GIGLIO GROUP: THE BOARD OF DIRECTORS APPROVES THE RESULTS AS AT 31/12/2019

Steady consolidated revenues and decreasing net result due to the process of reorganization of the Group and of the relevant disposal costs of non-core activities; Industrial Plan 2020-2022

- **Consolidated REVENUES of € 40.2 million, in substantial stability if compared to 2018, when they amounted to € 39.6 million; taking into account Terashop's consolidation[1] throughout 2019, the revenues amount to € 44.6 million, with a 12.6% increase if compared to 2018.**

- **The Gross Merchandise Value (GMV**) goes from € 86.4 million to € 82.3 million; taking into account Terashop's consolidation throughout 2019, the GMV** equals to € 106.3 million, thus confirming that the Group is capable of managing with its own platform a volume of assets' value well over the threshold of € 100 million.**

- **Continuing operations' EBITDA adjusted, adjusted to non-recurring costs, IFRS 5 and IFRS 16 effects, equals € 1 million, with a EBITDA margin objective of about 10% by the end of the Plan.**

- **The Net Profit of the period, negative by € 15.8 million - dropping if compared to 2018 - takes into account the costs related to the transfer of the Media Area (which shall not be repeated starting from 2020) and the capital loss arising from the decrease of the value of the shares held, following the exchange for the transferred assets, due to an unfavourable market situation as at 31/12/2019.**

- **The NFP amounts to € 12.3 million, € 10.4 million if adjusted to the effect of IFRS 16 (an improvement of € 8.8 million if compared to the € 19.2 million of the previous December 2018);**

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[1] E-Commerce Outsourcing s.r.l. ("Terashop").

GMV* (*Gross Merchandise Value*): defined as the value of all goods sold to final clients: it comprises B2B revenues net of VAT and B2C revenues including VAT, as well as the countervalue of retail sales for which the group is managing, as outsourced services, the technological infrastructure, logistics and distribution; this activity began during 2019 with the acquisition of Terashop. The GMV of the whole 2018 amounted to € 86.7 million.

- **The Industrial Plan approved on 10 March 2020 provides for a growth of the managed volumes with a CAGR of more than 20% over the 2020-2022 period.**

- **On 31 October 2019, Giglio Group acquired the company Terashop, one of the major suppliers of outsourced e-commerce services in Italy. As at 31 December 2019, Terashop recorded revenues for € 6.4 million. As at 31 December 2019, the sum of the revenues of both companies (Giglio Group and Terashop), amounted overall to more than € 44 million, while the total amount of transactions managed on their e-commerce platforms (aforementioned GMV) equalled to about € 106.3 million**

- **Giglio Group concluded the divestment of the Media Area, which began on 2018, through a series of reorganisation operations implemented on the Asian subsidiaries. Among these, the purchase of 100% of the share capital of the subsidiary Giglio TV Hong Kong (by SIMEST)[2], subsequently sold to an industrial Chinese group, for € 3 million. Moreover, Giglio Group purchased 100% of the share capital of Giglio Shanghai (by Giglio TV Hong Kong), an essential operation for strengthening the e-commerce business in Asia. Giglio Shanghai is an e-commerce company that owns ICP licences, the authorisations for the Trade Free Zone, as well as Chinese digital platforms. The value of the transaction equalled about € 6.4 million.**

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Milan, 14 March 2020 – Today, the Board of Directors of **Giglio Group S.p.A. (Ticket GG), an e-commerce 4.0 company** listed on the MTA-STAR market of Borsa Italiana, approved the draft of the Financial Report as well as the Consolidated Financial Report as at 31 December 2019, drafted in accordance with IFRS international accounting standards

Starting from December 2018, the Group has initiated a new industrial project that focuses on the e-commerce and on the digital distribution of Made-in-Italy products worldwide as its sole activity and its sole strategic objective. For this purpose, Giglio Group initiated an Industrial Plan focused on the divestment of all assets concerning the Media Area of the Group itself.
In performance of the divestment plan, in December 2018 Channel 65 of the digital terrestrial was sold to GM Comunicazione s.r.l.[3] and on 30 October 2019, the agreement with Spanish company Vertice 360[4] was signed and concluded with the transfer of Channel 68 of the digital terrestrial, of MThree SatCom and of Nautical Channel.
Lastly, Giglio Group, in the first half of March 2020, streamlined the structure of its Asian subsidiaries, which led to the achievement of two major objectives. On the ones side, Giglio Group became the sole owner of Giglio Shanghai, an e-commerce company that owns ICP licences, the authorisations for the Trade Free Zone, as well as Chinese digital platforms. On the other side, in order to conclude the transfer of its Media activities, Giglio Group sold Giglio TV Hong Kong to a Chinese industrial group for € 3 million. The process was made possible through the acquisition on

[2] SIMEST - Società Italiana per le Imprese all'Estero s.p.a. (Italian Company for Firms Abroad)
[3] For further information on the transaction, please read the press release of 20 December 2018.
[4] Vertice Trescientos Sesenta Grados SA - for further information on the transaction, please see the press release of 30 October 2019.

49% of the share capital of Giglio TV Hong Kong by SIMEST, which then led to the acquisition of Giglio Shanghai (by Giglio TV Hong Kong) for about € 6.4 million.

With this last operation, any activity of the Group within the media sector is conclusively over, thus allowing the Group to focus solely on the e-commerce sector, its main strategic objective. This corporate reorganisation allows the Group to optimise its resources, also taking into account the simplification of the structure and the focus on a single business model, significantly lowering the corporate costs.

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Alessandro Giglio, CEO and Chairman of the Group, declared: *"Today's data are the result of a specific development strategy that we have been following with determination throughout 2019. The Group reorganised itself, focusing exclusively on e-commerce activities, thus divesting all activities related to the TV and Media areas. This process - albeit allowing for constant revenues - had an impact on the Group's net profit: more specifically, the transfer of the company's non-core branches took longer than expected, thus negatively weighing on the costs. Moreover, we also proceeded to the strategic acquisition of Terashop and the subsequent merger of Giglio Group with Ibox s.r.l. (which shall be concluded by March 2020), with a view to streamline both the company and its resources.*
Today, despite the ongoing health emergency, we are confident that our Group will be facing a solid growth starting from 2020 thanks to its more efficient and streamlined structure, exclusively focused on e-commerce activities, now that we have finally concluded, also painfully so, the divestment of the Media and TV areas. Thanks to our well-known experience in digital sales and Incentives, we are currently collaborating with the major Italian brands in the Fashion, Food and Design sectors, and we aim at becoming, to all intents, the biggest digital exporters of Made-in-Italy products worldwide".

Significant Events During 2019 Fiscal Year:

Throughout 2019, the Group carried forward the divestment project of its Media Area focusing on its main business (i.e. e-commerce), while at the same time streamlining its structure with a progressive and significant cost reduction. The transaction that brought about these objectives are listed below:

On **12 March 2019**, Giglio Group and Vertice 360, incorporated under Spanish law and listed on Madrid's main stock exchange market and operating in the digital, cinema and broadcasting sectors, and Squirrel Capital SLU, based in Madrid and operating in shareholdings management, signed a contract aimed at transferring to Vertice 360 Giglio Group's assets related to the media area against a reserved capital increase of € 1,136,363.64, with the consequent issue of 1,136,363,620 Vertice 360's shares in favour of the Company.
The scope of the transfer comprised the television broadcasting activities in Italy (among which the TV channel on the digital terrestrial –LCN 68), the 100% of M-Three Satcom business unit (operating in the satellite broadcast sector with the management of two teleports in Italy), the

company Nautical Channel Ltd (owner of the thematic TV channel of the same name), as well as parts of the TV contents and rights destined for China.

On **8 July 2019**, the contracts between the aforementioned parties were signed.

On **13 September 2019**, the independent expert appointed by the Registro Mercantil, ETL Global Auditores de Cuentas, S.L., issued its expert assessment regarding the Media Area to be transferred, confirming its value to at least € 12,499,999.82.

On **30 October 2019**, the transaction was concluded: Vertice 360 approved the proposal of paid share capital increase of € 1,136,363.62, fully paid by Giglio Group through a contribution in kind, with the issuance of no. 1,136,363,620 shares, representing 5.95% of Vertice 360's share capital.
Pursuant to the agreement, Alessandro Giglio has been appointed as member of Vertice 360's Board of Directors.

On **12 September 2019**, Giglio Group signed an investment agreement with Terashop in order to acquire the company through a contribution in kind. Terashop is one of the major suppliers of outsourced e-commerce services.
The company owns an innovative e-commerce platform that Giglio Group is currently integrating in its infrastructure.
The transaction is allowing Giglio Group to generate high sales volumes on the one hand - thus improving the IT infrastructure and its offered services and incorporating Terashop's customer base -, and to create important economies of scale on the other hand, also thanks to a strengthened technical organisation and to the integration of Terashop team's expertise.

On **31 October 2019**, the Shareholders' Meeting approved the transaction, and the Terashop's share capital increase transferred through contribution in kind was set at € 2.6 million, with the issuance of 750,000 shares.

On **14 November 2019**, Giglio Group carried out a share capital increase reserved to institutional investors through ABB (accelerated book-building). The capital increase amounted to € 4 million, of which € 301,887 at nominal value and € 3,698,111 at share premium.

<u>During 2019, other than the aforementioned divestment activities, the Group has concluded various commercial agreements with companies of the Fashion sector, as well as expanding its reach over the Food and Design sectors, as detailed below:</u>

On **24 September 2019**, Giglio Group expanded its e-commerce activity to the Food sector.
The entrance in the Food sector represents the beginning of a new line of business in a strategic and symbolic sector for Made in Italy products, offering to web consumers all around the world an easy access to the best Italian food products, now available from the main marketplaces' showcases.

On **5 November 2019**, the Group reached a new partnership agreement with HSE24 S.p.A., the TV channel broadcasted on LCN 37 of the digital terrestrial, with a programming dedicated entirely to shopping, as well as the website atwww.hse24.it for the product supply and for managing the e-commerce platform.

On **19 December 2019**, Giglio Group signed a distribution agreement with **GF Retail**, a Korean company specialised in the import of Luxury products.
This three year-long partnership has been signed through Ibox Distribution - the Group's division specialised in managing sales for in and off-season collections - and provides for the supply of Made-in-Italy luxury products for a value of € 3 million in 2020; a value that shall grow in the following years.

Throughout 2019, Giglio Group signed agreements for the management of the e-commerce of international fashion brands such as: **Stefano Ricci, Tonino Lamborghini, Harmont & Blaine, Moreschi and Kidult.**

Significant Events Following 31 December 2019:

On **20 January 2020**, Giglio Group's Extraordinary Shareholders' Meeting approved the project of merger by incorporation of the wholly-controlled company Ibox s.r.l into Giglio Group S.p.A.. The merger is aimed at streamlining the Company structure by reducing management costs regarding its subsidiaries, as well as at centralising part of the business in the parent company (the merger deeds should be signed by the end of March 2020).

On **10 March 2020**, the Board of Directors approved the Industrial Plan 2020-2022. With its new plan, the company shall totally integrate its recently-acquired subsidiary Terashop and the new commercial strategies announced with 12 March 2020 press release.

2020-2022 Economic-Financial Highlights
• 2022 Revenues: > € 80 million
• 2022 EBITDA: > € 10 million, € +9 million if compared to 2019
• Overall Investments: € 1.5 million
• Net Financial Debt by the end of 2022: assessed between € -5 and -3 million.

Industrial Highlights
• 2022 Gross Merchandise Value's Growth: > € 180 million.

The Plan provides for the complete confluence of the technological and commercial teams of both Giglio Group and Ibox SA into a single structure capable of offering its services from their platform to all clients, no matter what.
The Industrial Plan considers a GMV (Gross Merchandise Value) acceleration of more than 20% on an annual basis both for organic growth - in line with the expectation of the reference market (online sales for luxury fashion) - and for new brand acquisitions.

The Industrial Plan expects a 20% impact of China's sales on total sales volumes in 2022.
Over the duration of the Plan, the objective is to double the revenues, swiftly regaining a significant and sustainable profitability (EBITDA/Revenues) over the long-term, with an incidence of more than 10%, working in a balanced way both in its B2B - the digital marketplaces' distribution, strongly developing as a stock demobilisation channel (especially in 2020 on the basis of the huge stocks that, due to the COVID-19 crisis, are being accumulated) - and B2C modes, with the advanced technological solutions proposed by Terashop's platform also for product categories outside the reach of the Fashion sector, such as electronics and food retail.

The Industrial Plan provides for a strong improvement from a financial and asset point of view, counting on the generation of positive cash flows, a strong working capital control to support B2B sales and minor financial needs fro investments than the previous fiscal years following the acquisition of the technological expertise of Terashop.

On **9 March 2020**, Giglio Group concluded the acquisition of 100% of Giglio TV Hong Kong through the acquisition of the remaining 49% of SIMEST's quotas, for a transaction value of € 1,470,000.

On **13 March 2020**, Giglio Group acquired 100% of Giglio Shanghai (by Giglio TV Hong Kong, for about € 6.4 million), transferring Giglio TV Hong Kong to a Chinese industrial group for € 3 million.

On **12 March 2020,** following the lockdown of all non-essential physical stores set forth by Prime Minister's Decree of 11 March 2020 within the **COVID-19 emergency,** Giglio group has developed an online sales strategy aimed at supporting the brands in recovering from the massive losses of turnover that are being recorded due to the ongoing health emergency.
Giglio Group's strategy provides for the instantaneous connection of a platform to the e-commerce website of the brand, with a private sales' approach that boosts purchases through tailor-made discounts. The strategy also provides for the development of a ghost area in which the product is sold with a "family&friends" logic, though the application of discounts, outlet products, mid-season discounts and private sales, all aimed at attracting new traffic.
The new e-commerce technology designed by Giglio Group is already available for its portfolio of clients, but starting from today, it shall also be made available to all those brand who have their own e-commerce platform.

Analysis of Giglio Group's consolidated results

The key consolidated economic highlights are shown below.
It is noted that, under the provisions of IFRS 5 accounting standards "Non-current assets held for sale and discontinued operations ", the economic results of the media sector were represented as "Discontinued operations".
Moreover, it is also noted that, starting from 1 January 2019, the Group, pursuant to the requirements of the accounting standards and the amendments and interpretations already approved by the European Union, has adopted the IFRS 16 - Leases accounting standard.
The transition method adopted by the Group consists in the "modified retrospective"; thus, it is noted that the balance sheet figures regarding the previous fiscal year were not outlined.

Reclassified Consolidated Income Statement

(Euro thousands)	31.12.2019	31.12.2018	Change
Revenues	40.208	38.952	1.256
Restatement of eliminations arising from inter-company transactions toward discontinued operations	0	663	(663)
Revenues	**40.208**	**39.615**	**593**
Operating Costs	(34.955)	(34.728)	(227)
ADDED VALUE	**5.253**	**4.887**	**366**
ADDED VALUE%	**13,1%**	**12,5%**	**0,5%**
Personnel expense	(4.216)	(3.653)	(563)
EBITDA Adjusted	**1.037**	**1.234**	**(197)**
EBITDA%	**2,6%**	**3,1%**	**(0,5)%**
Non-recurring charges	(1.755)	(892)	(863)
Amortisation, depreciation & write-downs	(1.749)	(340)	(1.409)
EBIT	**(2.467)**	**2**	**(2.469)**
Net financial charges	(1.590)	(1.085)	(505)
PROFIT BEFORE TAXES	**(4.057)**	**(1.084)**	**(2.973)**
Income taxes	(711)	(116)	(595)
NET PROFIT FROM CONTINUING OPERATIONS	**(4.768)**	**(1.200)**	**(3.568)**
NET PROFIT FROM DISCONTINUED OPERATIONS (adjusted)	**(11.028)**	**(7.064)**	**(3.964)**
NET PROFIT	**(15.796)**	**(8.264)**	**(7.532)**
EBIT adjusted to non recurring charges	**(712)**	**894**	**(1.606)**
EBIT adjusted to non recurring charges %	**(1,8)%**	**2,3%**	**(4,0)%**
NET PROFIT FROM CONTINUING OPERATIONS adjusted to non-recurring charges	**(3.013)**	**(308)**	**(2.705)**
NET PROFIT FROM CONTINUING OPERATIONS adjusted to non-recurring charges%	**(7,5)%**	**(0,8)%**	**(6,7)%**
NET PROFIT adjusted to non recurring charges	**(14.041)**	**(7.372)**	**(6.669)**
NET PROFIT adjusted to non recurring charges %	**(34,9)%**	**(18,6)%**	**(16,3)%**

The consolidated revenues of continuing operations, equal to € 40.2 million, grew by € 1.3 million (+3%) if compared to the consolidated figures of the same period for the previous fiscal year (€ 38.9 million).

The EBITDA of continuing operations normalised to non-recurring costs (€ 1.8 million) of € 1 million (€ 1.2 million consolidated figures at 31 December 2018) is stable due to the greater investments in human resources and expenses for the development of the completely new e-commerce platform to support the expected increase in transaction volumes and the integration with global marketplaces, which offset the increased costs of the fiscal year.

The EBIT of continuing operations adjusted to non-recurring costs and to IFRS 5 effects amounts to € -0.7 million (€ 0.9 million consolidated pro-forma figures at 31 December 2018).

The net result of continuing operations, adjusted to non-recurring costs, equals € 3 million (€ -0.3 million consolidated data of the previous year).

Analysis of Financial and Capital Position at 31 December 2019

Starting from 1 January 2019, the Group, pursuant to the requirements of the accounting standards and the amendments and interpretations already approved by the European Union, has adopted the IFRS 16 - Leases accounting standard.
The transition method adopted by the Group consists in the "modified retrospective"; thus, it is noted that the balance sheet figures at 31 December 2018 were not outlined.

The main balance sheet figures of the Group at 31 December 2019 are as specified below:

Reclassified Balance Sheet			
(Euro thousands)	31.12.2019	31.12.2018	Change
Intangible Fixed Assets	17.322	12.297	5.025
Tangible Fixed Assets	3.040	1.492	1.548
Financial Fixed Assets	842	1.595	(753)
Total Fixes Assets	**21.204**	**15.384**	**5.820**
Inventories	1.861	5.273	(3.412)
Commercial credits and other receivables	12.571	12.519	52
Commercial debts and other receivables	(21.015)	(24.070)	3.055
Operating/Commercial Working Capital	**(6.583)**	**(6.278)**	**(305)**
Other current assets and liabilities	(3.293)	8.177	(11.470)
Net Working Capital	**(9.876)**	**1.899**	**(11.775)**
Provisions for risks and charges	(924)	(804)	(120)
Deferred tax assets and liabilities	780	1.171	(391)
Net Invested Capital of Continuing Operations	**11.184**	**17.650**	**(6.466)**
Net Invested Capital of Sales Activities	**-**	**9.923**	**(9.923)**
Total Net Invested Capital	**11.184**	**27.573**	**(16.389)**
Net Equity	**1.605**	**(8.409)**	**10.014**
Net financial debt*	**(12.789)**	**(19.164)**	**6.375**
Total Sources	**(11.184)**	**(27.573)**	**16.389**

The Net Invested Capital of the Group at 31 December 2019, equal to € 11.2 million, is principally comprised of Net Fixed Assets (€ 21.2 million), and of Net Working Capital (€ -9.9 million).
Tangible Fixed Assets, equal to € 3.0 million (€ 1.5 million at 31 December 2018), increased mainly thanks to the effect of the adoption, starting from 1 January 2019, of the IFRS 15 accounting standard (€ 1.9 million net of the period's amortisations). Net of said increase, the account mainly refers to the investment in capital goods.
Intangible Fixed Assets, equal to € 17.3 million, of which € 14.7 million mainly ascribable to the goodwill for the acquisition of MF Fashion, Ibox SA and Terashop.

The net financial position (determined in accordance with Consob communication No. DEM/6064293 and illustrated below) at 31 December 2019 and 31 December 2018 is as follows:

		A		B	C=A-B
	(Euro thousands)	31.12.2019 post IFRS 16	31.12.2019 pre IFRS 16	31.12.2018	Change
A.	Cash	2.991	2.991	2.889	102
B.	Bank and postal deposits and cheques	-	-	-	-
C.	Securities held for trading	3.523	3.523	-	3.523
D.	**Cash & cash equivalents (A)+(B)+(C)**	**6.514**	**6.514**	**2.889**	**3.625**
E.	Current financial receivables	3.980	3.980	620	3.360
F.	Current bank payables	(6.812)	(6.812)	(8.307)	1.495
G.	Current portion of non-current debt	(2.456)	(2.456)	(6.804)	4.347
H.	Other current financial payables	(4.990)	(4.249)	(899)	(4.091)
	of which Related Parties	*(400)*	*(400)*		*(400)*
I.	**Current financial debt (F)+(G)+(H)**	**(14.258)**	**(13.517)**	**(16.009)**	**1.751**
J.	**Net current financial debt (I) + (E) + (D)**	**(3.765)**	**(3.023)**	**(12.501)**	**8.736**
K.	Non-current bank payables	(607)	(607)	(2.119)	1.512
L.	Bonds issued	(4.759)	(4.759)	(2.219)	(2.540)
M.	Other non-current payables	(3.179)	(2.026)	(2.325)	(854)
	of which Related Parties	*(1.698)*	*(1.698)*		*(1.698)*
N.	**Non-current financial debt (K)+(L)+(M)**	**(8.545)**	**(7.392)**	**(6.663)**	**(1.882)**
O.	**Net financial debt (J)+(N)**	**(12.309)**	**(10.416)**	**(19.164)**	**6.855**

The Group net financial position at 31 December 2019, adjusted to IFRS 16 effects, amounts to € -10.4 million, highlighting an improvement on 31 December 2018 (€ -19.2 million) of € 8.8 million.

With the application of IFRS 16 accounting standards, the Group's Net Financial Debt amounts to € -12.3 million, highlighting an improvement on 31 December 2018 (€ -19.2 million) of € 6.9 million.

The Executive Officer for Financial Reporting, Mr. Carlo Micchi, declares that the accounting information contained in the present press release corresponds to the accounting figures, book and documents, pursuant to Art. 154-bis, par. 2 of the Consolidated Act.

Information on Giglio Group:

Founded by Alessandro Giglio in 2003 and listed on the MTA-STAR segment of Borsa Italiana ever since 2018, Giglio Group is the leading company for the design, creation and management of high value-added e-commerce platforms for Fashion, Design, Lifestyle and, more recently, Food sectors. The Company is based in Milan, but it is also present with offices in New York, Shanghai, Hong Kong, Rome, Lugano and Genoa. Thanks to its remarkable expertise, Giglio Group accompanies its customers in the online distribution of their products through a unique platform, starting from the implementation of fully tailor-made and managed monobrand e-store. Moreover, the Company integrates its business with the dedicated placement on main marketplaces worldwide, ensuring the online management of both new collections and off season. The uniqueness of a "complete-supply-chain" online service thus ensures a 100% sell-through rate.

For further information:

Investor Relations:
ir@giglio.org
(+39)0283974207

Giglio Group Press Office:
Close to Media
Tel.+39 02 7000 6237
Nicola Guglielmi – nicola.guglielmi@closetomedia.it
Cecilia Isella – cecilia.isella@closetomedia.it