



PRESS RELEASE

MEGLIOQUESTO:

APPROVED HALF YEAR RESULTS AT 30TH OF JUNE 2023

VALUE OF PRODUCTION SETS AT EUR 49 MLN (+45%), EBITDA AT EUR 6,7 MLN (+25%; MARGIN 13,7%)

ALESSANDRO NITTI, CURRENTLY CHAIRMAN OF THE BOARD IS THE NEWLY APPOINTED GROUP CEO

APPROVED THE NEW GROUP ORGANISATIONAL SET-UP TO COMPLETE THE INTEGRATION OF HUMAN, VOICE, DIGITAL BUSINESS LINES

Main consolidated results as of 30 June 2023¹

- Revenues: EUR 48.3 mln (1H2022: consolidated EUR 33.1 mln; pro-forma EUR 43.3 mln)
- EBITDA: EUR 6.7 mln (1H2022: consolidated EUR 5,4 mln; pro-forma EUR 9.3 mln)
- EBITDA adjusted²: EUR 8.3 mln (1H2022: EUR 6.0 mln)
- EBIT: EUR -7.0 mln (1H2022: EUR 4.0 mln)
- Net Results: EUR -9.1 mln (1H2022: EUR 2.3 mln)
- Net Financial Position: EUR 34.5 mln (FY 2022: EUR 30.3 mln)

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Milan, September 28, 2023

MeglioQuesto (MQPSA:IM), phygital marketplace which offers services and products through an integrated platform between physical and digital channels, reports that the Company's Board of Directors chaired today by Alessandro Nitti met today has approved today the consolidated half-year financial report as of 30 June 2023, prepared in accordance with IAS/IFRS and subjected to a voluntary limited audit.

¹ The scope of consolidation as of June 30, 2023 includes the companies acquired in June 2022, Eureweb and Smart Contact. The reported data have been partially audited.

² EBITDA Adjusted is net of contingent assets and liabilities, non-deductible VAT of approximately EUR 0.5 mln, and a non-recurring item related to personnel due to the ongoing reorganisation plan.

Value of Production stands at EUR 49 mln, up 45% compared to EUR 33.8 mln as of 30 June 2022. The growth thus confirms the validity of the strategy based on providing customer acquisition and customer management services across the various business sectors, through voice, human and digital modes, positioning the Group as a digital analytic company as a result of the extraordinary transactions carried out.

Revenues reached EUR 48.3 mln, an increase of +46% compared to EUR 33.1 mln as of 30 June 2022 (EUR 43.3 mln pro-forma) in line with the 2023-25 strategic plan forecasts. With respect to the composition of Revenues, the Customer Acquisition business line accounts for 90.5% while the business line related to Customer Management accounts for 9.5%.

From a sector perspective, the Group's diversification path continues: Telco (30.8%), Utilities (34.5%), Finance (20.7%), Insurance (4.7%), Luxury (0.3%) and Other industries (9%).

EBITDA is assessed at EUR 6.7 mln, +25% compared to EUR 5.4 mln as of 30 June 2022; EBITDA margin stood at 13.7% (15.9% as of 30 June 2022) as a result of a change in the mix of services compared to the plan. **Adjusted EBITDA**, net of extraordinary and non-recurring items, amounted to EUR 8.3 mln (**adjusted EBITDA margin** equal to 17%).

EBIT totalled EUR -7 mln, down compared to 30 June 2022 (EUR 4 mln), net of amortisation, provisions and impairments of EUR 13.8 mln (EUR 1.4 mln as of 30 June 2022) reflecting EUR 7.6 mln impairment on goodwill previously recorded concerning the acquisition of Eureweb S.r.l. following the impairment test conducted by a leading auditing firm. The increase in amortisation and depreciation is due to the halving of the period, from 4 to 2 years, of the accrual of investments in lead generation (intangible assets), in order to comply with latest market best practice.

Pre-tax Profit amounted to EUR -8.3 mln, compared to EUR 3.1 mln as of 30 June 2022, after net financial expenses of EUR 1.3 mln, compared to EUR -0.9 mln as of 30 June 2022.

Net Results stood at EUR -9.1 mln, compared to EUR 2.3 mln as of 30 June 2022, after EUR 767 thousand in taxes (taxes amounting to EUR 787 thousand as of 30 June 2022).

Group's Net Equity amounted to EUR 25.9 mln, an increase compared to EUR 25.4 mln as of 30 June 2022 due to the negative impact as a result of the negative impact of the loss for the period, which is more than offset by the increase in reserves mainly due to the capital increase approved by the Board of Directors on 26 April 2023 for the acquisition of the remaining 49% of MQ Digital for a total of approximately EUR 10 mln, in line with the agreements signed by the parties.

Net Financial Position as of 30 June 2023 stood at EUR 34.5 mln, compared to EUR 30.3 mln as of 31 December 2023. The balance as of 30 June 2023, worsening by about EUR 4.2 mln compared to 31 December 2022, was largely attributable to expenses related to lead generation activities.

Compared to the 2023-25 strategic plan, announced by the Group on 28 March 2023, even considering seasonality revenues in the first quarter of 2023 were in line with expectations thanks to the performance of the Human division, which offset the lower performance of the Media division. The Group's overall marginality, just below forecast, was affected by the negative performance of the subsidiary Eureweb s.r.l., which did not achieve the expected results in the first half of 2023. In spite of this, the business plan's target marginality was confirmed, both in absolute terms and as a percentage of the Value of Production. Net Financial Position was affected by the increase in investments in lead generation during the first half of 2023; there is no reason to adjust the NFI target at year-end.

Significant events of the period

On the 16th of March 2023 the Board of Directors of the Company sets up the Finance Committee with the objective to strengthen of the Group's Corporate Governance with a focus on the financial performance of the Group.

On the 7th of April 2023 the Company has signed a binding agreement for the acquisition of the minorities of the already-investee MQ Digital S.r.l. against the balance of 4,000,000 MeglioQuesto shares deriving from a capital increase reserved to Mr. Pierluigi Ghiani e Francesco Simula at the price of Euro 1.75 with a premium of 107% over the price of the previous session, and thus for a total amount of EUR 7.000.000.

On 26th April 2023, to execute the above-described price settlement for the acquisition of the minorities of MQ Digital S.r.l., the company's share capital was increased by a total nominal amount of EUR 400,000.00 and by EUR 6,600,000.00 as share premium reserve.

On the 4th of May 2023 the independent director Anna Ducato has resigned, due to other professional engagements. On the 18th of May 2023 the Board of Directors of the Company has coopted Mrs. Cinzia Donalisio as independent director. On the 31st of May 2023 Alessandro Nitti has been appointed as Executive Chairman of the Board of Directors. Subsequently on June the 1st 2023 Vincenzo Dispinzieri has resigned from his role of independent director, reasons have not been disclosed to the company.

On June the 2nd 2023 the Company has exercised the first call option for the acquisition of a quota of 16.33% MQ Human s.r.l. for a consideration of EUR 2,300,000, in cash. As a result, MeglioQuesto will hold a stake equal to 67.33% of the capital of MeglioQuesto Human having residual rights to acquire in two instalments in 2024 and 2025 the additional quota capital of the target company before December 2025.

On June 13th 2023 the Company has received from Illimity Bank S.p.A. notice of termination from the role of Euronext Growth Advisor ("EGA"). On the same day the Company appointed Integrae SIM for the same role as Euronext Growth Advisor with effect starting from July the 14th 2023.

On June the 23rd 2023 the "Second Exercise Period" of the "MeglioQuesto 2021-2025 Warrants" has come to termination with no exercise from any eligible investor.

Significant events subsequent to the end of the period

On the 14th of July 2023 Integrae Sim takes over as Group Euronext Growth Advisor.

On August 1st 2023 Francesco Tam has been appointed as CFO and subsequently also took on the role of Group Investor Relations Manager.

On September 7th 2023 the Board of Directors of the Company has established the Internal Audit function whose responsibility is now assigned to Federica Biondi.

Foreseeable developments in operations

Trends in production and profitability in the second half of 2023 are expected to remain unchanged compared to the Strategic Plan 2023-2025 forecasts, thanks to the confirmed growth of the distribution line Human and the revenue and cost synergies that may be achieved as a result of the integration of the distribution lines Human, Digital and Voice, also in light of the recently launched internal reorganization project.

The consolidated half-year financial report as of 30 June 2023 will be made available to the public at the Company's registered office, on the Company's website <https://investors.meglioquesto.it/>, section Investors Relations/Financial Statements and Reports, and on the website www.borsaitaliana.it, section Shares/Documents, within the terms provided for by the applicable regulations.

Other resolutions of the Board of Directors

New nominations

The Board of Directors, following the positive outcome of the value of production and margin results for the first half of 2023, which are in line with the 2023-2025 strategic plan forecasts, has determined to accelerate the corporate integration plan of the three distribution lines Voice, Human and Digital, resulting in a new organisational set-up focused on greater economic efficiency and the rationalisation of Group companies, as detailed below.

To better support the new advancements in a context of increasing competition on the quality and efficiency of the services provided, the Board of Directors has appointed the current Group Chairman Alessandro Nitti as new CEO. Mr Nitti takes over the position from Felice Saladini with immediate effect and has been assigned all the powers previously granted to Mr. Saladini. In addition, the new CEO will be mandated to strengthen the Company's competitive positioning as a leading Italian player in customer experience with an increasing focus on high value-added services and data mining & data management.

Alessandro Nitti, Chairman and new CEO of MeglioQuesto: *“My experience in both capital markets and corporate finance is fully at the service of MeglioQuesto Group, which today stands as leader in digital transformation for companies and families by offering agile, efficient and sustainable service models. I thank the Board of Directors for the trust placed in me during the phase of greatest corporate effort for the establishment of an advanced corporate governance culture. To this I respond with a firm commitment to increase managerialization and supervision of the Group in order to focus on innovation and safeguard all stakeholders. The first actions will involve, on the one hand, the streamlining of the Company's financial dynamics and, on the other, the creation of an organizational structure capable of innovating processes and products by aligning our internal conduct to best practices and highest regulatory standards.”*

New Group Organizational set-up

The Group's functional organization is revisited by creating three new functions designed to better focus on the increase in efficiency, integration of the acquired businesses and an enhanced control on internal processes in order to streamline management at both a cost and financial level.

Newly established Commercial Division Distribution Networks

Business lines Voice, Human e Digital have been integrated in a single vertical Commercial Division Distribution Networks, which will report to Mr. Calogero Branciforti, founder and CEO of the business recently merged into MQ Human S.r.l.. The Commercial Division Distribution Networks will directly report to the Group CEO.

Newly established Group Staff unit

Mr. Geri Cacciato, auditor and former shareholders of the companies part of MQ Human, with more than 20 years of professional experience in the world of distribution of services with the most sophisticated national and international clients, has been appointed Head of Staff directly reporting to the Group CEO. He will supervise HR, Procurement, Communication and General Services.

Establishment of a joint business unit CTO-CFO

Mr. Andrea Pireddu is confirmed in his role of Group CTO and together with Mr. Francesco Tam Group CFO is mandated to develop a joint, integrated business unit designed to converge IT and Finance in a single fintech unit. The Company is committed to support the execution of the Strategic 2023-2025 Plan Together by taking advantage of all synergies available.

MeglioQuesto (MQSPA:IM – ISIN IT0005450173), (MQSPA:IM – ISIN IT0005450173), is the phygital marketplace that offers services and products to the millions of consumers it meets every day, and to partner companies, through a multi-channel platform, integrated between physical and digital channels. The company has been operating in Italy since 2011 and has been listed on the Euronext Growth Milan (EGM) market of Borsa Italiana since June 2021. Meglio Questo's partner companies are mainly top tier companies in the telecommunications, energy, financial and insurance sectors.

Identification codes

Ordinary shares: ISIN IT0005450173 (Ticker MQSPA)

MeglioQuesto 2021-2025 Warrants: ISIN IT0005450207 (Ticker WMQSPA)

Press release available at www.meglioquesto.it and at www.1info.it

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CONSOLIDATED INCOME STATEMENT

(Amounts in EUR)	30.06.2023	30.06.2022
Revenues from sales and services	48.271.087	33.068.523
Other revenues and income	676.678	718.039
Value of Production	48.947.765	33.786.562
Raw material costs	1.698.169	1.801.071
Service costs	25.618.916	16.048.269
Staff costs	11.065.863	8.263.127
Changes in Inventories	193.947	-123.788
Other operating costs	3.656.908	2.420.876
Total operating costs	42.233.802	28.409.556
EBITDA	6.713.963	5.377.007
Amortisation and depreciation	5.751.988	1.204.148
Provisions and write-downs	7.985.130	164.190
Amortisation, depreciation and provisions	13.737.118	1.368.338
Non-recurring costs		
EBIT	-7.023.156	4.008.669
Gestione finanziaria	1.285.234	-909.756
EBT	-8.308.389	3.098.912
Income taxes	767.220	-786.885
Profit (Loss) for the period	-9.075.609	2.312.027
Profit (Loss) for the period attributable to minority interests	264.644	392.291
Gross profit (Loss) for the period	-9.340.253	1.919.736

The following is a reconciliation of EBITDA

Adjusted EBITDA Items	30.06.2023
EBITDA	6.713.963
Active non-recurring items - Other	-460.166
Passive non-recurring items - Non-deductible VAT	515.062
Passive non-recurring items - Other	875.465
Passive non recurring items IT and BIZ Director and Sales Director	638.365
TOTAL ADJ EBITDA	8.282.689

CONSOLIDATED BALANCE SHEET

(Amount in EUR)	30.06.2023	31.12.2022
ASSETS		
Intangible assets	51.890.818	55.991.322
Right-of-use assets	477.246	2.738.380
Property, plant and equipment	1.893.540	1.684.505
Financial assets	363.394	888.354
Deferred tax assets	5.557	32.130
NON-CURRENT ASSETS	54.630.556	61.334.691
Inventories	295.361	489.307
Trade receivables	34.886.759	31.281.033
Other current assets	13.662.603	18.966.303
Current financial assets	1.130.669	119.519
Cash and cash equivalents	3.714.720	7.548.858
CURRENT ASSETS	53.690.111	58.405.019
TOTAL ASSETS	108.320.666	119.739.710
EQUITY AND LIABILITIES		
(Amount in EUR)		
	30.06.2023	31.12.2022
EQUITY AND LIABILITIES		
Share capital	2.326.859	1.829.588
IAS reserves	-447.347	-166.287
Legal reserve	29.859	28.432
OCI reserve	463.545	356.024
Other reserves	26.048.790	16.068.712
Retained earnings (accumulated losses)	6.797.647	6.264.712
Group profit (loss) for the period	-9.340.253	1.050.065
GROUP EQUITY	25.879.101	25.431.245
Share capital and reserves attributable to minority interests	6.152.315	6.869.776
Profit (Loss) for the period attributable to minority interests	264.644	1.007.947
EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	6.416.959	7.877.723
TOTAL EQUITY	32.296.060	33.308.967
Deferred tax liabilities	2.010.768	2.010.768
Provisions for risks and charges	389.956	640.834
Provisions for employee benefits	1.152.948	751.171
Right-of-use financial liabilities	358.050	2.315.411
Financial liabilities	38.688.135	39.938.135
NON-CURRENT LIABILITIES	42.599.856	45.656.318

Trade payables	14.102.992	11.865.516
Tax liabilities	3.905.246	3.595.032
Right-of-use financial liabilities	65.317	480.085
Financial liabilities	6.238.044	8.196.523
Other current liabilities	9.113.150	16.637.269
CURRENT LIABILITIES	33.424.750	40.774.425
TOTAL LIABILITIES AND EQUITY	108.320.666	119.739.711

NET FINANCIAL POSITION	31.06.2023	31.12.2022	Var.	Var. %
(Data in EUR/000)				
A. Cash	3.770	7.549	-3.779	-50%
B. Cash equivalents	1.129	118	1.011	857%
C. Other current financial assets	11.485	13.656	-2.171	-16%
D. Liquid assets (A) + (B) + (C)	16.384	21.323	-4.939	-23%
E. Current financial debt	7.524	10.198	-2.674	-26%
F. Current portion of non-current borrowings	24.987	25.600	-613	-2%
G. Current borrowings (E) + (F)	32.511	35.798	-3.287	-9%
H. Net current borrowings (G) - (D)	16.128	14.475	1.653	11%
I. Non-current financial debt	18.333	15.821	2.512	16%
J. Debt instruments	0	0	0	n.a
K. Trade payables and other non-current payables	0	0	0	n.a.
L. Non-current borrowings (I) + (J) + (K)	18.333	15.821	2.512	16%
M. Total borrowings (H) + (L)	34.461	30.296	4.165	14%