

<b>Informazione Regolamentata n. 20076-72-2023</b>	<b>Data/Ora Inizio Diffusione 05 Ottobre 2023 19:11:17</b>	<b>Euronext Milan</b>
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Societa' : GIGLIO GROUP

Identificativo : 181994

Informazione  
Regolamentata

Nome utilizzatore : GIGLION01 - Mazzitelli

Tipologia : 3.1

Data/Ora Ricezione : 05 Ottobre 2023 19:11:16

Data/Ora Inizio  
Diffusione : 05 Ottobre 2023 19:11:17

Oggetto : INTEGRATION: DOCUMENTS FOR THE  
LIMITED-SCOPE AUDIT REPORT OF  
THE INTERIM CONDENSED  
CONSOLIDATED FINANCIAL  
STATEMENTS AS OF 30 JUNE 2023

*Testo del comunicato*

Vedi allegato.



## INTEGRATION: DOCUMENTS FOR THE LIMITED-SCOPE AUDIT REPORT OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2023

**Milan, 05 October 2023.** Giglio Group S.p.A. (Ticker GG), a company listed on the Euronext Milan market, pursuant to and for the purposes of Art. 114, par. 5 of the CFA discloses the following information in addition to the Press Release - DOCUMENTS FOR THE LIMITED-SCOPE AUDIT REPORT OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2023 of 27 September 2023 - with which the company communicated that the limited-scope audit report of the Interim Condensed Consolidated Financial Statements as of 30 June 2023 was made available to the public on the company website [www.giglio.org](http://www.giglio.org) and on the e-storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com).

In this regard, it should be noted that the Interim Condensed Consolidated Financial Statements as of 30 June 2023, approved by the Board of Directors on 12 September 2023, were the subject of a previous Press Release dated 12 September 2023, in which the information required by Art. 66, par. 3, letter a) of Consob regulation no. 11971/1999 was provided, together with the reclassified summaries of the balance sheet and of the income statement that are sufficiently analytical and compared with those of the previous period. In the same Press Release, the following was stated: *"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)".* This filing took place on 27 September 2023, together with the Auditing Company's limited audit report on the Interim Condensed Consolidated Financial Statements as of 30 June 2023.

With regard to the Press Release dated 27 September 2023, it is noted that, with regards to the Auditing Company Report, in the opinion of the Auditors the Interim Condensed Consolidated Financial Statements of the Giglio Group as of 30 June 2023 have been drawn up in all significant aspects, in compliance with the international accounting standard applicable for interim financial reporting (IAS 34) adopted by the European Community.

Nonetheless, in the "Information Request" section of their Report, the Auditors drew attention to the information provided by the Directors in the paragraph "Assessment of business continuity" of the explanatory notes to the Interim Condensed Consolidated Financial Statements. In the aforementioned paragraph, the Directors therefore provide exhaustive information on the capital and financial deficit situation, the main assumptions used to estimate the expected cash flow as well as the Directors' considerations on the adoption of the going concern assumption in the preparation of the Interim Condensed Consolidated Financial Statements, despite the presence of uncertainties, represented by the Directors themselves, regarding the achievement of the economic and financial objectives envisaged by the 2023-2027 Industrial Plan. The Directors consider themselves confident in the implementation of the actions and assumptions included in the Plan and believe that the actions undertaken and to be undertaken are sufficient to satisfy the expected financial needs as well as to achieve the economic results envisaged in the Plan, having, among others, the reasonable expectation that the Group can rely on adequate financial resources for the continuation of the activity for a period of at least 12 months from the date of approval of the Interim Condensed Consolidated Financial Statements.

The Auditors, in any case, point out that this information request does not entail the formulation of findings in relation to the conclusions contained in their report.

Taking into account the relevance of the information in question, pursuant to Art. 114, par. 5 of Legislative Decree no. 58/98, at the specific request of Consob, a full copy of the aforementioned report of the Auditing Company is attached below, despite already being made available to the public, together with the file on the Interim Condensed Consolidated Financial Statement as of 30 June 2023, on 27 September 2023 at both [www.giglio.org](http://www.giglio.org) and on the authorised e-storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com).

**GIGLIO GROUP S.p.A.**

Limited Review on the Interim Condensed  
Consolidated Financial Statements as of 30 June 2023

## Limited Review on the Interim Condensed Consolidated Financial Statements as of 30 June 2023

To the Shareholders of

Giglio Group S.p.A.

### Limited Review on the Interim Condensed Consolidated Financial Statements

#### *Introduction*

We carried out the limited review of the attached Interim Condensed Consolidated Financial Statements, consisting of the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Profit or Loss and Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flow and the related Explanatory Notes of Giglio Group S.p.A. and its subsidiaries (the “Group”) as of 30 June 2023.

The Directors are responsible for the preparation of the Interim Condensed Consolidated Financial Statements in compliance with the international accounting standard applicable for interim financial reporting (IAS 34) adopted by the European Union.

Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on the limited review carried out.

#### *Scope of limited review*

Our work was carried out according to the criteria for limited review recommended by Consob with Resolution no. 10867 of 31 July 1997. The limited review of the Interim Condensed Consolidated Financial Statements consists of carrying out interviews, mainly with the company personnel responsible for the financial and accounting aspects, the financial statement's analysis and other limited review procedures. The scope of a limited review is substantially lower than that of a full audit carried out in accordance with the International Standards on Auditing (ISA Italia) and, consequently, does not allow us to be sure that we have become aware of all the significant facts that could be identified by carrying out a full audit. Therefore, we do not express an opinion on the Interim Condensed Consolidated Financial Statements as of 30 June 2023.

#### *Conclusions*

Based on the limited review carried out, no elements have come to our attention that would lead us to believe that the Interim Condensed Consolidated Financial Statements of Giglio Group S.p.A. as of 30 June 2023 have not been prepared, in all material respects, in compliance with the applicable international accounting standard for interim financial reporting (IAS 34) adopted by the European Union.

### *Other aspects*

The Consolidated Financial Statements for the financial year ended on 31 December 2022 and the Interim Condensed Consolidated Financial Statements for the period ended on 30 June 2022 were respectively subjected to full audit and limited review by another auditor who, on 2 May 2023, expressed a declaration of impossibility to express an opinion on the Consolidated Financial Statements and, on 27 September 2022, expressed conclusions without modification on the Interim Condensed Consolidated Financial Statements.

### *Emphasis of matter paragraph*

We draw attention to the paragraph "Assessment of business continuity" of the explanatory notes to the Interim Condensed Consolidated Financial Statements as of 30 June 2023, in which the Directors inform about the results for the period which highlight a loss for the period of € 30,400, a negative net equity of € 3,746,000 and the Group's net financial debt of € 15,640,000, with overdue tax, social security and commercial debts of significant amounts.

In this context, the Directors inform about the significant deviations between the data envisaged by the 2023-2027 Plan, specifying that, with reference to the revenue trend, these were due to slowdowns that occurred during the first half of 2023, 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 effect of these slowdowns, compared to the 2023 budget, resulted in lower revenues for a total of € 4.8 million and an EBITDA increase of € 0.9 million influenced by the signing of a contract for multimedia and television content digitization services worth € 1.9 million.

The Directors, having taken note of the deviations from the estimates of the 2023-2027 Industrial Plan (approved on 30 March 2023), have updated to 30 June 2023 the 2023 budget and their assessment of business continuity, as well as the measurement of the financial needs expected for the following 12 months compared to what is foreseen in the Industrial Plan, adopting possible financial and industrial solutions, some already implemented, to place the Company in a situation of economic solidity capable of maintaining continuity over time corporate, that is:

1. The negotiation occurred with banking institutes in order to support the working capital required to foster the e-commerce business and its distribution of fashion goods, as demonstrated by the activation of several financing agreements both in 2022 and in the beginning of 2023. For this purpose, it is noted that, on 2023 Q1, the subsidiary Salotto di Brera S.r.l. subscribed two financing agreement of € 2.5 million and € 1 million respectively with Banca Progetto, upon the issue of the guarantee from SACE, thus confirming the reliability towards leading credit institutions. Furthermore, on 9 June 2023, a loan contract with Simest guarantee was stipulated for the subsidiary E-Commerce Outsourcing amounting to a total of € 520 thousand, of which € 130 thousand was non-repayable. The first tranche of the loan for € 260,000 was collected on 13 July 2023. The Industrial Plan 2023/2027 takes into account the increased interest rates on payables to credit institutions compared to the contractual rates recorded in the year ended 31 December 2022;
2. The agreement reached with the shareholder Meridiana Holding S.p.A.. of 11 May 2023, through which the residual debt relating to the loan disbursed for € 472,000 was converted into account for future capital increases;
3. The attainment, on 28 June 2023, by SACE, as guarantor of the bond loan, of the consent from the bond holder EBB S.r.l. to issue the waiver; the effectiveness of the expressed consent was ratified following the receipt of acceptance of the consent letter countersigned by Giglio Group S.p.A., sent by the Company on 29 June 2023;

4. The commitment of the parent company Meridiana Holding S.p.A. to guarantee the capital increase in the minimum amount of € 3 million and, therefore, in an amount higher by € 1 million than that defined for the purposes of the 2023-2027 Industrial Plan (€ 2 million). Moreover, to this regard, the Directors note that, with regard to the capital increase of the Parent Company Giglio Group S.p.A., the Board of Directors held on 14 September 2022 vested the Chairman with the power to carry out all preparatory activities needed to execute said capital increase. The share capital increase can be carried out in the last quarter of 2023, as foreseen in the 2023-2027 Industrial Plan approved by the Directors on 30 March 2023. As of 12 September 2023, some expressions of interest had been received for a total of € 4.9 million, of which two, of a binding nature, were received from related parties for € 1.4 million. Such expressions of interest received from third parties are subject to the successful completion of accounting and management due diligence, as well as verification of the conditions, timing and issue price of the new shares. Moreover, the parent company Meridiana Holding S.p.A. has confirmed its commitment to guaranteeing the capital increase to the minimum extent of € 3 million, taking into account that the expressions of interest received from third parties may not materialize or may materialize to a lesser extent than the quota of € 3 million.

5. The commitment of the shareholder Meridiana Holding S.p.A. to guarantee the necessary liquidity to support the Industrial Plan 2023/2027, with particular reference to the fulfilment of the commitments foreseen for the 2024 financial year.

The Directors also highlight the elements of uncertainty and risk that remain, specifying that they are linked to:

- The full realization of the objectives of the Industrial Plan, which provides for the medium-term economic/financial rebalancing of the Group and its ability to generate cash flows necessary to guarantee the continuity of the Group, but which are dependent on hypothetical future actions and in any case potentially influenced from exogenous variables, among which the trend of expected revenue volumes must be kept in mind, expressed as commercial growth of 10% of the revenues of the B2B division and organic and commercial growth of 9% on revenues and 6% on the GMV of the B2C division;
- The presence of high short-term debt and performance below expectations of the companies within the consolidation scope;
- The completion of the capital increase that the shareholder Meridiana Holding S.p.A. has undertaken to guarantee for the minimum amount of € 3 million, but which, as indicated below, could be carried out in a higher amount, up to € 4.9 million, if the subjects who expressed interest should participate;
- The effective support from the shareholder Meridiana Holding S.p.A., which has undertaken to guarantee the necessary liquidity with particular reference to the fulfilment of the commitments foreseen for financial year 2024.

In light of the above, the Directors believe that the possibility for the Company and the Group to continue its operations for the foreseeable future is necessarily linked, in addition to the maintenance of existing credit lines, to the timely procurement of the financial resources previously described necessary to cover the financial needs in the short term, as well as the achievement of the operational and financial targets envisaged in the Industrial Plan.

As a further note of caution, the Directors, aware of the inherent limits of their assessment, declare that they will keep a constant monitoring of the evolution of the factors taken into consideration, so as to adopt, should the need arise, the necessary provisions and to provide for, with analogous promptness, the fulfilling of the disclosure obligations to the market. In particular, the Board of Directors monitors and will continue to monitor the economic, equity and financial situation in order to also evaluate alternative capital strengthening solutions such as to guarantee the existence of the assumption of business continuity.

In the aforementioned paragraph, the Directors therefore provide exhaustive information on the capital and financial deficit situation, the main assumptions used to estimate the expected cash flow as well as the Directors' considerations on the adoption of the going concern assumption in the preparation of the Interim Condensed Consolidated Financial Statements, despite the presence of uncertainties, represented by the Directors themselves, regarding the achievement of the economic and financial objectives envisaged by the 2023-2027 Industrial Plan ("the Plan"), the possible incomplete realization of which, even of individual targets or actions, would lead to a consequent reduction in the overall plan result. In particular, the Directors, despite the presence of the uncertainties described, consider themselves confident in the implementation of the actions and assumptions included in the Plan and believe that the actions undertaken and to be undertaken are sufficient to satisfy the expected financial needs as well as to achieve the economic results envisaged in the Plan, having, among others, the reasonable expectation that the Group can rely on adequate resources for the continuation of the activity for a period of at least 12 months from the date of approval of the Interim Condensed Consolidated Financial Statements.

Our conclusions do not highlight any irregularity in relation to this aspect.

Milan, 27 September 2023

Audirevi S.p.A.

(signed in the original)

Antonio Cocco  
*Partner – Statutory Auditor*



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**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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Fine Comunicato n.20076-72

Numero di Pagine: 10