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Oggetto : GIGLIO GROUP SPA:THE BOARD OF  
DIRECTORS APPROVES THE INTERIM  
FINANCIAL REPORTS AS OF 30  
SETTEMBRE 2022, THE TREND IS  
POSITIVE

*Testo del comunicato*

Vedi allegato.



**THE BOARD OF DIRECTORS  
APPROVES THE INTERIM FINANCIAL REPORTS  
AS OF 30 SEPTEMBER 2022:  
THE TREND IS POSITIVE**

- The consolidated REVENUES, equal to € 27.8 million, are in line with the consolidated figures of the same period for the previous fiscal year (€ 27.8 million as of 30 September 2021).
- The EBITDA shows a positive trend of € 807,000 million, recording a significant improvement if compared to the consolidated figures as of 30 September 2021 (€ -953,000).
- The EBIT, equal to € -93,000, shows a very positive trend if compared to 30 September 2021 (€ -2,092,000).
- The Group's NET FINANCIAL POSITION, equal to € -17.5 million, shows a slight variation if compared to 31 December 2021, when it amounted to € -17.1 million.
- The NET PROFIT, equal to € -849,000, is improving if compared to the consolidated figures as of 30 September 2021 (€ -2.9 million)
- The Board of Directors approved the merger by incorporation of subsidiary E-Commerce Outsourcing S.r.l. into Giglio Group S.p.A.

**Milan, 10 November 2022** – 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. announces that yesterday afternoon, the Board of Directors of the Company approved the Interim Financial Report as of 30 September 2022, resolving also to proceed with the merger by incorporation of the fully-controlled subsidiary E-Commerce Outsourcing S.r.l. into the Parent company. The merger became opportune within the context of the corporate reorganisation toward the e-commerce industry (Fashion, Design and Food sectors) in which the Group is already engaged; the aim is a more efficient and streamlined administrative, accounting and financial management of the company, with the pooling of human and financial resources within a single entity.

**Alessandro Giglio, CEO and Chairman of Giglio Group, commented:** *"We are extremely satisfied with this quarter's results because, in spite of the difficulties posed by the ongoing war, we managed to generate revenues that remain in line with the previous year, also thanks to the good performance of all business units (net of the transfer of the Loyalty one in February), which made us reach a positive EBITDA that recorded a significant growth if compared to 30 September 2021. Our new projects, such as the commercial agreement with Donnafugata that we recently announced, but also other contracts that have already been signed or are about to be subscribed, when put together with the streamlining of costs (like the merger of E-commerce Outsourcing S.r.l. with Giglio Group), end up strengthening our corporate structure, creating a single, large group that managed to get rid of the useless doubling of corporate costs".*

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### **Consolidated Financial Activity Overview as of 30 September 2022**

The consolidated revenues, equal to € 27.8 million, are in line with the consolidated figures of the same period for the previous fiscal year (€ 27.8 million consolidated figures as of 30 September 2021).

Payroll costs dropped by € 1.2 million in witness of the current streamlining of structural costs.

The EBITDA showed a positive trend, accounting for € 807,000 (€ -953,000 on consolidated figures as of 30 September 2021), ascribable also to the sales carried out with higher margins.

The EBIT amounts to € -93,000, showing an improvement on the same period in the previous fiscal year (€ -2 million).

The Net Profit amounts to € -849,000 (€ -2.9 million consolidated figures of the same period in the previous fiscal year).

### **Consolidated Financial Statements Overview as of 30 September 2022**

The Net Invested Capital of the Group at 30 September 2022, equal to € 14.6 million, is principally comprised of Net Fixed Assets (€ 16.4 million), and of Net Working Capital (€ -2.2 million).

Intangible Assets, equal to € 15.5 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..

Property, Plant and Equipment (which include also the right-of-use on existing leasing contracts), equal to € 0.5 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.

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

The Group net financial debt amounts to € -17.5 million, highlighting a decrease on 31 December 2021 (€ -17.1 million) of € 385,000.

### **Significant Events During the First Nine 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).
- 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.

#### **Significant Events Following the First Nine Months of the Fiscal Year**

- On 10 November 2022, the Company signed an important e-commerce management services' agreement with Donnafugata, the world-famous Sicilian wine producer, following a call for tenders issued by Donnafugata and awarded to Giglio Group S.p.A..

#### **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 by the ongoing cultural shift; it is thus reasonably to hypothesise a constant growth of digital stores (as seen also in the first months of 2021), all the while keeping in mind that 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 first nine months, 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 in Q4 should be noted, considering the subscription of a new agreement for the supply of food products.

With regard to the B2C division, 2022 first nine months recorded an increase in revenues on the final data of the previous year, in line with provisional budget data.

The Company's outlook for 2022 Q4 does not include any significant negative impact arising from the military conflict in Ukraine, nor does it provides 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 September 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](http://www.giglio.org) and on the authorised e-market storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com) in line with the administrative formalities and deadlines set forth in applicable laws and regulations.

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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

### **STATEMENT OF FINANCIAL POSITION:**

<b>(Euro thousands)</b>	<b>30.09.2022</b>	<b>31.12.2021</b>	<b>Change</b>
Intangible Assets	15,579	16,230	(651)
Property, Plant and Equipment	529	1,070	(541)
Financial Fixed Assets	319	238	81
<b>Total Fixed Assets</b>	<b>16,427</b>	<b>17,538</b>	<b>(1,111)</b>
Inventories	1,882	2,238	(356)
Trade receivables	11,678	9,928	1,750
Trade payables	(10,823)	(10,931)	108
<b>Operating/Commercial Working Capital</b>	<b>2,737</b>	<b>1,235</b>	<b>1,502</b>
Other current assets and liabilities	(4,993)	(3,939)	(1,054)
<b>Net Working Capital</b>	<b>(2,256)</b>	<b>(2,704)</b>	<b>448</b>
Provisions for risks and charges	(420)	(746)	326
Deferred tax assets and liabilities	816	757	59
Other non-current liabilities	-	-	-
<b>Net Invested Capital</b>	<b>14,568</b>	<b>14,846</b>	<b>(278)</b>
<b>Total Net Invested Capital</b>	<b>14,568</b>	<b>14,846</b>	<b>(278)</b>
<b>Equity</b>	<b>3,016</b>	<b>2,296</b>	<b>720</b>
<b>Minority interest in equity</b>	<b>(57)</b>	<b>-</b>	<b>-</b>
<b>Net financial debt*</b>	<b>(17,528)</b>	<b>(17,142)</b>	<b>(386)</b>
<b>Total Sources</b>	<b>(14,568)</b>	<b>(14,846)</b>	<b>278</b>

### **FINANCIAL LIABILITIES:**

<b>(Euro thousands)</b>	<b>30.09.2022</b>	<b>31.12.2021</b>	<b>Change</b>
A Cash and cash equivalents	2,510	2,474	36
B Cash and cash equivalents	-	-	-
C Other current financial assets	2	2	-
<b>D Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>2,512</b>	<b>2,476</b>	<b>36</b>
E Current financial liabilities	(2,802)	(2,132)	(670)
<i>of which with Related Parties</i>	<i>723</i>	<i>(16)</i>	<i>739</i>
F Current part of the non-current financial liabilities	(4,940)	(3,784)	(1,156)
<b>G Current financial liabilities (E)+(F)</b>	<b>(7,742)</b>	<b>(5,916)</b>	<b>(1,826)</b>
<b>H Net current financial liabilities (G) - (D)</b>	<b>(5,230)</b>	<b>(3,439)</b>	<b>(1,790)</b>
I Non-current financial liabilities	(8,851)	(8,933)	81
<i>of which with Related Parties</i>	<i>-</i>	<i>(626)</i>	<i>626</i>
J Debt instruments	(3,371)	(3,695)	324
K Non-current trade and other payables	(76)	(1,076)	1,000
<b>L Non-current financial liabilities (I)+(J)+(K)</b>	<b>(12,298)</b>	<b>(13,703)</b>	<b>1,405</b>
<b>M Total financial liabilities (H)+(L)</b>	<b>(17,528)</b>	<b>(17,142)</b>	<b>(386)</b>

## STATEMENT OF PROFIT OR LOSS AND OF COMPREHENSIVE INCOME

<i>(Euro thousands)</i>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>Change</b>
Revenues from contracts with customers	27,849	27,822	27
Operating Costs	(24,162)	(24,627)	465
<b>Gross Margin</b>	<b>3,687</b>	<b>3,195</b>	<b>492</b>
<b>Gross Margin %</b>	<b>13.2%</b>	<b>11.5%</b>	<b>1.8%</b>
Payroll expenses	(2,880)	(4,148)	1,268
<b>EBITDA</b>	<b>807</b>	<b>(953)</b>	<b>1,760</b>
<b>EBITDA%</b>	<b>2.9%</b>	<b>(3.4)%</b>	<b>6.3%</b>
Non-recurring costs	0	0	0
Amortisation, depreciation & write-downs	(900)	(1,139)	239
<b>EBIT</b>	<b>(93)</b>	<b>(2,092)</b>	<b>1,999</b>
Net financial charges	(835)	(881)	46
<b>PROFIT BEFORE TAXES</b>	<b>(928)</b>	<b>(2,973)</b>	<b>2,045</b>
Income taxes	78	105	(27)
<b>PROFIT FOR THE PERIOD</b>	<b>(849)</b>	<b>(2,868)</b>	<b>2,019</b>
<b>RESULT ATTRIBUTABLE TO MINORITY INTERESTS</b>	<b>(2)</b>	<b>0</b>	<b>(2)</b>
<b>GROUP PROFIT/(LOSS)</b>	<b>(847)</b>	<b>(2,868)</b>	<b>2,021</b>

### 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:**

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