





***GIGLIO GROUP:  
IMPLEMENTATION OF THE INTERNAL AUDIT SYSTEMS PURSUANT TO LAW  
262/2005 ACCORDING TO THE BEST INTERNATIONAL STANDARD  
IN VIEW OF THE TRANSITION TO THE STAR SEGMENT OF THE ITALIAN STOCK  
EXCHANGE AND THE RESTATEMENT OF SOME BALANCE SHEET ITEMS OF  
PREVIOUS YEARS THAT WERE UNDERESTIMATED  
DESIGNATING THE EXECUTIVE OFFICER.***

*Milan, 11 April 2017* – Giglio Group (Aim Italia-Ticker GGTV), The first and only e-commerce 4.0 company, informs that, today, the Board of Administration, in view of the transition to the STAR segment of the Italian Stock Exchange within the summer, and with the aim to be compliant to the best market practices, has approved the new internal audit system that meets the demands of the auditors and certified as under Law 262 \ 2005.

The Group has set out adequate administrative and accounting procedures for the drawing up of the financial statements and the consolidated financial statements and all other informing of financial documents and has identified the role of the Executive Officer.

The Board has furthermore examined and approved a new draft budget as at 31 December 2016 and the consolidated Financial Statement. In particular, also as a result of the merger with Giglio Fashion and M-Three on 31 December 2016, the company has deemed it appropriate to restate some accounting entries of the years 2014 and 2015 that had determined the recognition of further amortisations and deferred taxation with a non-recurring impact on the net results of 2016, in particular:

- Reversal of wrongly deferred tax assets posted to 2014 and 2015 for Euro 126,000;
- Higher Amortization due to the accurate allocation of PPA (Purchase Price Allocation) of 2015 related to the acquisition of M3 of € 89,000;
- Greater IRES and IRAP taxation recognized for 2016 of Euro 99,000.

	31.12.2016	31.12.2015
<b>Non current Assets</b>	<b>20.147.560</b>	<b>14.197.298</b>
Tangible assets	6.965.001	8.161.445
<i>dubbing</i>	0	
<i>editing</i>	8.426.571	5.651.531
<i>others intangible assets</i>	283.495	0
Intangible Assets	8.710.066	5.651.531
Goodwill	4.134.439	50.000
Investments in Associates	(0)	0
Receivables	139.658	136.786
Tax deferred Assets	198.396	197.537
<b>CURRENT ASSETS</b>	<b>25.605.220</b>	<b>10.138.854</b>
Inventories	2.768.653	139.017
Receivables and others	18.888.840	8.278.719
Financial receivables	0	0
Tax receivables	1.599.166	521.003
Others assets	531.552	0
Cash and Banks	1.817.010	1.200.114
<b>TOTAL ASSETS</b>	<b>45.752.780</b>	<b>24.336.152</b>
		0
<b>NON CURRENT LIABILITIES</b>	<b>8.284.346</b>	<b>4.509.718</b>
Contingency Fund	282.864	236.558
Deferred Tax liabilities	365.879	654.344
non current financial liabilities	7.635.603	3.618.816
<b>CURRENT LIABILITIES</b>	<b>24.683.047</b>	<b>10.960.503</b>
Amounts payable to suppliers	18.310.718	8.283.878
Current financial liabilities	4.418.250	1.547.284
Tax Liabilities	1.337.944	1.129.341
Others liabilities	616.135	0
<b>TOTAL LIABILITIES</b>	<b>32.967.393</b>	<b>15.470.221</b>
Share capital	2.963.650	2.832.000
Reserves	7.750.087	5.566.769
Reserve for Cost	(540.755)	(476.651)
Reserve FTA	3.814	3.814
Consolidation Reserve	(582)	0
Retained earnings	1.283.690	(67.487)
Net profit	1.325.482	1.007.486
<b>EQUITY</b>	<b>12.785.388</b>	<b>8.865.931</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45.752.780</b>	<b>24.336.152</b>

	31.12.2016	31.12.2015
Revenues	34.315.051	13.768.644
Other revenues	145.615	206.172
Var. inventories	(680.912)	(48)
Raw materials	(14.895.832)	(50.149)
services	(8.982.172)	(7.990.855)
Lease Costs	(589.670)	(561.401)
<b>Total operation costs</b>	<b>(10.507.108)</b>	<b>(8.602.452)</b>
Salary	(1.067.810)	(486.099)
Contribution	(297.996)	(104.255)
TFR	(60.915)	(22.873)
<b>Total Personal costs</b>	<b>(1.426.721)</b>	<b>(613.228)</b>
Amortization tangible assets	(2.913.393)	(1.357.024)
Amortization intangibles Assets	(1.833.359)	(1.364.276)
Depreciation	(128.772)	(228.250)
<b>Total Amortization and depreciations</b>	<b>(4.875.524)</b>	<b>(2.949.550)</b>
Other costs	(644.347)	(20.088)
<b>Risultato operativo</b>	<b>2.365.488</b>	<b>1.789.498</b>
Financial costs	(486.438)	(395.462)
<b>Profit before tax</b>	<b>1.879.050</b>	<b>1.394.036</b>
Taxes	(553.567)	(386.549)
<b>Net profit</b>	<b>1.325.482</b>	<b>1.007.487</b>

The new documents to support the Shareholders' Meeting will be made available to the public as according to the law.

### **Information on the Giglio Group:**

*Founded by Alessandro Giglio in 2003 and listed on the Italian Stock Exchange the AIM market since 7 August 2015, Giglio Group is an e-commerce 4.0 company. The group is a leader in the broadcasting radio and television sector, 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 broadcasted in 46 countries, 5 continents and in six languages through its television channels (Channel Nautical, Giglio TV, Acqua and PlayMe), visible on all TV, digital, web and mobile devices. In 2016, the group launched its e-commerce 4.0 model, currently operating in China and the US: users "see and buy" by clicking on their smartphone / tablet or by taking a photograph of the product they are watching on television, for revolutionary shopping experience. Giglio Group is headquartered in Milan, Rome, New York (Giglio USA) and Shanghai (Giglio Shanghai).*

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