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Oggetto : GIGLIO GROUP'S BOARD OF
DIRECTORS APPROVES THE
RESULTAS AS OF 31 MARCH 2022: A
POSITIVE TREND IS CONFIRMED

Testo del comunicato

Vedi allegato.



PRESS RELEASE

**GIGLIO GROUP'S BOARD OF DIRECTORS APPROVES THE RESULTS
AS OF 31 MARCH 2022: A POSITIVE TREND IS CONFIRMED**

***2022 Q1 recorded a clear improvement over 2021 in terms of
Revenues, EBITDA and Net Profit***

- *The consolidated revenues, equal to € 10.2 million, are slightly improving if compared to the previous year compare to € 10.1 million as of 31 March 2021.*
- *The EBITDA shows a positive trend of € 1.2 million compare to € 98,000 consolidated figures as of 31 March 2021, recording the first steps in rationalizing core activities.*
- *The EBIT is positive by € 0.7 million € -0.4 million consolidated figures as of 31 March 2021.*
- *The Net Profit amounts to € 0.5 million compare to € -0.5 million consolidated figures of the same period in the previous fiscal year.*
- *The Net Financial Debt amounts to € 16,417,000 as of 31 March 2022, with a € 728,000 decrease if compared to 31 December 2021, when it amounted to € 17,143,000.*
- *The process of reorganisation and optimisation of the activities aimed at streamlining resources and at saving on operating and corporate costs continues. The Group focuses on its core business, concentrating on the evolution linked to new technologies and new digital markets, strengthening his historical proposition in the e-commerce segment with high innovative services.*

Milan, 16 May 2022 - The Board of Directors of **Giglio Group S.p.A. (Ticker GG.MI)** (the "Company" or "Giglio Group") - first e-commerce 4.0 company listed on the STAR market - approved today the Interim Financial Report as of 30 September 2021, drafted in accordance with IFRS international accounting standards.

Alessandro Giglio, CEO and Chairman of the Group, declared: "The intense refocusing on the most remunerative core activities continues, along with the rationalisation and streamlining of the Group's costs. We are pleased with the work that has been done so far, and we believe that we will be able to proceed on the same successful path also throughout 2022".

Consolidated Financial Activity Overview as of 31 March 2022

The key consolidated economic highlights are shown below.

<i>(Euro thousands)</i>	31.03.2022	31.03.2021	Change
Revenues from contracts with customers	10,201	10,088	113
Revenues from transfer of business unit	1,394	0	1,394
Operating Costs	(9,372)	(8,709)	(663)
Gross Margin	2,223	1,379	844
Gross Margin %	21.8%	13.7%	8.1%
Payroll expenses	(1,008)	(1,281)	273
EBITDA	1,215	98	1,117
EBITDA%	11.9%	1.0%	10.9%
Amortisation, depreciation & write-downs	(459)	(454)	(5)
EBIT	757	(356)	1,113
Net financial charges	(242)	(238)	(4)
PROFIT BEFORE TAXES	513	(594)	1,107
Income taxes	(52)	87	(139)
PROFIT FOR THE PERIOD (CONTINUING OPERATIONS)	463	(507)	970
PROFIT FOR THE PERIOD DISCONTINUED OPERATIONS (adjusted)	0	0	0
PROFIT FOR THE PERIOD	463	(505)	968
RESULT ATTRIBUTABLE TO MINORITY INTERESTS	(1)		
GROUP PROFIT/(LOSS)	464	(505)	969
EBIT%	7.4%	(3.5)%	10.9%
PROFIT FOR THE PERIOD%	4.5%	(5.0)%	9.5%

The consolidated revenues, equal to € 10.2 million, are in line with the previous year (€ 10.1 million as of 31 March 2021).

The total operating costs amounted to € 9.4 million (€ 8.7 million consolidated figures as of 31 March 2021), slightly increasing in line with the turnover, which is mainly ascribable to the company's reorganisation activities, which are aimed at leading the Group to focus on its core business, i.e. to the full-outsourcing e-commerce, the digital transformation and the new NFT and Metaverse Services.

The EBITDA shows a positive trend, equalling to € 1.2 million (€ 98,000 consolidated figures as of 31 March 2021), to be ascribed to the capital gains (€ 1.3 million) achieved through the transfer of the Incentive & Loyalty business unit of E-Commerce Outsourcing S.r.l. to Promotica S.p.A. on 4 March 2022. It is noted that, as of today, these capital gains are not yet definitive, as the last agreed date in the framework agreement for the price adjustment is 20 May 2022.

The EBIT is positive by € 0.7 million (€ -0.4 million consolidated figures as of 31 March 2021).

The Net Profit amounts to € 0.5 million (€ -0.5 million consolidated figures of the same period in the previous fiscal year).

Consolidated Financial Statements Overview as of 31 March 2022

The main balance sheet figures of the Group as of 31 March 2022 are specified below:

(Euro thousands)	31.03.2022	31.12.2021	Change
Intangible Assets	16,029	16,230	(201)
Property, Plant and Equipment	1,006	1,070	(64)
Financial Fixed Assets	240	238	2
Total Fixed Assets	17,275	17,538	(263)
Inventories	2,021	2,238	(217)
Trade receivables	8,454	9,928	(1,474)
Trade payables	(9,144)	(10,931)	1,787
Operating/Commercial Working Capital	1,330	1,235	95
Other current assets and liabilities	(3,828)	(3,939)	111
Net Working Capital	(2,498)	(2,705)	207
Provisions for risks and charges	(668)	(746)	78
Deferred tax assets and liabilities	716	757	(41)
Other non-current liabilities	(268)	-	(268)
Net Invested Capital	14,557	14,845	(288)
Net Invested Capital of Sales Activities	-	-	-
Total Net Invested Capital	14,557	14,845	(288)
Equity	1,917	2,296	(379)
Minority interest in equity	(57)	-	-
Net financial debt*	(16,417)	(17,143)	726
Total Sources	(14,558)	(14,845)	287

The Net Invested Capital of the Group as of 31 March 2022, equal to € 14.5 million, is mainly comprised of Net Fixed Assets of € 17.3 million, of Net Working Capital totalling € -2.6 million, of the Provisions for risks and charges, which mainly includes the Provisions for employee benefits, for a total of € -0.7 million, of the Deferred tax assets and liabilities for a total of € 0.8 million and for Other non-current liabilities for € -0.3 million.

Property, plant and equipment, equal to € 1 million (€ 1 million as of 31 December 2021), are stable if compared to the previous year.

Intangible Assets, equal to € 16 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. The movement (net of the period's amortisations) refers to increases for capitalised development costs borne entirely for the implementation and integration of IT platforms.

Financial Fixed Assets, equal to € 0.2 million, are ascribable to the guarantee deposits paid relating to rental contracts for the buildings at Milan and Rome.

The Net Financial Debt amounts to € 16,417,000 as of 31 March 2022, with a € 726,000 decrease if compared to 31 December 2021, when it amounted to € 17,143,000.

The schedule of the net financial debt was modified in accordance to the Reference Note no. 5/21 issued by Consob on 29 April 2021 with regard to ESMA's Orientation related to the disclosures obligations that, starting from 5 May 2021, changed the references provided for in Communication no. DEM/6064293 of 28 July 2006 as far as the net financial position is concerned.

The following table shows the Company's net financial debt in detail:

	(Euro thousands)	31.03.2022	31.12.2021	Change
A	Cash and cash equivalents	1,504	2,474	(971)
B	Cash and cash equivalents			-
C	Other current financial assets		2	(2)
D	Cash & cash equivalents (A)+(B)+(C)	1,504	2,476	(973)
E	Current financial liabilities	(1,431)	(2,132)	701
	<i>of which with Related Parties</i>	<i>(0)</i>	<i>(16)</i>	<i>16</i>
F	Current part of the non-current financial liabilities	(3,715)	(3,784)	69
G	Current financial liabilities (E)+(F)	(5,146)	(5,916)	770
H	Net current financial liabilities (G) - (D)	(3,642)	(3,440)	(203)
I	Non-current financial liabilities	(8,257)	(8,933)	675
	<i>of which with Related Parties</i>	<i>(626)</i>	<i>(626)</i>	<i>-</i>
J	Debt instruments	(3,715)	(3,695)	(20)
K	Non-current trade and other payables	(803)	(1,076)	273
L	Non-current financial liabilities (I)+(J)+(K)	(12,775)	(13,704)	928
M	Total financial liabilities (H)+(L)	(16,417)	(17,143)	726

Significant Events During the First Three Months of the Fiscal Year

On 12 January 2022, Giglio Group 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.

On 26 January 2022, the Board of Directors co-opted Carlo Micchi as new Company director.

On 6 March 2022, the Company reached an agreement for the transfer of its Incentive & Loyalty business unit to Promotica S.p.A..

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 Trecentos 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.

Significant Events Following the First Three Months of the Fiscal Year

On 30 April 2022, the Ordinary Shareholders' Meeting of Giglio Group S.p.A. met under the chairmanship of Alessandro Giglio and resolved to approve the Financial Statements as of 31 December 2021, closing with a loss of € -3,123,461, thus confirming the decision to carry forward said loss, together with the losses already carried forward in the previous fiscal years, until the fifth following fiscal year (i.e., 2026), pursuant to Art. 6 of the Decree-Law no. 23 of 8 April 2020 as amended and integrated".

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).

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.

Carlo Micchi, in his quality of Financial Reporting Officer of Giglio Group S.p.A., hereby certifies that, pursuant to the provisions set forth in Art. 154-bis, par. 2 of Legislative Decree no. 58 of 24 February 1998, the Interim Financial Report as of 31 March 2022 corresponds to the accounting

figures, books and documents.

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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