



Informazione Regolamentata n. 20076-47-2019	Data/Ora Ricezione 09 Luglio 2019 08:01:07	MTA
--	---	------------

Società' : Giglio Group S.p.A.
Identificativo : 120550
Informazione
Regolamentata
Nome utilizzatore : GIGLION04 - Schranz
Tipologia : 3.1
Data/Ora Ricezione : 09 Luglio 2019 08:01:07
Data/Ora Inizio : 09 Luglio 2019 08:01:08
Diffusione presunta
Oggetto : Giglio Group and Vertice 360 signed the contractual documents for the transfer of Group's Media Area

Testo del comunicato

Vedi allegato.



GIGLIO GROUP: TRANSFER OF THE GROUP'S MEDIA AREA

THE CONTRACTUAL DOCUMENTS REGARDING THE TRANSFER OF GIGLIO GROUP S.P.A. MEDIA AREA TO SPANISH LISTED COMPANY VERTICE 360 HAVE BEEN SIGNED BETWEEN THE PARTIES, WITH CONSEQUENT ISSUE OF VERTICE 360 SHARES RESERVED TO GIGLIO GROUP

The following are confirmed:

- **The scope of the transfer**
- **The date of 30 November 2019 as the term to conclude the agreement**
- **The alliance between Giglio Group and Vertice 360 for the promotion of the synergies between their respective e-commerce and media businesses**
 - **The residual suspensive conditions**

The shares to be issued in favour of Giglio Group shall be listed on Madrid and Barcelona's Stock Exchange Market and, on the date of the conclusion of the agreement, shall represent no less than 5.95% of Vertice 360's share capital.

Milan, 9 July 2019 - Giglio Group S.p.A. (the "**Company**" or "**Giglio Group**"), Vértice Trescientos Sesenta Grados, SA ("**Vertice 360**"), incorporated under Spanish law and listed on Madrid's main stock exchange market (VTSG) and operating in the digital, cinema and broadcasting sectors, and Squirrel Capital SLU ("**Squirrel**" and, together with the Company and Vertice 360, the "**Parties**"), based in Madrid and operating in shareholdings management, in compliance with the agreement signed on 11 March 2019, signed in the evening of 8 July 2019 the contractual documents that regulate the terms and conditions of the transfer to Vertice 360 of Giglio Group's assets related to the media area (the "**Media Division**") against a reserved capital increase of € 1,136,363.64, with the consequent issue of 1,136,363,636.00 Vertice 360's shares representing, on the date of the conclusion of the agreement, no less than 5.95% of Vertice 360's share capital in favour of the Company (the "**Capital Increase**").

Scope of the transfer

The scope of the transfer comprises 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 - controlled by Giglio Group and owner of the thematic TV channel of the same name, visible in 90 Countries and 5 Continents, dedicated to sailing and water sports-, as well as parts of the media contents and rights broadcasted in China.

Following the reorganisation process of the Media Division essential to the transfer of the media area, other than Nautical Channel, the shares of the Group in the recently formed vehicle companies Media 360 Italy Corporate Capital S.r.l. (in which the TV broadcasting activities in Italy have been transferred), M3SATCOM S.r.l. (in which the business unit of the same name has been transferred) and Media 360 Hong Kong Ltd (in which TV content

and rights for China have been transferred), currently controlled in their entirety by Giglio Group, shall be object of the transfer, too.

Value of the transfer

Based on the assessments carried out by the Parties with the support of PriceWaterhouseCoopers Asesores de Negocios S.L., designated by Giglio Group, the value of the transfer was set at about € 12,500,000.00, as estimated total value of the 1,136,363,636.00 shares of Vertice 360 (subscription price of € 0.011 per share) to be issued in favour of Giglio Group. The contractual documents envisage also the taking over on behalf of Vertice 360 of a € 2,500,000 indebtedness towards a strategic supplier of the Media Division.

As of 31 December 2018, the Media Division recorded revenues of more than € 17 million and revenues of about € 2.7 million as of 31 March 2019, although some media management activities have been terminated prematurely or that their operativeness has been limited, pending the new Industrial plan of Vertice 360, who shall become their owner upon completion of the transfer.

Once the agreements have been signed, in compliance with IFRS 5 accounting principles, assets held for sale and the associated liabilities relating to the Media Division have been classified as "Assets/Liabilities Held for Sale" already in 2018 financial statement as well as in the Interim Report at 31 March 2019. From the closing date, expected within 30 November 2019, the shares arising from the Capital Increase shall be reported, pursuant to IFRS 9, to the market value at that date, and shall be adjusted at every following measuring date, according to the market value's trend, representing the market value with a fair-value index. With regards to the impact of the transfer on the broadcaster's outlook, as well as on the economic and financial data related to fiscal year 2018 and 2019 Q1 and to any amendment to said data following the transfer, please refer to the assessment contained in the strategic guidelines of the Industrial Plan announced on 5 February 2019, in the 2018 Annual & Consolidated Financial Report and in the Interim Financial Report at 31 March 2019.

Timing

The Parties confirmed in the contractual documents that the transactions' closing shall take place on 30 November 2019, notwithstanding the residual suspensive conditions concerning the agreement signed on 11 March 2019. On the 1 July 2019, Vertice 360 completed with the entire subscription the capital increase process of about € 12 million as previously announced, which shall be already concluded on the Reserved Increase date (the "**Capital Increase**"). The Shareholders' Meeting of Vertice 360 for the approval of the Reserved Increase shall be called by 04 October 2019. The closing of the transaction, which shall include all other fulfilments envisaged by the contractual documents (including the eventual debt repayment took over by Vertice 360), shall take place during the Meeting for the approval of the Reserved Increase, which shall be held before the aforementioned term of 30 November 2019.

Main terms and conditions

Given the fulfilment of the suspensive conditions envisaged in the agreement of 11 March 2019 regarding the stipulation of the final contracts and the conclusion of the Capital Increase, the transaction is subject to (i) the assessment of an expert appointed by the Spanish Commercial Register, competent under the Spanish law, confirming the value of Giglio Group's Media Division, defined as a contribution in kind within the Reserved Increase; (ii) the consent to the transfer from Giglio Group to the entirely controlled company Media 360 Italy Corporate Capital S.r.l. of the authorisation regarding channel LCN 68.

Upon the closing date, the Parties shall sign, inter alia, a Shareholders' Agreement regarding Vertice 360. Under the Shareholders' Agreement, starting from the date of

approval of the Reserved Increase for transfer of the Media Division, Giglio Group shall be entitled to appoint Alessandro Giglio as member of Vertice 360's Board of Directors as representative of the Group.

Furthermore, the contractual documents provide that, were Giglio Group to transfer, during the first year following the execution of the Reserved Increase, a number of Vertice 360 shares higher than 20% of the total shares arising from said Reserved Increase, without any lock-up, or were it to transfer even one of the remaining Vertice 360 shares in the following 24 months, it shall lose the right to appoint a member of Vertice 360's Board of Directors, giving Vertice 360 and Squirrel the power to withdraw unilaterally from the agreement of editorial services and from the commercial and service agreement to be underwritten on the closing date (with respect to which, reference should be made to the following paragraph of this press release).

Immediately after the closing, Vertice 360 shall proceed to implement the fulfilments (i) required by the Spanish law and regulation in order to obtain the listing of the shares arising from the Reserved Increase within 31 December 2019 and (ii) necessary for the amendment of channel LCN 68's brand, currently called "Ibox 68" in line with the brand used by Giglio Group for its core activities.

Agreements for the promotion of post-transaction synergies

In the context of the transaction, Vertice 360 and Giglio Group, benefiting from their expertise in the Digital, TV and e-commerce sectors, shall work together in order to generate continuous business and enterprise synergies all over the world.

For this purpose, Giglio Group and Vertice 360 shall sign on the closing date (directly or indirectly) an agreement of editorial services and a commercial and service agreement. The Parties undertake to initiate the cooperation in the management of Giglio Group's Media Division. Until the closing date, any significant operation concerning the companies comprised within the scope of the transfer shall be agreed upon by both Parties within the context of a committee made up of two members, appointed by Vertice 360 and Giglio Group respectively.

Purpose of the transaction

The transaction is part and parcel of the new strategic line announced to the public on 5 February 2019, as well as fully consistent with the transfer activities of non-core assets started on November 2018 and with the new Industrial Plan 2019-2021, presented the previous March during Borsa Italiana's Star Conference.

Following the conclusion of this transaction, Giglio Group, as extensively announced over the last few months, shall focus exclusively on the e-commerce sector, aiming at the full enhancement of its media activity by handing it over to a highly-specialised and professional player in the sector, with which it shall cooperate in the near future in the context of digital marketing within different territories. The Group, following the final stipulation of the agreements with Vertice 360, shall become the most important independent player of the e-commerce sector in Italy, with unique characteristics in the segment: a global presence, outstanding specific professional skills and an ambitious strategic plan.

Giglio Group aims at becoming a point of reference for the fashion market, offering innovative services as well as becoming the leading digital distribution platform for other categories such as design and food made in Italy.

Alessandro Giglio, Chairman and CEO of Giglio Group, declared: *"We finally reached the definition of the contractual agreements for the transfer of our historical media area within the scope of the Vertice group - agreements that confirm the terms announced on the previous March. Over these 4 months, both Groups have started cooperating in order to identify the best possible synergies for the fullest valorisation of the assets that Giglio*

created and managed over the past years, assets to which Vertice 360 will be able to bring ever more prestige". Moreover, he added: "Today, we are fully focused on the e-commerce, and we are moving fast. We are bringing on board a growing number of fashion brands, along with innovative and complex projects that shall be progressively communicated to the market when permitted. It is enough to look at yesterday press release, in which we confirmed a huge collaboration with an ultra-luxury brand such as Stefano Ricci. China, omnichannel marketing and marketplaces have become our passwords to access all Made in Italy fashion brands, unrivalled. Nevertheless, we are already looking forward to new projects with even bigger potential, where we will not only take on the role of first movers, but also of great players, with a digital distribution platform also in the design and food sector, in the latter where our ambitions are great, given that the segment presents a total revenue of € 140 billion with an export potential even bigger than the fashion sector, as well as totally devoid of any presence on the emerging digital marketplaces worldwide. Today, we are fully focused on the Group's development along these lines without any distraction, in order to make available to the food industry all our consolidated and proven digital experience".

Squirrel Capital and Vertice 360

Squirrel Capital is the majority shareholder of Vertice 360, with 55.8% of its share capital.

It is the most important advertising and audiovisual group in the Spanish market, as well as the only one to provide, through its societies, all-round solutions in the advertising and audiovisual industries. Squirrel owns Radio R4G and Canal Bom Tv Channel and works actively in the advertising market, operating from Centro Media and Agenzia Creativa, managing the European advertising planning on all media of major multinational clients.

Vertice 360, listed on Madrid's stock exchange market ever since 2007, operates on two main business lines: production and distribution of international audiovisual contents. Within its production and distribution, Vertice 360 features contents such as "Winchester", "The Wife" and "Angel has fallen", with actors such as Colin Firth, Morgan Freeman and Glenn Close, but also animation masterpieces such as the famous Shaun the Sheep II.

Information on Giglio Group:

Giglio Group, founded by Alessandro Giglio in 2003 and listed on the MTA-Star market on Borsa Italiana, is "The e-commerce gateway for fashion" that offers tailor-made B2B and B2C services through its own IBox Distribution and IBox Digital business lines to more than 70 lifestyle brands. With headquarters in Milan, New York, Shanghai, Hong Kong, Rome, Lugano and Genoa and thanks to its remarkable expertise, Giglio Group accompanies its customers in the online distribution of their products through a platform which, starting from the implementation of fully tailor-made and managed monobrand e-stores, integrates the business with the dedicated placement on main lifestyle marketplaces worldwide, whilst offering online full-price and stock management – a unique, "complete-supply-chain" online service ensuring a 100% sell-through rate.

CONTACTS

Investor Relations:

ir@giglio.org

(+39)0283974207

Corporate&Finance Press Office:

Spriano Communication&Partners

Matteo Russo e Cristina Tronconi

Tel. 02 83635708 mob. 347/9834881

mrusso@sprianocommunication.com

ctronconi@sprianocommunication.com

Fine Comunicato n.20076-47

Numero di Pagine: 7