



GISMONDI

THE BOARD OF DIRECTORS APPROVES THE DRAFT ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2021

Double-digit growth for the Group in 2021

Value of production +47% compared to the previous year

Substantial rise in consolidated EBITDA (+39%) and consolidated net profit (+57%)

MAIN CONSOLIDATED RESULTS AS AT 31.12.2021

- Consolidated production value equal to €9.96 million (+47% compared to €6.79 million as at 31/12/2020);
- Consolidated EBITDA at €956,976 (+39% compared to €689,146 for the result as at 31/12/2020);
- Consolidated net profit of €351,280 (+57% compared to €223,252 for the result as at 31/12/2020);
- Consolidated net assets of €9.21 million (compared to €8.87 million for the result as at 31/12/2020);
- Net financial position (net liquidity) of €290,408 (compared to €363,059 for the result as at 31.12.2020).

Genoa, 31st March 2022 – Gismondi 1754 (Ticker GIS), a company from Genoa producing high-end jewellery listed on the Euronext Growth Milan market of the Italian Stock Exchange, announces that the Board of Directors, having met today, has examined and approved the Draft Financial Statements and Consolidated Financial Statements as at 31st December 2021, drawn up in accordance with the Euronext Growth Milan Issuers' Regulations and in compliance with the International Financial Reporting Standards (IFRS).

Massimo Gismondi – CEO of Gismondi 1754 – remarks, *“We end the year with strong growth and great enthusiasm as we look towards the objectives that will see us as protagonists in the coming months. We are faced with extraordinary results, despite the fact that the context – with COVID-19 and the international situation – was not the easiest to face. We are aware of the global difficulties and shall continue to proceed with great caution, yet we are equally convinced of the global affirmation of the brand. All sales channels have performed and contributed positively to the achievement of these figures and we are rationally optimistic that 2022 shall also be a year of growth and expansion in the strategic markets in which we are already present.”*

Analysis of Consolidated Results for the Year 2021

As at 31st December 2021, Gismondi 1754 reported a production value of €9.96 million, up 47% from €6.79 million as at 31st December 2020. This result is driven by the growth of the Wholesale channel, both at a European level (+€1,957,203 compared to 2020) and in the United States (+€1,002,769 compared to 2020) but also by the *special sales*, the brand's custom-made, which closes 2021 with a +16% increase, thanks to sales of €3,952,188. The only channel that declined slightly was the wholesale channel

in the Middle East, as we wait for new orders to start coming in once more.

Consolidated **EBITDA** at 31st December 2021 increased to €956,976, up 39% from €689,146 as at 31st December 2020. In terms of incidence, the EBITDA remained stable at 10%, given that significant investments in advertising, marketing and communication were made throughout the year, for which the relative returns are expected in 2022, hence the year-on-year increase amounts to €1,420,919. The **gross margin** rose by 4 percentage points from €4.1 million in 2020 to €6.4 million as at 31st December 2021.

Consolidated Net Profit as at 31st December 2021 was positive at €351,280, compared to €223,252 in 2020.

Consolidated Net Assets amounted to €9.21 million, up from €8.87 million as at 31st December 2020. The company enjoys an optimal financial equilibrium given that its own withholdings are 5 times that of the capital in fixed assets, just as consolidated withholdings are 4 times that of the capital in fixed assets.

The **Net Financial Position**, as a credit, of €290,408 decreased compared to 31st December 2020 when it amounted to €72,651.

Inventories increased by €1,326,769 due to the rise in finished products related to the creation of new collections and the extension of sales channels.

Net working capital was €7.3 million, compared to €6.7 million as at 31st December 2020, whilst trade receivables as at 31st December 2021 were €2.7 million, compared to €2.8 million in 2020, due to an increase in turnover. No cases of insolvency were recorded.

Below is a breakdown of the financial position.

NFP	31.12.2021	31.12.2020
Tradable Securities	1,517,963	1,504,801
Bank Deposits	1,324,031	1,281,290
Cash	31,219	22,236
Payables to banks (within 12 months)	-748,327	-258,750
Payables to Banks (over 12 months)	-1,621,121	-1,982,464
Liquidity (NFP) to Banks	503,765	567,113
Other financial dues	-	-
Payables to shareholders	-213,357	-204,054
Total Liquidity (NFP)	290,408	363,059

The marketable securities pertain to a separately-managed insurance policy taken out for an amount of €1.5 million with Lombarda Vita S.p.A., a Cattolica Assicurazioni Group company registered in the IVASS Register of Insurance Undertakings under no. 019. As of the thirtieth day following underwriting, the amount can be released at any time without penalty.

Payables to banks concern COVID-19 loans, obtained partly to consolidate certain positions by reducing financial charges and partly to finance new investments.

As at 31st December 2021, the Group has no significant overdue amounts past 60 days.

Consolidated Net Assets as at 31st December 2020 amounted to €8.87 million, a marked improvement on the €7.44 million of 2019 due to the consolidated profit for the year and the revaluation reserve of €960,816 generated following the revaluation of the Gismondi 1754 brand.

Results of the Parent Company Gismondi 1754 S.p.A.

As at 31st December 2021, the parent company Gismondi 1754 S.p.A recorded revenues of €6.4 million, compared to €3.27 million in 2020, for an overall year-on-year increase of +95%. This increase is partly due to the grants for current expenses received during the year, for a percentage increase of 10% compared to the previous year, and partly to the growth of the retail and wholesale channel (+17%).

Service costs rose in absolute value by €1,778,147, which can be attributed to an upswing in advertising and communication costs, which went up by €1,420,919 compared to the previous year, to the €71,886 increase in costs for trade fair participation, as well as to the swell in processing and transport costs, the variation of which is linked to the rise in turnover.

The EBITDA as of 31st December 2021 was set at €241,372, compared to -€133,139 in 2020, whilst the Parent Company's overall operating result was a positive €572, compared to a net loss of €266,503 in 2020.

Allocation of the result of the year

The Board of Directors proposed carrying forward Gismondi S.p.A.'s profit of €572.

Significant events occurring after the close of the 2021 financial year

No significant events occurred after the end of the financial year that would lead to significant changes in the financial statements. However, it is worth noting the positive start to the first quarter of 2022, so much so that – as announced by the company on 2nd March 2022 – one and a half months ahead of the end of Q1, Gismondi 1754 recorded revenues from sales of €1.81 million, an increase of €420,000 compared to the figure recorded in Q1 2021 (equal to €1.39 million).

To be specified is that no new corners, stores or boutiques were opened or closed throughout the year.

Impacts of the COVID-19 pandemic and the Russian-Ukrainian conflict

In 2021, the COVID-19 health emergency had less of an impact, especially from the second half of the year. Within this context, the Company took all necessary measures to protect the health and safety of people working within the company.

The war in Ukraine, having broken out on 24th February, have had not only political but also socio-economic effects. The company immediately took action to protect its infrastructure and supply chain but, thanks to the speciality of its sector, no critical factors were determined.

It should also be noted that since the Group does not currently operate in the markets in which the conflict is developing, it does not detect any direct aspects that could affect the positive development of activities for the 2022 financial year.

Business Outlook

The predictability of operations also for this year is significantly impeded by the exceptional nature of the events characterising the current context, in which the Russian-Ukrainian conflict represents a new strong element of instability at a geopolitical, economic and financial market level. The macroeconomic effects of this serious crisis and of the sanctions applied against Russia are complex and still difficult to

assess in terms of their effects on the value chain of the global economy. The aforementioned phenomena lead to a high degree of uncertainty regarding short- and medium-term future scenarios, such as the increase in the prices of raw materials and energy, difficulties in procurement processes and production activities in general.

In spite of what is happening worldwide, the excellent performance in January, February and March – with strong growth compared to the first quarter of 2021 – bodes well for the trend in 2022.

With respect to the strategic activities for the current year, the Company foresees:

- Participation in international trade fairs such as the Qatar International Exhibition, Centurion USA, Couture Las Vegas, Vicenzaoro and Inhorgenta Munich;
- A continuation of international branding policies by making new investments, aimed at consolidating the image and awareness of the brand and creating “desire for the brand” to generate traffic to the shops;
- A continuation of the expansion policy in the various channels, with a particular focus on the American market (which is expanding rapidly), the UK market and the Gulf area, which has already yielded initial gratifying results in 2021 and the first quarter of 2022. Also planned is the opening of a new directly-operated shop in Rome, inside the Regina Baglioni Hotel on Via Veneto, following a framework agreement with the well-known hotel chain. The opening of a new directly-operated shop in Milan is also planned with Baglioni.

At a product level for this year, in the first quarter of 2022, two new product lines have been added to complement the “Clip” collection to expand the accessibility and completeness of the offer in terms of iconic collections.

As far as Gismondi 1754’s customer management is concerned, the company will continue to make special-order and bespoke products, placing even greater emphasis on curating the shopping experience.

Convocation of the Shareholders’ Meeting

The Draft Financial Statements as at 31st December 2021, approved today by the Board of Directors, will be submitted to the next Shareholders’ Meeting of the Company to be held on 29th April 2022 as first call and, if necessary, on 9th May 2022 as second call.

The documentation pertaining to the items on the Agenda shall be made available to the public at the company’s registered office and on the website www.gismondi1754.com/ within the terms established by the regulations in force.

With reference to the accounting data set out in the following communication, it should be noted that the Board of Statutory Auditors’ legal audit and verification activities have not yet been completed.

Attached are the Income Statement and Balance Sheet as required by current legislation for both the Statutory and Consolidated Financial Statements.

Consolidated Income Statement as at 31.12.2021	31.12.2021 Consolidated	31.12.2020 Consolidated	Changes	% variations
Production value	9,969,714	6,795,040	3,174,674	47%
Cost of goods sold	-3,533,274	-2,658,782	-874,492	33%
Gross Margin	6,436,440	4,136,258	2,300,182	1
<i>GM %</i>	65%	61%		
Services	-4,157,885	-2,392,711	-	74%
Contribution Margin	2,278,555	1,743,547	535,008	31%
<i>CM %</i>	23%	26%		
Fixed Operating Expenses	-1,321,579	-1,054,401	-267,178	25%
EBITDA	956,976	689,146	267,830	39%
<i>EBITDA %</i>	10%	10%		
Amortisation, depreciation and write-downs	-361,841	-279,967	-81,874	29%
EBIT	595,135	409,179	185,956	45%
<i>EBIT %</i>	6%	6%		
Financial Management Balance	-77,064	-70,886	-6,178	9%
Grants for Current Expenses and Ordinary Capital Gains	0	0	0	0%
EBT	518,071	338,293	179,778	14%
<i>EBT %</i>	-1%	99%		
Taxes for the year	166,791	115,040	51,751	45%
Operating Profit of Minority Interests	0	1	-1	
Group Operating Result	351,280	223,252	128,028	57%
Overall Operating Result	351,280	223,252	128,028	57%
<i>Operating Result %</i>	4%	3%		

Consolidated Balance Sheet as at 31.12.2021	31.12.2021 Consolidated	31.12.2020 Consolidated	Changes	% variations
Intangible Assets	1,499,043	1,807,440	-308,397	-17%
Tangible Assets	234,133	147,870	86,263	58%
Financial Fixed Assets	28,244	21,718	6,526	30%
Total Fixed Assets	1,761,420	1,977,028	-215,608	-11%
Inventories	6,588,248	5,261,479	1,326,769	25%
Short-term Trade Receivables	2,651,725	2,756,802	-105,077	-4%
Long-term Trade Receivables	0	0	0	
Other Short-term Receivables	1,526,054	1,626,475	-100,421	-6%
Other Long-term Receivables	60,398	57,764	2,634	
Short-term Trade Payables	-2,590,541	-1,879,455	-711,086	38%
Long-term Trade Payables	0	0	0	
Other Short-term Liabilities	-947,105	-1,171,722	224,617	-19%
Other Long-term Liabilities	0	0	0	
Net Working Capital	7,288,779	6,651,342	637,437	10%
Total Capital Employed	9,050,200	8,628,371	421,829	5%
Net Assets	9,214,148	8,879,075	335,073	4%
<i>Net Assets of Minority Interests</i>	0	0	0	
Provisions for Risks and Charges	36,600	36,600	0	
Severance Pay	89,860	75,755	14,105	19%
Net Financial Indebtedness	-290,408	-363,059	72,651	-20%
Total Sources	9,050,200	8,628,371	421,829	5%
Tradable Securities	1,517,963	1,504,801	13,162	100%
Bank Deposits	1,324,031	1,281,290	42,741	3%
Cash	31,219	22,236	8,983	40%
Payables to Banks	-748,327	-258,750	-489,577	189%
Mortgages Payable	-1,621,121	-1,982,464	361,343	-18%
Liquidity (NFP) to Banks	503,765	567,113	-63,348	-11%
Payables to Shareholders	-213,357	-204,054	-9,303	5%
Other Financial Payables	0	0	0	
Total Liquidity (NFP)	290,408	363,059	-72,651	-20%

Reclassified Income Statement as at 31 st December 2021	31.12.2021	31.12.2020	Changes	% variations
Production Value	6,399,125	3,278,823	3,120,302	95%
Cost of Goods Sold	-2,214,372	-1,412,668	-801,704	57%
Gross Margin	4,184,753	1,866,155	2,318,598	124%
<i>GM %</i>	65%	57%		
Services	-3,640,652	-1,862,505	-	95%
			1,778,147	
Contribution Margin	544,101	3,650	540,451	14807%
<i>CM %</i>	9%	0%		
Fixed Operating Expenses	-302,729	-136,789	-165,940	121%
EBITDA	241,372	-133,139	374,511	-281%
<i>EBITDA %</i>	4%	-4%		
Amortisation, depreciation and write-downs	-251,882	-191,040	-60,842	32%
EBIT	-10,510	-324,179	313,669	-97%
<i>EBIT %</i>	0%	58%		
Financial Management Balance	-28,632	-53,044	24,412	-46%
EBT	-39,142	-377,223	338,081	-90%
<i>EBT %</i>	-1%	56%		
Taxes for the Year	39,714	110,720	-71,006	-64%
Overall Operating Result	572	-266,503	267,075	-100%
<i>Operating Result %</i>	0%	-8%		

Reclassified Balance Sheet as at 31/12/2021	31.12.2021	31.12.2020	Changes	% variations
Intangible Assets	1,321,905	1,554,997	-233,092	-15%

Tangible Assets	102,440	55,043	47,397	86%
Financial Fixed Assets	542,259	542,204	55	0%
Total Fixed Assets	1,966,604	2,152,244	-185,640	-9%
Inventories	5,643,284	4,002,025	1,641,259	41%
Short-term Trade Receivables	1,265,456	1,164,974	100,482	9%
Long-term Trade Receivables	0	0	0	
Other Short-term Receivables	1,884,707	1,883,809	898	0%
Other Long-term Receivables	0	0	0	
Short-term Trade Payables	-2,073,399	-1,365,681	-707,718	52%
Long-term Trade Payables	0	0	0	
Other Short-term Liabilities	-1,726,365	-1,127,564	-598,801	53%
Other Long-term Liabilities	0	0	0	
Net Working Capital	4,993,683	4,557,563	436,120	10%
Total Capital Employed	6,960,287	6,709,808	250,479	4%
Net Assets	7,135,507	7,231,017	-95,510	-1%
<i>Net Assets of Minority Interests</i>	0	0	0	
Provisions for Risks and Charges	0	0	0	
Severance Pay	23,576	14,494	9,082	63%
Net financial debt	-198,796	-535,703	336,907	-63%
Total Sources	6,960,287	6,709,808	250,479	4%
Tradable Securities	1,517,963	1,504,801	13,162	100%
Bank Deposits	232,713	453,114	-220,401	-49%
Cash	1,823	3,148	-1,325	-42%
Payables to Banks	-631,331	-242,507	-388,824	160%
Mortgages Payable	-922,372	-1,182,853	260,481	-22%
Liquidity (NFP) to Banks	198,796	535,703	-336,907	-63%
Payables to shareholders	0	0	0	
Other financial dues	0	0	0	
Total Liquidity (NFP)	198,796	535,703	-336,907	-63%

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