



GIGLIO GROUP: SHAREHOLDERS' MEETING APPROVES 2017 ANNUAL ACCOUNTS AND RENEWS CORPORATE BOARDS

- *2017 Statutory Annual Accounts approved and 2017 Consolidated Annual Accounts reviewed*
- *Consolidated revenues of Euro 78.8 (+129% on Euro 34.5 million as per the 2016 Annual Accounts)*
- *Consolidated adjusted profit¹ of Euro 1.8 million (-7% compared to 2016)*
- *Net financial debt of Euro 14.8 million (increasing Euro 4.6 million on the end of 2016. The difference principally relates to the acquisition of the Evolve Group)*
- *Establishment of the number of members and appointment of the Board of Directors, establishment of the duration of office and the remuneration of the members of the Board of Directors*
- *Appointment of the Board of Statutory Auditors, establishment of the remuneration of the members of the Board of Statutory Auditors*
- *Change in the duration of the assignment to EY S.p.A. as independent auditor of accounts*

Milan, May 11, 2018 - The Shareholders' Meeting of **Giglio Group S.p.A. (Ticker GGTV)** ("**Giglio Group**" or the "**Company**"), an e-commerce 4.0 leader, listed on the STAR segment of the Italian Stock Exchange, met today in ordinary session and in single call under the chairmanship of Mr. Alessandro Giglio.

¹ *Net Profit Adjusted for non-recurring charges of Euro 1.7 million, mostly attributable to the admission to listing on the MTA Market managed by Borsa Italiana, a sum that was nearly entirely expensed out in 2017.*

2017 Annual Accounts

The Shareholders' Meeting approved the 2017 Annual Accounts according to the terms proposed by the Board of Directors, published on March 29, 2018 (figures annexed to this press release). The 2017 Group consolidated annual accounts were also presented at the meeting, as per the annexed tables.

With regards to the loss of Euro 2,378,865.00 reported in the 2017 Annual Accounts, the Ordinary Shareholders' Meeting of Giglio Group S.p.A. approved the carrying forward of loss to the subsequent year, as proposed in the Directors' Report made available to Shareholders in accordance with law.

The Ordinary Shareholders' Meetings of Giglio Group S.p.A., finally, decided not to distribute reserves, in order to maintain company finances to support future investments and self financing.

Establishment of the number of members and appointment of the Board of Directors, establishment of the duration of office and the remuneration of the members of the Board of Directors

The independence requirements and the voting percentages were established.

The Shareholders' Meeting appointed the Board of Directors, comprising 7 members, for the 2018-2020 three-year period. On the basis of the 2 slates presented, the following Directors were appointed:

1. Alessandro Giglio¹ (Chairman)
2. Yue Zhao¹
3. Anna Lezzi¹
4. Massimo Mancini¹
5. Giorgio Mosci*¹
6. Graziella Capellini*¹
7. Carlo Frigato²

The Shareholders' Meeting, in addition, established the gross annual remuneration of the Board of Directors for the duration of mandate as Euro 315,000.

¹ Selected from the "majority slate" presented by the shareholder Meridiana Holding S.r.l., holding 53,71% of the voting share capital of Giglio, obtaining 82,76% of votes at the Shareholders' Meeting.

² Selected from the "minority slate" presented by the shareholder Docomo Digital Italy, holding overall 9,91% of the share capital of Giglio, obtaining 17,24% of votes at the Shareholders' Meeting.

* Director considered independent in accordance with law (Articles 147-ter and Article 148, paragraph 3 of the CFA), as stated in the By-Laws.

Appointment of the Board of Statutory Auditors, establishment of the remuneration of the members of the Board of Statutory Auditors

The Shareholders' Meeting appointed the Board of Statutory Auditors and the Chairman of the Board of Statutory Auditors, for the 2018-2020 three-year period, comprising:

Statutory Auditors

1. Cristian Tundo² (Chairman of the Board of Statutory Auditors)
2. Monica Mannino¹
3. Marco Centore¹

Alternate Auditors

1. Gianfranco Pallaria¹
2. Cristina Quarleri¹

The curriculum vitae of the members of the Board of Directors and of the Board of Statutory Auditors are made available at the registered office in Milan, Piazza Diaz 6, and on the company website www.giglio.org (Corporate Governance / Shareholders' Meetings Section).

The Shareholders' Meeting, in addition, assigned for the duration of the three-year mandate, to the Chairman of the Board of Statutory Auditors, gross annual remuneration of Euro 25.000 and gross annual remuneration of Euro 20.000 to each of the statutory auditors.

Independent audit firm appointed for the 2018-2026 nine-year period

The Shareholders' Meeting also confirmed EY S.p.A. as the auditor of accounts for the 2018-2026 nine-year period, previously appointed for the 2017-2025 period by the Shareholders' Meeting of December 1, 2017. In fact, in consideration of the extended process for the transfer from the AIM market to the STAR segment of the MTA market, which concluded on March 20, 2018, it was necessary to change the mandate period from 2017-2025 to 2018-2026, as only subsequent to admission to listing of company shares on the MTA market are the audit obligations as per Articles 14 and 16 of Legislative Decree 39/2010 applied.

Filing of documentation

The summary of voting and the minutes of the AGM shall be made available to the public, according to the legally established deadlines and means, at the registered office, Borsa Italiana and on the Giglio Group website at www.giglio.org, Governance section, in addition to the NIS-STORAGE authorised storage mechanism.

⁽²⁾ Selected from the "minority slate" presented by the shareholder Docomo Digital Italy, holding overall 9,91% of the share capital of Giglio, obtaining 15,26% of votes at the Shareholders' Meeting.

¹ Selected from the "majority slate" presented by the shareholder Meridiana Holding S.r.l., holding 53,71 of the voting share capital of Giglio, obtaining 84,74% of votes at the Shareholders' Meeting.

The Executive Officer for Financial Reporting Ms. Myriam Amato, declares in accordance with paragraph 2, Article 154bis of the CFA, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

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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IFRS consolidated and separate financial statements as extracted from the approved document.

Consolidated statement of financial position (€/000)		31.12.2017	31.12.2016
Non-current assets			
Property, plant and equipment	(1)	6,829	6,965
Intangible assets	(2)	10,926	8,710
<i>of which Distribution rights</i>		-	-
<i>of which Publishing rights</i>		10,573	8,427
<i>Other intangible assets</i>		353	283
Goodwill	(3)	11,718	4,134
Investments	(4)	150	-
Receivables	(5)	142	140
Deferred tax assets	(8)	792	198
Total non-current assets		30,557	20,147
Current assets			
Inventories	(6)	6,729	2,769
Trade and other receivables	(7)	20,926	18,889
Financial receivables		-	-
Tax receivables	(8)	9,971	1,599
Other assets	(9)	3,010	532
Cash and cash equivalents	(10)	6,209	1,817
Total current assets		46,845	25,606
Total Assets		77,402	45,753
Equity			
	(11)		
Share capital		3,208	2,964
Reserves		11,374	7,750
Extraordinary reserve		-	-
Listing charges		(541)	(541)
FTA Reserve		4	4
Retained earnings		2,609	1,284
Currency reserve		(5)	(1)
Net profit (loss) for the period		43	1,325
Total Equity attributable to the Parent Company's Shareholders		16,692	12,785
Non-controlling interests		-	-
Total Equity		16,692	12,785
Non-current liabilities			
Provisions	(12)	864	283
Deferred tax liabilities	(13)	282	366
Financial payables (non-current portion)	(14)	9,201	7,636
Total non-current liabilities		10,347	8,285
Current liabilities			
Trade and other payables	(15)	33,728	18,311
Financial payables (current portion)	(14)	11,763	4,418
Tax payables	(16)	3,581	1,338
Other liabilities	(17)	1,291	616
Total current liabilities		50,363	24,683
Total Liabilities and Equity		77,402	45,753

Consolidated income statement (€/000)		31.12.2017	31.12.2016
Total revenue	(18)	78,031	34,315
Other revenue	(18)	785	146
Changes in inventories		2,640	(681)
<i>Costs for raw and ancillary materials, consumables and goods for resale</i>	(19)	(49,686)	(14,896)
<i>Service costs</i>	(20)	(20,082)	(8,982)
<i>Lease expenses</i>	(21)	(908)	(590)
Operating costs		(70,676)	(24,468)
<i>Wages and salaries</i>	(22)	(2,453)	(1,068)
<i>Social security contributions</i>	(22)	(678)	(298)
<i>Post-employment benefits</i>	(22)	(77)	(61)
Personnel costs		(3,208)	(1,427)
<i>Amortisation</i>	(23)	(3,947)	(2,913)
<i>Depreciation</i>	(23)	(1,792)	(1,833)
<i>Allowance for bad debts</i>	(23)	(380)	(129)
Amortization, depreciation and allowance for bad debts		(6,119)	(4,875)
Other operating costs	(24)	(751)	(644)
EBIT		702	2,366
Financial income	(25)	146	37
Financial expense	(25)	(770)	(523)
Profit before tax		78	1,880
Income tax	(26)	(34)	(554)
Net profit for the period		44	1,326

Cash flows from operating activities

Net profit (loss) for the period	43	1.325
Adjustments for:		
Depreciation of tangible assets	1.792	1.833
Amortisation of intangible assets	3.947	2.913
Write-downs/(Revaluations)	380	129
Net financial charges/(income)	624	486
Taxes	34	554
Variazioni di:		
Inventories	(2.588)	406
Trade receivables	3.735	(7.531)
Tax receivables	(5.683)	186
Other assets	(2.478)	(313)
Deferred tax liabilities	(103)	(288)
Trade payables	2.651	5.179
Tax payables	2.067	(106)
Other liabilities	674	592
Change in net working capital	(1.725)	(1.875)
Change in reserves	502	30
Cash flow generated from operating activities	5.597	5.395
Interest paid	(624)	(486)
Income taxes paid	(34)	(554)
Net cash flow generated from operating activities	4.939	4.355
<i>Cash flows from investing activities</i>		
Investments in tangible assets	(1.441)	(629)
Investments in intangible assets	(5.985)	(6.021)
Acquisition Evolve Group net of liquidity acquired	558	-
Acquisition Giglio Fashion net of liquidity acquired	-	(1.409)
Other intangible assets	(971)	(132)
Increase in investments	(150)	-
Change in consolidation scope		
Net cash flow absorbed by investing activities	(7.989)	(8.191)
<i>Cash flow from financing activities</i>		
Share capital increase	-	158
Change in Net Equity	(46)	(64)
New financing	3.700	3.078
Change in Debt	3.788	1.280
Net cash flow absorbed by financing activities	7.442	4.452
Net increase/(decrease) in cash and cash equivalents	4.392	616
Cash and cash equivalents at January 1	1.817	1.200
Cash and cash equivalents at December 31	6.209	1.817

Statement of financial position (€/000)		31.12.2017	31.12.2016
Non-current assets			
Property, plant and equipment	(1)	5.175	4.911
Intangible assets	(2)	1.403	1.938
<i>of which Distribution rights</i>		-	-
<i>of which Publishing rights</i>		1.303	1.803
<i>Other intangible assets</i>		100	135
Goodwill	(3)	4.134	4.134
Investments	(4)	7.419	1.859
Receivables	(5)	3.135	1.153
Deferred tax assets	(8)	776	198
Total non-current assets		22.043	14.194
Current assets			
Inventories	(6)	3.685	2.332
Trade and other receivables	(7)	15.140	20.074
Financial receivables		-	-
Tax receivables	(8)	3.828	1.599
Other assets	(9)	1.392	532
Cash and cash equivalents	(10)	3.100	1.450
Total current assets		27.144	25.987
Total Assets		49.187	40.181
Equity			
	(11)		
Share capital		3.208	2.964
Reserves		11.374	7.750
Extraordinary reserve		-	-
Listing charges		(541)	(541)
FTA Reserve		4	4
Retained earnings		46	(96)
Currency reserve		-	-
Net profit (loss) for the period		(2.379)	141
Total Equity		11.712	10.222
Non-current liabilities			
Provisions	(12)	349	283
Deferred tax liabilities	(13)	265	351
Financial payables (non-current portion)	(14)	7.438	6.376
Total non-current liabilities		8.052	7.009
Current liabilities			
Trade and other payables	(15)	16.751	17.204
Financial payables (current portion)	(14)	11.513	4.196
Tax payables	(16)	405	932
Other liabilities	(17)	754	616
Total current liabilities		29.423	22.949
Total Liabilities and Equity		49.187	40.181

Income statement (€/000)		31.12.2017	31.12.2016
Total revenue	(18)	32.354	29.220
Other revenue	(18)	195	146
Changes in inventories		1.353	(681)
<i>Costs for raw and ancillary materials, consumables and goods for resale</i>	(19)	(18.379)	(14.568)
<i>Service costs</i>	(20)	(12.274)	(8.617)
<i>Lease expenses</i>	(21)	(641)	(560)
Operating costs		(31.293)	(23.744)
<i>Wages and salaries</i>	(22)	(1.536)	(951)
<i>Social security contributions</i>	(22)	(467)	(289)
<i>Post-employment benefits</i>	(22)	(64)	(61)
Personnel costs		(2.067)	(1.301)
<i>Amortisation</i>	(23)	(803)	(750)
<i>Depreciation</i>	(23)	(1.159)	(1.280)
<i>Allowance for bad debts</i>	(23)	(358)	(129)
Amortization, depreciation and allowance for bad debts		(2.320)	(2.159)
Other operating costs	(24)	(600)	(545)
EBIT		(2.378)	936
Financial income	(25)	11	30
Financial expense	(25)	(663)	(523)
Profit before tax		(3.030)	443
Income tax	(26)	651	(302)
Net profit for the period		(2.379)	141

Cash flows from operating activities

Net profit (loss) for the period	(2.379)	141
Adjustments for:		
Depreciation of tangible assets	1.159	1.280
Amortisation of intangible assets	803	750
Write-downs/(Revaluations)	358	129
Net financial charges/(income)	652	493
Taxes	(651)	302
Variations:		
Inventories	(1.353)	703
Trade receivables	4.934	(12.033)
Tax receivables	(2.229)	5
Other assets	(860)	(560)
Deferred tax liabilities	(86)	-
Trade payables	(454)	8.861
Tax payables	(527)	(127)
Other liabilities	138	943
Change in net working capital	(436)	(2.208)
Change in reserves	66	173
Cash flow generated from operating activities	(428)	1.060
Interest paid	(652)	(493)
Income taxes paid	651	(302)
Net cash flow generated from operating activities	(429)	265
Cash flows from investing activities		
Investments in tangible assets	(1.423)	(3.770)
Investments in intangible assets	(268)	(416)
Acquisition Evolve Group net of liquidity acquired	558	-
Acquisition Giglio Fashion net of liquidity acquired	-	(1.409)
Other intangible assets	(2.918)	1.956
Increase in investments	(1.650)	-
Change in consolidation scope		
Net cash flow absorbed by investing activities	(5.700)	(3.639)
Cash flow from financing activities		
Share capital increase	-	-
Share premium reserve	-	-
Change in Net Equity	(42)	-
New financing	3.700	5.018
Change in Debt	4.122	(577)
Net cash flow absorbed by financing activities	7.780	4.441
Net increase/(decrease) in cash and cash equivalents	1.650	1.067
Cash and cash equivalents at January 1	1.450	382
Cash and cash equivalents at December 31	3.100	1.450