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Oggetto : GIGLIO GROUP SPA:THE BOD  
APPROVES THE RESULTS OF THE  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF 30  
JUNE 2023.

*Testo del comunicato*

Vedi allegato.



**THE BOARD OF DIRECTORS APPROVES THE RESULTS  
OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30  
June 2023:**

***EBITDA and EBIT increasing if compared to 30 June 2022***

- The consolidated REVENUES, equal to € 15.7 million, decreased if compared to the consolidated figures of the same period for the previous fiscal year (€ 19.6 million as of 30 June 2022).
- EBITDA shows a positive growth of 39%, reaching € 1,153,000 (€ 827,000 consolidated figures as of 30 June 2022).
- The EBIT, equal to € 558,000, shows a positive 139% growth if compared to 30 June 2022 (€ 233,000).
- The Group's NET FINANCIAL POSITION, equal to € 15.6 million, is improving if compared to 31 December 2022, when it amounted to € 17.3 million.
- The NET PROFIT, close to breaking even and equal to € 30,000, is improving significantly if compared to the previous year (€ -252,000).

**Milan, 12 September 2023** – Giglio Group S.p.A. (Ticker GG), a company listed on Euronext Milan, announces that its Board of Directors, which yesterday afternoon, approved the Interim Condensed Consolidated Financial Statements as of 30 June 2023.

**Alessandro Giglio, CEO and Chairman of Giglio Group, commented:** *“We are very satisfied because, despite the difficulties generated by the war in Ukraine and the consequent impossibility of exporting to an important luxury market such as Russia, in addition to the postponement of the start of the project with Trenitalia by a few months (set for next October), we have recorded EBITDA and EBIT growth compared to the first half of 2022 and a significantly improving NFP if compared to 31 December 2022. The Company has returned to positive grounds by focusing more on businesses with better margins and greater added value which, combined with the benefits generated by the streamlining of costs and the optimization of resources, allow us to look at the end of 2023 and the years to come with concrete optimism.”*

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**Consolidated Financial Activity Overview as of 30 June 2023**

The consolidated revenues, equal to € 15.7 million, are dropping if compared to the consolidated figures of the same period for the previous fiscal year (€ 19.6 million consolidated figures as of 30 June 2022). The EBITDA shows a positive trend of € 1,153,000 (positive by € 827,000 on consolidated figures as of 30 June 2022). The performance is influenced by the signing of a contract for multimedia and television content digitization services worth € 1.9 million.

With reference to the revenue trend, some slowdowns that occurred during the first half of 2023 must be noted, for some customers located in Eastern countries and for a new important contract signed in May 2023, whose orders were postponed to the second half of 2023.

The Net Profit amounts to € -30,000 (€ -252,000 consolidated figures of the same period in the previous fiscal year).

## **Consolidated Financial Statements Overview as of 30 June 2023**

The Net Invested Capital of the Group at 30 June 2023, equal to € 11.9 million, is principally comprised of Net Fixed Assets (€ 16.3 million), and of Net Working Capital (€ -5 million).

Property, Plant and Equipment (which include also the right-of-use on existing leasing contracts), equal to € 0.7 million, mainly decreased (net of the period's amortisations), increasing only due to the capitalisation of furniture for € 58,000 by subsidiary Salotto di Brera.

Intangible Assets, equal to € 15.4 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 € 241,000 borne entirely for the implementation and integration of IT platforms on subsidiary Salotto di Brera.

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:** this account includes advances on invoices for € 1.2 million, current account liabilities for € 0.5 million and current liabilities for lease contracts for € 0.1 million. The account increased due to greater use of advance lines and overdrafts.

**F. Current portion of non-current liabilities:** this account decreased due to the reimbursements of 2021 H1.

**I. Non-current financial liabilities:** shows a reduction mainly due to the restatement to the current portion of loans following the month's reimbursements.

**J. Debt instruments:** As of 30 June 2023, the non-current Financial Debt includes the long-term EBB S.r.l. bond.

**K. Non-current trade and other payables:** This account as of 31 December 2022 mainly included the instalment debt for the purchase of Salotto di Brera S.r.l.. During the first half of 2023 the debt will be extinguished following the payment of the last instalment.

As of 30 June 2023, 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 28 June 2023, SACE, as guarantor of the bond loan, gave consent to the bond holder EBB S.r.l. upon grant of the waiver under the following terms and conditions:

- Consent relating to non-compliance with the financial parameters "leverage ratio" and "gearing ratio" (covenant holiday) is granted in relation to all the verification dates until full repayment of the bond loan. However, the commitments referred to in clause 11.2 (disclosure commitments) of the regulation of the bond loan by Giglio Group S.p.a. remain in force;
- Therefore the surety commitment of Meridiana Holding pursuant to Article 10 ("Regulation of the Loan, Financial Parameters and Further Commitment of the Guarantor") is to be considered no longer in force. In any case, it is understood between the parties that all other obligations and

duties assumed by Meridiana Holding Srl pursuant to the guarantee and indemnity agreement dated 10 March 2020 shall remain in force and fully exercisable.

- In view of the above, it should be noted that with reference to the guarantee and indemnity agreement dated 10 March 2020, the guaranteed amount referred to in premise D is thus understood to be confirmed at € 1,500,000 together with the commitment to grant a pledge on the shares of Giglio Group S.p.a. for a total of € 4,152,000 in favour of SACE. The parties agree as of now that the pledge does not imply the possibility of exercising voting rights.
- The effectiveness of the consent expressed was ratified following receipt of the acceptance of the letter of consent countersigned by Giglio Group S.p.a., sent on 29 June 2023.

### **Significant Events During the First Six Months of the Fiscal Year**

- On 14 February 2023, the transfer of the 51% stake in Cloud Food S.r.l., previously approved by the Board of Directors on 21 December 2022, was completed.
- On 23 February 2023, the Parent Company subscribed the capital share increase of its subsidiary Salotto di Brera S.r.l. for a total amount of € 975,000, thus bringing its Share Capital to € 1 million. The capital share increase was aimed at strengthening the subsidiary's assets.
- On 16 March 2023, the "Caput Mundi The Mall" shopping centre in the Vatican City was opened to the public, where the subsidiary Salotto di Brera S.r.l. signed an agreement for the lease of the business unit with Gasak S.r.l. at the end of 2022. The company is engaged in the retail sector for the first time.
- On 30 March 2023, the Board of Directors approved the new Industrial Plan 2023-2027, which replaces the Industrial Plan 2022-2026 and its underlying assumptions. In this regard, the Company proceeded to acquire an independent analysis by an Advisor of international standing, in which no high-level critical issues were highlighted (on a low-medium-high scale) in relation to the assumptions underlying the Industrial Plan such as to compromise the reliability or imply the unreasonableness of the aforementioned assumptions.
- On 4 April 2023, the Board of Directors approved the impairment test based on the results of the Industrial Plan, on which a leading consultancy firm has drawn up an in-depth report.
- On 13 April 2023, the Board of Directors approved the Annual Financial Statements and the Consolidated Financial Statements as of 31 December 2022.

- On 2 May 2023, the Auditing Firm BDO Italia S.p.A. released its report on the audit of the annual financial statements and the consolidated financial statements, in which it declared the impossibility of expressing an opinion. The Board of Directors acknowledged the conclusions reached by the Auditing Firm in the knowledge that it has acted correctly in the interests of the Company and reserved further comments following a more in-depth examination of the Reports.
- On 5 May 2023, CONSOB sent the request for dissemination of information pursuant to Art. 114, par. 5 of Legislative Decree no. 58/98 (CFA), which must be provided at the end of each month with reference to the previous month, starting from 31 May 2023.
- On 11 May 2023, Meridiana Holding S.p.A. announced to the company that the shareholder loan of € 472,000 will be converted into future capital increases, recorded in the company's accounts on the same date.
- On 12 May 2023, the Board of Directors resolved to request to Borsa Italiana, pursuant to Art. 2.5.7 of the Regulations of the markets organized and managed by Borsa Italiana S.p.A., the exclusion of the financial instruments of Giglio Group S.p.A. from STAR qualification and the consequent transition of the same from the MTA-Star segment to the MTA-Standard segment, as a consequence of the conclusions of the report issued by the auditing firm BDO Italia S.p.A. on the draft financial statements and the consolidated financial statements of the Company as of 31 December 2022.
- On 16 May 2023, the Auditing Company BDO Italia S.p.A., with communication via certified e-mail, "irrevocably resigned" from the statutory auditing of accounts.
- On 24 May 2023, the Ordinary Shareholders' Meeting took note of the consolidated financial statements of the group as of 31 December 2022 and approved the financial statements of Giglio Group S.p.A, resolving to carry forward the profit of € 118,670.56.
- On 30 June 2023, the right of withdrawal from the Business Unit Rental Agreement relating to the "Caput Mundi The Mall" shopping centre was exercised and the termination of the contract was declared to the counterparty Gasak S.r.l.

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

- On 8 July 2023, the Company received the resignation, effective immediately, of the lawyer Sara Armella from the position of non-executive and independent director of the Company, due to new work commitments. Consequently, also the roles appointed to Armella in the Committees will be taken on by the new director in possession of the necessary requisites of experience and competence, who shall be appointed by co-optation.
- On 21 July 2023, the Meeting appointed the company Nexia Audirevi S.p.A. to carry out the statutory audit of the accounts for the period 2023-2031.

## **Outlook**

Over the last three years, the global context was characterised by a sequence of three extraordinary events: i) the pandemic emergency, ii) the Russian-Ukrainian conflict, with the consequent energy and food crisis and iii) the return of a rising inflation and the end of ultra-expansive monetary policies.

The risks of the global macroeconomic outlooks are still significant and prone to deteriorate. The evolution of the Russian-Ukrainian conflict continues to represent one of the negative factors that may accentuate the slowdown of the world's economic activity. Moreover, the inflation represents a watershed in the various alternative scenarios hypothesised, which range from the most negative one - which foresees a 0.7% global economic growth with a 6.1% inflation - to the most positive one - 2.2% growth in the world's GDP with a 4.6 inflation (source: Oxford Economics, World Economics Prospects Monthly, January 2023).

In addition to this, China's decision to eliminate the so-called "zero-Covid" policy in December 2022 brought about a slowdown in industrial production, logistics services and consumption in that same month before leading to a significant increase in the following ones. There is optimism for the recovery of consumption, which should benefit from the sharp increase in the population's saving rate during the pandemic years, with positive impacts on domestic industries such as hospitality, tourism, textiles and clothing.

In this context, the e-commerce segment benefited from a cultural shift characterised by a constant growth in digital stores, facilitated by the slowdown of the physical retail.

Our B2C -E-Commerce Service Provider Division division is currently under pressure due to the numerous requests of technological updates made by our clients, aimed at increasing both sales and services to final consumers.

This situation calls for a constant investment in new developments for the platforms and for the constant maintenance of the same so as to support growth, also implying 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.

In addition to maintaining solid relationships with the historical customers of the Giglio Group, the strengthening of the marketing activity already begun at the end of 2022 continues, also through the recruitment of qualified personnel, which made it possible in the first three months of the year to reach new significant contracts both from an economic point of view and for the quality of the contractors.

The expansion of the Travel Retail business of Salotto di Brera continues thanks to the organic growth given by the increase in tourism on cruise ships (Leisure Travel) and to the non-organic growth deriving from the growing number of ships reached following the conclusion of framework agreements with the Starboard and Harding groups, which are estimated to double the number of ships served by Salotto di Brera during 2023. The development of the Travel Retail business also continues in the Airports sector (with Vienna and Shenzhen as the next openings) and agreements with eight other airports are expected to be concluded by the end of the year. This is joined by two new agreements which will affect the performance of the business in 2023.

The opening inside the Caput Mundi Mall in Vatican City, a destination for tourists and pilgrims, especially in the vicinity of the next Jubilee, of a Salotto di Brera sales space which, right from the first days of its inauguration, in mid-March, has obtained a positive response in terms of sales, which it is believed will increase as the peak tourist period in Rome approaches. An estimated 10,000 people pass through the Mall each day. On 30 June 2023, it is noted that the right of withdrawal from the Business Branch Rental Agreement relating to the "Caput Mund The Mall" shopping centre was exercised and the termination of the contract was declared to the counterparty Gasak S.r.l., due to organizational and management problems that occurred for the management of the entire Mall and not attributable to Giglio S.p.A..

The subscription of an agreement which involves all the business units of the Group for the creation of a complete service to one of the main companies operating in the transport sector at European level, in detail:

Creation of e-commerce site;

Production and digital sale of all merchandising;

Creation, production and sale of co-branded products with big brands;

Agreements with important companies in other sectors for the sale on board of their carriers of the products of the most important brands distributed by Salotto Brera.

In the B2B segment, it is believed that contracts with new distribution customers can be completed, in addition to the signing of contracts with four new leading fashion brands in the world.

The growth of the new business unit, launched in 2022 H2, relating to the production of merchandising for artists and large companies is expected, engaged as it were throughout 2023 in the production and online and on-tour distribution of the merchandising of the "Maneskin" rock band . The company is engaged in advanced negotiations with other artists and companies of the same calibre.

Deposit of documents

The Interim Condensed Consolidated Financial Statements as of 30 June 2023 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>31.06.2023</b>	<b>31.12.2022</b>	<b>Change</b>
Intangible Assets	15,401	15,436	(36)
Property, Plant and Equipment	663	456	322
Financial Fixed Assets	261	247	14
<b>Total Fixed Assets</b>	<b>16,325</b>	<b>16,139</b>	<b>186</b>
Inventories	953	1,559	(605)
Trade receivables	12,053	10,134	1,918
Trade payables	(13,300)	(11,957)	(1,343)
<b>Operating/Commercial Working Capital</b>	<b>(294)</b>	<b>(264)</b>	<b>(30)</b>
Other current assets and liabilities	(4,658)	(3,328)	(1,330)
<b>Net Working Capital</b>	<b>(4,952)</b>	<b>(3,592)</b>	<b>(1,360)</b>
Provisions for risks and charges	(382)	(365)	(16)
Deferred tax assets and liabilities	941	875	66
Other non-current liabilities	-	-	-
<b>Net Invested Capital</b>	<b>11,933</b>	<b>13,057</b>	<b>(776)</b>
<b>Total Net Invested Capital</b>	<b>11,933</b>	<b>13,057</b>	<b>(776)</b>
<b>Equity</b>	<b>3,746</b>	<b>4,317</b>	<b>969</b>
<b>Minority interest in equity</b>	<b>(39)</b>	<b>(43)</b>	<b>-</b>
Cash flow	3,068	1,794	1,274
Current financial receivables	2	2	-
Current financial IFRS16 liabilities	(162)	(62)	(100)
Current financial liabilities	(7,408)	(8,088)	680
Non-current financial IFRS16 liabilities	(293)	(200)	(93)
Non-current financial liabilities	(10,844)	(10,701)	(143)
Non-current trade and other payables	(2)	(76)	74
<b>Net financial debt*</b>	<b>(15,640)</b>	<b>(17,331)</b>	<b>1,691</b>
<b>Total Sources</b>	<b>(11,933)</b>	<b>(13,057)</b>	<b>1,124</b>

## FINANCIAL LIABILITIES:

	<b>(Euro thousands)</b>	<b>31.06.2023</b>	<b>31.12.2022</b>	<b>Change</b>
A	Cash and cash equivalents	3,068	1,794	1,274
B	Cash and cash equivalents			-
C	Other current financial assets	2	2	0
<b>D</b>	<b>Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>3,070</b>	<b>1,796</b>	<b>1,274</b>
E	Current financial liabilities	(1,928)	(2,881)	953
	<i>of which with Related Parties</i>	-	(732)	732
F	Current part of the non-current financial liabilities	(5,641)	(5,268)	(373)
<b>G</b>	<b>Current financial liabilities (E)+(F)</b>	<b>(7,569)</b>	<b>(8,149)</b>	<b>580</b>
<b>H</b>	<b>Net current financial liabilities (G) - (D)</b>	<b>(4,499)</b>	<b>(6,353)</b>	<b>1,854</b>
I	Non-current financial liabilities	(8,501)	(7,896)	(606)
	<i>of which with Related Parties</i>			-
J	Debt instruments	(2,635)	(3,005)	370
K	Non-current trade and other payables	(2)	(76)	74
<b>L</b>	<b>Non-current financial liabilities (I)+(J)+(K)</b>	<b>(11,139)</b>	<b>(10,977)</b>	<b>(162)</b>
<b>M</b>	<b>Total financial liabilities (H)+(L)</b>	<b>(15,639)</b>	<b>(17,331)</b>	<b>1,692</b>

## STATEMENT OF PROFIT OR LOSS AND OF COMPREHENSIVE INCOME

<b>(Euro thousands)</b>	<b>31.06.2023</b>	<b>31.03.2022</b>	<b>Change</b>
Revenues from contracts with customers	15,708	19,635	(3,927)
Operating Costs	(12,877)	(16,738)	3,860
<b>Gross Margin</b>	<b>2,831</b>	<b>2,898</b>	<b>(67)</b>
<b>Gross Margin %</b>	<b>18.0%</b>	<b>14.8%</b>	<b>3.3%</b>
Payroll expenses	(1,677)	(2,068)	391
<b>EBITDA</b>	<b>1,153</b>	<b>830</b>	<b>324</b>
<b>EBITDA%</b>	<b>7.3%</b>	<b>4.2%</b>	<b>3.1%</b>
Non-recurring revenues (charges)	9	0	9
Amortisation, depreciation & write-downs	(604)	(595)	(8)
<b>EBIT</b>	<b>558</b>	<b>234</b>	<b>324</b>
Net financial charges	(669)	(500)	(169)
<b>PROFIT BEFORE TAXES</b>	<b>(110)</b>	<b>(268)</b>	<b>158</b>
Income taxes	80	15	65
<b>PROFIT FOR THE PERIOD</b>	<b>(30)</b>	<b>(252)</b>	<b>222</b>
<b>RESULT ATTRIBUTABLE TO MINORITY INTERESTS</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>
<b>GROUP PROFIT/(LOSS)</b>	<b>(26)</b>	<b>(251)</b>	<b>225</b>
<b>EBIT adjusted to non-recurring costs</b>	<b>550</b>	<b>234</b>	<b>316</b>
<b>EBIT %</b>	<b>3.5%</b>	<b>1.2%</b>	<b>2.3%</b>
<b>PROFIT FOR THE PERIOD %</b>	<b>(0.2)%</b>	<b>(1.3)%</b>	<b>1.0%</b>

**Information on Giglio Group:**

*Founded by Alessandro Giglio in 2003 and listed on the Euronext Milan 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, Food, Healthcare and Merchandising 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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