



SPAFID
CONNECT

Informazione Regolamentata n. 20076-47-2022	Data/Ora Ricezione 15 Settembre 2022 07:42:34	Euronext Milan
---	---	----------------

Societa' : GIGLIO GROUP

Identificativo : 167020

Informazione
Regolamentata

Nome utilizzatore : GIGLION01 - Mazzitelli

Tipologia : 1.2

Data/Ora Ricezione : 15 Settembre 2022 07:42:34

Data/Ora Inizio : 15 Settembre 2022 07:42:36

Diffusione presunta

Oggetto : GIGLIO GROUP SPA: THE BOARD OF
DIRECTORS APPROVES THE RESULTS
OF THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS AS OF 30 JUNE 2022

Testo del comunicato

Vedi allegato.



**THE BOARD OF DIRECTORS APPROVES THE RESULTS
OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022:**

THE TREND IS POSITIVE

***Revenues in line with previous year and EBITDA significantly improving
if compared to 30 June 2021***

- Consolidated REVENUES, equal to € 19.6 million, include the incomes of the transfer of the Loyalty business unit, as mentioned in the "Significant Events During the First Six Months of the Fiscal Year" paragraph, and are in line with the consolidated figures of the same period for the previous fiscal year (€ 19.5 million as of 30 June 2021).
- The EBITDA shows a positive trend of € 827,000 million (€ -705,000 consolidated figures as of 30 June 2021).
- The EBIT, equal to € 232,000, shows a positive trend if compared to 30 June 2021 (€ -1,549,000).
- The Group's NET FINANCIAL POSITION, equal to € 15.8 million, is improving if compared to 31 December 2021, when it amounted to € 17.1 million.
- The NET PROFIT, equal to € -252,000, is improving significantly if compared to the previous year (€ -1,976,000).

Milan, 15 September 2022 – Yesterday, Giglio Group S.p.A. (Ticker GG), a company listed on the MTA-STAR segment of the Italian stock-exchange market managed by Borsa Italiana S.p.A., announced that its Board of Directors, which met on 14 September 2022, approved the Interim Condensed Consolidated Financial Statements as of 30 June 2022.

Alessandro Giglio, CEO and Chairman of the Group, commented: *"We are very satisfied because, in spite of the difficulties generated by the war and by the impossibility to export our clients' products in an important reference market for the Luxury sector such as Russia's, we still recorded significantly growing revenues, EBITDA and EBIT if compared to 2021 H1, thus bringing the Company back on positive grounds. Many new projects such as the enhancement of the Giglio Food division and newly subscribed or soon-to-be-subscribed agreements, together with the benefits generated by the streamlining of costs and resources, are allowing us to look with tangible optimism towards the end of 2022 as well as to the years to come".*

Consolidated Financial Activity Overview as of 30 June 2022

The consolidated revenues, equal to € 19.6 million, include the incomes of the transfer of the Loyalty business unit, as mentioned in the "Significant Events During the First Six Months of the Fiscal Year" paragraph, and are in line with the consolidated figures of the same period for the previous fiscal year (€ 19.5 million as of 30 June 2021). The EBITDA showed a positive trend, accounting for € 827,000 (€ -705,000 on consolidated figures as of 30 June 2021), ascribable to the complete revisions undertaken with the supply and consulting contracts, as well as to the sales carried out with higher margins. The Net Profit amounts to € -252,000 (€ -198,000 consolidated figures of the same period in the previous fiscal year).

Consolidated Financial Statements Overview as of 30 June 2022

The Net Invested Capital of the Group at 30 June 2022, equal to € 13.4 million, is principally comprised of Net Fixed Assets (€ 16.7 million), and of Net Working Capital (€ -3.6 million).

Property, Plant and Equipment (which include also the right-of-use on existing leasing contracts), equal to € 0.6 million, decreased (net of the period's amortisations) mainly due to the termination of the leasing contract for the building used by E-Commerce Outsourcing S.r.l., whose right was valued on the basis of IFRS 16.

Intangible Assets, equal to € 15.8 million, are mainly ascribable to the goodwill for the acquisition of Giglio Fashion, of the IBOX Group, of E-Commerce Outsourcing S.r.l. and of Salotto di Brera (collectively worth € 13.4 million). The movement describes (net of the period's amortisations) increases for capitalised development costs borne entirely for the implementation and integration of IT platforms on subsidiary E-Commerce Outsourcing S.r.l..

Financial Fixed Assets, equal to € 0.3 million, are mainly ascribable to the guarantee deposits paid relating to rental contracts for the buildings at Milan and Rome.

More specifically, the change in financial debt can also be ascribed to the following factors:

E. Current financial liabilities The decrease can be ascribed to the improvement of the negative exposure to the banking system, mainly because of the advance payments on invoices.

F. Current portion of non-current liabilities: The current portion of amortised loans is in line with the previous year.

I. Non-current financial liabilities: The Group's Net Financial Debt improved on the previous year due to the repayment of principal on loans, as per amortisation plan.

J. Debt instruments: As of 30 June 2022, the non-current Financial Debt includes the long-term EBB S.r.l. bond.

K. Non-current trade and other payables: The account includes the long-term part of the debt arising from the settlement agreement reached on 7 March 2022 between Vertice Trescientos Sesenta Grados S.A., Squirrel Capital S.L.U. and the company that, following the new amendment introduced by ESMA was restated as net financial liability.

As of 30 June 2022, the net financial debt records, amongst its long-term liabilities, also the financial debt related to the EBB S.r.l. bond. The regulation governing the terms and conditions of said Bond includes also some commitments and limitations borne by the Company, including the financial covenants, which, should they occur, they would entail the loss of the benefit of the term, along with the obligation for the Company to fully reimburse in advance the Bond (the so-called events of major importance).

On 30 June 2022, EBB S.r.l., the bondholder, following the request received by Giglio Group S.p.A. to waive the contractual provisions of the bond issuing, resolved to authorise a suspension of the application of the thresholds for the financial covenants with regard to the Test Data of 30 June 2022.

The Company shall request to EBB Export S.r.l. a new suspension of the application of the thresholds for the financial covenants by 31 December 2022.

Significant Events During the First Six Months of the Fiscal Year

- On 12 January 2022, Giglio Group S.p.A. (Ticker GG), company listed on the MTA-STAR segment of Borsa Italiana S.p.A., after an year of intense work and important investments, has opened up its new business unit "Giglio Meta" dedicated to Metaverse and NFT projects. According to Chainalysis, in 2021, the global NFT market generated transactions for a value of \$ 26.9 billion in cryptocurrencies; with this specialised business unit Giglio has become the first Italian company completely developed for this futuristic digital segment of the market, also thanks to the experience accrued over these months of study, which is being applied to upcoming projects that will be announced shortly.
- On 26 January 2022, the Board of Directors acknowledged the resignation received on 14 January 2022 by Marco Riccardo Belloni and co-opted Carlo Micchi as new director of the Company.
- On 6 March 2022, the Company reached an agreement for the transfer of its Incentive & Loyalty business unit to Promotica S.p.A.. The operation was concluded upon the disbursement of a down-payment of € 853,000 by Promotica S.p.A. on 4 March 2022, against the full value of the transfer (€ 1,200,000), adjusted to the Net Working Capital as of the closing date. Moreover, with regard to the new NFT and Metaverse services, it is noted that on 7 March 2022, the company "Meta Revolution S.r.l." was established, with headquarters in Milan, Piazza Generale Armando Diaz, 6.
- On 7 March 2022, the Company subscribed a minutes of conciliation with Vertice Trescientos Sesenta Grados S.A. and Squirrel Capital S.L.U. in front of Milan's Court.
- On 28 March 2022, the Company approved the new Industrial Plan 2022-2026, which replaces the Industrial Plan 2021-2025 and its underlying assumptions.
- On 2 April 2022, Carlo Micchi was appointed as CFO and Financial Reporting Officer, replacing outgoing Francesco Barreca.
- On 13 April 2022, the leasing contract for 7Hype business unit was terminated due to its unproductiveness. The transaction entailed the disbursement of € 68,500 due to the early termination of the contract.
- On 30 April 2022, the Ordinary Shareholders' Meeting of Giglio Group S.p.A. resolved to approve the Financial Statements as of 31 December 2021 (for more details, see the Press Release published on 30 April 2022).

Significant Events Following the First Six Months of the Fiscal Year

- On 8 July 2022, the Parent Company subscribed the capital share increase of its subsidiary E-Commerce Outsourcing S.r.l. for a total amount of € 436,644, thus bringing its Share Capital to € 700,000. The capital share increase was aimed at strengthening the subsidiary's assets.

Outlook

The permanence of risks and uncertainties related to COVID-19 pandemics and to the current conflict in Ukraine requires further prudence in facing the near future. In this context, the e-commerce may seem to be aided by the forced slowdown of physical retail, and the ongoing cultural shift may reasonably lead towards the growth of digital stores (as seen also in the first months of 2021), the fact that the economic system is currently facing an incessant consumption crisis -paired with a drop in both enterprises and consumers' confidence index- cannot be underestimated. It is evident, then, that the benefit of digital sales

increases is not enough to support the decline of the other channels and, as such, productive companies will have to accelerate on the implementation of change, operational streamlining and digitalization processes. In this scenario, our B2C - E-Commerce Service Provider division will inevitably become subject to pressure for the numerous technological updates requested by our clients in order to increase sales and services more than proportionally if compared to an organic channel evolution that should have happened were we in a normal context. This situation, which is obviously going to saturate the productive capacity of the Group, calling for a constant investment to support growth, also implies a constant analysis on the strategic nature of its role with partnering brands (clients), thus becoming more and more a technical and process partner, but also an outsourcing service provider. The challenge the Group has to face in the following months is to remain in line with the requests of its clients, giving them greater attention, and to focus on new projects only in order to build long-term relationship with an elevated added value for the client and the Group both. In this context, the Group shall differentiate between sectors so as to reduce its dependence on the fashion world, thus focusing also in those sectors where business is already operative, such as e-commerce for retail, design, home decor, healthcare and food products. The B2B division, enabler for the marketing of products towards the marketplaces and the international distribution, on the one hand, benefits from the growth of its clients' marketplaces that, in turn, increases its volumes and market share in a quick and constant way, and on the other hand, is subject to a constant pressure on prices brought about by consumers' impoverishment, that leads marketplaces to implement significant promotions in order to keep purchases on a constant basis. Along with said context, the duties applied by the USA in China for import goods further squeeze the division's chances of growth, which shall operate more and more strategically and selectively with its partnering brands, increasing the number of marketplaces and countries and integrating the processes so as to boost efficiency. The expectations for this division are of being driven by the growth of its clients, albeit more and more demanding, by investing in business development in order to constantly consider new operators and new channels, but also by increasing the product categories in which to operate (fashion sector aside).

From the analyses of 2022 Q1, a substantial stability of the B2B division against the final data of the same period of 2021 is recorded, in line with 2022 budget figures. However, the positive expectations for the Food sector should be noted, considering the subscription of a new agreement for the supply of food products.

With regard to the B2C division, 2022 Q1 recorded an increase in revenues on the final data of the previous year as well as a slight drop if compared to provisional budget data. These drops, however, are currently being reabsorbed thanks to a strong recovery of the purchases during the months of July and August, mainly due to the consumers and to the delayed launch of some agreements that had already been subscribed.

The Company's outlook for 2022 does not include any significant negative impact arising from the military conflict in Ukraine, nor does it provide for relevant changes in the evolution of the healthcare emergency, thus excluding any further discontinuity and slowdowns in its global economic activities.

Deposit of documents

The Interim Condensed Consolidated Financial Statements as of 30 June 2022 shall be made available to the public at the registered office of the Company, on the website of the Company at www.giglio.org and on the authorised e-market storage mechanism at www.emarketstorage.com in line with the administrative formalities and deadlines set forth in applicable laws and regulations.

The Executive Officer for Financial Reporting, Carlo Micchi, declares, pursuant to Art. 154-bis, par. 2 of the CFA, that the accounting information contained in the present press release corresponds to the accounting figures, books and documents.

APPENDIX

Consolidated Financial Statements Overview as of 30 June 2022:

(Euro thousands)	30.06.2022	31.12.2021	Change
Intangible Assets	15,758	16,230	(472)
Property, Plant and Equipment	605	1,070	(465)
Financial Fixed Assets	309	238	71
Total Fixed Assets	16,672	17,538	(866)
Inventories	1,343	2,238	(895)
Trade receivables	8,259	9,928	(1,669)
Trade payables	(7,814)	(10,931)	3,117
Operating/Commercial Working Capital	1,788	1,235	553
Other current assets and liabilities	(5,362)	(3,939)	(1,423)
Net Working Capital	(3,574)	(2,704)	(870)
Provisions for risks and charges	(507)	(746)	239
Deferred tax assets and liabilities	800	757	43
Other non-current liabilities	-	-	-
Net Invested Capital	13,391	14,845	(1,454)
Total Net Invested Capital	13,391	14,846	(1,455)
Equity	2,493	2,296	197
Minority interest in equity	(63)	-	-
Net financial debt*	(15,821)	(17,142)	1,321
Total Sources	(13,391)	(14,846)	1,455

Net Financial Liabilities:

(Euro thousands)	30.06.2022	31.12.2021	Change
A Cash and cash equivalents	2,361	2,474	(113)
B Cash and cash equivalents			-
C Other current financial assets	2	2	(0)
D Cash & cash equivalents (A)+(B)+(C)	2,363	2,476	(113)
E Current financial liabilities	(3,425)	(2,132)	(1,293)
<i>of which with Related Parties</i>	<i>(85)</i>	<i>(16)</i>	<i>(68)</i>
F Current part of the non-current financial liabilities	(3,256)	(3,784)	528
G Current financial liabilities (E)+(F)	(6,681)	(5,916)	(765)
H Net current financial liabilities (G) - (D)	(4,318)	(3,440)	(878)
I Non-current financial liabilities	(8,280)	(8,933)	652
<i>of which with Related Parties</i>	<i>(626)</i>	<i>(626)</i>	<i>-</i>
J Debt instruments	(3,147)	(3,695)	548
K Non-current trade and other payables	(76)	(1,076)	1,000
L Non-current financial liabilities (I)+(J)+(K)	(11,503)	(13,704)	2,200
M Total financial liabilities (H)+(L)	(15,821)	(17,143)	1,323

Consolidated Financial Activity Overview as of 30 June 2022:

<i>(Euro thousands)</i>	30.06.2022	30.06.2021	Change
Revenues from contracts with customers	19,635	19,522	113
Operating Costs	(16,739)	(17,525)	786
Gross Margin	2,897	1,997	900
Gross Margin %	14.8%	10.2%	4.5%
Payroll expenses	(2,070)	(2,702)	632
EBITDA	827	(705)	1,532
EBITDA%	4.2%	(3.6)%	7.8%
Amortisation, depreciation & write-downs	(595)	(844)	249
EBIT	232	(1,549)	1,781
Net financial charges	(500)	(590)	90
PROFIT BEFORE TAXES	(268)	(2,139)	1,871
Income taxes	15	164	(149)
PROFIT FOR THE PERIOD	(252)	(1,976)	1,724
EBIT%	1.2%	(7.9)%	9.1%
PROFIT FOR THE PERIOD%	(1.3)%	(10.1)%	8.8%

Information on Giglio Group:

Founded by Alessandro Giglio in 2003 and listed on the STAR segment of Borsa Italiana ever since 2018, Giglio Group is the leading company for the design, creation and management of high value-added e-commerce platforms in Italy for Fashion, Design, Lifestyle and, more recently, Food and Healthcare sectors. The Company is based in Milan, but it is also present with offices in New York, Rome, Lugano and Genoa. Thanks to its remarkable expertise, Giglio Group accompanies its customers in the online distribution of their products through a unique platform, starting from the implementation of fully tailor-made and managed monobrand e-store. Moreover, the Company integrates its business with the dedicated placement on main marketplaces worldwide, ensuring the online management of both new collections and inventories stock. The uniqueness of a “complete-supply-chain” online service thus ensures a 100% sell-through rate.

For further information:

Investor Relations, Elena Gallo: ir@giglio.org; elena.gallo@giglio.org (+39)0283974207

Fine Comunicato n.20076-47

Numero di Pagine: 8