and advertising*, amounting to euro 4.0 million (euro 2.7 million as at 31/12/2020). In line with the rules on the 'spending review', Poligrafico complied with the ceilings set for the management of company cars and the purchase of taxi vouchers. The change is mainly attributable to higher costs incurred for staff missions and personnel services in general;
- postal expenses, amounting to euro 28.5 million (euro 18.3 million as at 31/12/2020). These are the costs incurred for the shipment of the Electronic Identity Cards.

### **B.8 Costs for the use of third-party assets**

The lease and rental costs amounted to euro 4.9 million (euro 3.6 million as at 31/12/2020). These are mainly expenses relating to software license fees, costs incurred for the rental of the production site in Verrès and the commercial premises in Piazza Verdi. This item also includes the rental of office machines and other production plants.

### **B.9 Personnel costs**

Personnel costs amounted to euro 98.4 million (euro 99.1 million as at 31/12/2020). In line with the Business Plan, the incentivized redundancy plan continued to favor generational turnover, which led to the departure of 48 employees, while 97 resources were hired. During the year, recourse was made to temporary staff whose cost at the end of the year was equal to 2.6 million euros.

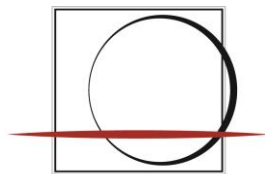
For further details on average occupancy, please refer to the “Other Information” chapter.

### **B.10 Depreciation and write-downs**

Depreciation and amortisation totalled euro 40.7 million (euro 36.7 million as at 31/12/2020). This item includes:

- amortization of intangible fixed assets for 6.3 million euros (4.5 million euros at 31.12.2020);
- depreciation of property, plant and equipment for 34.4 million euros (32.2 million euros at 31.12.2020).

### **B.11 Change in inventories of raw, ancillary and consumable materials and goods**



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The change in inventories of raw, ancillary and consumable materials and goods is positive by euro 4.6 million (+ euro 1.0 million as at 31/12/2020). The effect is attributable to the increased inventories of production material.

#### **B.12 Provisions for risks**

Provisions for risks amounted to euro 25.9 million, in connection with risks and charges potentially affecting the Company.

#### **B.14 Other operating expenses**

Sundry operating expenses amounted to euro 5.2 million (euro 4.7 million as at 31/12/2020). These are, predominantly, indirect taxes and miscellaneous fees (euro 4.1 million), differences on assessments, membership fees and miscellaneous operating charges for the remainder.

#### **C. Financial income and expenses**

The net financial management generated a positive balance of euro 1.5 million (euro 1.8 million as at 31/12/2020) with a decrease of euro 0.3 million, to be attributed to a decrease in average balances and lending interest rates on both current accounts and time deposits, also due to the sharp increase in bank liquidity and the application of negative interest rates on deposits by the BCE.

In detail, Other financial income consists of:

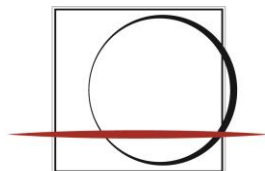
Financial income from receivables recorded as fixed assets in the amount of euro 164,000 (euro 8,000 in 2020).

Financial income other than the above in the amount of euro 1.6 million (euro 2.1 million as at 31/12/2020) and refer to:

- interest income on bank deposits, which amounted to euro 1.6 million (euro 1.9 million as at 31/12/2020), a reduction related to interest rates charged by credit institutions in line with market values;
- default interest income of 85 thousand euros;
- commission income on prize games equal to 34 thousand euros (43 thousand euros at 31.12.2020).

Interest and other financial expenses in the amount of euro 264,000 (euro 276,000 as at 31/12/2020).

The item exchange gains and losses is negative in the amount of euro 423 (+euro 891 as at 31/12/2020) and is composed as follows:



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- exchange gains in the amount of euro 2,000 (euro 2,000 as at 31/12/2020), these being gains realised during the year;
- exchange losses in the amount of euro 3,000 (euro 1,000 as at 31/12/2020), these are losses incurred during the year.

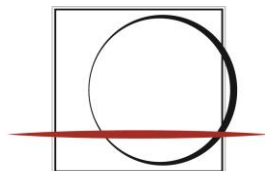
### Income taxes for the year

The Company has provided for income taxes based on the application of existing tax laws.

The Current taxes, equal to 21.2 million euros, refer to corporate income tax (IRES) for the year 16.5 million euros, equal to 24% of taxable income, and the regional tax on production activities (Irap) for approximately € 4.7 million (4.82% for Lazio and Puglia and 3.10% for Valle d'Aosta). No provision was made for deferred taxes and there were no changes that led to the adjustment of what has already been set aside.

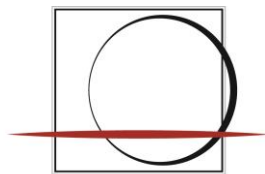
Below is a summary table with the main tax changes (up and down) made to the result for the year and the value of production respectively.

IRES (values in thousands of euros)		IRAP (values in thousands of euros)	
<b>Statutory profit before taxes</b>	<b>72,042</b>	Production value	194,938
<b>Theoretical tax burden</b>	<b>17,290</b>	<b>Theoretical tax burden</b>	<b>9,396</b>
<b>Variations on the rise</b>		Variations on the rise	2,918
- Inventory write-down	8,530	Downward changes	11,779
- Non-deductible depreciation	1,932	Other deductions (tax wedge)	87,975
- Non-deductible taxes	2,378		
- Provisions for risks	30,064		
- Contingent liabilities	30		
- Other	144		
<b>Subtotal variations on the rise</b>	<b>43,078</b>		
<b>Downward changes</b>			
- Use of inventory write-down	7,708		
- Use of provisions for risks	28,917		
- Recovery of tax depreciation	1,460		
- Super depreciation	4,461		
- Hyper-amortization	1,514		
- Imu (50%)	1421		
- Deductible IRAP	503		
- Other	379		



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<i>Subtotal decreasing variations</i>	46,363		
<b>Taxable income</b>	<b>68,757</b>	<b>Net Value of production</b>	<b>98,102</b>
<b>IRES pertaining to 24%</b>	<b>16,502</b>	<b>IRAP of competence</b>	<b>4,689</b>



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The most significant increases for IRES purposes are the provision for risks, which is not tax deductible. These are provisions of sums intended to meet potential liabilities related to existing situations, the values of which are estimated.

The decreases reflect the positive impact generated using the provisions for risks to materialize the expenses against which the provisions had been allocated.

The Company continues to benefit from the tax concessions introduced for investments in new capital goods "Super-depreciation" and in assets functional to the technological / digital transformation according to the "Industry 4.0" "Hyper-depreciation" model: concessions that allow you to enjoy increased depreciation for tax.

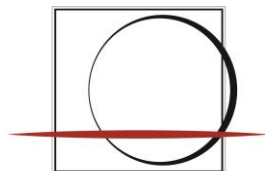
Therefore, the hyper-amortization on investments made in 2018 continues, for which the certificate of compliance with the Industry 4.0 Plan was issued by the certification company.

Specifically, these are the following assets:

- n.3 CIE bagging systems, for a total investment of approximately 1.2 million euros;
- n.1 Automatic register for the Lotto game, for an amount of 44 thousand euros.

The 2020 Budget Law also confirmed the facilitation of hyper-amortization also for the investments completed in 2020 but reshaped the measure of the "staggered" increase.

As last year saw the interconnection to the company system of the registration plate production plant (total investment value of around euro 6 million) located at the Verrès (AO) plant, the company obtained the Industry 4.0 Plan compliance certificate also for this additional investment, on which it continues to benefit from the subsidy.

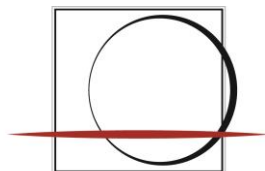


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*Reconciliation of applicable tax rate and effective tax rate*

IRES values in thousands of euros	Amounts	%
<b>Statutory profit before taxes</b>	72,042	24
<i>Uoward changes:</i>		
Inventory write-downs	8,530	2.84
Provisions for liabilities	30,064	10.01
Non-deductible depreciation	1,932	0.64
Other	2,551	0.85
<i>Decreases:</i>		
Inventory	(7,708)	(2.57)
Use of provisions for risks	(28,917)	(9.63)
Super-depreciation / Hyper-depreciation	(5,974)	(1.99)
Recovery of tax depreciation	(1,460)	(0.49)
Other	(2,303)	(0.77)
<b>Effective average tax rate</b>	<b>68,757</b>	<b>22.89</b>

IRAP values in thousands of euros.	Amounts	%
Core production	194,938	4.82
Variations on the rise	2,918	0.07
Downward changes	(11,779)	(0.29)
<b>Net Value of production</b>	<b>186,077</b>	<b>4.60</b>
Other deductions (tax wedge)	(87,975)	(2.17)
<b>Effective average tax rate</b>	<b>98,102</b>	<b>2.43</b>



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## Other Information

*Details of contributions received pursuant to Article 1, paragraphs 125-129 of Law 124/2017*

<b>Granting body</b>	<b>nature</b>	<b>Amount (values in thousands of euros)</b>	<b>collection date</b>
GSE	photovoltaic	5,006	31.01.2021
GSE	photovoltaic	1,344	11.03.2021
GSE	photovoltaic	4,774	12.04.2021
GSE	photovoltaic	4,774	30.04.2021
GSE	photovoltaic	4,774	11.06.2021
GSE	photovoltaic	4,411	15.07.2021
GSE	photovoltaic	4,411	19.08.2021
GSE	photovoltaic	4,411	03.09.2021
GSE	photovoltaic	4,293	05.10.2021
GSE	photovoltaic	4,293	05.10.2021
GSE	photovoltaic	4,293	10.12.2021
GSE	photovoltaic	4,293	31.12.2021
<b>Total contributions received</b>		<b>51,077</b>	

*The amount of credits and debts with a residual duration of more than five years and debts secured by guarantees (Article 2427, point 6) of the Italian Civil Code)*

The debt and credit positions which, based on the respective contractual relationships, have a residual duration of more than five years, are the following:

- financial assets - Receivables from others for security deposits paid amount to 67,000 euro;
- debts to other lenders amounting to €3.4 million.

*The amount of financial charges recognized under assets (Article 2427, point 8) of the Italian Civil Code)*

There are no financial charges attributed to the values recognized in the assets of the balance sheet.

*Commitments, Guarantees and Contingent Liabilities not Recognised in the Balance Sheet (Art. 2427 (9) Civil Code)*

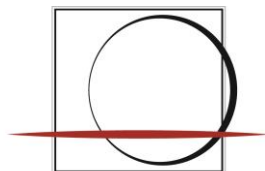
Own guarantees given:

- guarantees, endorsements and non-real guarantees amount to euro 11.4 million in respect of participations and/or tenders (euro 10.6 million in 2020).

Other:

- third-party securities as security/guarantee amount to EUR 500 and refer to securities paid by





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

suppliers as a guarantee for obligations undertaken;

- third-party assets under processing amounted to euro 3.7 million (euro 1.7 million as at 31/12/2020);
- third-party assets on deposit amount to euro 3.3 million (euro 3.2 million as at 31/12/2020).

*Breakdown of receivables, payables and revenues from sales and services according to business categories and geographic areas (Article 2427, point 10) of the Civil Code)*

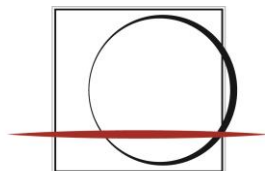
Sales and service revenues amounted to euro 418.8 million. The breakdown by geographical area is shown in the following table:

values in thousands of euros	2021			2020			Change
	Italy	Abroad	Total	Italy	Abroad	Total	
Identification documents	172,882	1	172,883	152,908	13	152,921	19,962
Security print	102,713	2,421	105,134	99,448	3,351	102,799	2,335
Plaques	49,300		49,300	47,300		47,300	2,000
Electoral materials	13,573		13,573	18,789		18,789	(5,216)
Administrative Legal	37,615	87	37,702	35,682	85	35,767	1,935
Numismatic coinage, medals and philatelics	30,442	8,213	38,655	36,122	7,157	43,279	(4,624)
Other assets	1,220	367	1,587	1,003	7	1,010	577
<b>Total</b>	<b>407,745</b>	<b>11,089</b>	<b>418,834</b>	<b>391,252</b>	<b>10,613</b>	<b>401,865</b>	<b>16,969</b>

*Credits by geographical area*

The credits in their territorial distribution are shown below:

values in thousands of euros	31.12.2021			31 December 2020			Changes
	Italy	Abroad	Total	Italy	Abroad	Total	
<b>Receivables recorded in fixed assets</b>							
Other accounts receivable	1,737		1,737	1,828		1,828	(91)
<b>Sub total</b>	<b>1,737</b>	<b>0</b>	<b>1,737</b>	<b>1,828</b>	<b>0</b>	<b>1,828</b>	<b>(91)</b>
<b>Receivables from current assets</b>							
Trade receivables	32,886	1,549	34,435	38,277	1,239	39,516	(5,081)
To subsidiaries	4,870		4,870	1,740		1,740	3,130
Towards affiliated companies	1,124		1,124	767		767	357
Due to parent companies	111,246		111,246	153,638		153,638	(42,392)
Towards companies subject to the control of the parent companies	2,396		2,396	2,199		2,199	197
Tax	3,760		3,760	13,822		13,822	(10,062)
Deferred tax assets	21,495		21,495	21,495		21,495	0
Due to others	2,040		2,040	3,738		3,738	(1,698)
<b>Sub total</b>	<b>179,817</b>	<b>1,549</b>	<b>181,366</b>	<b>235,676</b>	<b>1,239</b>	<b>236,915</b>	<b>(55,549)</b>
<b>Total</b>	<b>181,554</b>	<b>1,549</b>	<b>183,103</b>	<b>237,504</b>	<b>1,239</b>	<b>238,743</b>	<b>(55,640)</b>



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*Debt by geographical area*

The employees in their territorial distribution are set out below:

<i>values in thousands of euros</i>	31.12.2021			31 December 2020			Change
	Italy	Abroad	Total	Italy	Abroad	Total	
Other loans	4,676		4,676	4,894		4,894	(218)
Payments on account	989		989	55		55	934
Trade payables	116,584	2,065	118,649	119,169	5,490	124,659	(6,010)
To subsidiaries	1,381		1,381	1,078		1,078	303
Due to parent companies	65,780		65,780	108,210		108,210	(42,430)
Towards companies subject to the control of the parent companies	4,139		4,139	9,800		9,800	(5,661)
Tax	84,777		84,777	98,051		98,051	(13,274)
Towards welfare and social security institutions	4,982		4,982	5,328		5,328	(346)
Due to others	17,801		17,801	15,926		15,926	1,875
<b>Total</b>	<b>301,109</b>	<b>2,065</b>	<b>303,174</b>	<b>362,511</b>	<b>5,490</b>	<b>368,001</b>	<b>(64,827)</b>

Employment data (Article 2427 point 15) of the Civil Code)

The number of employees, as of 31 December 2021, broken down by categories, is shown in the following table, which highlights the average workforce and similar data for 2020.

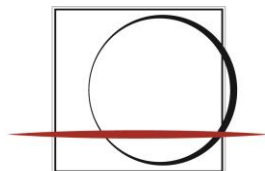
During the year a total of 48 employees left the service and 97 were hired resources. At the end of the year, there were 56 supply contracts unit.

	31.12.2021	31 December 2020	Change	average	
				2021	2020
Executive Managers	30	29	1	28	28
Office workers	925	905	20	914	968
Manual workers	689	661	28	690	713
<b>Total</b>	<b>1,644</b>	<b>1,595</b>	<b>49</b>	<b>1,632</b>	<b>1,709</b>
Staff in administration	56	35	21	61	34

Remuneration due to Directors, Statutory Auditors and Statutory Auditors (Article 2427, points 16) and 16-bis) of the Italian Civil Code)

The fees payable to the Directors, Statutory Auditors and the company appointed to carry out the statutory audit amount to 103 thousand euros, 61 thousand euros and 120 thousand euros respectively. The latter are related to the activity of statutory auditing of accounts in the amount of euro 86,000, to the activities of examination and control of the Sustainability Report in the amount of euro 22,000, and to the certification of the paid-up share capital and shareholders' equity for the purpose of accreditation of the computerised document storage system to AgID in the amount of euro 12,000.

Part of the remuneration due to the Directors and Statutory Auditors was paid to the Administration



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Fund of the Ministry to which they belong. It should also be noted that the Company has not granted advances and credits to directors and statutory auditors.

*Income or cost elements of exceptional size or incidence (Article 2427 point 13) of the Italian Civil Code)*

No revenue or cost elements of exceptional size or incidence were recorded.

*Number and nominal value of each category of company shares and number and nominal value of the new shares of the company subscribed during the year (Article 2427, point 17) of the Italian Civil Code)*

The share capital consists of 340,000,000 ordinary shares with a nominal value of €1.00 each. The shares are wholly owned by the Ministry of Economy and Finance. No new shares were subscribed during the year.

There are no other types of shares or ordinary and convertible bonds or other securities issued by the company.

Financial instruments (Article 2427, point 19) of the Italian Civil Code)

the Company has not issued financial instruments;

Assets and loans intended for specific business (art.2427 points 20) and 21) of the Civil Code)

The Company has not set up any assets intended for a specific business, it has not taken out loans for a specific business; there is therefore no information to be provided in this regard.

Financial leasing transactions (Article 2427 point 22) of the Italian Civil Code)

The Company does not have any financial leasing transactions in place, therefore there is no information to be provided pursuant to point 22) of art. 2427 of the Civil Code.

Transactions with related parties (Article 2427 point 22-bis) of the Italian Civil Code)

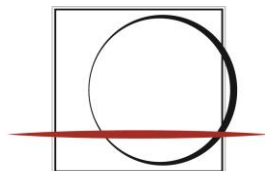
Transactions with related parties were of a commercial and financial nature (mortgages), regulated according to normal market conditions and are indicated in the detailed tables below.

### *Economic relations*

In 2021, the economic relations of Poligrafico with subsidiaries, associates, parent companies, other investee companies and companies subject to the control of the parent company, are summarized in the following tables.

### *Subsidiaries*

<i>values in thousands of euros</i>	<b>31.12.2021</b>	<b>31 December 2020</b>
-------------------------------------	-------------------	-------------------------



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	Core production	Cost of production	Core production	Cost of production
Valoricarta SpA	3,634	(1,068)	1,697	(2,536)
Futuro & Conoscenza Srl	10	(330)	5	
<b>Total</b>	<b>3,644</b>	<b>(1,398)</b>	<b>1,702</b>	<b>(2,536)</b>

*Associated companies*

<i>values in thousands of euros</i>	31.12.2021		31 December 2020	
	Core production	Cost of production	Core production	Cost of production
Treccani Reti (formerly Editalia) SpA	2,022		1,429	
<b>Total</b>	<b>2,022</b>	<b>0</b>	<b>1,429</b>	<b>0</b>

*Parent companies*

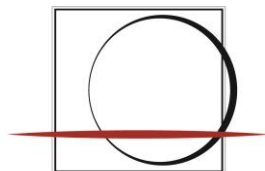
<i>values in thousands of euros</i>	31.12.2021		31 December 2020	
	Core production	Cost of production	Core production	Cost of production
Ministry of Economy and Finance	244,742	2,752	222,755	1,391
<b>Total</b>	<b>244,742</b>	<b>2,752</b>	<b>222,755</b>	<b>1,391</b>

*Other investee companies*

<i>values in thousands of euros</i>	31.12.2021		31 December 2020	
	Core production	Cost of production	Core production	Cost of production
Meccano SpA	0	25	0	32
<b>Total</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>32</b>

*Other related parties*

<i>values in thousands of euros</i>	31.12.2021		31 December 2020	
	Core production	Cost of production	Core production	Cost of production
Arexpo SpA	6		10	



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Conai				70
Consap SpA	2			
Consip SpA	445	53	315	54
Cassa Depositi e Prestiti Group	68	1	99	53
ENAV Group	29		41	
Enel Group	32	5,023	4	3,489
Eni Group	201	21	87	57
Equitalia Justice	3		5	
Railways Group	2,477	21	1,574	45
Gse Group	6	2	5	
Leonardo Group	8	3,526	115	3,409
Poste Group	2390	7,911	753	9,852
Rai Group	2,493	1	3,637	1
Sogesid Group	8		7	
Sogin Group	10		13	
Invimit Sgr	20		44	
Istituto Luce Cinecittà Srl				1
Mefop SpA	1			
Stmicroelectronics S.r.l.	23	2627	2	960
<b>a) Sub Total</b>	<b>8,222</b>	<b>19,186</b>	<b>6,711</b>	<b>17,991</b>
Byblos National Pension Fund				1,555
Previndai				197
<b>b) Sub Total</b>			<b>0</b>	<b>1,752</b>
<b>Total</b>	<b>8,222</b>	<b>19,186</b>	<b>6,711</b>	<b>19,743</b>

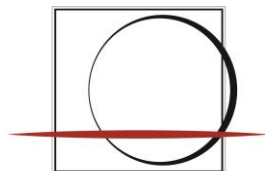
Commercial relations with related parties mainly relate to the contract for the distribution of Electronic Identity Cards throughout Italy with Poste Italiane S.p.A. The value of production considers the volume of turnover developed towards RAI, against the contract for the service of production and distribution of gold tokens relating to prize programs.

#### Asset reports

In the 2021 financial year, the equity relations of Poligrafico with subsidiaries, associates, parent companies, other investee companies and companies subject to the control of the parent company, are summarized in the following tables, without considering the effects of the bad debt provision.

#### Subsidiaries

values in thousands of euros	31.12.2021		31 December 2020	
	Commercial		Commercial	
	Loans	Payables	Loans	Payables
Futuro & Conoscenza Srl	11	606	5	43
Valoridicarta SpA	4,859	775	1,735	1,035
<b>Total</b>	<b>4,870</b>	<b>1,381</b>	<b>1,735</b>	<b>1,078</b>



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*Associated companies*

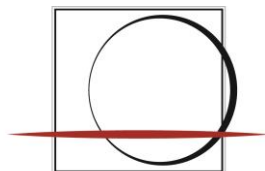
<i>values in thousands of euros</i>	<b>31.12.2021</b>		<b>31 December 2020</b>	
	Commercial		Commercial	
	Loans	Payables	Loans	Payables
Treccani Reti (formerly Editalia) SpA	1,248		844	
<b>Total</b>	<b>1248</b>	<b>0</b>	<b>844</b>	<b>0</b>

*Parent companies*

<i>values in thousands of euros</i>	<b>31.12.2021</b>		<b>31 December 2020</b>	
	Commercial		Commercial	
	Loans	Payables	Loans	Payables
Ministry of Economy and Finance	229,470	65,780	272,134	108,210
<b>Total</b>	<b>229,470</b>	<b>65,780</b>	<b>272,134</b>	<b>108,210</b>

*Other investee companies*

<i>values in thousands of euros</i>	<b>31.12.2021</b>		<b>31 December 2020</b>	
	Commercial		Commercial	
	Loans	Payables	Loans	Payables
Meccano SpA				5
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>



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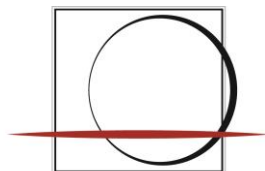
*Other related parties*

values in thousands of euros	31.12.2021				31 December 2020			
	Commercial		Financial		Commercial		Financial	
	Loans	Payables	Loans	Payables	Loans	Payables	Loans	Payables
Consip SpA	48				22	2		
Equitalia Giustizia SpA					3			
Cassa Depositi e Prestiti Group				4,676	69	4		4,894
ENAV Group	2				6			
Enel Group	12	612			13	271		
Eni Group	12	4			3	3		
Railways Group	568				494			
Gse Group					2			
Invitalia Group	25				12			
Leonardo Group		2,062			53	4,677		
Poste Group	212	34			245	4,838		
Rai Group	1,780				1,493			
Sogin Group	1				2			
Sogesid	1				1			
Stmicroelectronics S.r.l.		1,427						
<b>a) Sub Total</b>	<b>2,661</b>	<b>4,139</b>	<b>0</b>	<b>4,676</b>	<b>2,418</b>	<b>9,795</b>	<b>0</b>	<b>4,894</b>
Byblos National Pension Fund		725				683		
Allianz SpA		1				1		
Amundi Sgr SpA		2				2		
BG Vita Generali Group		1				1		
Previnet SpA		4				2		
Poste Vita SpA		3				1		
Aviva Life SpA						1		
Assicurazioni Generali SpA		1				1		
Alleanza Assicurazioni SpA		8				7		
Unipol Sai Assicurazioni SpA		1				1		
Fata Life Insurance SpA		1				1		
Fopadiva		17				15		
Mediolanum life		3				2		
Axa MPS Life Insurance SpA						3		
Previdai		139				112		
<b>b) Sub Total</b>	<b>0</b>	<b>906</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>833</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,661</b>	<b>5,045</b>	<b>0</b>	<b>4,676</b>	<b>2,418</b>	<b>10,628</b>	<b>0</b>	<b>4,894</b>

*Agreements not resulting from the Balance Sheet (Article 2427 point 22-ter of the Civil Code)*

There are no agreements not resulting from the balance sheet, which could significantly influence the equity and financial situation and the economic result of the company.





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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Name and registered office of the company preparing the consolidated financial statements (Art. 2427 points 22-quinquies and sexies Civil Code)

The Company has drawn up the consolidated financial statements as the Parent Company.

*Financial derivatives*

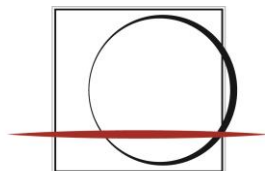
2427-bis, first paragraph, n. 1, of the Italian Civil Code, it is acknowledged that the Company has not subscribed derivative financial instruments.

*Application of amortized cost*

The Legislative Decree Legislative Decree 139/15 introduces the criterion for evaluating the amortized cost to be used for the representation of receivables, payables and fixed assets represented by securities. The rule provides for the optional derogation which allows not to apply the amortized cost criterion for receivables, payables and fixed assets represented by securities recorded in the 2015 financial statements.

*Significant events occurring after the close of the financial year and foreseeable evolution of management (Article 2427, point 22-quater of the Civil Code)*

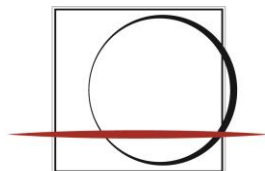
For information relating to the equity, financial and economic effects of subsequent events, significant events occurring after the end of the financial year, the foreseeable evolution of operations and the allocation of the operating result, please refer to the contents of the Management Report.



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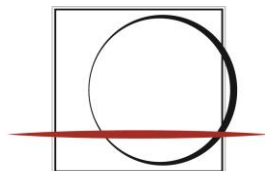
## Balance sheet

<b>ACTIVE</b>	<b>31.12.2021</b>	<b>31.12. 2020</b>	<b>Changes</b>
<b>B) Fixed assets</b>			
I Intangible fixed assets			
1) Start-up and expansion costs	3,519	5,460	(1,941)
2) Costs of research and development and advertising	385,138	441,401	(56,263)
3) Industrial patent rights and intellectual property rights	9,552,418	3,415,926	6,136,492
4) Concessions, licences, trade marks and similar rights	28,631	47,543	(18,912)
6) Fixed assets in progress	3,158,394	1,712,127	1,446,267
7) Others	490,513	315,964	174,549
<b>Total</b>	<b>13,618,613</b>	<b>5,938,421</b>	<b>7,680,192</b>



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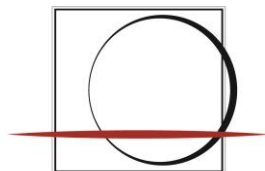
II Tangible fixed assets			
1) land and buildings	65,459,047	67,151,152	(1,692,105)
2) plant and machinery	132,000,485	132,368,919	(368,434)
3) industrial equipment	1,476,256	288,563	1,187,693
4) other assets	17,611,962	25,313,027	(7,701,065)
5) assets in progress and advances	32,090,591	30,377,795	1,712,796
<b>Total</b>	<b>248,638,341</b>	<b>255,499,456</b>	<b>(6,861,115)</b>
III- Financial fixed assets			
1) equity investments			
a) affiliated companies	4,950,957	4,950,957	0
d) other companies	799	799	0
2) receivables			
d) other accounts receivable			
within the year	216,422	294,714	(78,292)
beyond the financial year	1,527,824	1,535,585	(7,761)
<b>Total</b>	<b>6,696,002</b>	<b>6,782,055</b>	<b>(86,053)</b>
<b>Total intangible assets</b>	<b>268,952,956</b>	<b>268,219,932</b>	<b>733,024</b>



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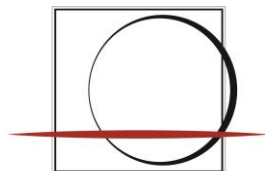
<b>ACTIVE</b>	<b>31.12.2021</b>	<b>31 December 2020</b>	<b>Changes</b>
<b>C) Current assets</b>			
I Inventories			
1) raw materials, consumables and goods	34,452,236	29,219,599	5,232,637
2) work in progress and semi-finished products	27,942,378	26,430,152	1,512,226
4) finished products and goods	11,894,661	11,742,200	152,461
5) fixed assets held for sale	176,120	100,952	75,168
<b>Total</b>	<b>74,465,395</b>	<b>67,492,903</b>	<b>6,972,492</b>
II Credits			
1) trade receivables	34,614,211	39,715,904	(5,101,693)
3) from affiliated companies	1,171,365	767,347	404,018
4) towards parent companies	115,094,879	158,378,887	(43,284,008)
5) due from companies controlled by parent companies	2,441,981	2,198,620	243,361
5 bis) tax credits	4,151,797	14,237,902	(10,086,105)
5 ter) pre-paid tax	21,814,559	21,814,559	0
5 quater) towards others	2,044,933	3,739,577	(1,694,644)
<b>Total</b>	<b>181,333,725</b>	<b>240,852,796</b>	<b>(59,519,071)</b>
IV) - Cash and cash equivalents			
1) bank and postal deposits	469,901,366	485,004,826	(15,103,460)
3) cash and cash equivalents	20,234	25,317	(5,083)
<b>Total</b>	<b>469,921,600</b>	<b>485,030,143</b>	<b>(15,108,543)</b>
<b>Total current assets</b>	<b>725,720,720</b>	<b>793,375,842</b>	<b>(67,655,122)</b>
<b>D) Accruals and prepayments</b>	4,958,340	4,258,594	699,746
<b>TOTAL ASSETS</b>	<b>999,632,016</b>	<b>1,065,854,368</b>	<b>(66,222,352)</b>

<b>LIABILITIES</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Changes</b>
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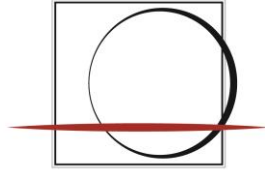
POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<b>A) Shareholders' equity</b>			
I Capital	340,000,000	340,000,000	0
IV Legal reserve	51,012,754	48,310,245	2,702,509
VII Other reserves:			
Reserve available	30,939,490	30,939,490	0
Capital grants	551,081	551,081	0
Other reserves (previous years' results)	(386,670)	(790,837)	404,167
IX Result for the year	51,020,780	54,454,357	(3,433,577)
<b>Group equity</b>	<b>473,137,435</b>	<b>473,464,336</b>	<b>(326,901)</b>
Third party assets			
Third party capital	8,002,000	8,002,000	0
Third party reserves	(100,212)	(184,531)	84,319
Minorities (profit)/loss	32,004	84,319	(52,315)
<b>Minority interests</b>	<b>7,933,792</b>	<b>7,901,788</b>	<b>32,004</b>
<b>Total Equity</b>	<b>481,071,227</b>	<b>481,366,124</b>	<b>(294,897)</b>
<b>B) Provisions for risks and charges</b>			
3) other provisions for risks and charges:			
other	205,037,074	203,889,574	1,147,500
<b>Total provisions for risks and charges</b>	<b>205,037,074</b>	<b>203,889,574</b>	<b>1,147,500</b>
<b>C) Provision for staff severance indemnity</b>			
	<b>8,615,495</b>	<b>11,398,462</b>	<b>(2,782,967)</b>



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<b>LIABILITIES</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Changes</b>
<b>D) Liabilities</b>			
5) payables to other lenders			
within the year	230,220	218,194	12,026
beyond the financial year	4,445,596	4,675,816	(230,220)
6) advances	988,617	55,647	932,970
7) trade payables	121,215,953	126,322,201	(5,106,248)
11) payables to parent companies	65,790,127	108,217,348	(42,427,221)
11- <i>bis</i> ) payables to companies controlled by parent companies	4,138,793	9,800,139	(5,661,346)
12) tax payables	84,802,280	98,104,890	(13,302,610)
13) payables to social security institutions	5,004,385	5,348,089	(343,704)
14) other payables	17,952,837	16,064,255	1,888,582
<b>Total payables</b>	<b>304,568,808</b>	<b>368,806,579</b>	<b>(64,237,771)</b>
<b>E) Accruals and prepayments</b>	339,412	393,629	(54,217)
<b>TOTAL LIABILITIES</b>	<b>999,632,016</b>	<b>1,065,854,368</b>	<b>(66,222,352)</b>

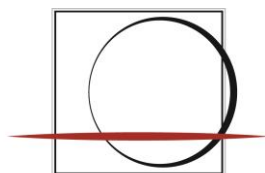


POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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# **Profit and Loss Account**

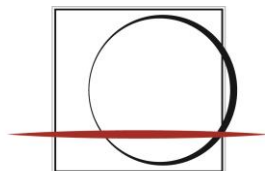




POLIGRAFICO E ZECCA DELLO STATO ITALIANO

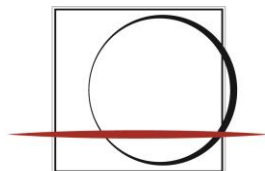
<b>INCOME STATEMENT</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Changes</b>
<b>A) Value of production</b>			
1) revenues from sales and services;	438,140,765	421,923,161	16,217,604
2) change in inventories of work in progress, semi-finished and finished products	1,665,084	(2,663,639)	4,328,723
5) other revenues and income	4,872,086	5,351,596	(479,510)
<i>a) operating grants</i>	51,077	326,973	(275,896)
<i>b) various</i>	4,821,009	5,024,623	(203,614)
<b>Total production value</b>	<b>444,677,935</b>	<b>424,611,118</b>	<b>20,066,817</b>
<b>B) Production costs</b>			
6) for raw materials, consumables and goods	(83,290,759)	(72,821,996)	(10,468,763)
7) for services	(116,882,510)	(101,936,953)	(14,945,557)
8) for use of third-party assets	(4,895,671)	(3,647,332)	(1,248,339)
9) for staff	(100,846,499)	(100,823,721)	(22,778)
<i>a) salaries and wages</i>	(71,451,294)	(71,440,577)	(10,717)
<i>b) social security contributions;</i>	(20,011,361)	(20,579,564)	568,203
<i>c) provision for staff severance indemnity</i>	(5,119,422)	(5,113,454)	(5,968)
<i>e) other costs</i>	(4,267,035)	(3,742,023)	(525,012)
<i>f) recovery of seconded personnel</i>	2,613	51,897	(49,284)
10) amortisation, depreciation and write downs	(42,002,908)	(37,956,307)	(4,046,601)
<i>a) amortization of intangible fixed assets</i>	(6,316,522)	(4,468,556)	(1,847,966)
<i>b) depreciation of tangible fixed assets</i>	(35,686,386)	(33,487,751)	(2,198,635)
11) change in inventories of raw, ancillary and consumable materials and goods	5,232,637	(2,436,218)	7,668,855
12) provisions for risks	(25,942,663)	(25,000,000)	(942,663)
14) miscellaneous operating costs	(5,269,080)	(4,713,368)	(555,712)
<b>Total production costs</b>	<b>(373,897,453)</b>	<b>(349,335,895)</b>	<b>(24,561,558)</b>
<b>Difference between value and cost of production</b>	<b>70,780,482</b>	<b>75,275,223</b>	<b>(4,494,741)</b>

<b>INCOME STATEMENT</b>	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Changes</b>
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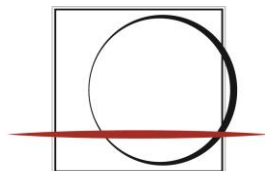
<b>C) Financial income and expenses</b>			
16) other financial income			
a) from non-current receivables			
from others	163,778	8,013	155,765
d) other income:			
from others	1,588,766	2,056,589	(467,823)
17) interest and other financial charges			
from others	(263,692)	(275,592)	11,900
17bis) profit and losses on exchange rates	(5,308)	(470)	(4,838)
<b>Total financial income and expenses</b>	<b>1,483,544</b>	<b>1,788,540</b>	<b>(304,996)</b>
<b>Income before taxes</b>	<b>72,264,026</b>	<b>77,063,763</b>	<b>(4,799,737)</b>
22) income taxes for the year			
currents	(21,211,242)	(22,518,867)	1,307,625
anticipated	0	(6,220)	6,220
<b>23) Result for the year</b>	<b>51,052,784</b>	<b>54,538,676</b>	<b>(3,485,892)</b>
of which: Group result	51,020,780	54,454,357	(3,433,577)
Third party result	32,004	84,319	(52,315)
	<b>51,052,784</b>	<b>54,538,676</b>	<b>(3,485,892)</b>



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

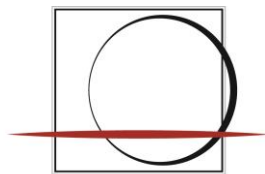
## Cash Flow Statement

<b>Indirect Method</b>	<b>31.12.2021</b>	<b>31 December 2020</b>
<b>Net cash at the beginning of the year</b>	<b>485,030,143</b>	<b>528,746,283</b>
Tax year result	51,052,784	54,538,676
Income tax	21,211,242	22,525,087
Interest expense	263,692	275,288
Capital gains / losses from assets	63,114	97,354
<b>Result for the year adjusted by non-monetary elements</b>	<b>72,590,832</b>	<b>77,436,405</b>
Amortisation, depreciation and write downs	42,065,440	37,956,307
Severance indemnity provision	5,119,422	5,113,454
Allocation to the Funds	29,123,323	28,302,919



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

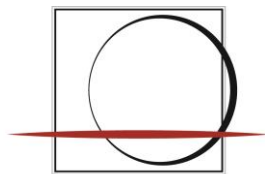
<b>Adjustments to non-monetary items that have no CCN counterpart</b>	<b>76,308,185</b>	<b>71,372,680</b>
<b>Cash flow before changes in the BCC</b>	<b>148,899,017</b>	<b>148,809,085</b>
<i>Changes in the CCN</i>		
Inventories	(6,972,492)	5,151,450
Trade receivables	47,738,321	11,767,030
Trade payables	(52,261,845)	(14,154,658)
Payables Tax and social security receivables	19,383,387	26,070,384
Indirect taxes paid	(31,186,360)	(20,788,907)
Accruals and Deferrals	(753,963)	1,832,936
Other assets and liabilities	3,583,226	(3,264,872)
Payments on account	(3,098,609)	489,079
<b>Total changes in net working capital</b>	<b>(23,568,334)</b>	<b>7,102,442</b>
<b>Cash flow after changes in the BCC</b>	<b>125,330,683</b>	<b>155,911,527</b>
<i>Other adjustments</i>		
Interest paid	(263,692)	(275,287)
Income taxes paid	(12,968,479)	(30,808,451)
Use of the severance indemnity fund	(7,902,389)	(8,620,376)
Use of funds	(27,975,824)	(27,026,617)
<b>Total other adjustments</b>	<b>(49,110,384)</b>	<b>(66,730,731)</b>
<b>Financial flow of income management</b>	<b>76,220,299</b>	<b>89,180,796</b>
<i>Investments in fixed assets:</i>		
Intangible fixed assets	(14,016,619)	(5,201,525)
Tangible assets	(25,927,602)	(51,121,580)
Sale of fixed assets	(36,422)	(97,353)
Goods intended for resale	131,626	120
Equity investments	0	3,768,920
Credits and other securities	86,053	(65,736)
<b>Cash flow from investment activities in fixed assets</b>	<b>(39,762,964)</b>	<b>(52,717,154)</b>
Capital contributions Ministry of Economy and Finance		
Dividends paid	(51,347,684)	(79,922,715)
Reimbursement of loans	(218,194)	(267,067)
Third party capital	0	10,000
<b>Cash flow from financing activities</b>	<b>(51,565,878)</b>	<b>(80,179,782)</b>
<b>Increase in cash and cash equivalents</b>	<b>(15,108,543)</b>	<b>(43,716,140)</b>
<b>Net cash and cash equivalents at year-end</b>	<b>469,921,600</b>	<b>485,030,143</b>



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# Notes to the Accounts



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## **Structure and content of the financial statements**

The Poligrafico, pursuant to Legislative Decree 127/91 and subsequent amendments and additions, is required to draw up the consolidated financial statements, which were therefore drawn up pursuant to art. 25, paragraph 2, of the legislative decree 9 April 1991, n.127

The financial statements consist of the balance sheet, income statement, cash flow statement and explanatory note, in accordance with the provisions of art 29 and 38 of Legislative Decree 127/91, in line with the regulatory changes introduced by Legislative Decree no. 139/15 and with the accounting principles issued by the Organismo Italiano di Contabilità.

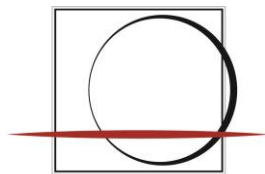
The purpose of these Explanatory Notes is to provide an illustration, analysis and, in some cases, an integration of the financial statement data with the additional information deemed necessary for a true and correct representation of the illustrated data, considering that they are not exceptions have been made pursuant to art. 29 of the decree.

The Explanatory Notes are accompanied by the statement of reconciliation between the Parent Company's result for the year and the consolidated result for the year, between the Parent Company's shareholders' equity and consolidated shareholders' equity, by the statement of changes in the consolidated shareholders' equity accounts and by the " list of companies included in the consolidation area.

In application of the provisions of Legislative Decree 127/91, as amended by Legislative Decree 32/2007 transposing Directive 51/2003 / EC, the Poligrafico made use of the option provided for by art. 40, paragraph 2 bis. Therefore, for additional information on the Group's financial position, as a whole and in the various sectors, with particular regard to costs, revenues and investments, and for a description of the Group's main risks and uncertainties, please refer to the Report on Operations of the Parent Company Poligrafico, Istituto Poligrafico e Zecca dello Stato S.p.A. (hereinafter also referred to as 'Poligrafico' or 'Parent Company'). (hereinafter also referred to as 'Poligrafico' or the 'Parent Company').

There were no situations of incompatibility with the truthful and correct representation of the facts and of the company situation and, therefore, no derogation from the provisions themselves was necessary pursuant to art. 2423, paragraph 4 of the Civil Code. Moreover, all the additional information deemed necessary to achieve this representation is provided, even if not required by specific regulations.

There have also been no exceptional cases that made it necessary to resort to the derogation provided for by art. 2423 bis, 2nd paragraph of the Civil Code.



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29 of Legislative Decree 127/91, the postulates of clarity and truthful and correct representation of the Group's equity and financial situation and of the economic result for the year are observed in the preparation of the financial statements.

For a better representation, some tax payables and receivables from the previous year were reclassified.

Finally, the principles established by art. 2423-bis of the Civil Code, and the provisions of the Organismo Italiano di Contabilità.

The Financial Statements have been drawn up in units of Euro, while all the values in the comments and prospectuses of these Explanatory Notes are expressed in thousands of Euros.

### **Consolidation principles**

The full consolidation method was applied to the companies included in the consolidation area.

The criteria used were the following:

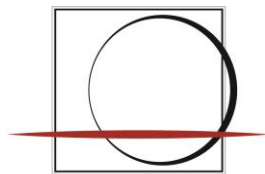
1. elimination of the book value of the equity investments with the corresponding fraction of net equity resulting on the date of incorporation, purchase, or at the time when control was acquired.

The difference between the values is analyzed to allocate it to the assets and liabilities of the investee, according to the actual accounting nature. In principle, this difference is made to adjust the assets and / or liabilities in the balance sheet according to the effective value that was recognized at the time of constitution / purchase. Part of the purchase price is recognized as goodwill if the requirements for such registration of goodwill are met as envisaged by OIC 24 "Intangible assets". The residual difference from consolidation that cannot be allocated to assets and liabilities and to goodwill is recognized in the income statement under item B14 "other operating expenses".

Any negative difference from cancellation is charged, where possible, as an adjustment to the assets recorded for values higher than their recoverable value and to the liabilities recorded at a value lower than their settlement value. Any negative surplus, if it is not attributable to the forecast of unfavorable economic results, it is allocated among the provisions for risks, under the item "Provision for consolidation risks and charges" and amortized according to the period within which the losses in question should be extinguished.

2. elimination from the balance sheet and consolidated income statement of receivables and payables as well as income and charges relating to transactions carried out between companies included in the consolidation area;
3. elimination of significant profits and losses resulting from transactions carried out between





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consolidated companies;

- posting of the shares of shareholders' equity and the results for the year corresponding to third party investments in a specific item of shareholders' equity.

### **Accounting principles**

Below are the main valuation criteria adopted for the preparation of the consolidated financial statements, criteria dictated by the Parent Company Poligrafico, which substantially coincide with those used by the companies included in the consolidation area, in accordance with the provisions of Legislative Decree 127/91 and subsequent ones. changes.

The principles adopted comply with the provisions of the Italian legal system in implementation of the European Directive 2013/34, with the publication in the Gazzetta Ufficiale of Legislative Decree no. 139/15, which integrates and amends the Civil Code in the general rules for the preparation of the financial statements relating to the layouts, the valuation criteria, the content of the explanatory notes and the management report, changes and additions entered into force from the first January 2016.

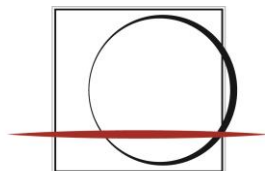
The valuation criteria adopted for the preparation of the financial statements as of 31 December 2021 are set out below.

#### *Non-current intangible assets*

They represent costs for which a multi-year utility can be identified and are accounted for based on the cost actually incurred, a cost that is systematically amortized in each year based on the relative economic useful life, which is on average three years, considering the speed of renewal of goods. Capitalized research and development costs are normally amortized on a straight-line basis, based on an amortization plan, over a period not exceeding 5 years. In cases where the values determined above are permanently lower, a corresponding reduction has been made. For costs incurred on third party assets, for which a utility attributable to several financial years is identifiable, amortization was carried out based on the duration of the respective lease contracts.

#### *Property, plant and equipment (non-recurrent tangible assets)*

They are entered at acquisition or production cost, increased by directly attributable accessory charges and, for some of them, by the share of revaluations and / or write-downs carried out in accordance with the law in previous years. The cost of the assets, as determined above, is systematically depreciated based on the residual possibility of use. Fixed assets which, at the closing date of the financial year, are permanently of a lower value than that determined in accordance with the above are recorded at this lower value. This lower value is not maintained in subsequent years if the reasons for the adjustment no longer apply.



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The estimated useful economic life is indicated below by type of asset:

Type of asset	Estimated useful life expressed in years	
	from	a
depr. reval.	18	33
Lightweight construction	10	10
Plant and Machinery	5	20
Photocomposition systems	4	4
Rotary	5	5
Industrial and Commercial Equipment	3	4
Other assets	4	8
Electronic document workstations	Duration of the contract	

The value of fixed assets also includes expenses of an incremental nature, where these have led to an increase in the useful life of the asset to which they refer and are amortized in relation to the new residual possibility of use of the same. The book value of the replaced parts is eliminated, and the maintenance and repair costs are recognized in the income statement in the period in which they are incurred.

Land is not depreciated, even if purchased together with a building, as well as tangible assets intended for sale, the depreciation of which ceases on the date in which the asset is reclassified in current assets among assets intended for sale valued at the lower of the net book value and the realization value inferable from the market trend, in accordance with OIC 16.

### *Long-term investments*

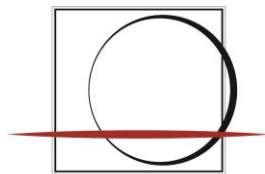
Equity investments are recognized at cost, determined based on the purchase or subscription price. The book value of the equity investments is adjusted to take account of permanent losses in value based on the corresponding fraction of shareholders' equity. This lower value is not maintained in subsequent years if the reasons that led to the adjustment no longer apply.

Securities that do not constitute equity investments are recognized based on the purchase cost, which is adjusted in the event of permanent losses in value. This lower value, where recorded, is not maintained in subsequent years if the reasons that led to the recognition no longer exist.

### *Inventories*

Inventories consist of assets intended for sale, stocks of raw materials, various materials, paper and spare parts, to be used for operating or maintenance activities, and products in progress.

- Raw, ancillary and consumable materials and goods: are valued at the lower of purchase cost, calculated using the 'weighted average purchase cost' method, and realisable value inferable from market trends.



## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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- Work in progress, semi-finished and finished products: they are valued at the lower of market value and standard operating cost. At the end of the year, an analysis of the existing orders is carried out to identify any final losses. Assets intended for resale are reclassified under this item.

Obsolete or slow-moving assets have been written down in relation to their residual possibility of use or considering their possible realizable value.

### *Loans*

Receivables are recognized in the financial statements according to the amortized cost criterion, unless otherwise indicated, taking into consideration the time factor and the estimated realizable value. In particular, the initial value recorded is represented by the nominal value net of all premiums, discounts, rebates, and including any costs directly attributable to the transaction that generated the receivables. Such transaction costs, any commission income and expense, and any difference between the initial value and nominal value at maturity are included in the calculation of the amortised cost using the effective interest rate method. A specific bad debt provision has been set up to cover possible insolvency risks, whose congruity with respect to doubtful positions is checked periodically. In any case, at the end of each financial year, further assessments are made taking into consideration both the situations of bad debt that have already occurred or considered probable, and the general economic conditions, sector and country risk.

### *Accruals and Deferrals*

They are determined based on the principle of temporal competence. This item includes the revenues and costs pertaining to the year that will be earned or incurred in subsequent years and those earned or incurred by the end of the year but pertaining to subsequent years.

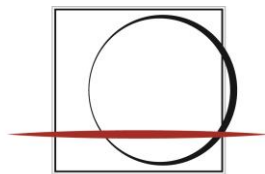
### *Provision for staff severance indemnities*

It is determined based on the provisions of the laws in force and of the National Collective Labor Agreements.

It represents, for employees in force on 31 December 2021, the liability relating to the severance indemnity accrued and remaining in the company, in addition to what accrued from the beginning of 2007 until the time of the choice by the employees who opted for pension funds, net of the advances paid and including the revaluation at 31 December 2021 pursuant to Legislative Decree no. 252 of 5 December 2005, and subsequent amendments introduced with Law no. 296 27 December 2006, (2007 Finance Law).

### *Payables*

Payables are recognized in the financial statements according to the amortized cost criterion, unless otherwise indicated, considering the time factor. In particular, the initial value recorded is represented by the nominal value net of the debt, net of all transaction costs and premiums,



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discounts, and allowances directly attributable to the transaction that generated the debt. Such transaction costs, any commission income and expense, and any difference between the initial value and nominal value at maturity are included in the calculation of the amortised cost using the effective interest rate method.

#### *Provisions for liabilities and charges*

The allocations to the provisions for risks and charges mainly regard allocations made to cover charges or debts, of certain or probable existence, the amount or date of occurrence of which, however, could not be determined at the end of the year. In the assessment of risks and charges, those related to events that became known after the closing date of the financial year and up to the date of preparation of the financial statements are also considered.

#### *Operations and items in foreign currency*

Receivables and payables in foreign currencies outstanding at the end of the year, recorded at the exchange rate in effect at the time the transaction is carried out, are converted at the exchange rate in effect at the end of the year. Exchange gains and losses are recognized in the income statement as income components of a financial nature. Any net profit from conversion is set aside in a special non-distributable reserve until it is realized.

#### *Costs and Revenues*

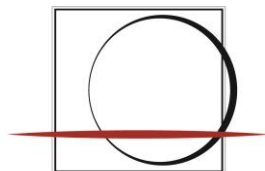
Revenues and income, costs and charges are recognized net of returns, discounts, allowances and bonuses, as well as taxes directly related to the sale of products and the provision of services and recognized at the time of transfer of risks benefits associated with ownership, which normally coincides with the shipment or delivery of goods or provision of services. Revenues and income, costs and charges relating to foreign currency transactions are determined at the current exchange rate on the date on which the related transaction was completed.

#### *Taxes for the year*

Income taxes are calculated based on an estimate of taxable income, in compliance with the provisions in force and in compliance with the principle of competence, considering the tax situations of the Group. Deferred or prepaid taxes have been calculated in application of Accounting Standard no. 25.

## **Consolidation area**

The consolidated financial statements as at 31 December 2021 include the financial statements of the Parent Company, Istituto Poligrafico e Zecca dello Stato S.p.A., and all the companies over which the Institute exercises control on a stable basis and which have been consolidated using the comprehensive method (Article 26 of Legislative Decree 127/91). The companies included in the



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consolidation area are listed below (Article 38 paragraph 2 letters a) and c) of Legislative Decree 127/91: 127/91:

*companies consolidated on a line-by-line basis*

Company name	currency	Share capital	participation fee		Reg.	other information	
			direct	group			
Valoridicarta SpA	Euro	43,800,000	81.74%	81.74%	Rome	PI / CF	14994081009
Futuro & Conoscenza Srl	Euro	10,000	80.00%	80.00%	Rome	PI / CF	15812281002

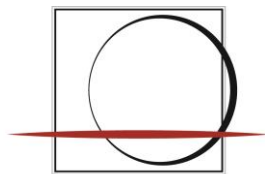
*companies outside the scope of consolidation*

Company name	currency	Share capital	participation fee		Reg.	other information	
			direct	group			
Istituto dell'Enciclopedia Italiana SpA	Euro	75,555,021	8.66%	8.66%	Rome	CF	0043716058 3
Treccani Reti SpA	Euro	16,027,000		8.66%	Rome	CF	0039605058 5
Meccano SpA	Euro	798,660	0.10%	0.10%	Fabiano	PI / CF	0114657042 7

For the consolidation, the financial statements of the individual companies were used, for which it was not necessary to resort to reclassifications and adjustments to bring them into line with the accounting principles and presentation criteria adopted by the Group, as they were drawn up with the same principles.

It should be noted that the companies included in the consolidation area have the same closing date of the financial year and therefore it was not necessary to prepare specific interim annual financial statements.

The accounting situations of the companies included in the consolidation area have been approved by the respective Shareholders' Meetings or by the Administrative Bodies.



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## Group activities

The Group's activity was aggregated following a production and commodity logic:

*institutional*: institutional: production and supply of security papers, special security papers, security and / or anti-counterfeiting elements / products-, paper for banknotes and identification documents, printed matter and publications, including on computer media, paper products for the state administrations; printing and management, also with telematic tools, of the Gazzetta Ufficiale and the Collection of legislative acts of the Italian Republic; printing of state publications; printing and management of legislative publications, collections, extracts from laws, official documents and similar publications; production of state coins, foreign coins, legal tender coins, artistic medals and castings and commemorative or celebratory coins; manufacture of official seals and metal marks bearing the state emblem, plates, metal badges and other art products; promotion of the activity of the School of the Art of the Medal and the Zecca Museum; execution of tests on coins and metals on behalf of the State; expertise of counterfeit coins; promotion and participation in studies, surveys and experimental tests in matters relating to the institutional functions of the charter;

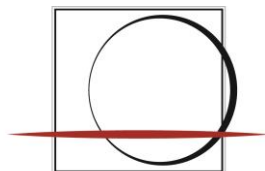
graphics: support for institutional printing activities, including the distribution and sale of the products produced;

paper products and papermaking: production of plain and watermarked papers;

marketing of artistic and book products: publishing activities and the marketing of publishing products and works of high artistic and cultural value;

production and marketing of raw materials, semi-finished and finished products for coinage: manufacture of minted and unminted blanks to produce coins and medals;

research and innovation: materials technologies for the development of paper and plastic substrates with innovative characteristics; materials technologies for the development of anti-counterfeiting elements to ensure high levels of security; development of materials and security printing production techniques for the realisation of innovative digital security elements; development of software solutions and digital services for security and anti-counterfeiting.



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## Balance sheet

### Assets

#### B.Fixed assets

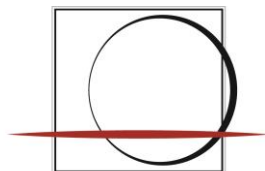
#### BIIntangible assets

The breakdown of this item and the changes that occurred during the year, compared with the 2020 figures, were as follows:

Intangible fixed assets <i>values in thousands of euros</i>	01-Jan-21	Handling			01-Jan-21	Handling			31/12/2021
	Historical cost	Credit	Debit	Historical cost	Accum Deprec.	Depreciation for the period	Debit	Accum Deprec.	Net value
Start-up and expansion costs	9			9	(4)	(1)		(5)	4
Research and development costs	627	77		704	(186)	(133)		(319)	385
Industrial patent rights and use of intellectual property	60,640	12,197	(12)	72,825	(57,224)	(6,061)	12	(63,273)	9,552
Concessions, licenses and trademarks	10,899	2	(98)	10,803	(10,852)	(20)	98	(10,774)	29
Fixed assets in progress	1,712	1,949	(503)	3,158				0	3,158
Other	1,635	275		1,910	(1,319)	(101)		(1,420)	490
<b>Total</b>	<b>75,522</b>	<b>14,500</b>	<b>(613)</b>	<b>89,409</b>	<b>(69,585)</b>	<b>(6,316)</b>	<b>110</b>	<b>(75,791)</b>	<b>13,618</b>

Intangible 2020 <i>values in thousands of euros</i>	01-Jan-20	Handling			01-Jan-20	Handling			31/12/2020
	Historical cost	Credit	Debit	Historical cost	Accum Deprec.	Depreciation for the period	Debit	Accum Deprec.	Net value
Plant and expansion costs	8	1	0	9	(2)	(2)	0	(4)	5
Research, development and advertising costs	182	445	0	627	(68)	(118)	0	(186)	441
Industrial patent rights using intellectual property	57,556	3,691	(607)	60,640	(53,586)	(4,240)	602	(57,224)	3,416





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Concessions, licenses, trademarks and similar rights	10,841	58	0	10,899	(10,832)	(20)	0	(10,852)	48
Assets under construction and advances	883	1,335	(506)	1,712	0	0	0	0	1,712
Other intangible assets	1,451	155	29	1,635	(1,228)	(88)	(3)	(1,319)	316
<b>Total</b>	<b>70,921</b>	<b>5,685</b>	<b>(1,084)</b>	<b>75,522</b>	<b>(65,716)</b>	<b>(4,469)</b>	<b>599</b>	<b>(69,585)</b>	<b>5,938</b>

Intangible fixed assets amount to a total of 13.6 million euros. Specifically:

Start-up and expansion costs relate to costs incurred by the subsidiaries Valoricarta and Futuro & Conoscenza upon incorporation.

**Research, Development and Advertising Costs** The historical cost of euro 704,000 amortised by euro 319,000 is attributable to research costs. During the year, development costs were incurred on industrial research projects, which are believed to create added value for the Group.

**Industrial Patent and Intellectual Property Rights** The historical cost of euro 72.8 million, amortised in the amount of euro 63.3 million, relates to the Parent Company's investments for the purchase of industrial patent rights and rights to use software programmes.

*Permits, licences, trademarks and similar rights*

The historical cost of 10.9 million euros amortized overall for 10.8 million euros relates to user licenses for software programs.

*Fixed assets in progress and advances*

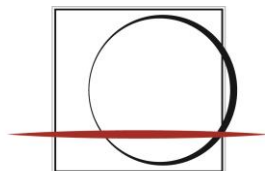
They indicate the internal and external costs incurred for the launch of research and development projects relating to clearly defined products and processes, the completion of which will lead to the improvement of existing assets, to new products / processes, or to new industrial patents by the Group.

*Other intangible fixed assets*

The overall capitalized cost refers to the work carried out on the properties leased by the Parent Company. Depreciation was calculated considering the duration of the lease.

**B.II Tangible fixed assets**

Tangible fixed assets are recorded at purchase or production cost, increased by directly attributable charges and modified, for some of them, by the amounts of revaluations and / or

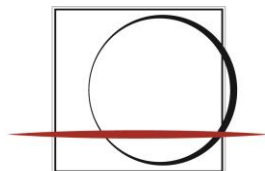


POLIGRAFICO E ZECCA DELLO STATO ITALIANO

write-downs carried out in accordance with the law, including those made pursuant to art. 15, Law 333/92 in the definitive determination of the share capital of the Poligrafico. The cost of the assets, as determined above, is systematically depreciated according to the residual possibility of use. The breakdown of this item and the changes that occurred during the year, compared with the 2020 figures, were as follows:

Tangible assets	01-Jan-21	Handling			01-Jan-21	Handling			31/12/2021
	Historical cost	Credit	Debit	Historical cost	Accum Deprec.	Depreciation for the period	Debit	Admin. provision	Net value
Land and buildings	264,404	2,123	(233)	266,294	(197,253)	(3,815)	233	(200,835)	65,459
Plant and machinery	413,170	21,183	(5,010)	429,343	(280,801)	(21,421)	4,879	(297,343)	132,000
Industrial Equipment	625	1,477	0	2,102	(336)	(290)		(626)	1,476
Other intangible assets	108,369	2,525	(367)	110,527	(83,056)	(10,224)	365	(92,915)	17,612
Investments in progress	20,077	12,309	(13,694)	18,692					18,692
<b>Sub Total</b>	<b>806,645</b>	<b>39,617</b>	<b>(19,304)</b>	<b>826,958</b>	<b>(561,446)</b>	<b>(35,750)</b>	<b>5,477</b>	<b>(591,719)</b>	<b>235,243</b>
Payments on account	10,300	9,311	(5,777)	13,834			(435)		13,399
<b>Total</b>	<b>816,945</b>	<b>48,928</b>	<b>(25,081)</b>	<b>840,792</b>	<b>(561,446)</b>	<b>(35,750)</b>	<b>5,042</b>	<b>(591,719)</b>	<b>248,638</b>

Tangible assets	01-Jan-20	Handling			01-Jan-20	Handling			31/12/2020
	Historical cost	Credit	Debit	Historical cost	Accum Deprec.	Depreciation for the period	Debit	Admin. provision	Net value
Land and buildings	260,609	3,796	(1)	264,404	(192,589)	(4,664)	0	(197,253)	67,151
Plant and machinery	362,314	51,574	(718)	413,170	(263,087)	(18,391)	677	(280,801)	132,370
Industrial Equipment	569	56	0	625	(222)	(114)	0	(336)	288
Other intangible assets	103,126	5,529	(286)	108,369	(72,798)	(10,549)	291	(83,056)	25,314
Investments in progress	30,121	15,052	(25,096)	20,077					20,077



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<b>Total</b>	<b>756,739</b>	<b>76,007</b>	<b>(26,101)</b>	<b>806,645</b>	<b>(528,696)</b>	<b>(33,718)</b>	<b>968</b>	<b>(561,446)</b>	<b>245,199</b>
Payments on account	10,543	14,223	(14,466)	10,300					10,300
<b>Total</b>	<b>767,282</b>	<b>90,230</b>	<b>(40,567)</b>	<b>816,945</b>	<b>(528,696)</b>	<b>(33,718)</b>	<b>968</b>	<b>(561,446)</b>	<b>255,499</b>

*Land and buildings*

The historical cost of 266.3 million euros, amortized for 200.8 million euros refers to the production buildings and related land on which the Parent Company's assets stand.

*Plant and machinery*

The historical cost of € 429.3 million and amortized for a total of € 297.3 million, includes the plant and machinery for the Group's production activity, including the branch transferred by the parent company to Valordicarta S.p.A.

*Industrial and commercial equipment*

The historical cost of € 2.1 million is amortized for a total of € 0.6 million.

*Other goods*

These amount to a total of 110.5 million euros amortized overall for 92.9 million euros. The item mainly concerns the equipment necessary for carrying out work activities. "Other assets" include office machines, electronic equipment and, in general, tangible fixed assets that cannot be placed in the previous items.

*Investments in progress and payments on account*

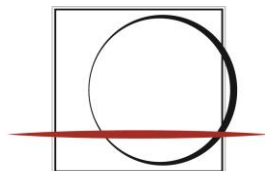
The item in question includes the costs incurred for plants not yet operational, together with the advances paid to suppliers.

**B.III Financial fixed assets**

The item amounts to € 6.7 million. 38, paragraph 2, letters c) and d) of Legislative Decree 127/91 are listed below:

<b>Financial values in thousands of euros</b>	Values at the beginning of the year	Increases and revaluations	Decreases and write-downs	<b>31.12.2021</b>
Equity investments	4,952			4,952
Account receivables	1,830	762	(848)	1,744
<b>Total</b>	<b>6,782</b>	<b>762</b>	<b>(848)</b>	<b>6,696</b>

*Equity investments*



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<i>values in thousands of euros</i>	Values at the beginning of the year	Increases and revaluations	Decreases and write-downs	<b>31.12.2021</b>
Other companies consolidated using the cost method or not consolidated	4,952			4,952
<b>Total</b>	<b>4,952</b>	<b>0</b>	<b>0</b>	<b>4,952</b>

### *Investments in other companies valued with the cost method or not consolidated*

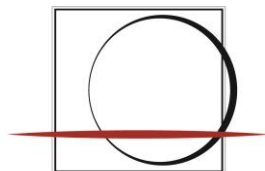
<i>values in thousands of euros</i>	Values at the beginning of the year	Increases and revaluations	Decreases and write-downs	<b>31.12.2021</b>
Istituto dell'Enciclopedia Italiana Spa	4,951			4,951
Meccano Spa	1			1
<b>Total</b>	<b>4,952</b>	<b>0</b>	<b>0</b>	<b>4,952</b>

Credits to others recorded under fixed assets amount to a total of euro 1.7 million, and refer to: premiums paid for the collective capitalisation policy, euro 658 thousand to guarantee the payment of severance pay, held with the insurance company Generali by the Parent Company. The policy provides severance indemnity coverage for employees in the clerical staff category, already included, as at 31 December 1985, in the policy taken out pursuant to Royal Decree no. 5 of 8 January 1942, converted into Law no. 1251 of 2 October 1942; receivables due from employees, euro 114 thousand, following the 2002 earthquakes in favour of the population of the Molise region and the province of Foggia. These measures suspended the payment of social security and welfare contributions (November 2002 - November 2005), providing for their repayment, by monthly instalments, as from February 2006, for both the portion borne by the company and the portion borne by the workers; to loans to employees totalling euro 214,000; to security deposits for rents totalling euro 687,000; to receivables from employees, euro 71,000, pending the settlement of outstanding disputes.

## **C. Current assets**

### **CI Inventories**

The value of inventories amounted, at the end of the year, to 74.5 million euros. The value of inventories is net of value adjustments that are made to consider the level of obsolescence and to address the uncertainties regarding their use, also based on their movements. As of December 31st, the warehouse is made up as follows:



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<b>Inventories</b>	<b>31.12.2021</b>		
	historical value	bad debt provision	Inventory
<i>Values in thousands</i>			
Raw materials, subsidiaries, consumables and goods	48,456	(15,618)	32,838
Purchased paper	2,215	(600)	1,615
Work in progress and semi-finished products	34,262	(6,320)	27,942
Finished products and goods	33,174	(21,104)	12,070
<b>Total</b>	<b>118,107</b>	<b>(43,642)</b>	<b>74,465</b>

raw, ancillary and consumable materials, amounted to euro 34.5 million. They consist of production material such as inlays for security documents, cellulose, cotton and security thread for special papers, purchased paper (euro 1.6 million), precious metals and spare parts. Write-downs were prudently made based on the slow turnover principle;

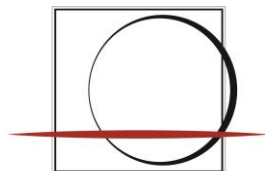
work in progress and semi-finished goods, amounted to euro 27.9 million. This item includes production semi-finished products on orders in progress, such as wine labels, CIE semi-finished products, Schengen Visa and 2021 coinage semi-finished products;

finished goods and merchandise amount to euro 12.1 million. These are products relating to numismatics produced and not delivered at the end of the year, wine and alcohol labels, as well as goods intended for resale, reclassified from fixed assets to working capital to be destined for sale or disposal.

## C, II Credits

Receivables recognised as current assets amount to euro 181.3 million. The breakdown of credits by maturity is shown below:

Credits values in thousands of euros	31.12.2021	31.12.2020	Change
Trade receivables	34,614	39,716	(5,102)
Towards affiliated companies	1,171	767	404
Due to parent companies	115,095	158,379	(43,284)
Towards companies controlled by the parent companies	2,442	2,199	243
<i>Sub total</i>	<i>153,322</i>	<i>201,061</i>	<i>(47,739)</i>
Tax	4,152	14,238	(10,086)
Deferred tax assets	21,815	21,815	0
Due to others	2,045	3,740	(1,695)
<i>Sub total</i>	<i>28,012</i>	<i>39,793</i>	<i>(11,781)</i>
<b>Total</b>	<b>181,334</b>	<b>240,854</b>	<b>(59,520)</b>



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<b>Credits by maturity</b>	<b>31.12.2021</b>			<b>31.12.2020</b>			<b>Change</b>
<i>values in thousands of euros</i>	Within the financial year	Other the financial year	<b>Total</b>	Within the financial year	Other the financial year	<b>Total</b>	
<b>Receivables recorded in fixed assets</b>							
Other accounts receivable	216	1,528	1,744	295	1,533	1,828	(84)
<i>Sub total</i>	216	1,528	1,744	295	1,533	1,828	(84)
<b>Receivables from current assets</b>							
Trade receivables	34,614		34,614	39,716		39,716	(5,102)
Towards affiliated companies	1,171		1,171	767		767	404
Towards non-consolidated parent companies	115,095		115,095	158,379		158,379	(43,284)
Towards companies controlled by the parent companies	2,442		2,442	2,199		2,199	243
Tax	4,152		4,152	14,238		14,238	(10,086)
Deferred tax assets	21,815		21,815	21,815		21,815	0
Due to others	2,045		2,045	3,740		3,740	(1,695)
<i>Sub total</i>	181,334	0	181,334	240,854	0	240,854	(59,520)
<b>Total</b>	<b>181,550</b>	<b>1,528</b>	<b>183,078</b>	<b>241,149</b>	<b>1,533</b>	<b>242,682</b>	<b>(59,604)</b>

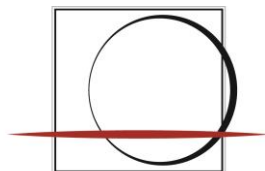
Customer receivables amount to a total of 34.6 million euro and refer to trade relations with customers for the sale of goods and provision of services.

Receivables from affiliated companies consolidated on an equity, cost or non-consolidated basis amount to a total of euro 1.2 million and refer to transactions of a commercial nature with the Treccani Reti subsidiary of the Istituto della Enciclopedia Italiana.

Receivables from parent companies represent receivables accrued for the supply of goods and services to non-consolidated parent companies, the Ministry of Economy and Finance and the Bank of Italy. These receivables amount to a total of € 115.1 million net of the write-downs made that consider the uncertainty relating to the recognition of the transport costs incurred by the Poligrafico as amply illustrated in the Notes to the Parent Company's Management Report.

Receivables from companies subject to the control of parent companies amount to euro 2.4 million. These mainly relate to the Parent Company's receivables from Rai as part of the service contract for the supply and delivery of the gold tokens of prize games, and from other related parties following the service of advertisements in the Gazzetta Ufficiale for the publication of tenders of procurement.

Tax receivables totalled euro 4.2 million and consisted mainly of IRES and IRAP credits and taxes claimed for reimbursement by the parent company Poligrafico.



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Tax credits values in thousands of euros	31.12.2021	31 December 2020	Changes
VAT credits	1,065	1,262	(197)
IRAP receivables	24	7,348	(7,324)
IRES credits	1,231	1,549	(318)
Credits for various taxes	1,832	4,079	(2,247)
<b>Total</b>	<b>4,152</b>	<b>14,238</b>	<b>(10,086)</b>

Deferred tax assets amount, in total, to euro 21.8 million, and have been recognised to take into account future tax charges attributable to temporary differences between book values recorded in the financial statements and the corresponding values taken into account for tax purposes by the subsidiary Valoricarta and the Parent Company.

Other receivables, amounting to a total of 2 million euro, refer to receivables accrued from the insurance company Generali for premiums paid for the collective capitalisation policy that will be collected in 2022, advances paid to suppliers, receivables from employees, and receivables from social security and insurance institutions.

Other credits values in thousands of euros	31.12.2021	31 December 2020	Change
Advances to suppliers	897	1,576	(679)
Receivables from INPS Treasury Fund	198	47	151
Receivables from INA severance pay policy	812	2,038	(1,226)
Other receivables	3	0	3
Receivables from personnel	6	9	(3)
Due from INAIL (national institute for insurance against industrial accidents)	129	69	60
<b>Total</b>	<b>2,045</b>	<b>3,739</b>	<b>(1,694)</b>

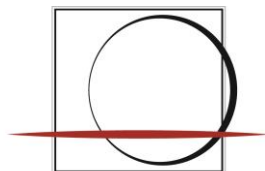
### C. IV Liquid availability

Cash and cash equivalents amounted to euro 469.9 million. They refer to liquid funds on bank current accounts, money, checks and securities at the company coffers.

### D. Prepayments and accrued income

This item includes, on an accrual basis: accrued income amounting to €1.5 million and referring to the returns accrued until 2021 on the insurance policy; prepayments amounting to €3.5 million





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are related to suspended costs on insurance policies, software support contracts, various fees and subscriptions.

## BALANCE SHEET

### LIABILITIES

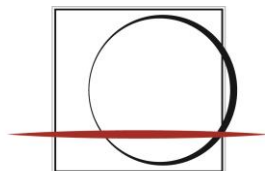
#### A. Shareholders' Equity

The consolidated financial statements as of 31 December 2021, of the Istituto Poligrafico e Zecca dello Stato Group, closed with a total profit of 51 million euros, attributable to the Group.

Total shareholders' equity attributable to the Group, including the result for the year, is therefore equal to 473.1 million euros.

As required by article 2427 of the Civil Code, an analytical table of the items of the Shareholders' Equity is indicated below with an indication of their origin.

<i>values in thousands of euros</i>	Share Capital	Legal Reserve	Reserve available	Contributions pursuant to Law 64/86	Result for the year	Minority interests	Total
<b>Values at beginning of year Group</b>	<b>340,000</b>	<b>44,104</b>	<b>30,940</b>	<b>551</b>	<b>83,338</b>	<b>0</b>	<b>498,933</b>
Allocation of the operating result							
Other allocations		4,206			(4,206)		0
Dividends distribution					(79,923)		(79,923)
Distribution of reserves			(791,)		791		0
Profits and losses for the financial year					54,454		54,454
<b>Group total 31-Dec-20</b>	<b>340,000</b>	<b>48,310</b>	<b>30,149</b>	<b>551</b>	<b>54,454</b>	<b>0</b>	<b>473,464</b>
Allocation of the operating result							
- Other destinations		2,702			(2,702)		0
- Dividend distribution					(51,348)		(51,348)
- Previous years' results			404		(404)		0
Profits and losses for the financial year					51,021		51,021
<b>a) Group total 31-Dec-21</b>	<b>340,000</b>	<b>51,012</b>	<b>30,553</b>	<b>551</b>	<b>51,021</b>	<b>0</b>	<b>473,137</b>
<b>Values at start of year Third parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(185)</b>	<b>8,002</b>	<b>7,817</b>
Allocation of the operating result							
Third party capital and reserve					185	(185)	0
Minorities (profit)/loss					85	0	85



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<b>Total minority interests 31-Dec-20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>7,817</b>	<b>7,902</b>
Allocation of the operating result					(85)	85	0
Third party capital							
Profits and losses for the financial year					32		32
<b>b) Total of third parties 31-Dec-21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>7,902</b>	<b>7,934</b>
<b>a)+b) Consolidated total 31-Dec-21</b>	<b>340,000</b>	<b>51,012</b>	<b>30,553</b>	<b>551</b>	<b>51,053</b>	<b>7,902</b>	<b>481,071</b>

7 bis, art. 2427 of the Civil Code, an analytical table of all the items of the Shareholders' Equity is indicated below with an indication of their origin, possibility of use and distribution, as well as their use in previous years.

<i>values in thousands of euros</i>	31/12/2021	Useful life	Available portion		Summary of uses during the three previous years
Share Capital	340,000				
Capital reserves:					
Capital contribution	551	B			
Other reserves					
Profit reserves:					
Legal reserve	51,012	B	51,013	(1)	
Reserve available	30,553	A, B, C	30,553	(2)	
Operating result	51,021				
<b>Group net equity</b>	<b>473,137</b>				
Minority interests	7,902				
Minorities (profit)/loss	32				
<b>Minority interests</b>	<b>7,934</b>				

**Key:**

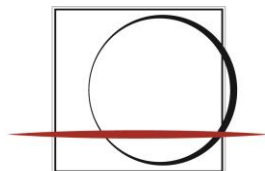
- A share capital increase
- B loss coverage
- C distribution to members

- (1) Non-distributable portion
- (2) Distributable portion

The following statement shows the reconciliation, as at 31 December 2021, between the equity of the Parent Company and the consolidated equity.

*Statement of reconciliation between Net Equity and Profit for the year of the Istituto Poligrafico and Zecca dello Stato SpA as of 31 December 2021 and the Net Equity and the Consolidated Result for the year*

<i>values in thousands of euros</i>	Group		Third parties		Consolidated	
	Shareholders'	Net Profit	Shareholders'	Net Profit	Shareholders'	Net Profit



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

<b>Poligrafico Annual Report 31-Dec-21</b>	<b>423,435</b>	<b>50,851</b>			<b>423,435</b>	<b>50,851</b>
<i>Net equity of consolidated companies</i>						
Valoridicarta	35,350	143	7,900	32	43,250	175
Futuro & Conoscenza	8		2	0	10	0
<i>Elimination of the book value of participations</i>						
Valoridicarta	(35,800)				(35,800)	
Futuro & Conoscenza	(8)				(8)	
Intra-group profits	(869,)	27			(869)	27
<b>Consolidated Financial Statements 31-Dec-21</b>	<b>422,116</b>	<b>51,021</b>	<b>7,902</b>	<b>32</b>	<b>430,018</b>	<b>51,053</b>

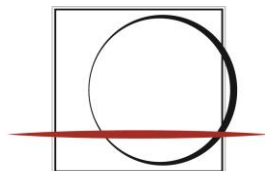
## B) Provisions for risks and charges

The change in the consistency, formation and use of the provision for risks and charges pursuant to article 2427 no. 4 of the Civil Code is represented below: the provision for other risks and charges is intended to face risks and charges of certain or probable existence, whose amount or date of occurrence could not be determined at the end of the year. The provisions reflect best and prudent estimates based on the information available at the date of the financial statements. Included in this fund are: This provision includes: the provision for litigation risks, intended to cover, according to prudential criteria, the potential liabilities that could derive from legal disputes in progress and possible settlement agreements; the provision for risks associated with investee companies, intended to cover liabilities that could arise from the commitments undertaken in the liquidation process of some subsidiaries; the provision for industrial risks, determined by evaluating, according to prudential criteria, the potential liabilities that could derive from the definition of commercial and industrial items as well as from possible non-existence of assets. For further information on the analysis of the funds, please refer to the information reported in the Parent Company's notes.

## C) Staff severance indemnity

Employee termination indemnities amounted to €8.6 million and represent, for employees employed at 31 December 2021 by the Parent, the liability accrued and remaining with the company under Legislative Decree no. 252 of 5 December 2005, as amended by Law no. 296 of 27 December 2006 (2007 Finance Act). Employees of the subsidiaries, Valoridicarta and Futuro&Conoscenza, following the provisions of the aforementioned Law, paid their severance indemnity into pension funds or the Treasury Fund managed by INPS.

A total of 48 left during the year resources and 98 were hired.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Details of the changes that took place during the year are shown below:

Termination Payment Values in thousands of euros	
<b>As at 01 January 2021</b>	<b>11,398</b>
<b>Movements in the year</b>	
Allocation to the income statement	5,119
Indemnity paid to retired or resigned staff	(2,804)
Advances pursuant to Legislative Decree no. 297/1982	(283,)
Transfers to Pension Funds	(1,812)
Transfers to the Treasury Fund at IPNS	(2,535)
Solidarity contribution 0.5%	(332,)
Substitute tax on revaluations	(64)
Adjustments to assessments	(72)
<b>As at 31 December 2021</b>	<b>8,615</b>

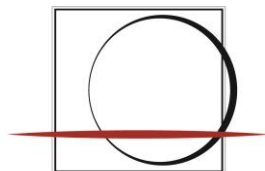
## D. Debts

Debts amount to a total of euro 304.6 million, the breakdown of debts by maturity is as follows:

<i>values in thousands of euros</i>	31.12.2021			31 December 2020			Changes
	Within the year	Beyond the financial year	Total	Within the year	Beyond the financial year	Total	
Other loans	230	4,446	4,676	218	4,676	4,894	(218)
Payments on account	989		989	56		56	933
Trade payables	121,216		121,216	126,322		126,322	(5,542)
Towards unconsolidated parent companies	65,790		65,790	108,217		108,217	(42,427)
Towards companies subject to the control of the parent companies	4,139		4,139	9,800		9,800	(5,661)
Tax	84,802		84,802	98,105		98,105	(13,318)
Towards welfare and social security institutions	5,004		5,004	5,348		5,348	(344)
Due to others	17,953		17,953	16,064		16,064	2,340
<b>Total Payables</b>	<b>300,123</b>	<b>4,446</b>	<b>304,569</b>	<b>364,130</b>	<b>4,676</b>	<b>368,806</b>	<b>(64,237)</b>

Amounts due to other lenders amount to 4.7 million euro and relate to loans granted to the Parent Company by the Cassa Depositi e Prestiti between 1978 and 1980.

Advances amount to euro 989,000, and relate to the remainder of advances received from private customers for the purchase of the 2021 numismatic collections, subscriptions to the Official Gazette, and publishing publications.



## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Payables to suppliers they amount to 121.2 million euros and refer to the supply of goods and services not yet paid at the end of the year.

Payables to non-consolidated parent companies amount to €65.8 million and include advances received from the Ministry of Economy and Finance on "chapter" deliveries over deliveries made up to 2018; the countervalue to be paid to the counterparty for the demonetisation of the Lira and euro; royalties for the sale of the 2021 numismatic collection. In addition, this item includes the funding disbursed by the Ministry of Economy and Finance, to the Poligrafico, to meet the payment of injunctions promoted by Unicredit Factoring, as amply illustrated in the Report on the Management of the Parent Company.

Payables to companies subject to the control of the parent company amounting to euro 4.1 million, mainly refer to the Parent Company's debt to related parties, i.e. entities controlled by the Ministry of Economy and Finance.

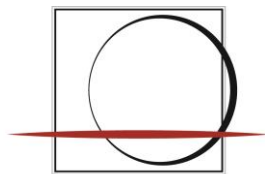
Taxes payable amount to euro 84.8 million, of which deferred VAT payable is euro 81.6 million. The remainder represents the Group's liability relating to IRAP for the period, withholdings made from employees and paid to the Treasury in January 2022.

Pension and social security payables amount to a total of euro 5 million and refer to payables accrued in December for contributions and severance indemnity and paid in 2022. Furthermore, this item includes the payable for social security contributions to be paid by the Parent Company and employees, paid in installments because of the earthquakes of 2002.

Other payables amounted to euro 18 million and mainly related to payables to personnel for accrued accruals.

<i>values in thousands of euros</i>	<b>31.12.2021</b>	<b>31 December 2020</b>	<b>Change</b>
Advances from customers		1	(1)
Payables to employees	16,940	15,246	1,694
Security deposits received	742	187	555
Other debts	271	630	(359)
<b>Total Other payables</b>	<b>17,953</b>	<b>16,064</b>	<b>1,889</b>

### **E. Accrued Expenses and Deferred Income**



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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Under this item, accrual accrued expenses, were recognised as a substitute tax on income accruing on the collective policy as at 31 December 2021, and accrued expenses, related to subscriptions and evolutionary maintenance fees invoiced in advance.

## **INCOME STATEMENT**

### **A) Production value**

The value of production, as shown in the consolidated income statement, amounted to euro 444.7 million.

#### **A.1 Revenues from sales and services**

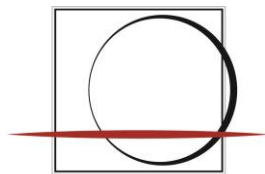
The revenues from sales and services amounted to euro 438.1 million. Although the effects of the Covid-19 pandemic crisis continued to be felt throughout 2021, the Group ensured the planned production levels for its main product lines, adapting to customer needs and guaranteeing the required service levels, while maintaining control over operating costs.

Recognition documents are consolidated as the Group's main products. Regarding turnover, the supply chain as a whole recorded a 13% increase, despite the health emergency and Circulars 5 (March 2020) and 14 (December 2020) of the Ministry of the Interior and Decree-Law no. 56 of 30 April 2021, which extended the validity of expired documents (until 30 September 2021 for CIE and until 31 July 2021 for PSE).

The electronic identity card (CIE) remains one of the leading products within the portfolio, with euro 103 million turnover. The demand for electronic passports decreased, which was reflected in the turnover by 43% compared to last year.

Turnover of 29.6 million euro for electronic residence permits is on the rise, reflecting the higher number of applications received by police headquarters, an increase of 38 per cent compared to 2020.

Turnover of the Security Printing business (euro 124 million) was generated by pharmaceutical labels, although the product decreased compared to the volumes generated in the previous year. The production of paper for Euro banknotes generated a turnover of euro 19 million by the subsidiary Valoridicarta. Sales of the wine labels, tobacco pre-cut stamps, alcohol labels and plates are on the rise.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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Turnover from insertions in the Official Journal, and numismatics increased; the contribution made by the election event resulted in a turnover of euro 6.4 million in the run-up to the 2021 elections.

The 2021 quota of Ordinary Coinage, requested by the Ministry of Economy and Finance, amounted to 196 million pieces, with a turnover of more than euro 22 million.

## **A.2 Change in inventories of work in progress, semi-finished and finished products**

The change in inventories of work in progress, semi-finished and finished products is positive by euro 1.7 million. It is attributable to the higher values of inventories of work in progress and finished products.

## **A.5 Other income**

Other revenues and income totalled euro 4.8 million. This item includes operating grants, lease payments for property and machinery, compensation for claims suffered, reimbursement of expenses, penalties and capital gains on the sale of assets.

## **B) Production costs**

Costs of production resulting from the consolidated profit and loss account amount to euro 373.9 million; all purchases of goods and services are up compared to the figures for 2020, to be related not only to higher production volumes, but also to the increase in energy products. With a view to improving efficiency, the Group continued to control costs, internalization processes and rationalization of inventories.

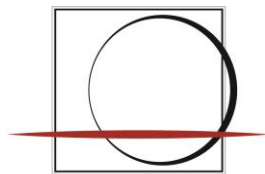
## **B.6 Costs for raw materials, consumables and goods**

Costs for raw materials, consumables and merchandise amount to euro 83.3 million and relate to the purchase of raw materials for the Group's production needs, where no inventories exist.

## **B.7 Costs for services**

Costs for services amount to euro 116.9 million. This item summarizes all the services supporting the production activity, including the work performed externally, the maintenance and supplies of energy, water and gas, transport costs, postal and shipping costs, as well as all technical consultancy, legal and notary public. For more details, please refer to what is indicated in the Notes to the Parent Company.





POLIGRAFICO E ZECCA DELLO STATO ITALIANO

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### **B. 8 Use of third-party assets**

Lease and rental costs amount to euro 4.9 million. This item includes the rental of the production site in Verrès and the commercial premises in Piazza Verdi, the fees paid for software licenses and the rental of office machines.

### **B.9 Personnel costs**

Personnel costs totalled euro 100.8 million, in line with last year's figures. A total of 48 resources left and 98 were hired.

This item also includes the cost incurred for the use of temporary staff amounting to approximate euro 3 million.

For further details on average occupancy, please refer to the “Other Information” chapter.

### **B.10 Depreciation and write-downs**

Depreciation and amortisation totalled euro 42 million, this item includes: amortisation of intangible assets in the amount of euro 6.3 million and amortisation of tangible assets in the amount of euro 35.7 million.

### **B.11 Change in inventories of raw, ancillary and consumable materials and goods**

The change in inventories of raw, ancillary and consumable materials and goods was a positive euro 5.2 million, attributable to the increased consumption of raw materials used in the production process by the Group.

### **B.12 Provisions for risks**

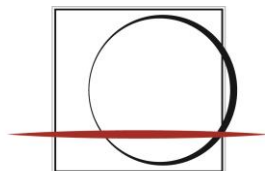
Provisions for risks amounted to euro 26 million, made in connection with risks and charges potentially affecting the Group.

### **B.14 Other operating expenses**

Other operating expenses amounted to euro 5.3 million. The item consists of indirect taxes and miscellaneous taxes (euro 4.1 million), differences on assessments, membership fees and miscellaneous operating expenses.

## **C. Financial income and expenses**

Net financial management is positive by euro 1.5 million. The trend in interbank interest rates, to which the remuneration of liquidity is substantially linked, generated a positive effect of € 1.6 million. Credit interest rates decreased both on current accounts and on term deposits, thanks to the liquidity of the banks as well as the application of negative interest on deposits by the European



## POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Central Bank. Interest expense refers to the loans taken out by the parent company.

### Income taxes for the year

The Group has determined and allocated the taxes for the year based on the application of the tax laws in force.

Current taxes, amounting to euro 21.2 million, refer to corporate income tax (Ires) for the year, euro 16.5 million, 24% of taxable income, and regional tax on production activities (Irap) for approximately euro 4.7 million (4.82% for Lazio and Puglia, 4.2% Trentino Alto Adige and 3.1% Valle d'Aosta).

The subsidiary Valoridicarta only recognised the tax on production activities (IRAP). Due to the downward adjustment to the business income generated by the 'Hyper-amortisation' tax relief, the company closed with a tax loss.

### Other Information

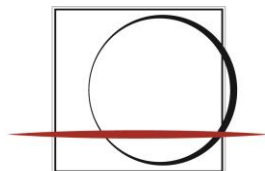
*Details of contributions received pursuant to Article 1, paragraphs 125-129 of Law 124/2017*

<b>Granting body</b>	<b>nature</b>	Amount values in thousands of euros.	<b>collection date</b>
GSE	photovoltaic	5,006	31.01.2021
GSE	photovoltaic	1,344	11.03.2021
GSE	photovoltaic	4,774	12.04.2021
GSE	photovoltaic	4,774	30.04.2021
GSE	photovoltaic	4,774	11.06.2021
GSE	photovoltaic	4,411	15.07.2021
GSE	photovoltaic	4,411	19.08.2021
GSE	photovoltaic	4,411	03.09.2021
GSE	photovoltaic	4,293	05.10.2021
GSE	photovoltaic	4,293	05.10.2021
GSE	photovoltaic	4,293	10.12.2021
GSE	photovoltaic	4,293	31.12.2021
<b>Total contributions received</b>		<b>51,077</b>	

*The amount of credits and debts with a residual duration of more than five years and debts secured by guarantees (Article 2427, point 6) of the Italian Civil Code)*

The debt and credit positions which, based on the respective contractual relationships, have a residual duration of more than five years, are the following:

- financial assets - Receivables from others for security deposits paid amount to 67,000 euro;
- debts to other lenders amounting to €3.4 million.



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

*The amount of financial charges recognized under assets (Article 2427, point 8) of the Italian Civil Code)*

There are no financial charges attributed to the values recognized in the assets of the balance sheet.

*Commitments, Guarantees and Contingent Liabilities not Recognised in the Balance Sheet (Art. 2427 (9) Civil Code)*

Own guarantees given:

- guarantees endorsements and non-real guarantees amount to euro 11.4 million in respect of participation and/or tenders.

Other:

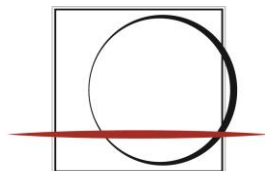
- third-party securities as security/guarantee amount to EUR 500 and refer to securities paid by suppliers as a guarantee for obligations undertaken;
- third-party assets in process amount to euro 3.7 million;
- third-party assets on deposit amount to euro 3.3 million.

**Breakdown of receivables, payables and revenues from sales and services according to business categories and geographic areas (Article 2427, point 10) of the Civil Code)**

Sales and service revenues amounted to euro 438 million. The breakdown by geographical area is shown in the following table:

<i>values in thousands of euros</i>	2021			2020			Change
	Italy	Abroad	Total	Italy	Abroad	Total	
Identification documents	172,882	1	172,883	152,908	13	152,921	19,962
Security print	102,713	2,421	105,134	99,061	3,353	102,414	(753)
Banknote paper	18,538	561	19,099	20,443		20,443	(752)
Plaques	49,300		49,300	47,300		47,300	(15,652)
Electoral materials	13,573		13,573	18,789		18,789	(15,654)
Administrative Legal	37,615	87	37,702	35,682	85	35,767	(3,065)
Numismatic coinage, medals and philatelics	30,442	8,213	38,655	36,122	7,157	43,279	(2,566)
Other assets	1,428	367	1,795	1,003	7	1,010	(1,243)
<b>Total</b>	<b>426,491</b>	<b>11,650</b>	<b>438,141</b>	<b>411,308</b>	<b>10,615</b>	<b>421,923</b>	<b>(19,723)</b>

*Credits by geographical area*



POLIGRAFICO E ZECCA DELLO STATO ITALIANO

Receivables in their territorial breakdown are as follows

<i>values in thousands of euros</i>	<b>31.12.2021</b>			<b>31 December 2020</b>			<b>Change</b>
	Italy	Abroad	Total	Italy	Abroad	Total	
<b>Receivables recorded in fixed assets</b>							
Other accounts receivable	1,744		1,744	1,828		1,828	(84)
<i>Sub total</i>	1,744	0	1,744	1,828	0	1,828	(84)
<b>Receivables from current assets</b>							
Trade receivables	33,065	1,549	34,614	38,057	1,659	39,716	(5,102)
Towards affiliated companies	1,171		1,171	767		767	404
Towards non-consolidated parent companies	115,095		115,095	158,379		158,379	(43,284)
Towards companies controlled by the parent companies	2,442		2,442	2,199		2,199	243
Tax	4,152		4,152	14,238		14,238	(10,086)
Deferred tax assets	21,815		21,815	21,815		21,815	0
Due to others	2,045		2,045	3,740		3,740	(1,695)
<i>Sub total</i>	179,785	1,549	181,334	239,195	1,659	240,854	(59,520)
<b>Total</b>	<b>181,529</b>	<b>1,549</b>	<b>183,078</b>	<b>241,023</b>	<b>1,659</b>	<b>242,682</b>	<b>(59,604)</b>

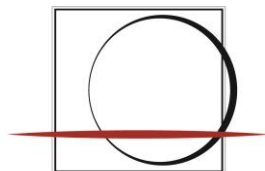
*Debt by geographical area*

The debts in their territorial distribution are set out below

<i>values in thousands of euros</i>	<b>31.12.2021</b>			<b>31 December 2020</b>			<b>Changes</b>
	Italy	Abroad	Total	Italy	Abroad	Total	
Other loans	4,676		4,676	4,894		4,894	(218)
Payments on account	989		989	56		56	933
Trade payables	118,087	3,129	121,216	120,739	5,583	126,322	(5,106)
Towards non-consolidated parent companies	65,790		65,790	108,217		108,217	(42,427)
towards companies subject to the control of the parent companies	4,139		4,139	9,800		9,800	(5,661)
Tax	84,802		84,802	98,105		98,105	(13,303)
towards welfare and social security institutions	5,004		5,004	5,348		5,348	(344)
From others	17,953		17,953	16,064		16,064	1,889
<b>Total</b>	<b>301,440</b>	<b>3,129</b>	<b>304,569</b>	<b>363,223</b>	<b>5,583</b>	<b>368,806</b>	<b>(64,237)</b>

*Income or cost elements of exceptional size or incidence (Article 2427 point 13) of the Italian Civil Code)*

No revenue or cost elements of exceptional size or incidence were recorded.



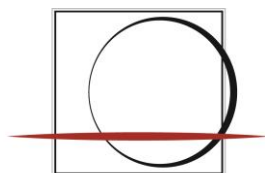
POLIGRAFICO E ZECCA DELLO STATO ITALIANO

*Employment data (Article 2427 point 15) of the Civil Code)*

The number of Group employees on 31 December 2021, broken down by category, is shown in the following table.

	31.12.2021	31 December 2020	Changes	average	
				2021	2020
Executive Managers	30	29	1	28	28
Office workers	925	905	20	914	968
Manual workers	689	661	28	690	713
<b>Total</b>	<b>1,644</b>	<b>1,595</b>	<b>49</b>	<b>1,633</b>	<b>1,709</b>
<b>Valoricarta</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>8</b>
<b>Futuro &amp; Conoscenza</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Group total</b>	<b>1,652</b>	<b>1,602</b>	<b>50</b>	<b>1,640</b>	<b>1,717</b>
Staff in administration	56	35	21	61	34
<b>Overall total</b>	<b>1,708</b>	<b>1,637</b>	<b>71</b>	<b>1,702</b>	<b>1,751</b>

During the year a total of 48 employees left the service and 98 were hired resources. At the end of the year, there were 56 supply contracts unit.



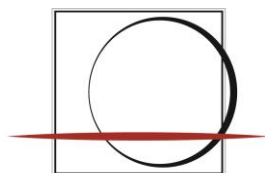
POLIGRAFICO E ZECCA DELLO STATO ITALIANO

*Economic and Financial Statements*

Pursuant to the provisions of Legislative Decree 127/91, as amended by Legislative Decree. 32/2007, as amended by Legislative Decree 32/2007 transposing Directive 51/2003 / EC, the Parent Company made use of the option provided for by art. 40, paragraph 2 bis; therefore, with reference to all the income, equity and financial analyzes, reference is made to what is indicated in the Report on Operations - Statutory Financial Statements at 31 December 2021 of the parent company, Istituto Poligrafico e Zecca dello Stato SpA The following tables show the Group's main income statement and balance sheet aggregates, appropriately reclassified:

*reclassified income statement*

<i>values in thousands of euros</i>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
Revenues from sales and services	438,141	421,923	16,218
Change in inventories of finished and semi-finished products	1,665	(2,664)	4,329
<b>Product of the year</b>	<b>439,806</b>	<b>419,259</b>	<b>20,547</b>
Purchase of materials	(83,291)	(72,822)	(10,469)
Change in inventories of raw materials	5,233	(2,436)	7,669
Services	(116,883)	(101,937)	(14,946)
Use of the use of third party assets.	(4,896)	(3,647)	(1,249)
Other expenses	(5,269)	(4,713)	(556)
Other revenues and income	4,872	5,352	(480)
<b>Value added</b>	<b>239,572</b>	<b>239,056</b>	<b>516</b>
Staff costs	(100,846)	(100,824)	(22)
<b>Gross operating profit (EBITDA)</b>	<b>138,726</b>	<b>138,232</b>	<b>494</b>
<i>Depreciation and Amortisation:</i>			
Intangible assets	(6,317)	(4,469)	(1,848)
Tangible fixed assets	(35,686)	(33,488)	(2,198)
<b>Operating result before provisions</b>	<b>96,723</b>	<b>100,275</b>	<b>(3,552)</b>
Provisions for risks	(25,943)	(25,000)	(943)
<b>Operating result after provisions</b>	<b>70,780</b>	<b>75,275</b>	<b>(4,495)</b>
Financial income	1,753	2,065	(312)
Interest and other financial charges	(269)	(276)	7
<b>Result before taxes</b>	<b>72,264</b>	<b>77,064</b>	<b>(4,800)</b>
Taxes for the year	(21,211)	(22,525)	1,314
<b>Profits and losses for the financial year</b>	<b>51,053</b>	<b>54,539</b>	<b>(3,486)</b>
<i>of which</i>			0
<b>Group result</b>	<b>51,021</b>	<b>54,454</b>	<b>(3,433)</b>
<b>Third Party Result</b>	<b>32</b>	<b>84</b>	<b>(52)</b>

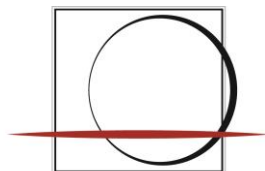


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*analysis of the capital structure*

<i>values in thousands of euros</i>	<b>31.12.2021</b>	<b>31 December 2020</b>	<b>Changes</b>
<i>Fixed assets:</i>			
intangible	13,619	5,938	7,681
materials	248,638	255,499	(6,861)
financial	6,696	6,782	(86)
- participation	4,952	4,952	0
- credits and other titles	1,744	1,830	(86)
<i>Total intangible assets</i>	<b>268,953</b>	<b>268,219</b>	<b>734</b>
<i>Working capital:</i>			
Inventories	74,465	67,493	6,972
Trade receivables	34,614	39,716	(5,102)
Receivables from related parties	118,708	161,345	(42,637)
Tax receivables	25,966	36,052	(10,086)
Other assets	2,045	3,740	(1,695)
Accruals and Deferrals	4,619	3,865	754
Trade payables	(122,204)	(126,378)	4,174
Payables to related parties	(69,929)	(118,017)	48,088
Tax and social security payables	(89,807)	(103,453)	13,646
Provisions for risks and charges	(205,037)	(203,890)	(1,147)
Other liabilities	(17,953)	(16,064)	(1,889)
<i>Total working capital</i>	<b>(244,513)</b>	<b>(255,591)</b>	<b>11,078</b>
<b>Capital invested (net of operating liabilities)</b>	<b>24,440</b>	<b>12,628</b>	<b>11,812</b>
Employee severance indemnity	<b>(8,615)</b>	<b>(11,398)</b>	<b>2,783</b>
<b>Capital invested (after deduction of TFR Liabilities)</b>	<b>15,825</b>	<b>1,230</b>	<b>14,595</b>
<b>Cover by:</b>			
<i>Own capital:</i>			
Share	340,000	340,000	0
Reserves and results carried forward	82,116	79,010	3,106
Operating result	51,021	54,454	(3,433)
<i>Total equity</i>	<b>473,137</b>	<b>473,464</b>	<b>(327)</b>
Minority interests	7,934	7,902	32
<i>Total Shareholders' Equity</i>	<b>481,071</b>	<b>481,366</b>	<b>(295)</b>
<i>Medium and long-term financial debt</i>	4,446	4,676	(230)
<i>Short-term financial debt (net cash)</i>			
Net financial debt	230	218	12
Availability and short-term financial receivables	(469,922)	(485,030)	15,108
<i>Total net cash available</i>	<b>(469,692)</b>	<b>(484,812)</b>	<b>15,120</b>
<b>Total coverage</b>	<b>15,825</b>	<b>1,230</b>	<b>14,595</b>





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Please refer to the contents of the Explanatory Notes and the Management Report of the Parent Company for further details and for the significant events which occurred after the close of the financial year.