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Societa' : GIGLIO GROUP

Identificativo : 182795

Informazione
Regolamentata

Nome utilizzatore : GIGLION01 - Mazzitelli

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Oggetto : GIGLIO GROUP SPA: INFORMATION
REQUEST PURSUANT TO ART. 114,
PAR. 5, OF LEGISLATIVE DECREE NO.
58/1998

Testo del comunicato

Vedi allegato.



INFORMATION REQUEST PURSUANT TO ART. 114, PAR. 5, OF LEGISLATIVE DECREE NO. 58/1998

Milan, 31 October 2023 - Giglio Group S.p.A. (Ticker GG) - a company listed on the Euronext Milan segment of Italy's stock-exchange market - pursuant to and by effect of Art. 114, par. 5, of the CFA, in compliance with Consob's request, protocol 0043376/23 of 5 May 2023, discloses the following information in response to the specific points referred to by the Supervisory Authority.

a) Net financial position of Giglio Group S.p.A. and of the Giglio Group, highlighting short-term components and separating them from medium/long-term ones

The schedules of the net financial debt of both the Company and the Group were 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.

Giglio Group S.p.A.

(Euro thousands)

| | (Euro thousands) | 30.09.2023 | 31.08.2023 | 31.07.2023 |
|----------|---|-------------------|-------------------|-------------------|
| A | Cash and cash equivalents | 71 | 12 | 58 |
| B | Cash and cash equivalents | - | - | |
| C | Other current financial assets | 2 | 2 | 2 |
| D | Cash & cash equivalents (A)+(B)+(C) | 73 | 14 | 60 |
| E | Current financial liabilities | (2,738) | (2,388) | (2,925) |
| | <i>of which with Related Parties</i> | <i>(1,148)</i> | <i>(1,148)</i> | <i>(1,148)</i> |
| F | Current part of the non-current financial liabilities | (3,019) | (3,222) | (3,164) |
| G | Current financial liabilities (E)+(F) | (5,757) | (5,609) | (6,089) |
| H | Net current financial liabilities (G) - (D) | (5,684) | (5,595) | (6,029) |
| I | Non-current financial liabilities | (1,439) | (1,430) | (1,480) |
| | <i>of which with Related Parties</i> | <i>(4)</i> | <i>(4)</i> | <i>(4)</i> |
| J | Debt instruments | (2,618) | (2,618) | (2,627) |
| K | Non-current trade and other payables | (3) | (3) | (5) |
| L | Non-current financial liabilities (I)+(J)+(K) | (4,060) | (4,050) | (4,111) |
| M | Total financial liabilities (H)+(L) | (9,744) | (9,646) | (10,141) |

As of 30 September 2023, the net financial liability of Giglio Group S.p.A. is equal to € 9.7 million (€ 9.6 million as of 31 August 2023).

The increase in financial liability mainly refers to the registration as right of use of the commercial sublease contract stipulated between the company Giglio Group S.p.A. and the company Maxfactory S.r.l., net of the regular repayment of the instalments falling due in the month.

The current financial liabilities to related parties are due to the subsidiary E-commerce Outsourcing Srl.

The debt instrument relates to the EBB S.r.l bond, issued on 2 April 2019 for an amount of € 5 million in principal, the terms and conditions of which are contained in the regulation. The outstanding debt is equal to € 3,373,000, of which € 738,000 as the current portion and € 2,635,000 as the non-current portion, net of the regular payment of the instalments.

Giglio Group

(Euro thousands)

| | (Euro thousands) | 30.09.2023 | 31.08.2023 | 31.07.2023 |
|----------|---|-----------------|-----------------|-----------------|
| A | Cash and cash equivalents | 1,456 | 1,297 | 1,458 |
| B | Cash and cash equivalents | - | - | - |
| C | Other current financial assets | 2 | 2 | 2 |
| D | Cash & cash equivalents (A)+(B)+(C) | 1,458 | 1,299 | 1,460 |
| E | Current financial liabilities | (1,591) | (1,242) | (1,787) |
| | <i>of which with Related Parties</i> | - | - | - |
| F | Current part of the non-current financial liabilities | (5,450) | (5,314) | (5,101) |
| G | Current financial liabilities (E)+(F) | (7,041) | (6,555) | (6,888) |
| H | Net current financial liabilities (G) - (D) | (5,583) | (5,256) | (5,428) |
| I | Non-current financial liabilities | (8,072) | (8,499) | (8,042) |
| | <i>of which with Related Parties</i> | - | - | - |
| J | Debt instruments | (2,618) | (2,618) | (2,627) |
| K | Non-current trade and other payables | (3) | (3) | (5) |
| L | Non-current financial liabilities (I)+(J)+(K) | (10,693) | (11,120) | (10,673) |
| M | Total financial liabilities (H)+(L) | (16,276) | (16,376) | (16,101) |

The group's net financial liability as of 30 September 2023 is equal to € 16.3 million, compared to € 16.4 million as of 31 August 2023.

The drop in current financial liability mainly refers to the registration as right of use of the commercial sublease contract stipulated between the company Giglio Group S.p.A. and the company Maxfactory S.r.l., net of the regular repayment of the instalments falling due in the month.

b) The overdue debit positions of Giglio Group S.p.A. and of the Giglio Group, broken down by nature (financial, commercial, tax, social security and towards employees) and any related reaction initiatives by creditors (reminders, injunctions, suspensions of supplies, etc.)

The Group has trade payables overdue for more than 60 days for a total amount of € 5.6 million.

As of the date of this press release, with regard to overdue trade payables, there are no executive actions in progress. The Group has offset some legal actions for credit recovery with repayment plans, as accepted by the counterparties.

With regard to Giglio Group S.p.A., the following tax and social security payables are reported, which total € 1.1 million, of which € 437,000 in instalment payments:

- On 20 May 2022, the Revenue Agency notified the Company of the non-payment of VAT to the French administration by the company IBOX SRL (ceased by incorporation into Giglio Group S.p.A.) for an amount equal to € 92,000, including penalties and interest. On 20 July 2022, the French tax authorities accepted the request for payment by instalments in 24 (twenty-four) monthly instalments, of € 4 thousand each, starting from 1 August 2022 and lasting until 1 July 2024. As of 30 September 2023, the total payable is equal to € 48,000.
- In relation to the assessment by consent agreement for the 2016 tax year, which gave rise to an amount to be paid of a total of € 28,000, the division into instalments was requested in 8 quarterly instalments starting from 20 June 2022. As of 30 September 2023, the outstanding debt amounted to € 11,000.
- On 20 November 2022, the Revenue Agency notified the Company of the non-payment of 2022 Q1 VAT, for an amount equal to € 86,000. To this amount, fines and interest for a total of € 17,000 must be added.

- On 21 January 2023, adhesion to the "Rottamazione-quater" tax collection settlement agreement for the proceedings entrusted to the collection agency from 1 January 2000 to 30 June 2022 was presented. The total to be paid in the subsidized definition is equal to € 43,000, of which the first instalment to be paid is dated 31 October 2023.
- On 14 February 2023, the Revenue Agency notified the non-payment of VAT for 2022 Q2, for an amount equal to € 188,000, including penalties and interest, for which payment is expected in 20 (twenty) quarterly instalments, of € 9,000 each, starting from 16 March 2023. The total debt as of 30 September 2023 is equal to € 170,000, net of the regular payment of the agreed instalments.
- As of 30 September 2023, unpaid withholding taxes applied upstream amounted to € 128,000 in 2021, € 21,000 in 2022 and € 34,000 in 2023, which will be regularized through voluntary correction of tax return.
- As of 30 September 2023, unpaid employee withholding taxes amounted to € 165,000 in 2022 and € 66,000 in 2023, which will be regularized through voluntary correction of tax return.
- As of 30 September 2023, IRAP payables amounted to € 104,000, of which € 64,000 in 2022, which will be regularized through voluntary correction of tax return.
- On 20 April 2023, the request for breaking down into instalments the existing debt (€ 152,000) was presented and accepted by the National Institute of Social Insurance (INPS), to be paid in 24 monthly instalments, the first of which is due on 1 May 2023. The payable including interest is equal to € 169,000. During H2, the request for breaking down into supplementary instalments the existing debt (€ 48,000) was presented and accepted by the National Institute of Social Insurance (INPS), to be paid in 20 monthly instalments, the first of which is due on 13 August 2023. The payable including interest is equal to € 52,000. As of 30 September 2023, the outstanding debt amounted to € 169,000.

With regard to the company IBOX SA, it should be noted that the amounts relating to VAT on sales made in numerous European countries have expired, for a total amount of € 5.8 million. The company intends to request the payment in instalments of these debts.

c) The main changes in relations with related parties of Giglio Group S.p.A. and of the Group with respect to the last annual or half-year financial report approved pursuant to Art. 154-ter of the CFA

The companies defined as Related Parties, along with their relation with Giglio Group S.p.A., are reported below:

- Meridiana Holding S.p.A.. is the majority shareholder of the Company, owning 55.66% of its share capital.
- Max Factory S.r.l. is a company fully controlled by Meridiana Holding S.p.A..
- Azo Asia Limited is a company fully controlled by Meridiana Holding S.p.A..
- Azo International OU is a company fully controlled by Meridiana Holding S.p.A..
- Luxurycloud S.r.l., a company whose sole director is Anna Maria Lezzi, vice president and director of Giglio Group S.p.A..

As of 30 September 2023, the following are recorded in the balance sheet:

- Trade payables to Azo International OU for € 325,000 relating to advances received for commercial transactions.
- Trade payables to Max Factory S.r.l. for € 209,000.

As of the date of this press release, the following leasing contracts have been signed with Max Factory:

- Genoa offices: Palazzo della Meridiana for a total annual cost of € 60,000 for the period going from 28 January 2023 to 27 January 2029.
- Rome offices: total annual cost of € 144,000 for the period going from 1 January 2023 to 31 December 2023, with automatic renewal, if no cancellation is sent within three months of the expiry.

As of the date of this press release, the sub-lease agreement with Luxurycloud (sub-lessee) concerning a part of Palazzo della Meridiana in Genoa has been signed, annual fee of € 30,000, from 20 February 2023 for six years.

d) Any non-compliance with the covenants, negative pledges and any other debt clause of Giglio Group S.p.A. and of the Group, involving limits on the use of financial resources, with an updated date indication of the degree of compliance with these clauses

The net financial debt includes the financial debt relating to the EBB S.r.l. bond, issued on 2 April 2019 for an amount of € 5 million in principal. As of 30 September 2023, the outstanding debt is equal to € 3,373,000, of which € 738,000 as the current portion and € 2,635,000 as the non-current portion, net of the regular payment of the instalments.

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 the holding company Meridiana referred to in Art. 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 is suspended until the date of receipt of the acceptance of the letter of consent countersigned by Giglio Group S.p.a., sent on 29 June 2023.

e) The state of implementation of any industrial and financial plans, highlighting any deviation of actual figures if compared to the foreseen ones

As of 30 September 2023, revenues show a postponement, mainly generated by the delayed start of a new significant contract signed in May 2023.

Moreover, new contracts are currently being negotiated with leading brands for the sale of products specifically created through the subsidiary Salotto di Brera and the sale of clothing items from previous collections through a commercial operator located abroad.

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:

Giglio Group S.p.A. Public and Investor Relations: elena.gallo@giglio.org; ir@giglio.org (+39)0283974207

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