

Informazione Regolamentata n. 20076-47-2024	Data/Ora Inizio Diffusione 28 Giugno 2024 00:01:56	Euronext Milan
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Societa' : GIGLIO GROUP

Identificativo Informazione  
Regolamentata : 192745

Utenza - Referente : GIGLION01 - Mazzitelli

Tipologia : 3.1

Data/Ora Ricezione : 28 Giugno 2024 00:01:56

Data/Ora Inizio Diffusione : 28 Giugno 2024 00:01:56

Oggetto : INFORMATION REQUESTED BY CONSOB  
PURSUANT TO ARTICLE 114, PARAGRAPH  
5, OF LEGISLATIVE DECREE 58/98 IN VIEW  
OF THE ORDINARY SHAREHOLDERS'  
MEETING

*Testo del comunicato*

Vedi allegato



**INFORMATION REQUESTED BY CONSOB PURSUANT TO ARTICLE 114, PARAGRAPH 5,  
OF LEGISLATIVE DECREE 58/98 IN VIEW OF THE ORDINARY SHAREHOLDERS'  
MEETING CONVENED FOR JUNE 28, 2024 OF GIGLIO GROUP S.P.A.**

**Milan, June 27, 2024** - In compliance with the Consob request pursuant to Article 114, paragraph 5 of Legislative Decree No. 58/98 sent to the Company on June 26, 2024, regarding the ordinary shareholders' meeting of Giglio Group S.p.A. (the "Company" or "Giglio") convened for June 28, 2024, in particular concerning the approval of the financial statements as of December 31, 2023 published with the annual financial report on June 7, 2024, the following is disclosed.

**a) with reference to the correct use of the going concern assumption:**

- the main assumptions of the Industrial Plan 2024-2028, the elements supporting their reasonableness, considerations regarding their coherence with external sources of information as well as with past experiences, in light of the deviations recorded in the last two years between forecasted data and corresponding actual data;

The assumptions of the plan, shared with the assistance of a leading consulting firm, were built "bottom up" for business units. In particular, the main assumptions were:

Consolidation of the eCommerce Outsourcing business

Development of service line for entry-level commercial (eCommerce consulting)

Revision of the offering in a modular perspective (Omnia platform as a system integrator)

Development of new digital projects (e.g., Salotto Shop, partnerships with sales networks)

Rationalization of the B2B Distribution business unit and focus on clients with higher margins

Development of special projects for the Merchandising Business Unit focusing on clients with a broad commercial range (such as Trenitalia)

Consolidation of the Travel Retail Business Unit with a disintermediation focus

Rationalization of structural costs

These plan assumptions suggest that it is coherent with external sources of information and in line with the expected growth rate of the luxury segment of the E-commerce market. Furthermore, these assumptions indicate that past deviations between forecasted data and actual data may not recur.

- the elements supporting the financial sustainability of the plan, also considering the progress of negotiations with the banks. Also, highlight any commitments made by the majority shareholder Meridiana Holding S.p.A. or other parties in this regard. This is in light of what was reported in the semi-annual financial report as of June 30, 2023, regarding the "commitment of the shareholder Meridiana Holding SpA to ensure the necessary liquidity to support the industrial plan 2023/2027

with particular reference to meeting the obligations envisaged for the year 2024," clarifying whether the Company deemed it necessary to avail of such support;

To support financial sustainability, the company is engaging in appropriate negotiation tools, already in progress, with banks to reach an agreement to request a standstill. Additionally, new agreements and contracts have been signed: for example, the contract with Elix for Frecciarossa, communicated on June 13, 2024. Giglio Group has benefited from the support of Meridiana Holding spa, which was depleted through the subscription of the capital increase completed in December 2023.

- regarding the capital increase of Euro 5,000 thousand, (i) a reconciliation between the amount of Euro 2,259 thousand reported in the Financial Statements and the amounts of Euro 2,528 thousand and Euro 700 thousand which, as indicated inter alia in Note 40 "Going Concern," were subscribed in cash respectively by Meridiana Holding S.p.A. and Luxury Cloud S.r.l.; (ii) the ways in which the proceeds were used, also considering that as of December 31, 2023, the cash balances amount to Euro 966 thousand and that, as indicated in Note 13 "Cash and Cash Equivalents," "the changes are related to normal management activities and are connected to the variations highlighted in the financial statements";
- i) The amount of Euro 2,259 thousand refers to the increase in the item of share capital compared to the previous year. The reconciliation request is carried out with the following table.

Conversione del credito da Ibox SA		1.300.000
Versamento da Luxury Cloud per cassa		700.000
Versamento da Meridiana per cassa		2.528.000
Conversione del credito meridiana		472.000
	Totale aumento di capitale	5.000.000
	Registrato a incremento di capitale	2.259.748,80
	Registrato a sovrapprezzo azioni	2.740.251,20

ii) The amounts were used to reduce overdue debts on December 31, 2023, and the variations are related to normal management activities.

- regarding the financial indebtedness, the amounts due and unpaid as of the balance sheet date as well as of the date of approval of the financial statements by the Board of Directors, also taking into account what was highlighted in the press release on June 2, 2024, regarding the "[...] missed payment of a 2024 installment related to the loan received from Unicredit";

The short-term financial indebtedness statement as of the balance sheet date includes a UniCredit loan installment amounting to EUR 605 thousand due in October and paid in January 2024, in addition to an E-commerce Outsourcing S.r.l. loan installment of EUR 126 thousand due in October and paid in January 2024.

The short-term financial indebtedness statement as of the approval date by the shareholders' meeting of the financial statements includes two overdue and unpaid UniCredit loan installments amounting to EUR 543 thousand each, one due in January 2024 and the other due in April 2024, as well as an overdue and unpaid Bond Sace/Ebb installment of EUR 455 thousand due in April 2024.

**b) with regard to the failure to prepare the consolidated financial statements, the considerations made:**

- according to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" regarding the shares held in Media 360 HK Limited and Meta Revolution S.r.l., as they are "in the process of disposal" and any impacts that would result from applying this principle;

Media 360 HK is recorded at a value of HK\$ 100, and the sale does not involve significant differences. Meta Revolution has a carrying value of EUR 61 thousand, and the sale does not involve significant differences. These investments are recorded at the acquisition cost at the time of purchase. Given the provisions of paragraph 8 of IFRS 5, the directors, having not yet identified a buyer and completed the disposal program, are unable to establish whether the disposals of the shares will occur through sale or through the liquidation of the companies. Furthermore, considering the provisions of IFRS 5 regarding the time frame for completing the sale, i.e., that the disposal must take place within one year from the date of classification as Non-current Assets Held for Sale, the Directors prudently deemed it appropriate not to reclassify the shares as they are currently unable to demonstrate the methods and timing of the expected disposals.

- according to IFRS 10 "Consolidated Financial Statements" regarding the investments held in IBox SA and Salotto Brera Duty Free S.r.l. ("Salotto di Brera"), with particular reference to the provisions of paragraphs B38 and following of the same standard, introducing the possibility of a so-called "de facto" control, also taking into account (i) for IBox SA that the relevant activity, carried out by the company until October 31, 2023, was transferred to the wholly-owned company E-Commerce Outsourcing S.r.l, which was later merged into it in December 2023, and the fact that, according to the Swiss public register, Dr. Alessandro Giglio is reported to have remained as an administrator until February 2, 2024.

The Ibox SA has been managed by the company that acquired the stake from the date of the sale; a natural transition period was established to allow for the registration of new administrators in the Swiss register and changes in roles. Indeed, on December 11, 2023, an Extraordinary Assembly of Ibox S.A. resolved to replace Alessandro Giglio as president with Mrs. Caterina Mattioli. This change was communicated in a letter dated December 12, 2023, to the Trade Register, which was then registered on the known dates. Alessandro Giglio has not made decisions or had any activity in the company since October 31, 2023. As of October 31, 2023, IboxSA no longer conducted luxury brand e-commerce activities, as it had transferred the platform and contracts with the brands to E-Commerce Outsourcing (subsequently incorporated into Giglio Group S.p.A.).

- (ii) for Salotto di Brera, the framework agreement signed on December 1, 2023, to "facilitate and improve the synergistic management of the 'travel retail' branch with [... the] 'distribution' branch" under which, in the "interim period between December 1 and the date of signing the lease agreement," your Company "took over the branch, managing in synergy with its resources and on behalf of Salotto Brera, the contracts with customers and suppliers," while Salotto di Brera "undertook to transfer back the proceeds and margins earned in the aforementioned period net of the costs incurred for carrying out the activities";

Regarding the non-consolidation of Salotto di Brera, based on a specific opinion, it is noted that as of the preparation date of Giglio's 2023 financial statements, the conditions for continuing to consolidate Salotto di Brera were no longer met. Following the events in 2023, the justifications under IFRS 10 for the consolidation of Salotto di Brera by Giglio no longer hold. As of December 31, 2023, Giglio no longer controls Salotto di Brera and, thus, does not need to consolidate that investment. The opinion also indicates that in the absence of a control relationship, how Giglio's participation in Salotto di Brera should be classified in the financial statements. According to IAS 28, Giglio's stake in Salotto di Brera should be categorized as an associate, given its significant influence, and as such should be represented in the financial statements. The sales proceeds and related costs were respectively credited and debited to Giglio S.p.A., both for the month of December and for January 2024.

**c) concerning the "Goodwill" entry, information regarding:**

- the method of determining the value of Euro 4,852 thousand, "generated from the purchase operation of the assets and liabilities acquired from ECO towards Ibox";

The recognized Goodwill represents the difference between the amount paid for the acquisition of the brands' business for Euro 5,887 thousand and the algebraic sum of the assets and liabilities transferred in relation to the contract (Euro 3,485 thousand of assets, including the fair value of the Nimbus software for Euro 1,659 thousand, and Euro 2,450 thousand of liabilities).

- the impairment test conducted on this entry recorded in the balance sheet as of December 31, 2023, for Euro 10,256 thousand, indicating:
- (i) the methods used to address the uncertainties arising from the execution risk of the Industrial Plan in the context of the impairment tests, also considering the discrepancies identified between forecasted and actual data in previous years;

By its nature, the execution risk is a factor that increases the WACC applied in the impairment test. In this specific case for the B2B aspect, the discount rate takes into account an additional risk premium (Duff & Phelps) of 3.21% intended as a Size Premium, with an additional 2% for execution risk. The total of these two rates, aiming to cover any discrepancies, amounts to 5.21%; the overall WACC applied to the CGU is 13.29%. As for the B2C part, the coverage for potential deviations is also 5.21%, and the overall WACC applied to the CGU is 12.56% due to the slightly lower unlevered beta, reflecting the lower risk of the CGU itself.

- (ii) the growth rate "g" used in determining the Terminal Value;

The growth rate "g" was assumed to be 2%, consistent with long-term inflation forecasts in Italy.

- the results of any sensitivity analyses conducted regarding the WACC discount rate and the growth rate "g";

The sensitivity analyses conducted show good value retention for the B2B CGU while emphasizing a high sensitivity of results of the B2C CGU to the valuation parameters (WACC and g rate) with potential risks of impairment loss. The simulations were conducted on WACC (range +/- 0.5%) and the g rate (range - 2.0%).

- (iv) the values of the basic assumptions (i.e., EBITDA, WACC, and "g" rate) that would make the recoverable value of the CGUs in which the goodwill is allocated equal to their respective carrying amounts;

The headroom for the B2B CGU amounts to EUR 13,173 thousand, while that for B2C is EUR 161 thousand; if, for the latter, an increase in WACC to 13.06% (compared to the 12.56% calculated base) and simultaneously a reduction in the g rate (from 2.0% to 0%) were determined, the impairment loss would be EUR 848 thousand.

**d) with regard to the evaluation of the investment in Salotto di Brera:**

- (i) the methods used to determine the carrying amount of EUR 1,951 thousand of the remaining 49% interest maintained in the same company, also considering the provisions of paragraph 25 of IFRS 10 regarding loss of control;

The carrying amount of the investment consists of EUR 1,175 thousand related to the value recorded for the investment as of December 31, 2022, and EUR 776 thousand related to the waiver of Giglio's receivables against Salotto di Brera signed on February 3, 2023, and contributed as a capital increase. The 49% interest was calculated taking into account the net asset data of Salotto di Brera as of the balance sheet date.

For paragraph 25 of IFRS 10:

- a) Accounting elimination of assets and liabilities from the consolidated statement — not applicable;
- b) Recognizing the investment at fair value — see introduction to point i);
- c) Recognizing income or loss due to loss of control — not applicable as c.1) there were no operations in counterpart of consideration, c.2) there are no comprehensive profit or loss items to report in connection with the loss of control, c.3) the corrected financial statements have not been prepared.

(ii) information regarding the impairment test, highlighting:

- the discount rate (WACC) used to discount cash flows, identifying its main components;

Risk free rate	4,26%	10 years maturity bond (Italy)
Market risk premium	4,60%	Damodaran gennaio 2024
Beta unlevered	0,84%	Comparable companies Damodaran (01/24)
D/E Target	27,04	Damodaran 01/24
Tax rate	1,01	Corporate tax rate
Relevered beta	1.01%	
Size Premium	3,21%	Duff & Phelps
Cost of equity	12,10%	
Net cost of debt	4,90%	
WACC	10,56	
Execution risk	2,0%	
<b>WACC adjusted</b>	<b>12,56%</b>	

The WACC used was adjusted at 12.56%.

- the growth rate "g" used for the determination of the Terminal Value;

The applied g rate was 2%.

- the results of the impairment test and any sensitivity analyses conducted to verify the value retention of the investment;

With the application of a WACC of 12.56% and a g rate of 2%, the headroom was determined to be EUR 652 thousand. By applying a sensitivity with WACC increased to 13.06% and g rate set at 0%, the headroom would reduce to EUR 134 thousand.



- the values of the basic assumptions (i.e., EBITDA, WACC, and "g" rate) that would make the recoverable value of the investment equal to its carrying amount;

WACC 12.56% G rate +2.0%

**e) concerning the "Deferred Tax Assets" — also in light of what was reported in ESMA's Public Statement "Considerations on recognition of deferred tax assets arising from the carryforward of unused tax losses" of July 15, 2019 — reflections on their recoverability, considering significant uncertainties about the going concern, indicating the timeframe within which they are considered "absorbable from the future taxable income resulting from the business plan" as well as the amount of deferred tax assets that have "prudently [...] not been allocated";**

It is reported that since 2018, deferred tax assets have not been recorded. Based on the approved plans by the Directors, the recovery of deferred tax assets is expected in the financial years 2025 or 2026.

**f) regarding tax debts for "Foreign VAT":**

- the reasons for the increase in tax debts for foreign VAT recorded as of December 31, 2023, amounting to EUR 848 thousand (compared to EUR 75 thousand as of December 31, 2022);

The increase in tax debts is attributed to the effect of foreign VAT from the B2C business, including: • EUR 616 thousand incorporated by the merger of E-commerce and generated during the fiscal year, mainly in January and December 2023; • EUR 184 thousand resulting from B2C business operations in December 2023; • Payments of foreign VAT from Ibox Srl related to the French VAT repayment plan for EUR 27 thousand.

- considerations made about the opportunity of setting up a specific risk provision regarding the VAT debt owed by IBox SA at the time of its sale to Futurescape Sagl, which, as reported in the press release dated October 31, 2023, according to art. 114, paragraph 5, of the TUF, amounted to approximately EUR 5.8 million;

Based on a legal/fiscal opinion, no back payment risks on this debt were identified for Giglio Group Spa.

**g) the evaluations carried out by the Company for the qualification of Ibox SA as a non-related party of Giglio in the context of the capital increase concluded on December 20, 2023;**

Following the sale, the company ceased to be considered a related party of Giglio Group Spa as of October 31, 2023.

**h) concerning the debts to the related party Salotto di Brera, a description of the operations that led to the reduction of these debts from EUR 3,483 thousand as of June 30, 2023, to EUR 1,121 thousand as of December 31, 2023, also providing details of any related economic effects.**

As of December 31, 2023, part of these debts were repaid through a pro soluto transfer of some credits that were recorded in Giglio Spa's accounts.

Regarding points b) and g), a simultaneous request has been made to the Board of Statutory Auditors.

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As provided in Article 154-bis, paragraph 2 of the Italian Unified Financial Act (T.U.F.), the executive in charge of preparing the company's financial documents, Carlo Maria Micchi, declares that the corporate

accounting information contained in this communication corresponds to the documentary evidence, books, and accounting records.

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### **Information about Giglio Group:**

Founded by Alessandro Giglio in 2003 and listed on Borsa Italiana since 2015, currently on the EURONEXT MILAN market, Giglio Group is a leader in Italy in designing, implementing, and managing high-value-added omni-experience platforms for the worlds of Fashion, Design, Lifestyle, Food, Healthcare, and Merchandising. Headquartered in Milan and with branches in Rome, Genoa, and Shanghai. With its considerable specific experience, Giglio Group assists client companies in the distribution of their products online through a unique platform, starting with the implementation of mono-brand e-stores created and managed comprehensively. Furthermore, it integrates this activity with dedicated placement on major marketplaces and social channels worldwide, ensuring online management of both new collections and inventory. The uniqueness of a full-service online model guarantees a sell-through rate of 100%.

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