



GIGLIO GROUP: 1Q 2018 RESULTS APPROVED

- **Revenue (before IFRS 15) for the first quarter of 2018 amounts to Euro 29.9 million, up 177% on the same period of the previous year (Euro 10.8 million), reporting organic growth at 4%, net of the change in the consolidation scope.**
- **Significant progress in the e-commerce business segment (Ibox), with revenue (before IFRS 15) up 16% on the same period of the previous year and EBITDA to Euro 1.1 million, reporting organic growth of 63% compared to the pro forma figure for the first quarter of 2017.**
- **6,505,849 users in the first quarter of 2018, up 16.22%, and transactions up 29.81%, compared to the same period of the previous year, confirming the success of the new technologies developed by Giglio Group and applied to e-commerce¹;**
- **Consolidated turnover from sales and services for the first quarter of 2018 calculated in accordance with the new standard, IFRS 15, amounts to Euro 15.4 million. The application of IFRS 15 resulted in the reclassification of revenue and cost worth Euro 14.5 million. These reclassifications did not result in adjustments to the profit for the period;**
- **Revenue (after IFRS 15) amounts to Euro 15.4 million, up by 42.7% on the first quarter of 2017 (Euro 10.8 million). IFRS 15 only impacts the revenue and costs generated by Ibox, not included in the consolidation scope of the first quarter of 2017;**
- **Normalised EBITDA*, adjusted for non-recurring charges, amounts to Euro 3.1 million, up 32% on the first quarter of 2017 (Euro 2.4 million), with a 20% margin on revenue under IFRS 15;**
- **Net Profit for the period, adjusted* for non-recurring charges of Euro 1.06 million, is up 27% on the first quarter of 2017 (Euro 0.84 million);**
- **Net financial debt equal to Euro 18.4 million (31 December 2017: net financial debt of Euro 14.8 million);**

¹ Google Analytics source

* EBITDA, EBIT and profit adjusted for non-recurring charges, total approximately Euro 0.5 million and are due to listing on the MTA market, STAR segment, managed by Borsa Italiana.

Milan, 15 May 2018 - The Board of Directors of **Giglio Group S.p.A. (Ticker GGTV)** ("**Giglio Group**" or the "**Company**") – the first e-commerce 4.0 company listed on the MTA-STAR Market of Borsa Italiana since 20 March 2018, met today and approved the interim financial statements at 31 March 2018, prepared in accordance with the IFRS.

The Group's revenue for the first quarter of 2018 (before IFRS 15) amounts to Euro 29.9 million, up 177% on Euro 10.8 million in the same period of 2017, while revenue (after IFRS 15) amounts to Euro 15.4 million, up 42.7% on Euro 10.8 million in the first quarter of 2017. IFRS 15 entirely impacts the revenue and costs generated by Ibox, not included in the consolidation scope of the first quarter of 2017. EBITDA* adjusted for non-recurring charges amount to Euro 3.1 million, up 32% on the same period of the previous year. The increase is mainly due to the consolidation of the Evolve SA group, now iBox SA, on 27 April 2017 in Giglio Group's e-commerce 4.0 model. The normalised profit *for the period of Euro 1.06 million is up 27% on the first quarter of 2017.

Net financial indebtedness is Euro 18.4 million (31 December 2017: net financial indebtedness of Euro 14.8 million).

"The results for the first quarter of the year confirm the success of Giglio Group's business model, providing ground for a 2018 which will express its full potential". These are Alessandro Giglio's words, chairman and CEO of Giglio Group: "Due to the seasonal nature of the business, the agreements signed during the quarter will bring about results in terms of revenue only starting from year end. However, they will also drive us to an even more satisfactory 2019. In the last few months, we worked hard to support the development and the implementation of ibox.it - our multibrand online store - and of t-commerce, which we intend to launch before the summer. This will further drive the Group's growth, expanding the business opportunities generated by the e-commerce 4.0 revolution".

Giglio Group's consolidated financial performance

Consolidated revenue (after IFRS 15) amounts to Euro 15.4 million, up by 42.7% on the first quarter of 2017 (Euro 10.8 million);

The following should be noted with respect to **business segments**:

- ✓ revenue from the **Media division** amounts to Euro 4.7 million, up 4.7% on the same period of the previous year (Euro 4.5 million in 2017). The increase in revenue from the Media division is due to the performance of the subsidiary Giglio TV;
- ✓ revenue from the **e-commerce division** amounts to Euro 10.8 million, up 69.5% (Euro 6.3 million in 2016), mainly thanks to the consolidation of Ibox.

* EBITDA, EBIT and profit adjusted for non-recurring charges, total approximately Euro 0.5 million and are due to listing on the MTA market, STAR segment, managed by Borsa Italiana.

With respect to **geographical** segments, **in the first quarter of 2018** revenue from the Euro zone and the UK accounts for 78%, Asia 17% and USA 5% of total revenue.

Total **operating costs**, net of non-recurring costs, amount to Euro 11.4 million (Euro 8 million in the first quarter of 2017). This is due to the increase in turnover following the change in the consolidation scope and the rise in the variable and consultancy costs necessary for the new position of MTA -STAR company.

Personnel expense doubled to approximately Euro 1 million on the same period of the previous year, mainly as a consequence of the increase in Ibox group's workforce and the strengthening of the unit which currently includes key personnel which can ensure adequate organisation, in line with the requirements for issuers listed on the STAR segment, and significantly contribute to management, business development and sale functions. The cost structure is in line with the new e-commerce 4.0 business model which the Group has been progressively developing, where e-commerce plays a more important role than in the past.

Non-recurring charges of approximately Euro 0.5 million are essentially related to the costs incurred by the Group to enter the STAR segment in Q1 2018.

Normalised EBITDA* amounts to Euro 3.1 million (Euro 2.3 million in the first quarter of 2017), reporting growth of 32% on the same period of the previous year and margins up to 20%.

Normalised organic EBITDA* is -14% on the first quarter of 2017, net of the change in the consolidation scope. This difference is due to the strengthening of the management structure and the Group's workforce in line with the requirements imposed by the new status of MTA-STAR company necessary to support the development of the business as well as costs for services and overheads. This figure does not consider the accurate re-allocation of the centralised costs incurred by the parent which, conversely, are the responsibility of the various business segments, which is estimated to have led to a significant variation in the data

Normalised EBIT * amounts to Euro 1.6 million, up 45% on the same period of the previous year. It includes amortisation/depreciation and impairment losses of approximately Euro 1.5 million.

The normalised profit for the period attributable to the owners of the parent* amounts to Euro 1.06 million, up 27% on the first quarter of 2017 (Euro 0.84 million). It is considerably affected by financial charges of Euro 0.2 million (Euro 89 thousand in the first quarter of 2017), mainly as a consequence of greater factoring service fees (which began in April 2017) and the interest accruing on the new loans raised after the first quarter of 2017.

Income statement figures for the first quarter of 2018

The Group's net invested capital for the first quarter of 2018, amounting to Euro 35.7 million, mainly consists of net fixed assets of Euro 30.4 million (up Euro 0.6 million on 31 December 2017) and net working capital of Euro 5.3 million (up by Euro 3.6 million on 31 December 2017).

* EBITDA, EBIT and profit adjusted for non-recurring charges, total approximately Euro 0.5 million and are due to listing on the MTA market, STAR segment, managed by Borsa Italiana.

Property, plant and equipment of Euro 6.6 million (Euro 6.8 million at 31 December 2017) mainly consist of equipment related to the Media division.

Intangible assets of Euro 23.5 million, of which Euro 11.7 million, relate to goodwill for the acquisitions of Giglio Fashion and Evolve (Euro 22.6 million at 31 December 2017, of which Euro 11.7 million related to Giglio Fashion's goodwill).

Financial assets of Euro 318 thousand, of which Euro 155 thousand related to the acquisition of the investments in Pegaso S.r.l., Class Tv Moda and Cloud Food, and Euro 162 thousand mainly related to guarantee deposits.

Equity attributable to the owners of the parent, amounting to Euro 17.2 million at 31 March 2018, rose by Euro 0.5 million on 31 December 2017.

Net financial indebtedness at 31 March 2018 is equal to Euro 18.4 million, increasing Euro 3.7 million on 31 December 2017 (Euro 14.8 million). The increase is mainly due to the following factors:

- ✓ credit lines assisting working capital (Euro 0.5 million);
- ✓ greater indebtedness due to loans (Euro 0.5 million);
- ✓ decreased cash and cash equivalents (Euro 2.7 million).

Main events of the period

-On 20 March 2018, Giglio Group was admitted for listing on Italy's MTA, STAR segment, completing the translisting process which began in 2017. This process did not entail the raising of funds from the market.

-On 21 March 2018, Giglio Group S.p.A. entered into a joint venture agreement with Acque Minerali d'Italia S.p.A., one of the top four companies in the field of mineral waters in Italy, led by Massimo Pessina.

Cloud Food was incorporated, in which Giglio Group and Acque Minerali d'Italia S.p.A. have a 51% and 49% investment, respectively. Cloud Food is an innovative technology platform which will act as a real alternative and innovative distribution channel of food Made in Italy, enabling flexible order management and with online subscription, including through the innovative T-commerce available on Giglio Group's channels. Made up of three divisions (Food Digital, Food Distribution and Food Media), Cloud Food will offer tailor-made services through e-commerce 4.0- B2C and B2B; from the creation of e-commerce platforms, to the management of products and consumer goods in the food&beverage sector on all major global marketplaces. Therefore, Cloud Food will be the first digital company to market internationally the mix between traditional and digital media (TV and video) and online sales, transforming the e-shopping experience in the world with the new integrated e-commerce 4.0 model.

The partnership between Giglio Group and Acque Minerali d'Italia puts together the activities and distinctive know-how of the two groups: on the one hand, technological, digital and T-commerce skills, coupled with Giglio Group's television and, on the other hand, Acque Minerali d'Italia, which is at the top of its market, with a pipeline of new appealing products and a distribution network nationwide.

-Again on 21 March 2018, Giglio Group unveiled the new Ibox 65 TV channel, a T-commerce channel dedicated to home and family (home, food, furniture, design and family), available on digital

terrestrial channel 65. This will be the first T-commerce channel in Italy that will allow the purchase of products distributed by Giglio Group and Cloud Food also on TV.

Information on Giglio Group:

Founded by Alessandro Giglio in 2003 and listed on MTA- STAR market, Giglio Group is an e-commerce 4.0 company addressing mainly millennial consumers. The group is a leader in the field of radio and television broadcasting, it has developed cutting-edge digital solutions and represents, in online fashion, a digital market place at a global level, catering to thirty major digital retailers in the world. Giglio Group also produces multimedia content that is transmitted, through agreements with operators and in a large part through a proprietary infrastructure via fiber and satellite transmission formed by the division M-Three Satcom, in 46 nations, 5 continents and in six languages through its own television channels visible on all TV devices, digital, web and mobile. In 2016, the group launched its own e-commerce 4.0 model, which is currently operating in China and the USA: the users "see and buy" by clicking on their smartphone / tablet or taking a photograph of the product they are watching on television, for a revolutionary shopping experience. Giglio Group is headquartered in Milan, Rome, New York (Giglio USA) and Shanghai (Giglio Shanghai).

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Consolidated statement of financial position

Consolidated statement of financial position (€'000)	31.03.2018	31.12.2017
Non-current assets		
Property, plant and equipment	6,570	6,829
Intangible assets	11,778	10,926
<i>of which: distribution rights</i>	-	-
<i>of which: publishing rights</i>	11,384	10,573
<i>Other intangible assets</i>	394	353
Goodwill	11,718	11,718
Equity investments	155	150
Receivables	163	142
Deferred tax assets	925	941
Total non-current assets	31,309	30,706
Current assets		
Inventories	6,805	6,729
Trade and other receivables	22,660	20,926
Financial receivables	-	-
Tax assets	10,944	9,822
Other assets	3,240	3,010
Cash and cash equivalents	3,490	6,209
Total current assets	47,139	46,696
Total assets	78,448	77,402
Equity		
Share capital	3,208	3,208
Reserves	11,375	11,374
Extraordinary reserve	-	-
Listing costs	(541)	(541)
FTA reserve	4	4
Retained earnings	2,582	2,609
Translation reserve	(4)	(5)
Profit for the period/year	606	43
Total equity attributable to the owners of the parent	17,230	16,692
Equity attributable to non-controlling interests	-	-
Total equity	17,230	16,692
Non-current liabilities		
Provisions for risks and charges	609	864
Deferred tax liabilities	261	282
Financial liabilities (non-current portion)	8,249	9,201
Total non-current liabilities	9,119	10,347
Current liabilities		
Trade and other payables	33,497	33,728
Financial liabilities (current portion)	13,681	11,763
Tax liabilities	3,568	3,581
Other liabilities	1,353	1,291
Total current liabilities	52,099	50,363
Total liabilities and equity	78,448	77,402

Consolidated income statement

Consolidated income statement (€'000)	First quarter of 2018	First quarter of 2017
Total revenue	15,219	10,786
Other revenue	213	25
Change in inventories	656	203
<i>Costs for raw materials, consumables, supplies and goods</i>	<i>(5,822)</i>	<i>(5,224)</i>
<i>Services</i>	<i>(6,326)</i>	<i>(2,854)</i>
<i>Use of third party assets</i>	<i>(300)</i>	<i>(142)</i>
Operating costs	(12,448)	(8,220)
<i>Wages and salaries</i>	<i>(750)</i>	<i>(334)</i>
<i>Social security contributions</i>	<i>(189)</i>	<i>(98)</i>
<i>Post-employment benefits (TFR)</i>	<i>(26)</i>	<i>(15)</i>
Personnel expense	(965)	(447)
<i>Amortisation of intangible assets</i>	<i>(1,084)</i>	<i>(760)</i>
<i>Depreciation of property, plant and equipment</i>	<i>(387)</i>	<i>(469)</i>
<i>Allowance for impairment</i>	<i>0</i>	<i>1</i>
Amortisation/depreciation and impairment losses	(1,471)	(1,228)
Other operating costs	(28)	(2)
Operating profit	1,176	1,117
Financial income	10	35
Net financial expense	(238)	(124)
Pre-tax profit	948	1,028
Income tax	(342)	(189)
Profit for the period	606	839
Of which: attributable to non-controlling interests	-	-
Basic and diluted earnings per share	0.0379	0.0563

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (€'000)	First quarter of 2018	First quarter of 2017
Profit for the period	606	839
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss, net of taxes</i>		
Translation reserve	2	(4)
Total items that will be reclassified subsequently to profit or loss, net of taxes	2	(4)
<i>Items that will not be reclassified to profit or loss, net of taxes</i>		
Actuarial loss - employee benefits	1	-
Total items that will not be reclassified to profit or loss, net of taxes	1	0
Total comprehensive income for the period	608	835
Earnings per share	0.0379	0.0563

STATEMENT OF CASH FLOWS

(€'000)	2017	2016
<i>Cash flows from operating activities</i>		
Profit for the period	606	839
Adjustments for:		
Depreciation	387	469
Amortisation	1,084	760
(Reversal of) impairment losses	-	(1)
Net financial expense	229	89
Income tax	342	189
Changes in:		
Inventories	(76)	(202)
Trade receivables	(1,734)	1,143
Tax assets	(1,122)	(520)
Other assets	(230)	(106)
Deferred tax liabilities	(20)	(29)
Trade payables	(231)	(2,153)
Tax liabilities	(13)	247
Other liabilities	63	184
Change in net working capital	(3,363)	(1,436)
Change in reserves	(255)	(16)
Cash generated by (used in) operating activities	(970)	893
Interest paid	(229)	(89)
Income tax paid	(342)	(189)
Net cash generated by (used in) operating activities	(1,541)	615
<i>Cash flows from investing activities</i>		
Investments in property, plant and equipment	(128)	(132)
Investments in intangible assets	(1,936)	(1,782)
Acquisition of Evolve Group, net of cash acquired	-	-
Acquisition of Giglio Fashion, net of cash acquired	-	-
Other non-current assets	(5)	(6)
Increase in equity investments	(5)	-
Change in consolidation scope		
Net cash used in operating activities	(2,074)	(1,920)
<i>Cash flows from financing activities</i>		
Capital increase	-	-
Changes in E	(68)	-
New loans	1,000	500
Loans repaid	(451)	(452)
Change in loans and borrowings	416	1,075
Net cash generated by financing activities	897	1,123
Net decrease in cash and cash equivalents	(2,718)	(182)
Cash and cash equivalents at 1 January	6,209	1,817
Cash and cash equivalents at 31 December	3,490	1,635

Change in accounting policies

IFRS impact on the consolidated financial statements

Below is a description of the impact of IFRS 15 on the consolidated financial statements at 31 March 2018.

Consolidated statement of financial position

Consolidated statement of financial position (€'000)	31.03.2018 reported	IFRS adjustments	31.03.2018 no IFRS adjustments
Non-current assets			
Property, plant and equipment	6,570		6,570
Intangible assets	11,778		11,778
<i>of which: distribution rights</i>	-		-
<i>of which: publishing rights</i>	11,384		11,384
<i>Other intangible assets</i>	394		394
Goodwill	11,718		11,718
Equity investments	155		155
Receivables	163		163
Deferred tax assets	925		925
Total non-current assets	31,309		31,309
Current assets			
Inventories	6,805		6,805
Trade and other receivables	22,660		22,660
Financial receivables	-		-
Tax assets	10,944		10,944
Other assets	3,240		3,240
Cash and cash equivalents	3,490		3,490
Total current assets	47,139		47,139
Total assets	78,448		78,448
Equity			
Share capital	3,208		3,208
Reserves	11,375		11,375
Extraordinary reserve	-		-
Listing costs	(541)		(541)
FTA reserve	4		4
Retained earnings	2,582		2,582
Translation reserve	(4)		(4)
Profit for the period	606		606
Total equity attributable to the owners of the parent	17,230		17,230
Equity attributable to non-controlling interests	-		-
Total equity	17,230		17,230
Non-current liabilities			
Provisions for risks and charges	609		609
Deferred tax liabilities	261		261
Financial liabilities (non-current portion)	8,249		8,249
Total non-current liabilities	9,119		9,119
Current liabilities			
Trade and other payables	33,497		33,497
Financial liabilities (current portion)	13,681		13,681
Tax liabilities	3,568		3,568
Other liabilities	1,353		1,353
Total current liabilities	52,099		52,099
Total liabilities and equity	78,448		78,448

Consolidated income statement

Consolidated income statement (€'000)	First quarter of 2018 reported	IFRS adjustments	First quarter of 2018 no IFRS adjustments
Total revenue	15,219	14,459	29,678
Other revenue	213		213
Change in inventories	656	(621)	35
<i>Costs for raw materials, consumables, supplies and goods</i>	<i>(5,822)</i>	<i>(13,837)</i>	<i>(19,659)</i>
<i>Services</i>	<i>(6,326)</i>		<i>(6,326)</i>
<i>Use of third party assets</i>	<i>(300)</i>		<i>(300)</i>
Operating costs	(12,448)	(13,837)	(26,285)
<i>Wages and salaries</i>	<i>(750)</i>		<i>(750)</i>
<i>Social security contributions</i>	<i>(189)</i>		<i>(189)</i>
<i>Post-employment benefits (TFR)</i>	<i>(26)</i>		<i>(26)</i>
Personnel expense	(965)	0	(965)
<i>Amortisation of intangible assets</i>	<i>(1,084)</i>		<i>(1,084)</i>
<i>Depreciation of property, plant and equipment</i>	<i>(387)</i>		<i>(387)</i>
<i>Allowance for impairment</i>	<i>0</i>		<i>0</i>
Amortisation/depreciation and impairment losses	(1,471)	0	(1,471)
Other operating costs	(28)		(28)
Operating profit	1,176	0	1,176
Financial income	10		10
Net financial expense	(238)		(238)
Pre-tax profit	948	0	948
Income tax	(342)		(342)
Profit for the period	606	0	606
Of which: attributable to non-controlling interests	-		-
Basic and diluted earnings per share	0.0379		0.0379

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (€'000)	First quarter of 2018	IFRS adjustments	First quarter of 2018 no IFRS adjustments
Profit for the period	606		606
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss, net of taxes</i>			
Translation reserve	2		2
Total items that will be reclassified subsequently to profit or loss, net of taxes	2		2
<i>Items that will not be reclassified to profit or loss, net of taxes</i>			
Actuarial loss - employee benefits	1		1
Total items that will not be reclassified to profit or loss, net of taxes	1		1
Total comprehensive income for the period	608		608

