

Bit Market Services

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Acquisition of MF Fashion S.p.A.

Testo del comunicato

Vedi allegato.



GIGLIO GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

THE GROUP HAS CLOSED 2015 WITH REVENUES AND EBITDA HAVING A NET GROWTH, ANNOUNCING THE ACQUISITION OF THE 100% OF MF FASHION SPA, A WORLD WIDE ONLINE MARKET PLACE FOR FASHION

Milan, 1 February 2016 – Giglio Group (hereinafter (the “**Group**”), a multimedia global television network, communicates that the Board of Directors convened today, examined and approved the consolidated financial statement as at 31 December 2015 drafted pursuant to the Issuer Regulations AIM Italy/the Alternative Capital Market, and in accordance with the international accounting standards IFRS.: Following is the main consolidated economic data found in the consolidated financial statements as at 31 December 2015:

- **Revenues:** Euro 13,9 million that highlight a growth of 20%, compared to revenue highlighted in the consolidated pro forma at 31.12.2014 (11.5 million Euros).
- **Ebitda:** Euro 4,6 million (*Ebitda Margin 34%*), this highlights a growth of above 43% in respect of the EBITDA highlighted in the consolidated pro forma at 31.12.2014 (3,2 million Euro)
- **Net Profit:** 1,1 million Euro (*Profit Margin 8%*).

From the perspective of the consolidated balance sheet, it should be noted that:

- **Net Equity** as at 31 December 2015 amounts to 10,2 million Euro compared to 2,4 million Euro highlighted in the consolidated proforma financial statements at 31.12.2014;
- **Net financial position** is equal to 1.8 million Euro, against 4.5 million Euro highlighted as in the consolidated proforma at 31.12.2014, this highlights a ratio PFN\EBITDA as at 31.12.2015 equal to 0, 39 x.

Operating performance

As at 31 December 2015, the Giglio Group consolidated revenues and its EBITDA amounted respectively to 13.9 million Euro and 4.6 million Euro. This data is primarily the result of the excellent performance of the Group. These data are mainly attributable to the excellent performance of the subsidiary companies. In particular: Nautical Channel has increased its revenues.

[In respect of the scope of consolidation of the consolidated Proforma Balance Sheet at 31/12/2014, the consolidated Giglio Group's Balance Sheet includes the accounting results of M-Three Satcom for the last quarter of 2015.](#)

With the entry into new markets such as the United Arab Emirates, Oman and Lebanon; Giglio TV is expanding thanks to the substantial increase in advertising sales in the Asian market.

The increase of the final results is also due to the constant seeking of a yield improving performance of the structure in a more effective optimizing of the synergies among the group companies-which has begun within a harmonious growth path in 2015 and is still ongoing.

Consolidated net profit is equal to 1,1 million Euro.

The following represents the Balance Sheet and Profit and Loss Account data as at 31 12 2015

FINANCIAL STATEMENTS	Consolidated F\ S al 31.12.2015	Pro-forma Consolidated al 31.12.2014
Non current Assets	14.469.758	7.625.699
Tangible assets	8.161.445	3.832.708
<i>Distribution Rights</i>	1.912.933	2.157.522
<i>Publishing Rights</i>	358.650	0
<i>Other intangibles assets</i>	3.508.090	587.067
Intangible fixed assets	5.421.023	2.744.589
Goodwill	50.000	50.000
Investments	0	0
Receivables	837.291	211.650
Tax deferrered Assets	0	786.752
Current Assets	9.582.096	2.605.244
Inventories	139.017	0
Receivables	7.610.509	1.271.746
Financial Receivables	28.079	511
Tax Receivables	604.376	103.392
Other Receivables	0	758.511
Cash and Banks	1.200.114	471.084
TOTAL ASSETS	24.051.854	10.230.942
	0	0
Non current liabilities	4.263.750	3.066.574
Reserve for risks and charge	256.558	56.786
Tax deferrered liabilities	654.344	42.617
Financial liabilities	3.352.848	2.967.171
Current Liabilities	9.566.859	4.724.807
Payables	8.345.559	1.679.182
Financial Payables	343.252	1.998.474
Tax Payables	878.048	434.175
others	0	612.975
Total Liabilities	13.830.609	7.791.381
Shareholders equity	2.832.000	2.115.000
Reserves	5.381.635	156.288
Costi di quotazione	(674.188)	0
FTA reserve	3.814	3.814
Retained earnings	67.324	(2.679.976)

Net Profit	1.090.384	1.374.436
Total shareholder's equity	8.700.971	969.562
	1.520.274	1.470.000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10.221.244	2.439.562
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24.051.854	10.230.943

INCOME STATEMENT	31.12.2015	Proforma 31.12.2014
Revenues	13.723.644	11.482.974
Other Revenues	142.060	68.455
Variazione delle rimanenze	(48)	0
<i>Raw materials, ancillary materials and goods for resale</i>	(50.149)	(207.264)
<i>Cots for services</i>	(7.981.076)	(4.253.402)
<i>Expenses relating to the use of third party assets</i>	(561.401)	(3.079.719)
PRODUCTION COSTS	(8.592.625)	(7.540.385)
<i>Salaries and wages</i>	(495.878)	(323.740)
<i>Social contributions</i>	(104.255)	(65.374)
<i>Employee termination indemnities</i>	(22.873)	(12.031)
Costo del personale	(623.007)	(401.145)
<i>Intangible depreciation</i>	(1.560.302)	(893.245)
<i>Tangible depreciation</i>	(1.160.998)	(680.438)
<i>Write-downs</i>	(336.250)	(263.407)
Total depreciation and write-downs	(3.057.550)	(1.837.090)
Other costs	(20.088)	(201.630)
EBIT	1.572.433	1.571.180
Non recurring income and expenses	(396.620)	(170.000)
Financial income and expenses	1.158	(327.624)
RESULT BEFORE TAXES	1.176.971	1.073.556
taxes	(86.587)	300.880
Net profit	1.090.384	1.374.436

GIGLIO GROUP HAS ACQUIRED THE 100% OF THE MF FASHION SPA A WORLD WIDE ONLINE MARKET PLACE FOR FASHION

The synergy between Giglio Group and MF Fashion will create a new generation Social E-Commerce Media Company.

- Enterprise Value of the transaction amounts to 4,1 million Euro.
- The Closing is set on 31 marzo 2016

On 1 February, the Board of Directors of Giglio Group S.p.A. has resolved and approved a binding agreement for the acquisition of 100% of MF Fashion S.p.A., an Italian Company which represents one of the main distributors of Business to Business and is entirely specialized in online fashion, it represents the new virtual global online market place for Fashion. Currently two individual entities (physical persons) control the shares of MF Fashion.

The total value of the transaction amounts to Euro 5 million, of which Euro 2.5 million in cash to be paid at the date of closing and Euro 2,5 million through the issuance of 1 million of Giglio Group new shares reserved for current MF Fashion shareholders (implicit price per share in Euro 2.50). It will also be provided an earn-out of a counter value with a maximum of Euro 1.5 million, to be paid within and no later than 31 March 2018, at the reaching of certain profitability results to be attained by 2016 and 2017. Against an enterprise value of Euro 4,1 million, the multiple applied on Ebitda is equal to 3.7 based on the data of the Balance Sheet at 12/31/2014.

Founded in 2011, MF Fashion has set itself as a leader in the distribution of excellence in fashion, in the entire online market, operating in key markets: Europe and Eastern countries, Switzerland, China, America, Korea and Russia.

Tens of millions of people, through structured MF Fashion sale campaigns, view and buy products of the most important Italian and international fashion brands distributed through the main e-commerce platforms. In fact, among the MF Fashion clients include: Vente Privée, Yoox, Zalando, Saldi Privati and Amazon buy vip.

In 2014 MF Fashion had a turnover of Euro 9.64 million, an Ebitda of Euro 1.08 million, a Net Profit of Euro 717 thousand and a positive cash position of Euro 861 thousand.

The completion of the transaction, expected by and no later than 31 March 2016, is subject to (i) the approval of the capital increase reserved for the operation by the Giglio Group shareholders, convened on 2 March 2016; (ii) the issuance, by the same Giglio Group of a mini-bond to be listed on the Extra MOT Pro market.

Following the capital increase, the two current partners of MF Fashion will receive in return a total of 1 million shares at a price of EUR 2.5, equally divided by a share of about 3.37% each. It should be noted, moreover, that these shares will be subject to the lock-up constraint for a duration of 12 months from the date of closing.

Alessandro Giglio, President of the Giglio Group, comments as follows:

I am very pleased with the excellent results achieved in 2015 and, more in general, of the very strong acceleration thanks to the IPO, and to our business plan. We have the ambition and foresight to be able to achieve the set goals well in advance in respect of the programs. With the acquisition of MF Fashion, our team will be enriched with important professionalism: the synergies

between the two companies, I am sure, will bring as a dowry from 2016, a significant boost to revenues that will contribute further to the already considerable and consistent expansion of the Group"

Furthermore, the synergy between Giglio Group and MF Fashion will create a new generation Social Media E-Commerce Company. Giglio Group will make available to MF Fashion second screen technology that will create a virtuous synergy between the two, allowing users with a simple click on the images being transmitted, to open the fact sheets of the MF Fashion products, offering a new and richer customer experience.

2016 will be the year of expansion and will allow to boost the winning business model of MF Fashion, along with the continued promotion of the Made in Italy in Giglio Group in the world, particularly in the US and China.

MF Fashion joined the Giglio Group maintaining its own structure and operational independence and its main mission.

Information regarding Giglio Group:

Gruppo Giglio is a multimedia global television network set up in 2003, with head office in Rome, it consists of four companies:

Giglio Group SpA, The Parent company that owns two television channels on the Italian digital terrestrial - Acqua and Play.me. It provides technology services to the Group companies and third party companies.

Nautical Channel Ltd, is the only international channel, distributed in 44 countries, 5 continents and 6 languages dedicated to boating and watersports. From 1 April 2015, Nautical Channel is visible in HD throughout Europe and Russia. From November 2014, Nautical Channel is totally controlled by Giglio Group.

Giglio TV HK Ltd, Start up was created in July 2014 it manages the activities of the Group in China. It is the first and only Italian television group to be present in China on all major television and web platforms with its content entirely dedicated to the Italian Lifestyle.

M-Three Satcom -Founded in 2004 and acquired by Giglio Group in September 2015, it provides the highest level of services and solutions for the broadcasting television sector. In particular it caters to companies with special linking needs and for the distribution of information. M-Three works through a proprietary infrastructure, based on two teleports for transmissions by satellite and fiber, and provides its services to some of the major radio television networks in the media world.

Press Office:

Spriano Communication
Matteo Russo e Cristina Tronconi
mob. 347/9834881
mrusso@sprianocommunication.com;
ctronconi@sprianocommunication.com;
www.sprianocommunication.com

Nomad:

Integrae SIM S.p.A.
Via Meravigli 13, 20123 Milano
Tel.: +39 02 78625300
info@integraesim.it

@SprianoComm

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