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Societa' : GIGLIO GROUP

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Regolamentata

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Oggetto : THE BOARD OF DIRECTORS  
APPROVES THE INTERIM FINANCIAL  
REPORTS AS OF 30 September  
2023:EBITDA and EBIT increasing if  
compared to 30 September 2022

*Testo del comunicato*

Vedi allegato.



**THE BOARD OF DIRECTORS APPROVES  
THE INTERIM FINANCIAL REPORTS AS OF 30 September 2023:  
*EBITDA and EBIT increasing if compared to 30 September 2022***

- The consolidated REVENUES, equal to € 22.9 million, are decreasing if compared to the consolidated figures of the same period for the previous fiscal year (€ 27.8 million as of 30 September 2022).
- The EBITDA shows a positive trend of € 1,813,000, recording a significant improvement if compared to the consolidated figures as of 30 September 2022 (€ 810,000)
- The EBIT, equal to € 935,000, shows a very positive trend if compared to 30 September 2022 (€ -91,000).
- The Group's NET FINANCIAL POSITION, equal to € -16.8 million, is improving if compared to 31 December 2022, when it amounted to € -17.3 million.
- The PROFIT FOR THE YEAR, equal to € 110,000, recorded a significant improvement if compared to 30 September 2022 (€ - 849,000).

**Milan, 13 November 2023** – Giglio Group S.p.A. (Ticker GG), a company listed on the MTA segment of the Italian stock-exchange market managed by Borsa Italiana S.p.A., announces that its Board of Directors, which yesterday afternoon, approved the Interim Financial Report as of 30 September 2023.

**Alessandro Giglio, CEO and Chairman of Giglio Group, commented:** *"I am pleased with the results achieved in focusing our energies on higher margin operations and in continuing the process of rationalizing our corporate structure, as well as in the process of divesting foreign shareholdings and optimizing our costs and resources. It is crucial to highlight that this optimization process is scheduled to be completed by 31 December 2023, positioning us to begin 2024 with an agile and focused corporate structure, ready to best capture market opportunities and enhance our business. We remain firmly committed to monitoring progress and constantly evaluating future possibilities to maximize value for our shareholders and consolidate our position in the industry."*

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

The consolidated revenues, equal to € 22.9 million, are dropping if compared to the consolidated figures of the same period for the previous fiscal year (€ 27.8 million consolidated figures as of 30 September 2022).

Payroll costs dropped by € 560,000 in witness of the current streamlining of structural costs.

The EBITDA showed a positive trend, accounting for € 1,813,000 (€ 810,000 on consolidated figures as of 30 September 2022), ascribable also to the sales carried out with higher margins.

The EBIT, equal to € 935,000, showed a significant improvement on the same period in the previous fiscal year (€ - 91,000).

The Net Profit amounts to € 110,000 (€ -849,000 consolidated figures of the same period in the previous fiscal year).

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

The Net Invested Capital of the Group at 30 September 2023, equal to € 12.9 million, is principally comprised of Net Fixed Assets (€ 16.2 million), and of Net Working Capital (€ -3.9 million).

Intangible Assets, equal to € 15.2 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 capitalised development costs borne entirely for the implementation and integration of IT platforms on subsidiary E-Commerce Outsourcing S.r.l..

Property, Plant and Equipment (which also include the RoU on existing leasing contracts), equal to € 0.8 million, increased mainly (net of depreciation for the period) due to the recognition based on IFRS 16 of the commercial sublease contract of the property for office use located in Rome and stipulated between the company Giglio Group S.p.A. and the company Maxfactory S.r.l..

Financial Fixed Assets, equal to € 0.3 million, are ascribable to the guarantee deposits paid relating to rental contracts for the buildings at Milan and Rome.

The Group net financial debt amounts to € -16.8 million, highlighting an improvement on 31 December 2022 (€ -17.3 million) of € 498,000; this data shows a slight variation for non-significant amounts compared to what was reported in the press release issued on October 31, 2023 (<https://www.giglio.org/wp-content/uploads/2023/10/Comunicato-Stampa-09.2023.pdf>) due to a more accurate definition of consolidation entries.

## **Significant Events During the First Nine 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 share capital 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 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 Branch 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., due to organizational and management problems that occurred for the management of the entire Mall and not attributable to Giglio S.p.A..
- 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 Audirevi S.p.A. to carry out the statutory audit of the accounts for the period 2023-2031.

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

On 2 October 2023, the Board of Directors co-opted lawyer Cristina Grillo as a non-executive and independent member of the company, assigning her the presidency of the Appointments and Remuneration Committee and the role as member of the Internal Control, Risk and Related-Parties Committee.

On 23 October 2023, following the notice of call, published on 18 October 2023, of the ordinary and extraordinary Shareholders' Meeting of the Company called for 17 November 2023, the operation referred to in items 1 and 2 on the agenda of the extraordinary part was set in motion; the operation will consist of a share capital increase of up to € 5 million, which can be carried out (i) in a first part, following a resolution meeting by resorting to a private placement procedure compliant with market practice, including, where appropriate, that of accelerated bookbuilding (hereinafter "ABB"), evaluated with the support of MIT SIM S.p.A. which has been assigned the role of advisor and arranger of the operation and (ii) in a second part, in the event of failure to fully subscribe the increase within the deadline of 31 December 2023, through the

exercise of the proxy in the manner that will be deemed most appropriate by the Board of Directors in relation to the market context. The share capital increase will be aimed at both qualified or institutional investors and, in any case, at all parties who have submitted expressions of interest, binding or non-binding, including the companies Meridiana Holding S.p.A. ("Meridiana") and Luxury Cloud S.r.l. ("Luxury"); Meridiana has undertaken to guarantee the share capital increase of a maximum amount of € 3 million in the event that no other investor joins the increase, as already indicated in Giglio Group's Interim Condensed Consolidated Financial Statements as of 30 June 2023. Since Alessandro Giglio is the controlling shareholder of the Company, of Meridiana and of Luxury, headed by director Anna Maria Lezzi, all related parties of the Company, the subscription of the share capital increase by the latter could constitute transactions between relevant related parties pursuant to the Procedure for transactions with related parties in the version last approved by the Board of Directors on 30 June 2021 ("RPT Procedure") and to the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated ("Issuers Regulation"). In particular, the amount of the possible subscription of the share capital increase by Meridiana could lead to the qualification of the subscription as a Transaction of Greater Importance pursuant to Art. 8.1 of the RPT Procedure, while any subscription by Luxury could constitute a Transaction of Lesser Importance pursuant to Art. 8.2 of the RPT Procedure. Nevertheless, the two transactions will be taken into account together.

On 31 October 2023, the entire share capital of its fully-owned subsidiary, IBox SA, a company incorporated under Swiss law, was sold. The operation involves the sale of shares for a total value of € 5,887,000. Following the transfer of the shares, Giglio Group proceeded with the acquisition of a set of activities related to e-commerce currently recorded in the balance sheet of IBox SA, for a total value equivalent to the amount of the transfer itself and equal to € 5,887,000. The operation will not result in any overall cash flow or financial and economic benefits. This operation is strategic for the rationalization of corporate costs through the reduction of resources allocated to a foreign company which is no longer essential for Giglio Group's operations. This will lead to significant savings, both in terms of payroll costs, facilities, offices, and corporate expenses related to international operations. This industrial strategy is an integral part of a long-term reorganization plan of the group which aims to consolidate the activities of the Italian companies and divest those of the foreign companies, with the aim of concentrating Giglio Group as the sole 100% operational entity, in order to maximize resource optimization and improve overall business efficiency. The transfer also concerns Ibox's US subsidiary called Giglio USA.

## **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. During 2023 Q1, however, a significant increase of the same was recorded. 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 positioning with partnering brands (clients), considering that the Group is 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 nine months of the year to obtain 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 continued 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. During 2023, the number of ships served by Salotto di Brera increased.

The development of the Travel Retail sector also continues in the airport sector. 2023 saw the openings of Vienna, Shenzhen and Kazan airports, and agreements are expected to be concluded with seven further airports between the end of the year and the beginning of the next one.

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 is highlighted; 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 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 new contracts with four 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; this business unit shall be engaged throughout 2023 in the production and online and on-tour distribution of the merchandising of the "Maneskin" rock band . Moreover, 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 September 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:

(Euro thousands)	30.09.2023	31.12.2022	Change
Intangible Assets	15,186	15,436	(250)
Property, Plant and Equipment	755	456	299
Financial Fixed Assets	261	247	15
<b>Total Fixed Assets</b>	<b>16,203</b>	<b>16,139</b>	<b>64</b>
Inventories	1,171	1,559	(388)
Trade receivables	11,462	10,134	1,327
Trade payables	(14,668)	(11,957)	(2,711)
<b>Operating/Commercial Working Capital</b>	<b>(2,036)</b>	<b>(264)</b>	<b>(1,772)</b>
Other current assets and liabilities	(1,850)	(3,328)	1,477
<b>Net Working Capital</b>	<b>(3,886)</b>	<b>(3,592)</b>	<b>(295)</b>
Provisions for risks and charges	(344)	(365)	22
Deferred tax assets and liabilities	957	875	82
Other non-current liabilities	-	-	-
<b>Net Invested Capital</b>	<b>12,930</b>	<b>13,057</b>	<b>(127)</b>
<b>Total Net Invested Capital</b>	<b>12,930</b>	<b>13,057</b>	<b>(127)</b>
<b>Equity</b>	<b>3,590</b>	<b>4,317</b>	<b>(727)</b>
<b>Minority interest in equity</b>	<b>(39)</b>	<b>(43)</b>	<b>-</b>
<b>Net financial debt*</b>	<b>(16,480)</b>	<b>(17,331)</b>	<b>850</b>
<b>Total Sources</b>	<b>(12,930)</b>	<b>(13,057)</b>	<b>127</b>

### FINANCIAL LIABILITIES:

(Euro thousands)	30.09.2023	31.12.2022	Change
A Cash and cash equivalents	1,261	1,794	(533)
B Cash and cash equivalents			-
C Other current financial assets	2	2	0
<b>D Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>1,263</b>	<b>1,796</b>	<b>(533)</b>
E Current financial liabilities	(1,596)	(2,881)	1,285
<i>of which with Related Parties</i>	-	(732)	732
F Current part of the non-current financial liabilities	(5,316)	(5,268)	(48)
<b>G Current financial liabilities (E)+(F)</b>	<b>(6,912)</b>	<b>(8,149)</b>	<b>1,238</b>
<b>H Net current financial liabilities (G) - (D)</b>	<b>(5,648)</b>	<b>(6,353)</b>	<b>705</b>
I Non-current financial liabilities	(8,202)	(7,896)	(306)
<i>of which with Related Parties</i>			-
J Debt instruments	(2,979)	(3,005)	27
K Non-current trade and other payables	(3)	(76)	73
<b>L Non-current financial liabilities (I)+(J)+(K)</b>	<b>(11,184)</b>	<b>(10,977)</b>	<b>(207)</b>
<b>M Total financial liabilities (H)+(L)</b>	<b>(16,833)</b>	<b>(17,331)</b>	<b>498</b>



## STATEMENT OF PROFIT OR LOSS AND OF COMPREHENSIVE INCOME

<i>(Euro thousands)</i>	30.09.2023	30.09.2022	Change
Revenues from contracts with customers	22,924	27,849	(4,925)
Operating Costs	(18,792)	(24,161)	5,369
<b>Gross Margin</b>	<b>4,131</b>	<b>3,688</b>	<b>443</b>
<b>Gross Margin %</b>	<b>18.0%</b>	<b>13.2%</b>	<b>4.8%</b>
Payroll expenses	(2,318)	(2,878)	560
<b>EBITDA</b>	<b>1,813</b>	<b>810</b>	<b>1,004</b>
<b>EBITDA%</b>	<b>7.9%</b>	<b>2.9%</b>	<b>5.0%</b>
Non-recurring revenues (charges)	(7)	0	(7)
Amortisation, depreciation & write-downs	(871)	(900)	29
<b>EBIT</b>	<b>935</b>	<b>(91)</b>	<b>1,026</b>
Net financial charges	(921)	(835)	(86)
<b>PROFIT BEFORE TAXES</b>	<b>15</b>	<b>(928)</b>	<b>943</b>
Income taxes	96	78	18
<b>PROFIT FOR THE PERIOD</b>			
<b>DISCONTINUED OPERATIONS (adjusted)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROFIT FOR THE PERIOD</b>	<b>110</b>	<b>(849)</b>	<b>959</b>
<b>RESULT ATTRIBUTABLE TO MINORITY INTERESTS</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>
<b>GROUP PROFIT/(LOSS)</b>	<b>114</b>	<b>(849)</b>	<b>963</b>

### Information on Giglio Group:

Founded by Alessandro Giglio in 2003 and listed on the STAR 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 and, more recently, Food and Healthcare 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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