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Oggetto : GIGLIO GROUP: BOARD OF DIRECTORS
APPROVES THE INTERIM FINANCIAL
REPORT AS OF JUNE 30, 2024

Testo del comunicato

Vedi allegato



BOARD OF DIRECTORS APPROVES THE INTERIM FINANCIAL REPORT AS OF JUNE 30, 2024

Comparability of Financial Data

The company has included comparative data as of June 30, 2023, derived from the abbreviated half-year financial statements for that date. **It is noted that the comparative data is not homogeneous and therefore not comparable, as the financial statements as of June 30, 2024, have a different scope since, as indicated in the financial statements as of December 31, 2023, the companies Ibox SA (sold on October 31, 2023) and Salotto di Brera (deconsolidated following a capital increase subscribed by Meridiana Holding SpA, which reduced the ownership percentage from 100% to 49%) have been deconsolidated.**

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- Revenues as of June 30, 2024, amount to €9.866 million compared to €15.708 million for the same period of the previous fiscal year (as of June 30, 2023), not on a homogeneous perimeter.
 - EBITDA shows a negative balance of €475 thousand compared to a positive €1.153 million for the same period of the previous fiscal year (as of June 30, 2023), not on a homogeneous perimeter.
 - EBIT shows a negative balance of €711 thousand compared to a positive €558 thousand for the same period of the previous fiscal year (as of June 30, 2023), not on a homogeneous perimeter.
 - Net Financial Position is €10.180 million, improving from €10.539 million as of December 31, 2023, not on a homogeneous perimeter.
 - The Net Result shows a negative balance of €1.156 million compared to a negative €30 thousand for the same period of the previous fiscal year (as of June 30, 2023), not on a homogeneous perimeter.

Milan, September 26, 2024 – Giglio Group S.p.A. (Ticker GG), a company listed on Euronext Milan, announces that the Board of Directors of the Company, which met today, has approved the Interim Financial Report as of June 30, 2024.

Alessandro Giglio, President and CEO of Giglio Group, commented: *"I want to emphasize that the data is not homogeneous and therefore not comparable, as the financial statements as of June 30, 2024, have a very different scope. I am pleased to announce that Omnia, our AI-based platform, is now fully operational and is already delivering excellent results to our clients, confirming great expectations for the future. These expectations have been reinforced by the agreement signed today with Urban Vision, a partnership that represents a significant step towards the creation of smart, sustainable, and highly connected cities capable of developing innovative digital usage methods in urban environments and seizing new business opportunities."*

Analysis of Economic and Financial Management as of June 30, 2024

The company has included comparative data as of June 30, 2023, derived from the abbreviated half-year financial statements for that date. It is noted that the comparative data is not homogeneous and therefore not comparable, as the financial statements as of June 30, 2024, have a different scope given that, as indicated in the financial statements as of December 31, 2023, the companies Ibox SA (sold on October 31, 2023) and Salotto di Brera (deconsolidated following a capital increase subscribed by Meridiana Spa, which reduced the ownership percentage from 100% to 49%) have been deconsolidated.

Revenues as of June 30, 2024, amount to €9.866 million compared to €15.708 million for the same period of the previous fiscal year (June 30, 2023). EBITDA shows a negative balance of €475 thousand compared to a positive €1.153 million for the same period of the previous fiscal year (June 30, 2023).

The Net Result is negative for €1.156 million (compared to a negative €30 thousand as of June 30, 2023)

Analysis of Asset and Financial Management as of June 30, 2024

The Net Invested Capital of the Company as of June 30, 2024, amounting to €10.403 million, is primarily composed of Net Fixed Assets amounting to €18.540 million and negative Net Working Capital of €8.588 million.

Tangible Assets (which also include the RoU on existing leasing contracts) amount to €618 thousand (€539 thousand as of December 31, 2023).

Intangible Assets of €14.911 million are mainly composed of:

- **€10.256 million from goodwill**, detailed as follows:
 - €2.477 million related to the acquisition of Giglio Fashion in March 2016, attributed to the B2B Cash Generating Unit (CGU);
 - €772 thousand related to the merger of IBOX S.r.l. in June 2020;
 - €2.155 million allocated to goodwill for the merger deficit of E-commerce Outsourcing, attributed to the B2C CGU;
 - €4.852 million recorded as goodwill generated from the acquisition of assets and liabilities purchased from ECO concerning Ibox, attributed to the B2C CGU.
- **€3.755 million from the OMNIA platform**. This advanced technology platform based on artificial intelligence represents an innovative merger and evolution of the two proprietary platforms, Flex (dedicated to e-commerce) and Nimbus (the accounting platform), along with the 2024 capitalization related to IT developments, which will be amortized over 20 years as per the appraisal dated September 25, 2024.

Financial investments amounting to €3.011 million primarily relate to the stake in Salotto di Brera amounting to €1.951 million and receivables from IBOX SA for €450 thousand.

In detail, the change in debt is also attributable to the following factors:

A. **Liquid Assets**: this item has decreased from €966 thousand to €93 thousand.

E. Current Financial Debt: this item mainly includes advance lines on invoices amounting to €753 thousand. This item has decreased due to reduced utilization of advance lines.

F. Current Portion of Non-Current Debt: this item has decreased due to repayments made in the first half of 2024.

I. Non-Current Financial Debt: the reduction is primarily due to the reclassification from the current portion of loans following repayments made during the month.

J. Debt Instruments: Non-current financial debt as of June 30, 2024, includes the long-term bond loan to EBB S.r.l. As of June 30, 2024, the payment of the April 2024 installment of €455 thousand is overdue.

The net financial debt reflects, as of June 30, 2024, the financial debt related to the EBB S.r.l. bond loan. The regulations governing the terms and conditions of the Bond Loan also contain certain commitments and limitations on the Company, including financial commitments (so-called financial covenants), non-compliance with which could result in the loss of the benefit of term and the obligation for the Company to repay the Bond Loan in full in advance (so-called relevant events).

On June 28, 2023, SACE, as guarantor of the bond loan, granted consent to the bondholder EBB S.r.l. for the release 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 concerning all verification dates until the full repayment of the bond loan. The obligations under clause 11.2 (informational commitments) of the bond loan regulations by Giglio Group S.p.A. remain in force.
- Therefore, the obligation concerning the holding Meridiana referred to in Article 10 (regulations of the loan. Financial parameters and further commitment of the guarantor) of the surety is considered no longer in effect. However, it is understood among the parties that all other obligations and duties assumed by Meridiana Holding S.r.l. under the guarantee and indemnity contract dated March 10, 2020, remain in force and fully enforceable.
- In light of the foregoing, it is represented that regarding the guarantee and indemnity contract dated March 10, 2020, the guaranteed amount referred to in premise D is thus confirmed at €1,500,000 along with the commitment to grant a pledge on the shares of Giglio Group S.p.A. totaling €4,152,000 in favor of SACE. The parties agree from now on that the pledge does not entail the possibility of exercising voting rights.
- The effectiveness of the consent was perfected on June 29, 2023

Significant Events Occurring in the First Six Months of the Fiscal Year

On March 13, 2024, a lease agreement was signed for the Travel Retail branch of Salotto di Brera. This agreement includes all the assets organized for conducting travel retail activities and comprises, as further specified in the attachments, (i) existing employment contracts with employees engaged in the business branch, (ii) current contracts with customers and suppliers established within the scope of the business branch, (iii) the tangible assets necessary for carrying out the activities related to the branch, and (iv) the lease contract for the property located at Assago Strada 1 Palazzo 7, Assago (MI). The agreement has a total duration of 1 (one) year, with a possible renewal subject to good faith negotiations between the parties within 3 months of the expiration date, and a mutually agreed rental price for the first year of €60,000.00 plus VAT, where applicable.

On June 4, 2024, the Board of Directors approved a new industrial plan for 2024-2028, which replaces the previous industrial plan for 2023-2027 and its underlying assumptions. In this regard, the Company obtained an independent analysis from a reputable international advisor.

On June 4, 2024, the Board of Directors approved the impairment test based on the results of the Industrial Plan, for which a leading consulting firm drafted a detailed report.

Events Following the First Six Months of the Fiscal Year

- On July 17, 2024, Giglio Group S.p.A. announced the launch of OMNIA. This advanced technology platform, based on artificial intelligence, represents an innovative merger and the evolution of the two proprietary platforms, Flex (dedicated to e-commerce) and Nimbus (the accounting platform). It offers an integrated end-to-end approach for managing the purchasing process, both physical and online, from the initial ordering phase to final delivery.
- On July 24, 2024, Giglio Group S.p.A. announced the following change to the 2024 Corporate Events Calendar: “The Board of Directors meeting to approve the Financial Statements as of June 30, 2024, originally scheduled for September 11, 2024, will be held on September 26, 2024.”
- On September 26, 2024, the Board of Directors of Giglio Group approved the signing of a binding term sheet regarding, inter alia, the general principles of a merger operation between Giglio Group and Urban Vision S.p.A., a company operating in the communication sector and a leader in Out of Home advertising. Based on the agreements reached in the Term Sheet, the Operation will be realized, among other things, through a capital increase of Giglio Group to be executed via the issuance of new ordinary shares (having the same characteristics as the outstanding ordinary shares of Giglio Group and regular entitlement) with the exclusion of the option right pursuant to and for the effects of Article 2441, paragraph 4, first sentence, of the Italian Civil Code, to be subscribed and paid by Urban Vision through the transfer to Giglio Group of the entire business of Urban Vision.

Expected Evolution of Management

Over the past three years, the global context has been characterized by a succession of three extraordinary events: i) the pandemic emergency, ii) the conflict between Russia and Ukraine leading to an energy and food crisis, and iii) the return of sustained inflation and the end of ultra-expansive monetary policies. The risks to the global macroeconomic outlook remain significant and oriented downward. The evolution of the conflict between Russia and Ukraine, along with tensions in the Middle East, continues to represent one of the negative factors that could exacerbate the slowdown of global economic activity.

In this context, e-commerce has benefited from a cultural shift characterized by a steady growth of digital stores, facilitated by the slowdown of physical retail. The numerous requests for technological updates from our clients entail ongoing investment in new platform developments and constant maintenance to support growth, and imply a continuous analysis of the strategic role concerning brand partners (clients), increasingly becoming a technical and process partner, as well as an outsourcing service provider.

In addition to maintaining strong relationships with Giglio's historical clients, marketing activities continue to strengthen. The expansion of the Travel Retail activities of the Salotto di Brera branch is progressing due to organic growth driven by an increase in tourism on cruise ships (leisure travel) and non-organic growth resulting from the increasing number of ships.

The signing of an agreement with Trenitalia involves all business units of Giglio for the implementation of a comprehensive service, which includes:

- Development of an e-commerce site;

- Digital production and sale of all merchandise;
- Creation, production, and sale of co-branded products with major brands;
- Agreements with significant companies in other sectors for the onboard sale of their products and those of the most important brands distributed by Salotto Brera.

In the B2B sector, it is believed that new distribution contracts can be finalized, in addition to signing new contracts with major fashion brands worldwide. Growth is expected in the new business unit, initiated in the second half of 2023, related to merchandising production

The semi-annual report as of June 30, 2024, will be made available to the public, within the terms and in the manner prescribed by current applicable laws and regulations, on the Company's website at www.giglio.org and at the authorized storage mechanism at www.emarketstorage.com.

The Officer in Charge of the preparation of corporate accounting documents, Carlo Micchi, declares pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Finance Act (TUF) that the accounting information contained in this announcement corresponds to the documented results, the books, and the accounting records.

Appendix

Balance sheet:

(Euro thousands)	30.06.2024	31.12.2023	Variation
intangible assets	14.911	14.867	44
tangible assets	618	539	79
Financial fixed assets	3.010	2.869	141
Total fixed assets	18.540	18.274	266
Inventory	207	393	(186)
Trade receivables	2.306	4.477	(2.171)
Trade payables	(7.920)	(9.094)	1.174
operating working capital/receivables	(5.406)	(4.224)	(1.182)
Other current assets	(3.181)	(2.452)	(729)
Net working capital	(8.588)	(6.676)	(1.912)
Provisions	(559)	(584)	25
Deferred tax liabilities	1.011	903	108
Other non-current liabilities	-	-	-
Net invested capital	10.403	11.917	(1.514)
Total Net Invested Capital	10.403	26.784	(16.381)
Equity	(222)	(1.377)	1.155
Equity attributable to non-controlling interests	-	-	-
Net financial debt	(10.181)	(10.539)	358
Total resources	(10.403)	(11.916)	1.513

Financial debt:

	(Euro thousands)	30.06.2024	31.12.2023	Variation
A	Cash	93	966	(873)
B	Cash and cash equivalents			-
C	Other current financial assets	2	2	(0)
D	Cash & cash equivalents (A)+(B)+(C)	95	968	(873)
E	Current financial liabilities	(847)	(1.025)	178
	<i>of which with Related Parties</i>	2		2
F	Current part of the non-current financial liabilities	(3.587)	(3.736)	149
G	Current financial liabilities (E)+(F)	(4.433)	(4.761)	328
H	Net current financial liabilities (G)-(D)	(4.338)	(3.793)	(545)
I	Non-current financial liabilities	(3.905)	(4.462)	557
	<i>of which with Related Parties</i>	(46)	-	(46)
J	Debt instruments	(1.889)	(2.281)	392
K	Non-current trade and other payables	(1)	(1)	0
L	Non-current financial liabilities (I)+(J)+(K)	(5.841)	(6.744)	903
M	Total financial liabilities (H)+(L)	(10.180)	(10.539)	359

Income statement:

	(Euro thousands)	30.06.2024	31.12.2023	Variation
A	Cash	93	966	(873)
B	Cash and cash equivalents			-
C	Other current financial assets	2	2	(0)
D	Cash & cash equivalents (A)+(B)+(C)	95	968	(873)
E	Current financial liabilities	(847)	(1.025)	178
	<i>of which with Related Parties</i>	2		2
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G	Current financial liabilities (E)+(F)	(4.433)	(4.761)	328
H	Net current financial liabilities (G) - (D)	(4.338)	(3.793)	(545)
I	Non-current financial liabilities	(3.905)	(4.462)	557
	<i>of which with Related Parties</i>	(46)	-	(46)
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K	Non-current trade and other payables	(1)	(1)	0
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M	Total financial liabilities (H)+(L)	(10.180)	(10.539)	359

Informazioni su Giglio Group:

Fondata nel 2003 da Alessandro Giglio, Giglio Group ha intrapreso un percorso di innovazione e crescita che l'ha portata a diventare leader nell'integrazione dell'intelligenza artificiale all'omnichannel solution. Quotata in Borsa Italiana dal 2015 e attualmente sul mercato EURONEXT MILAN, l'azienda ha costantemente ampliato la sua presenza nel panorama internazionale, consolidando la propria reputazione come partner di fiducia per le aziende che desiderano digitalizzare la propria attività.

Giglio Group si distingue per la progettazione, realizzazione e gestione di soluzioni ad alto valore aggiunto, specializzandosi in settori chiave quali Fashion, Design, Lifestyle, Food, Healthcare e Merchandising.

Il punto di riferimento del modello di business è la piattaforma OMNIA, basata sull'intelligenza artificiale, che offre un approccio integrato end-to-end.

Per ulteriori informazioni:

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