



GIGLIO GROUP: H1 2018 RESULTS REFLECTING MAJOR REVENUE ADVANCES - PARTICULARLY THANKS TO E-COMMERCE AREA - APPROVED

EXTREMELY STRONG IBOX.IT MULTIBRAND ONLINE STORE INITIAL VISIT AND USER FIGURES

- **Revenues (IFRS 15) of Euro 27.4 million in H1 2018, +30.3% on H1 2017 (Euro 21 million¹), with pro-forma² growth of 6.8%**
- **Strong e-commerce business growth in terms of volumes +20% and revenues with a progress of 8.1% (IFRS 15) on the pro-forma figure for the previous year, with EBITDA up 36.6% on the H1 2017 pro-forma figure² ;**
- **EBITDA, adjusted³ for non-recurring charges of Euro 4.8 million, up 15.2% on H1 2017 (Euro 4.2 million), with an 18% margin on IFRS 15 revenues;**
- **Net Profit, adjusted³ for non-recurring charges of Euro 0.9 million, reduces on H1 2017 (Euro 2 million), mainly due to increased amortisation and depreciation on Media sector investments and higher financial charges and income taxes;**
- **Net Financial Debt of Euro 17.5 million (Euro 14.8 million at December 31, 2017);**
- **Carlo Frigato, current company director, appointed new Chief Financial Officer and Investor Relator of the Group and Massimo Mancini, current Group General Manager, appointed as the Executive Officer for Financial Reporting.**
- **Ibox.it, the multibrand online store (www.ibox.it), launched in June 2018, supplying the best of global fashion and the first commerce TV channel, airing on channel 68 of digital terrestrial TV, permitting the immediate and simultaneous purchase of the fashion broadcast.**

¹ H1 2017 consolidated figures restated, applying effects from application of IFRS 15 retrospectively.

² H1 2017 Pro-forma consolidated figures restated, applying effects from application of IFRS 15 retrospectively. The Pro-forma figures include the Ibox Group (former E-volve) in the consolidation from January 1, 2017.

³ EBITDA, EBIT and net profit adjusted for non-recurring charges totalling approx. Euro 0.9 million, principally relating to the listing on the MTA market, STAR segment, managed by Borsa Italiana.

Milan, September 10, 2018 - The Board of Directors of **Giglio Group S.p.A. (Ticker GGTV)** (“**Giglio Group**” or the “**Company**”) – the leading e-commerce 4.0 platform listed since March 20, 2018 on the MTA-STAR segment of the Italian Stock exchange - meeting today approved the Half-Year Report at June 30, 2018, drawn up as per IFRS.

The Group posted H1 2018 Revenues (IFRS 15) of Euro 27.4 million, up 30.3% on Euro 21 million¹ in the same period of 2017. The impact of IFRS 15 entirely reflects on the revenues and costs generated by Ibox. Solely for informational purposes, it is reported that Revenues of H1 2018, as per the accounting standards applied in 2017 (before IFRS15), would amount to approx. Euro 52 million, compared to proforma H1 2017 revenues of Euro 47.7 million. EBITDA³ adjusted for non-recurring charges of Euro 4.8 million, up 15.2% on the same period of the previous year. The increases mainly relate to ecommerce area growth, thanks also to the consolidation of the Evolve SA Group (now iBox SA) on April 27, 2017. Adjusted Net Profit³ of Euro 0.9 million reduces on H1 2017 due to increased amortisation and depreciation on Media sector investments subsequent to June 30, 2017 and higher financial charges and income taxes on the same period of the previous year.

Net Financial Debt of Euro 17.5 million increases on Euro 14.8 million at December 31, 2017.

“The first half results demonstrate the strength of Giglio Group’s business model, and have exceeded the published business plan in terms of revenues and EBITDA, laying the foundations of a 2019 that will express its full potential”. Alessandro Giglio, Chairman and Chief Executive Officer of Giglio Group, stated “At the beginning of June, we simultaneously launched in Italy our T-Commerce on channel 68 of digital terrestrial and our multibrand store ibox.it on the web, transforming the business model and resulting both in increased costs and lower Media sector revenues - although the initial results emerging in the summer are highly satisfying and reward our efforts. Just a few weeks from launch, ibox.it recorded over 115k unique users, with over 135k sessions and 8k newsletter subscribers - a result which beat our expectations. In the first half of the year, we have invested to create this new and innovative business line, which will provide an additional and major source of future revenues. The excellent results delivered in the first six months of the year by the Group, in addition to the strategic agreements signed and the initiatives undertaken, have put us on the path to a 2019 full of expectation”.

Giglio Group consolidated operating-financial performance

Consolidated post-IFRS 15 revenues of Euro 27.4 million, up 6.8%² on the H1 2017 pro-forma figure (Euro 25.7 million);

By **business area**, we report:

² H1 2017 Pro-forma consolidated figures restated, applying effects from application of IFRS 15 retrospectively. The Pro-forma figures include the Ibox Group (former E-volve) in the consolidation from January 1, 2017.

- ✓ for the **Media division** revenues of Euro 9.5 million, up 4.3% on the same period of the previous year (Euro 9.1 million in 2017); Media division revenue growth stems from the performance of the subsidiary Giglio TV, while impacted by the launch of Tcommerce and channels 65 and 68 which are beginning to deliver their initial results and which will contribute to future e-commerce revenues;
- ✓ for the **ecommerce division** revenues of Euro 18 million, increasing 8.1% on the pro-forma figure for the previous year (Euro 16.6 million in 2017).

In terms of **regional breakdown**, **Revenues in the first half of 2018** were concentrated for 77% in the Eurozone and UK, for 19% in Asia and for 4% in the USA.

Operating Costs, net of non-recurring costs, amounted to Euro 20.4 million (Euro 19.1 million in H1 2017²), following the growth in business volumes and with the main increases concerning product acquisition costs, service costs and rent, leases and similar costs.

Personnel costs amount to approx. Euro 2.2. million, increasing Euro 0.4 million on the pro-forma figure for the same period of the previous year², principally thanks to the expanded workforce at the Ibox Group and the development of the organisation, which now has qualified key area figures on board and in compliance with the STAR segments issuers' regulation, while also substantially contributing to management, business development and sales. This cost structure is in line with the new e-commerce 4.0 business model, currently under gradual development by the Group and whose e-commerce component has expanded.

Non-recurring charges of Euro 0.9 million concern for Euro 0.5 million the costs incurred by the Group in the first half of 2018 for transfer to the main STAR segment and of Euro 0.4 million in the form of penalties for the failure to provide notice following the settlement signed in May 2018 with the previous provider of television bandwidth.

Adjusted EBITDA³ amounts to Euro 4.8 million (pro-forma figure in H1 2017 of Euro 4.8 million ²), substantially in line with the pro-forma consolidated figures for the previous year, with a margin decreasing to 18% from 19% in 2017, due to the transfer from April 2018 from a more strictly television-based model focused on sales revenues and advertising spaces to the mixed model of e-commerce 4.0 (T-commerce), for which the e-commerce revenue contribution increasingly takes precedent. The higher costs incurred impacting the margin are fundamental to transforming the business model, which the Group expects will very strongly benefit Group results even in the next few years.

Adjusted EBIT³ was Euro 1.5 million and includes increased amortisation and depreciation due to the Media sector investments subsequent to H1 2017.

Adjusted Group Net Profit³ of Euro 0.9 million (adjusted pro-forma net profit of Euro 2 million² in H1 2017). This result was impacted by increased financial charges of Euro 0.5 million, principally due

² H1 2017 Pro-forma consolidated figures restated, applying effects from application of IFRS 15 retrospectively. The Pro-forma figures include the Ibox Group (former E-volve) in the consolidation from January 1, 2017.

³ EBITDA, EBIT and net profit adjusted for non-recurring charges totalling approx. Euro 0.9 million, principally relating to the listing on the MTA market, STAR segment, managed by Borsa Italiana.

to higher factoring service costs (sought in May 2017) and interest on new loans drawn down subsequent to the first half of 2017, in addition to higher amortisation and depreciation on the Media sector investments made subsequent to the first half of 2017. A significant increase in income taxes on the previous year is also expected.

Equity and Financial Position at June 30, 2018

The Net Capital Employed at June 30, 2018 amounts to Euro 34.2 million, principally comprised of Net Fixed Assets of Euro 32.1 million (increasing on December 31, 2017 by Euro 2.3 million) and Net Working Capital totalling Euro 2.1 million (Euro 1.6 million at December 31, 2017).

Property, plant and equipment of Euro 6.2 million (Euro 6.8 million at December 31, 2017) principally concern specific Media division plant.

Intangible assets of Euro 25.2 million, of which Euro 11.7 million concerning the goodwill relating to the acquisitions of Giglio Fashion and of Evolve (Euro 22.6 million at December 31, 2017, of which Euro 4.7 million of goodwill concerning Giglio Fashion). The overall change of Euro 2.6 million refers to the capitalisation of the publishing rights.

Financial assets of Euro 639 thousand, of which Euro 155 thousand concerning the acquisition of the investments in Pegaso Srl, Class Tv Moda and Cloud Foo, and Euro 484 thousand principally concerning guarantee deposits.

Group Shareholders' Equity of Euro 16,639 thousand at June 30, 2018, decreasing by Euro 53 thousand compared to December 31, 2017.

Net Financial Debt at June 30, 2018 of Euro 17.5 million, increasing on December 31, 2017 (Euro 14.8 million) by Euro 2.8 million, mainly due to the following factors:

negative for:

- ✓ Euro 1.2 million of credit lines in support of increasing Working Capital due to the seasonal effect of Distribution division business, in relation to Autumn/Winter 2018 orders;
- ✓ Increased loan payables of Euro 4.4 million;

positive for:

- ✓ Higher cash and cash equivalents for Euro 1.3 million;
- ✓ Reduction in the payable for Earn Outs for Euro 0.5 million and of the payable for the bond loan subscribed by Banca Sella in May 2017 of Euro 1 million, repaid in May 2018, which reduced "other current financial payables";

In general, the increase in the financial debt relates to the working capital changes in support of e-commerce operations, which, by their inherent nature, require advances of liquidity, in addition to the payment of certain non-recurring costs e.g. those incurred for the listing transfer.

Significant events

-On March 20, 2018, the company Giglio Group was admitted to listing on the STAR segment of the MTA, concluding the translisting initiated in 2017. The translisting process did not involve market fundraising.

-On March 21, 2018, Giglio Group S.p.A. signed a joint venture agreement with Acque Minerali d'Italia S.p.A., one of the leading four mineral water companies in Italy, led by Massimo Pessina, with the incorporation of the company Cloud Food - held 51% by Giglio Group and 49% by Acque Minerali d'Italia S.p.A.. Cloud Food is an innovative technological platform, proposing itself as a truly alternative and innovative distribution channel for Made in Italy food products, permitting the flexible management of orders on an online subscription basis, also through the innovative T-commerce option available on the Giglio Group channels. Comprising 3 divisions (Food Digital, Food Distribution, Food Media), Cloud Food shall provide tailor-made e-commerce 4.0 B2C and B2B services, from the creation of e-commerce platforms, to the management of food and beverage products and consumer goods on all the main global marketplaces. Cloud Food will therefore be the first Digital Company to introduce to the market a fusion of promotion on the traditional and digital media (TV channels and video) and selling through online platforms, revolutionising the e-shopping experience with a new e-commerce 4.0 integrated model.

The partnership between Giglio Group and Acque Minerali brings together the distinctive expertise and operations of the two Groups, i.e.: on the one hand, the technological, digital and T-commerce linked to television knowledge of Giglio Group, and on the other Acque Minerali d'Italia's market leadership, with a pipeline of new interesting products and an extensive domestic distribution network.

-Also on March 21, 2018, Giglio Group presented the new Ibox 65 channel, a T-commerce channel dedicated to the world of the home and family (home, food, furniture, design and family), available on channel 65 of terrestrial digital TV and the first T-commerce channel in Italy to provide the option to purchase the products distributed by Giglio Group and Cloud Food also on TV.

-On June 27, 2018, Giglio Group agreed with a leading credit institution the without recourse factoring of a VAT receivable requested for repayment from the Tax Agency through the 2018 VAT Declaration, referring to financial year 2017. The amount requested for repayment and subject to factoring was Euro 1.5 million, while the without recourse factoring payment agreed was Euro 1.4 million, settled as follows:

- Euro 1.2 million paid on June 26, 2018;
- Euro 0.3 million to be paid following the settlement of the disputes and charges forwarded by the Tax Agency concerning the tax assessments/settlement notices received in previous years and which the company has been permitted to settle in instalments.

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 92 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)	30.06.2018	31.12.2017
Non-current assets		
Property, plant and equipment	6,213	6,829
Intangible assets	13,519	10,926
<i>of which: distribution rights</i>	-	-
<i>of which: publishing rights</i>	13,129	10,573
<i>Other intangible assets</i>	390	353
Goodwill	11,718	11,718
Equity investments	155	150
Receivables	484	142
Deferred tax assets	923	941
Total non-current assets	33,012	30,706
Current assets		
Inventories	5,317	6,729
Trade and other receivables	22,710	20,926
Financial receivables	-	-
Tax assets	9,566	9,822
Other assets	3,495	3,010
Cash and cash equivalents	7,508	6,209
Total current assets	48,596	46,696
Total assets	81,608	77,402
Equity		
Share capital	3,208	3,208
Reserves	12,011	11,374
Extraordinary reserve	-	-
Listing costs	(541)	(541)
FTA reserve	4	4
Retained earnings	1,963	2,609
Translation reserve	(7)	(5)
Profit for the period/year	1	43
Total equity attributable to the owners of the parent	16,639	16,692
Equity attributable to non-controlling interests	-	-
Total equity	16,639	16,692
Non-current liabilities		
Provisions for risks and charges	735	864
Deferred tax liabilities	241	282
Financial liabilities (non-current portion)	10,008	9,201
Total non-current liabilities	10,984	10,347
Current liabilities		
Trade and other payables	31,943	33,728
Financial liabilities (current portion)	15,047	11,763
Tax liabilities	4,020	3,581
Other liabilities	2,975	1,291
Total current liabilities	53,985	50,363
Total liabilities and equity	81,608	77,402

Consolidated income statement

Consolidated income statement (€'000)	First half of 2018	First half of 2017
Total revenue	26,939	27,363
Other revenue	493	141
Change in inventories	1,407	956
<i>Costs for raw materials, consumables, supplies and goods</i>	(9,740)	(15,951)
<i>Services</i>	(11,893)	(7,646)
<i>Use of third party assets</i>	(572)	(375)
Operating costs	(22,205)	(23,972)
<i>Wages and salaries</i>	(1,745)	(909)
<i>Social security contributions</i>	(368)	(234)
<i>Post-employment benefits (TFR)</i>	(57)	(17)
Personnel expense	(2,170)	(1,160)
<i>Amortisation of intangible assets</i>	(2,466)	(1,615)
<i>Depreciation of property, plant and equipment</i>	(789)	(879)
<i>Allowance for impairment</i>	(20)	0
Amortisation/depreciation and impairment losses	(3,275)	(2,494)
Other operating costs	(519)	(411)
Operating profit	670	423
Financial income	22	34
Net financial expense	(481)	(353)
Pre-tax profit	211	104
Income tax	(210)	53
Profit for the period	1	157
Of which: attributable to non-controlling interests	-	-
Basic and diluted earnings per share	(0.0002)	0.0088

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (€'000)	First half of 2018	First half of 2017
Profit for the period	1	157
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss, net of taxes</i>		
Translation reserve	(1)	(9)
Total items that will be reclassified subsequently to profit or loss, net of taxes	(1)	(9)
<i>Items that will not be reclassified to profit or loss, net of taxes</i>		
Actuarial loss - employee benefits	(2)	(17)
Total items that will not be reclassified to profit or loss, net of taxes	(2)	(17)
Total comprehensive income for the period	(3)	131

STATEMENT OF CASH FLOWS

<i>(€'000)</i>	First half of 2018	First half of 2017
<i>Cash flows from operating activities</i>		
Profit for the period	1	156
Adjustments for:		
Depreciation	789	885
Amortisation	2,466	1,663
(Reversal of) impairment losses	-	-
Net financial expense	459	319
Income tax	210	(53)
Changes in:		
Inventories	1,412	(1,580)
Trade receivables	(1,784)	7,173
Tax assets	256	(1,299)
Other assets	(485)	(2,780)
Deferred tax liabilities	(40)	(76)
Trade payables	(1,784)	(4,357)
Tax liabilities	439	(133)
Other liabilities	1,685	1,173
Change in net working capital	(301)	(1,879)
Change in reserves	(129)	163
Cash generated by (used in) operating activities	3,495	1,254
Interest paid	(459)	(319)
Income tax paid	(210)	53
Net cash generated by (used in) operating activities	2,826	988
<i>Cash flows from investing activities</i>		
Investments in property, plant and equipment	(173)	(340)
Investments in intangible assets	(5,059)	(2,882)
Acquisition of Evolve Group, net of cash acquired	-	558
Acquisition of Giglio Fashion, net of cash acquired	-	-
Other non-current assets	(324)	(448)
Increase in equity investments	(5)	(150)
Change in consolidation scope		
Net cash used in operating activities	(5,561)	(3,262)
<i>Cash flows from financing activities</i>		
Capital increase	-	-
Changes in E	(54)	(25)
New loans	5,500	2,700
Loans repaid	(1,088)	-
Change in loans and borrowings	(323)	91
Net cash generated by financing activities	4,035	2,766
Net decrease in cash and cash equivalents	1,300	492
Cash and cash equivalents at 1 January	6,209	1,817
Cash and cash equivalents at 30 June	7,508	2,307

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 30 June 2018.

Consolidated statement of financial position

Consolidated statement of financial position (€'000)	30.06.2018 reported	IFRS adjustments	30.06.2018 no IFRS adjustments
Non-current assets			
Property, plant and equipment	6,213		6,213
Intangible assets	13,519		13,519
<i>of which: distribution rights</i>	-		-
<i>of which: publishing rights</i>	13,129		13,129
<i>Other intangible assets</i>	390		390
Goodwill	11,718		11,718
Equity investments	155		155
Receivables	484		484
Deferred tax assets	923		923
Total non-current assets	33,012		33,012
Current assets			
Inventories	5,317	1,303	6,620
Trade and other receivables	22,710		22,710
Financial receivables	-		-
Tax assets	9,566		9,566
Other assets	3,495		3,495
Cash and cash equivalents	7,508		7,508
Total current assets	48,596		49,899
Total assets	81,608		82,911
Equity			
Share capital	3,208		3,208
Reserves	12,011		12,011
Extraordinary reserve	-		-
Listing costs	(541)		(541)
FTA reserve	4		4
Retained earnings	1,963		1,963
Translation reserve	(7)		(7)
Profit for the period	1		1
Total equity attributable to the owners of the parent	16,639		16,639
Equity attributable to non-controlling interests	-		-
Total equity	16,639		16,639
Non-current liabilities			
Provisions for risks and charges	735		735
Deferred tax liabilities	241		242
Financial liabilities (non-current portion)	10,008		10,008
Total non-current liabilities	10,984		10,985
Current liabilities			
Trade and other payables	31,943	1,303	33,245
Financial liabilities (current portion)	15,047		15,047
Tax liabilities	4,020		4,020
Other liabilities	2,975		2,975
Total current liabilities	53,985		55,287
Total liabilities and equity	81,608		82,911

Consolidated income statement

Consolidated income statement (€'000)	First half of 2018 reported	IFRS adjustments	First half of 2018 no IFRS adjustments
Total revenue	26,939	24,838	51,777
Other revenue	493		493
Change in inventories	1,407	(1,567)	(160)
<i>Costs for raw materials, consumables, supplies and goods</i>	(9,740)	(23,271)	(33,011)
<i>Services</i>	(11,893)		(11,893)
<i>Use of third party assets</i>	(572)		(572)
Operating costs	(22,205)	(23,271)	(45,476)
<i>Wages and salaries</i>	(1,745)		(1,745)
<i>Social security contributions</i>	(368)		(368)
<i>Post-employment benefits (TFR)</i>	(57)		(57)
Personnel expense	(2,170)	0	(2,170)
<i>Amortisation of intangible assets</i>	(2,466)		(2,466)
<i>Depreciation of property, plant and equipment</i>	(789)		(789)
<i>Allowance for impairment</i>	(20)		(20)
Amortisation/depreciation and impairment losses	(3,275)	0	(3,275)
Other operating costs	(519)		(519)
Operating profit	670	0	670
Financial income	22		22
Net financial expense	(481)		(481)
Pre-tax profit	211	0	211
Income tax	(210)		(210)
Profit for the period	1	0	1
Of which: attributable to non-controlling interests	-		-
Basic and diluted earnings per share	(0.0002)		(0.0002)

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME (€'000)	First half of 2018	IFRS adjustments	First half of 2018 no IFRS adjustments
Profit for the period	1		1
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss, net of taxes</i>			
Translation reserve	(1)		(1)
Total items that will be reclassified subsequently to profit or loss, net of taxes	(1)		(1)
<i>Items that will not be reclassified to profit or loss, net of taxes</i>			
Actuarial loss - employee benefits	(2)		(2)
Total items that will not be reclassified to profit or loss, net of taxes	(2)		(2)
Total comprehensive income for the period	(3)		(3)
