



*Castadiva*®  
castadiva | group

Investor Day 11.22.2016

- HOW BIG IS THE MARKET?
- HOW FAST DOES IT GROW AND WHY?
- WHO IS IN THE MARKET?
- WHERE IS YOUR COMPANY POSITIONED?
- HOW DO YOU COMPARE WITH THE LARGEST COMPANY?
- HOW DOES THE MARKET MAKE MONEY AND HOW DO YOU?
  - HOW DO YOU INTEND TO EXPAND?
- WHAT ARE THE TRACK RECORDS OF THE MANAGERS  
WHOSE JOB IS TO IMPLEMENT THE PLANS?



VIDEO PROMO



HOW BIG IS THE MARKET?

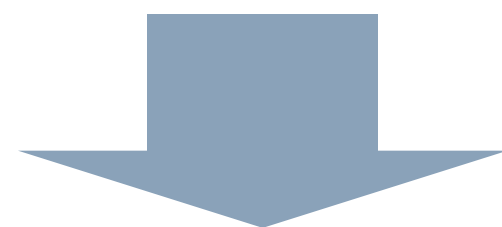
## 2-3 DIFFERENT MARKETS, PROGRESSIVELY MERGING

**ADVERTISING  
VIDEO PRODUCTION**

ADVERTISER (CLIENT)



ADVERTISING AGENCY



PRODUCTION COMPANY

**EVENT  
ORGANIZATION**

CLIENT



EVENT AGENCY

**(DIGITAL MARKETING)**

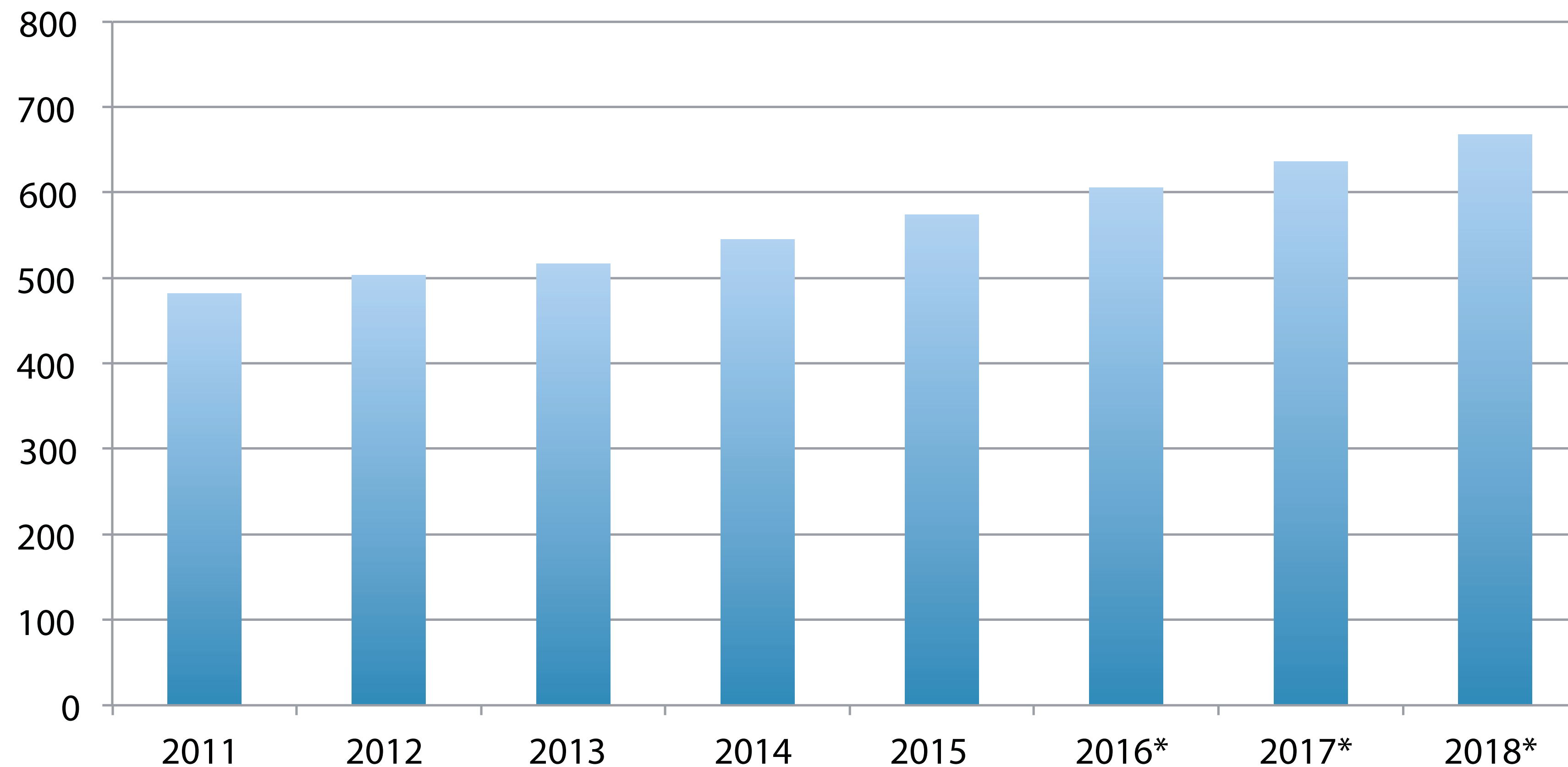
CLIENT



DIGITAL AGENCY

Global advertising spending is expected to reach nearly \$700b by 2018

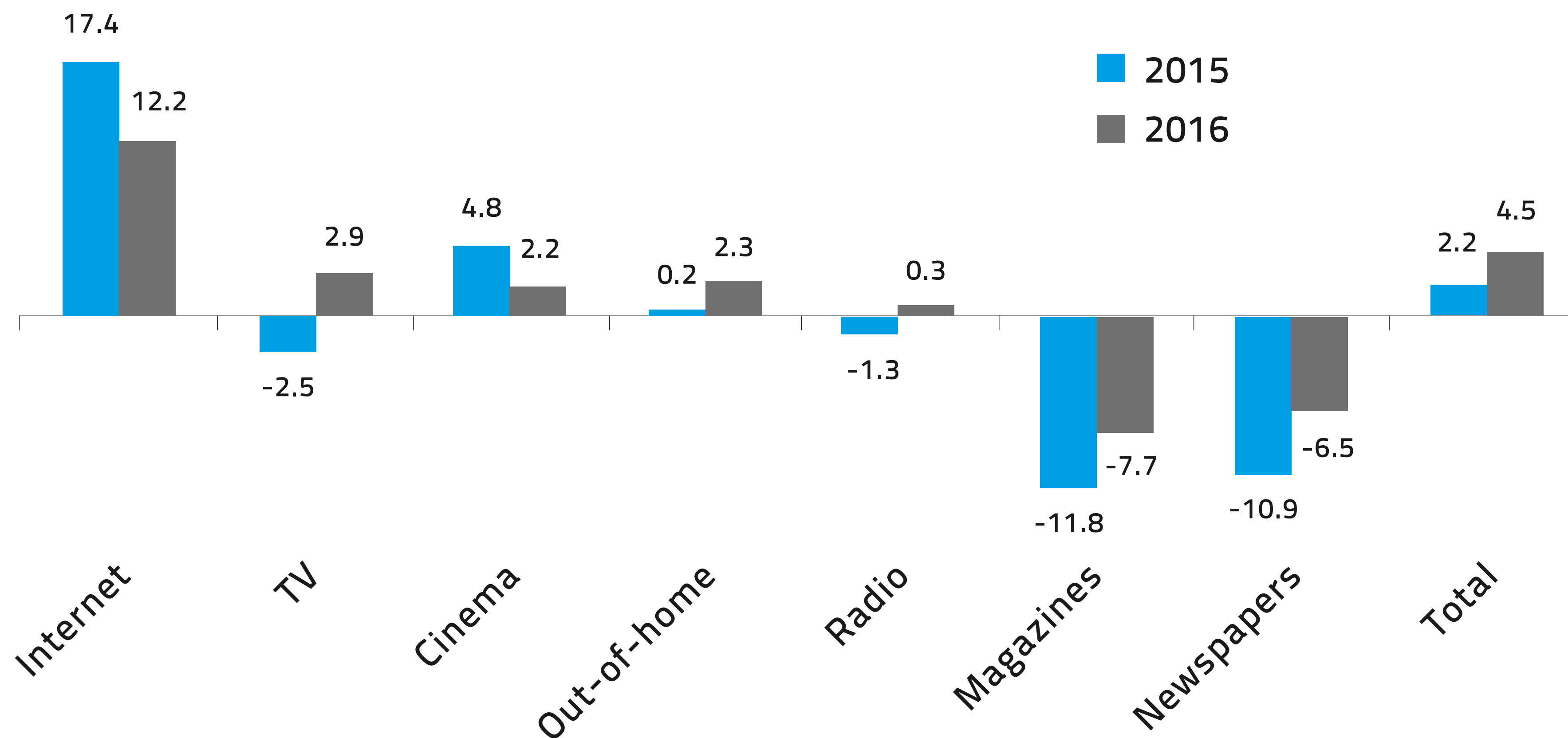
GLOBAL ADVERTISING SPENDING (\$b)



Source: eMarketer, Statista

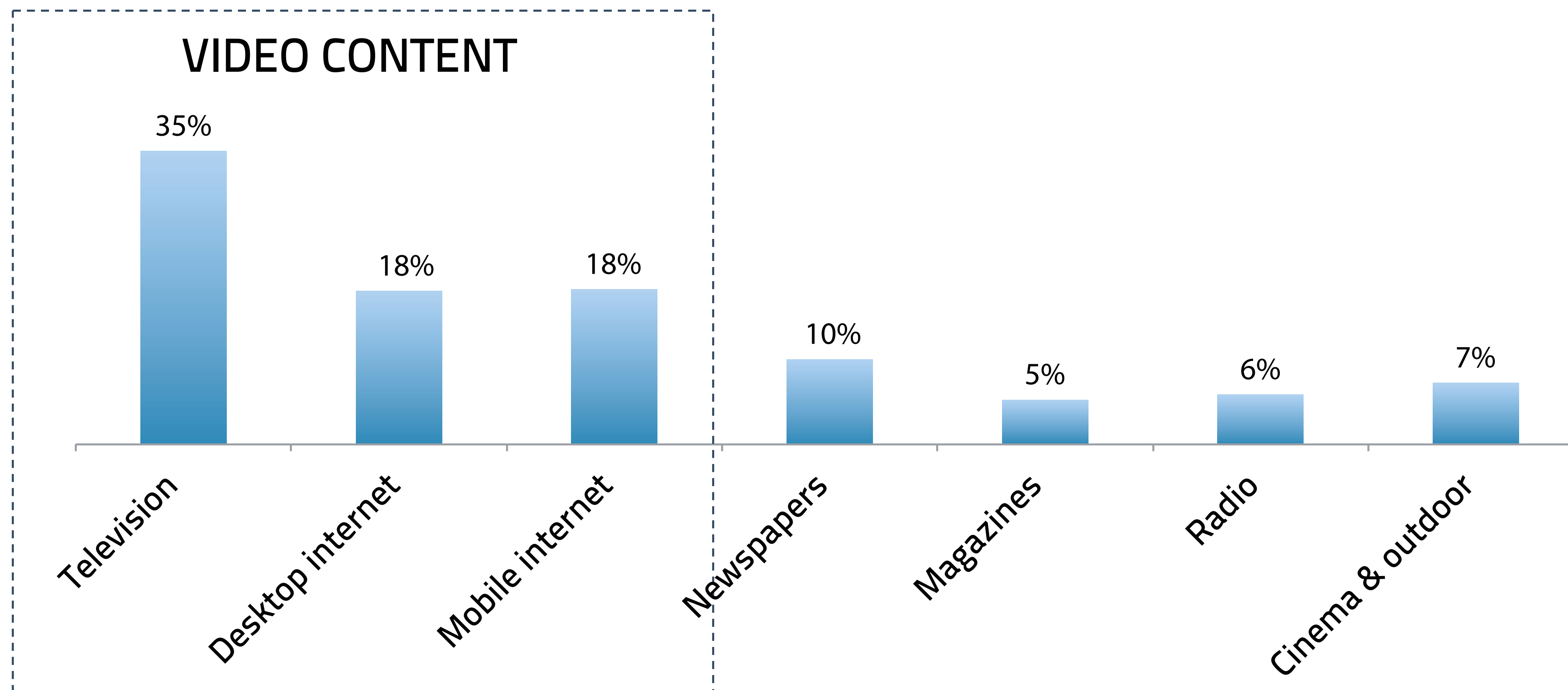
## Digital communication is the fastest growing segment

YOY GLOBAL CHANGE IN ADVERTISING SPENDING BY MEDIUM (%)



## Video-related media will continue to get the largest share of marketing budgets

DISTRIBUTION OF GLOBAL ADVERTISING EXPENDITURE 2018, BY MEDIA (%)

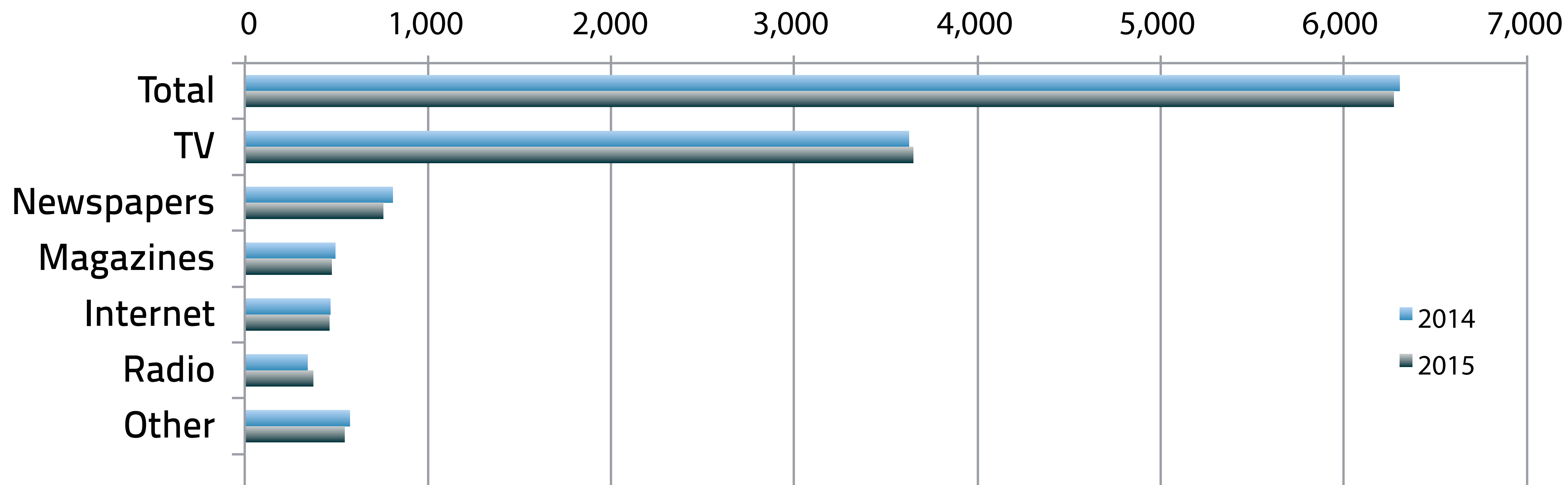


Source: ZenithOptimedia, Cisco Visual Networking Index



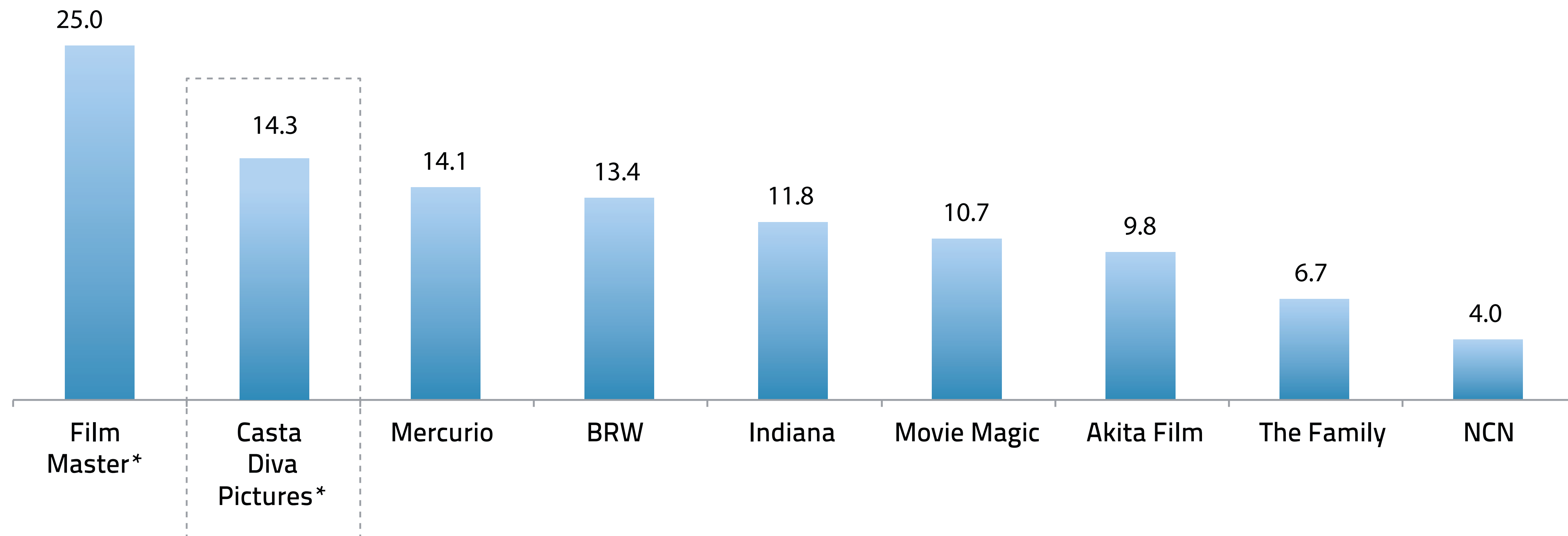
In Italy, TV is by far the leading media

ADVERTISING SPENDING IN ITALY (€m)



## Casta Diva belongs to the high-end of Italian competitors

TURNOVER OF MAIN PLAYERS IN ITALY (2014, €m)



(\*) excluding events

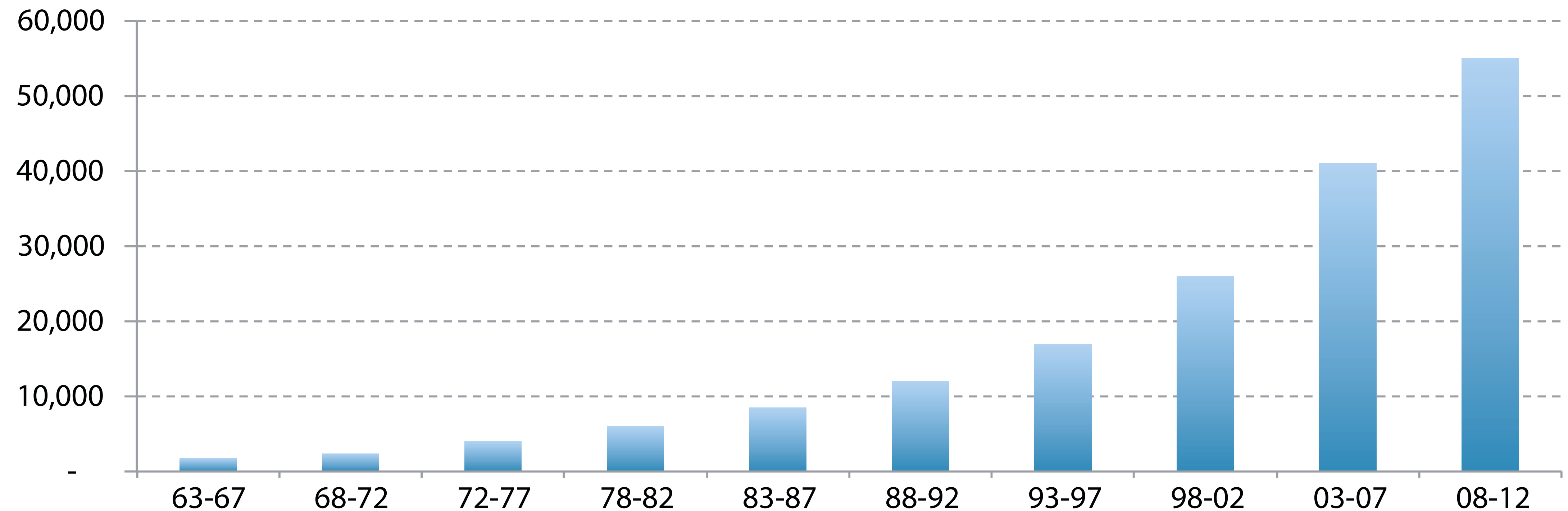
Source: statements of accounts, management interviews

The MICE (Meeting, Incentives, Conventions, Exhibition) Industry is composed of four main areas encompassing a wide range of players

AREA	COMPONENTS	SAMPLE SUBCOMPONENTS		
MICE PRODUCTS	Meetings	Meetings		
	Incentives	Incentives		
	Conventions	Congresses	Conferences	
	Exhibitions	Trade shows	Consumer shows	
MICE SERVICES	Core services	Event management services	Transport & access services	Lodging & food services
	Ancillary services	Culture	Sun & beach	Nature
		Sports	Health & wellness	Urban
MICE SECTOR-ENABLERS	Industry planning			
	Destination promotion & planning (DMCs, Convention Bureaus)			
	Sales & facilitation			
	Research & statistics			
MICE SECTOR-SYSTEM ENABLERS	Security			
	Health & safety			
	Environmental sustainability			
	Infrastructure			

## Global activity in MICE industry has continued to grow in spite of recessions

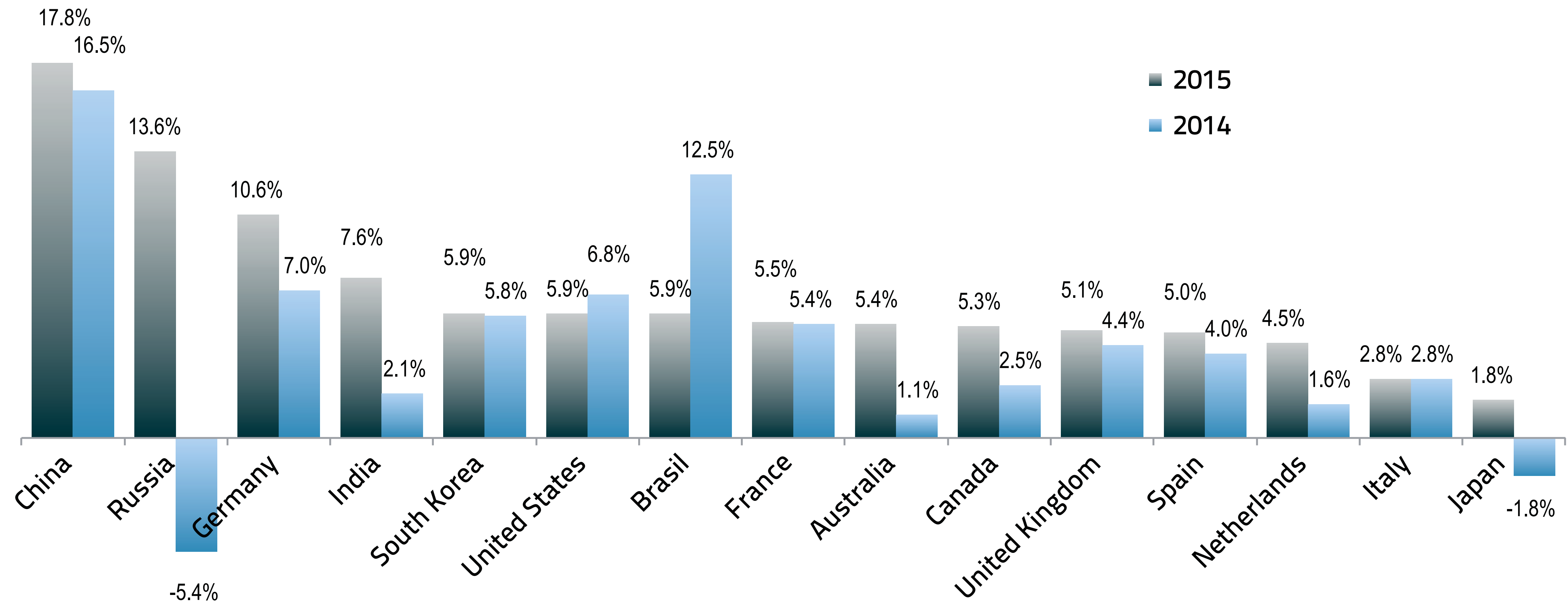
GLOBAL TREND IN THE NUMBER OF MEETINGS (no., years)



Source: ICCA (note: ICCA collects data only on meetings organized by international)

## Business travel spending, one of the indicators of the sector's health, is fuelled by emerging economies

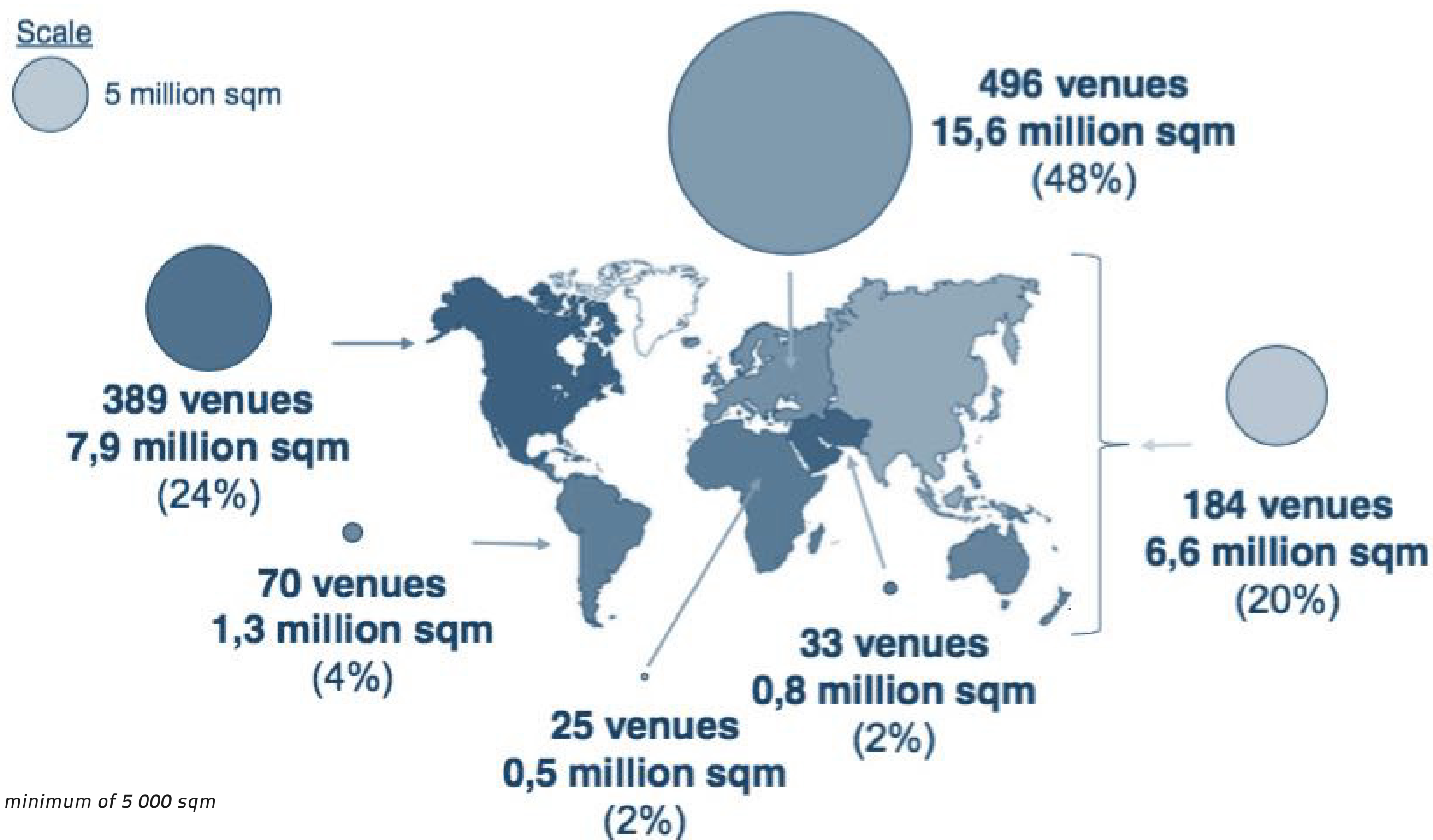
### GLOBAL BUSINESS TRAVEL SPENDING GROWTH (%)



Source: Carlson Wagonlit Travel; GBTA; Statista; Strategy&

## The exhibition industry is still Euro-centric

### REGIONAL EXHIBITION SPACE AVAILABLE (2011)



Source: UFI World Map (venues with a minimum of 5 000 sqm indoor exhibition space), Strategy&

The MICE market size exceeds €500b

## WORLD

\$ 565b - \$ 1,500b

2010-2013 CAGR = 12% in value

## ITALY

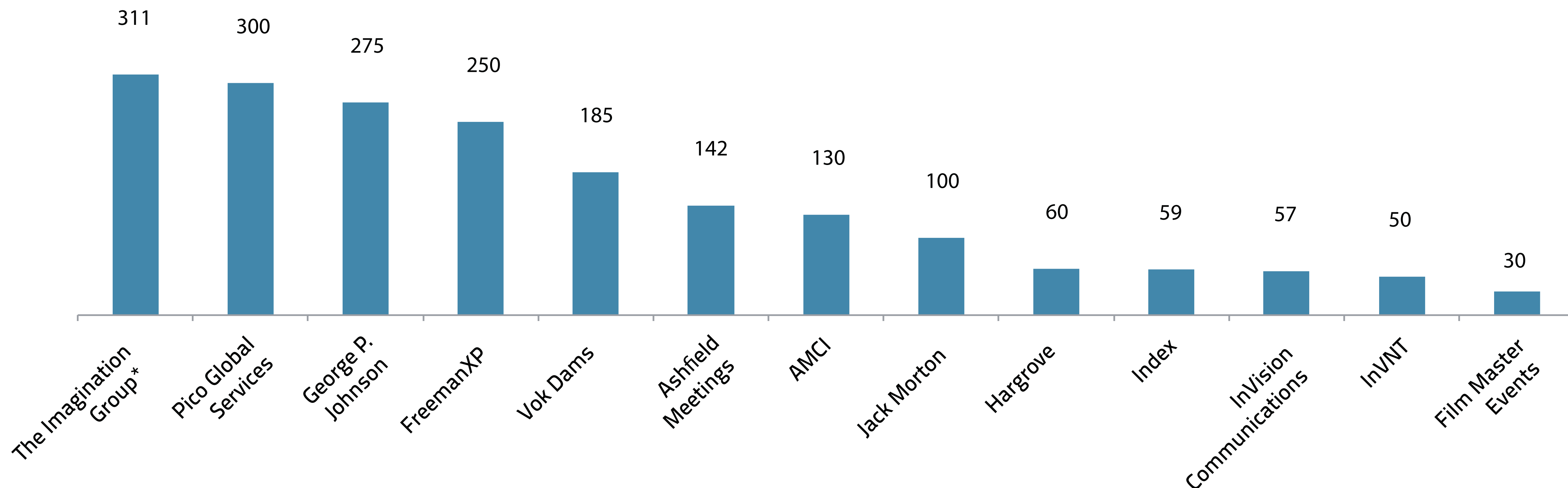
(only corporate events):

2014 = € 819m

2015 = € 1,040m

The events business is marked by a very high fragmentation

TURNOVER OF MAIN PLAYERS (2015, \$m)

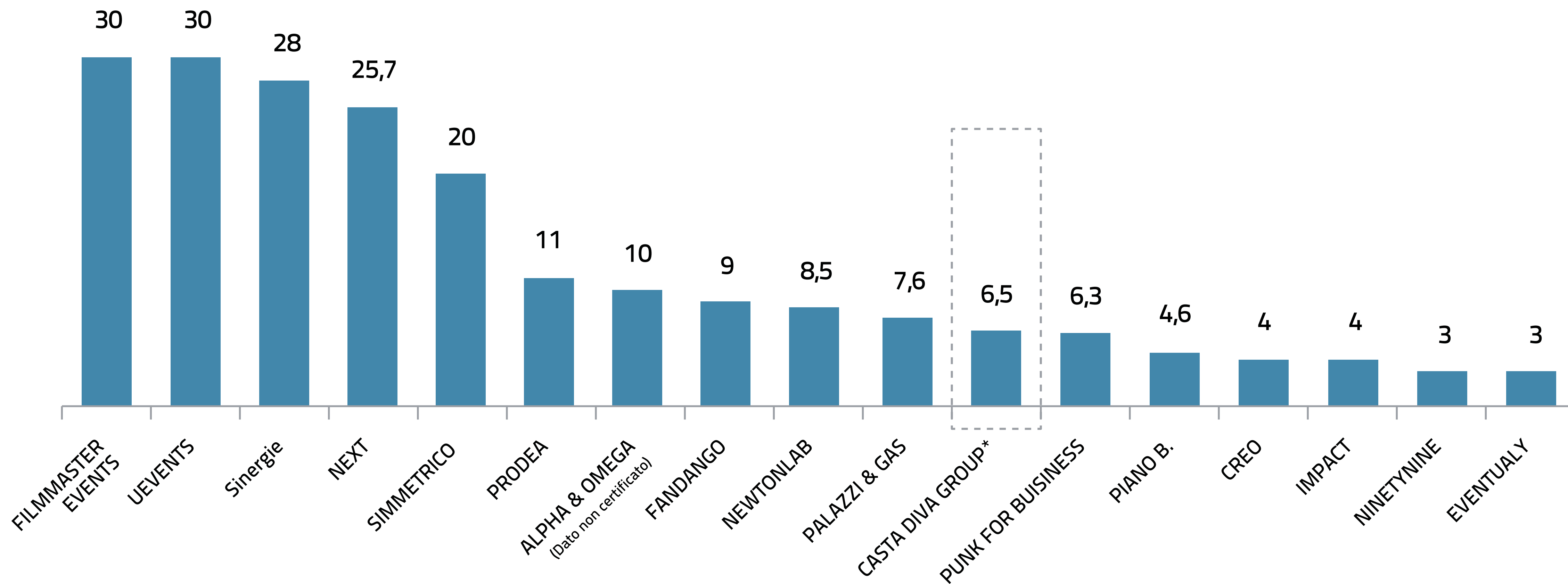


(\*) Total turnover, including non-events BU Source: Special Events, UK Companies House



The events business is marked by a very high fragmentation

TURNOVER OF MAIN PLAYERS (2015, \$m)



(\*) \*excluding branded video content

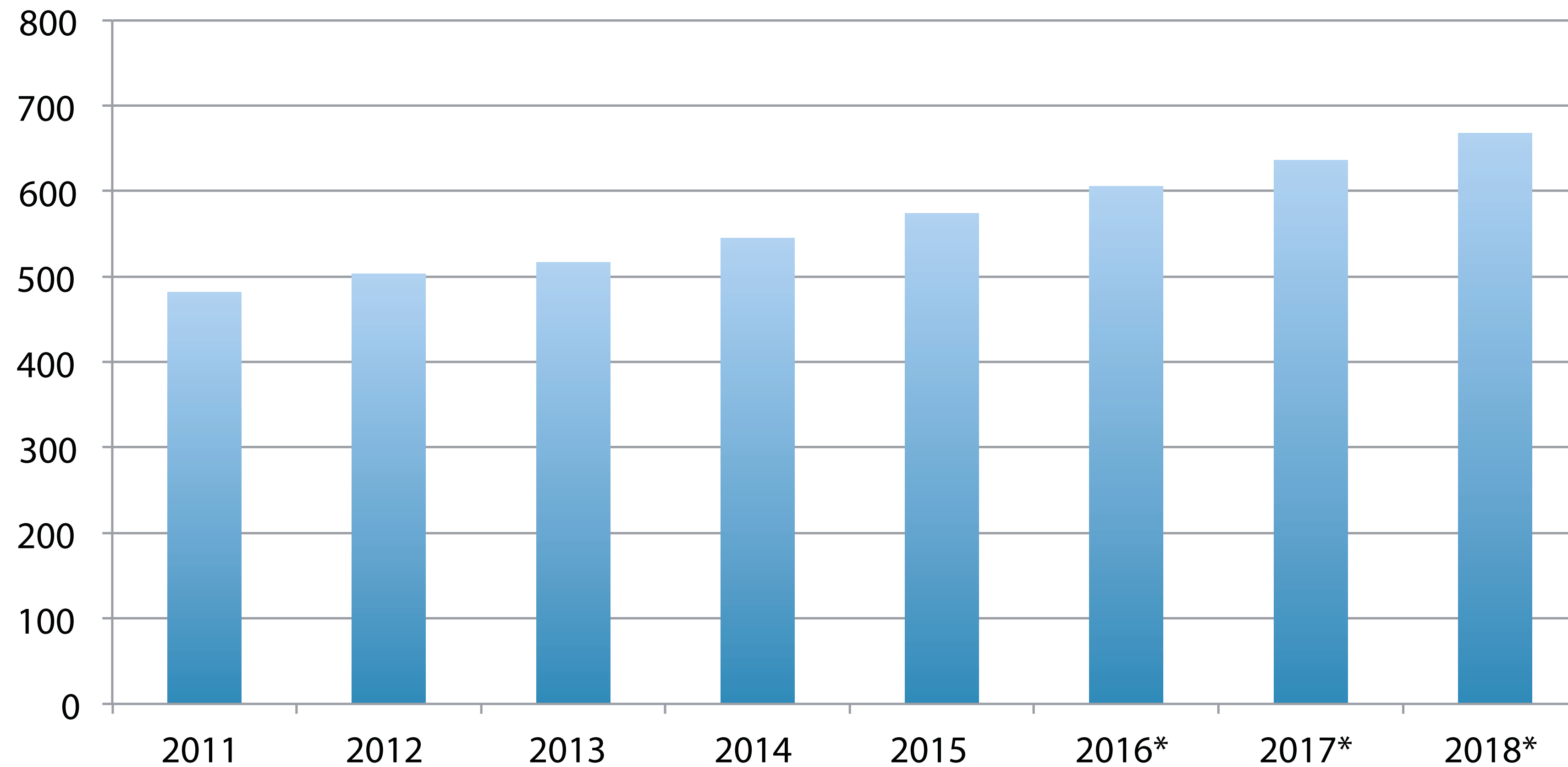
Source: Cerved



HOW FAST DOES IT GROW AND WHY?

Global advertising spending is expected to reach nearly \$700b by 2018

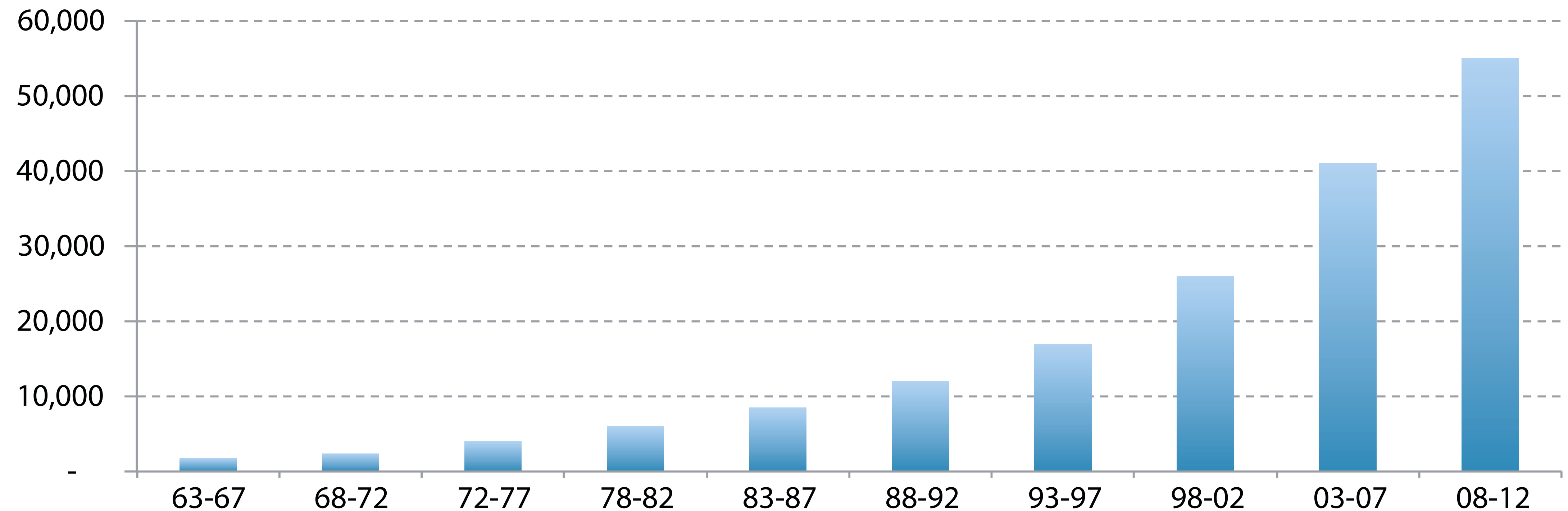
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Casta Diva's integrated offering can profit from current trends

## BRANDED VIDEO CONTENT

- Integrated communication
- Direct engagement with Advertisers (Clients)
  - Storytelling
  - Social media



VIDEO EXAMPLES

Casta Diva's integrated offering can profit from current trends

## LIVE COMMUNICATION

- Web and social media extension (thru video)
- Pre and post event digital channels (thru video)
- High tech and user experience events (thru video and VR)
  - Proprietary events



WHERE IS YOUR COMPANY POSITIONED?



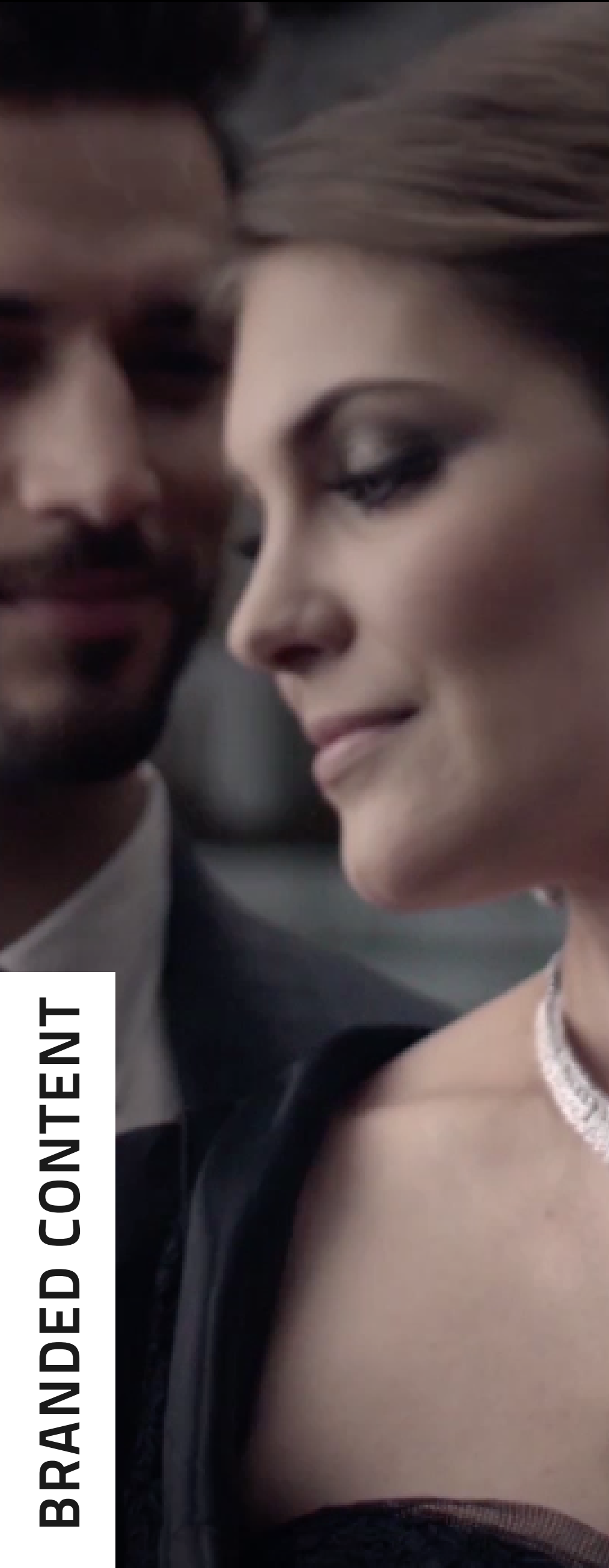
The only real independent multinational communication company born in Italy and now based in 10 countries



London - Manchester - Milan - Rome - Prague - Beirut - Istanbul - New York - Los Angeles - Buenos Aires - Montevideo - Cape Town - Mumbai



# DIVERSIFICATION IN THE COMMUNICATION MARKET



BRANDED CONTENT



LIVE COMMUNICATION



MUSIC ENTERTAINMENT



CINEMA E TV



DIGITAL COMMUNICATION



## Few competitors match Casta Diva's broad offering and integration capability

COMPETITIVE SCENARIO, ITALY (○ = weakness, ● = strength)

	OFFERING					POSITIONING	
	Directors	Production			Other services	International presence	Digital knowledge
		Commercials	Cinema	TV			
Film Master	●	✓			Events, service	●	●
BRW	●	✓	✓	✓	Service	●	●
Indiana	●	✓	✓	✓	Publishing, service	●	●
Mercurio	●	✓	✓	✓		○	●
Movie Magic	●	✓				●	○
Casta Diva	●	✓	✓	✓	Events, service	●	●

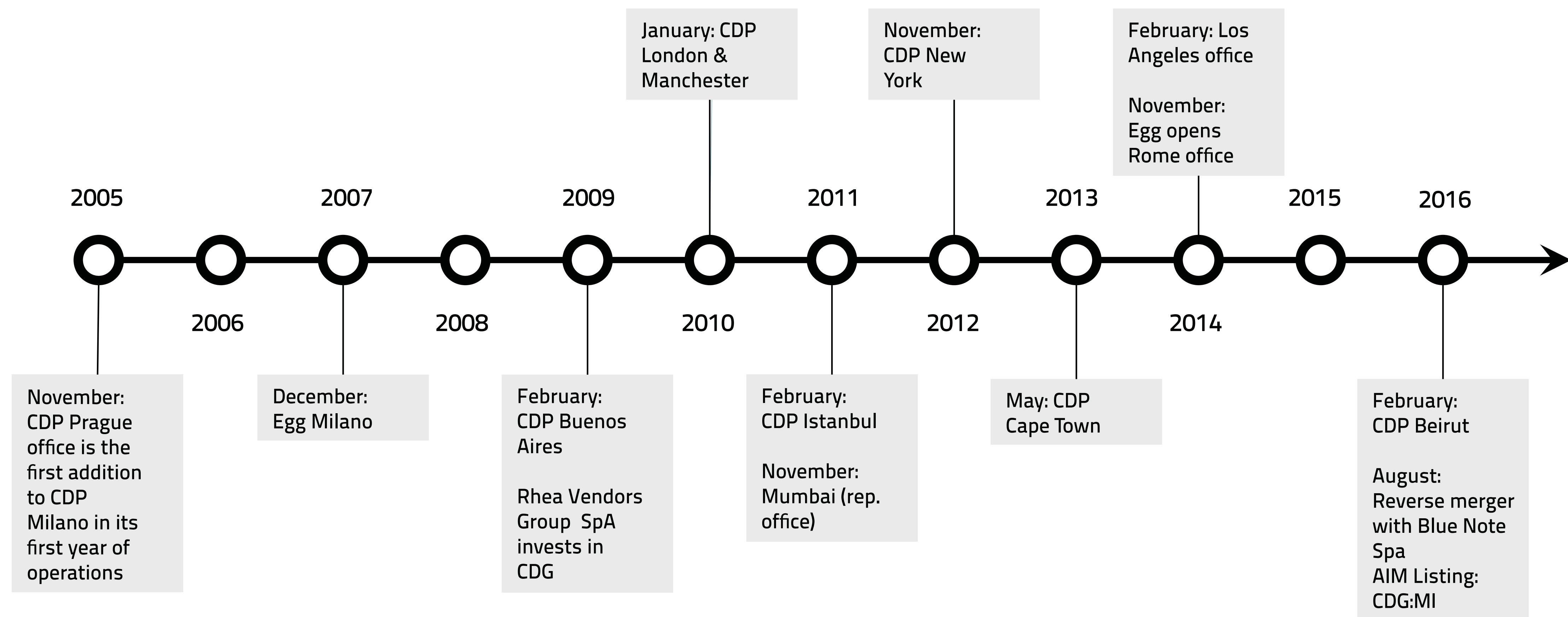


## Casta Diva Group's offering has broadened from branded video content to live communication

	BRANDED VIDEO CONTENT	LIVE COMMUNICATION	LIVE ENTERTAINMENT
	Production of commercials and branded content.	Design, production and organization of corporate, institutional and private events.	Blue Note Jazz Club and restaurant
2015 TURNOVER	€ 14m	€ 6m	€ 5m
CLIENTS/BRANDS SELECTION (2015)			B2C

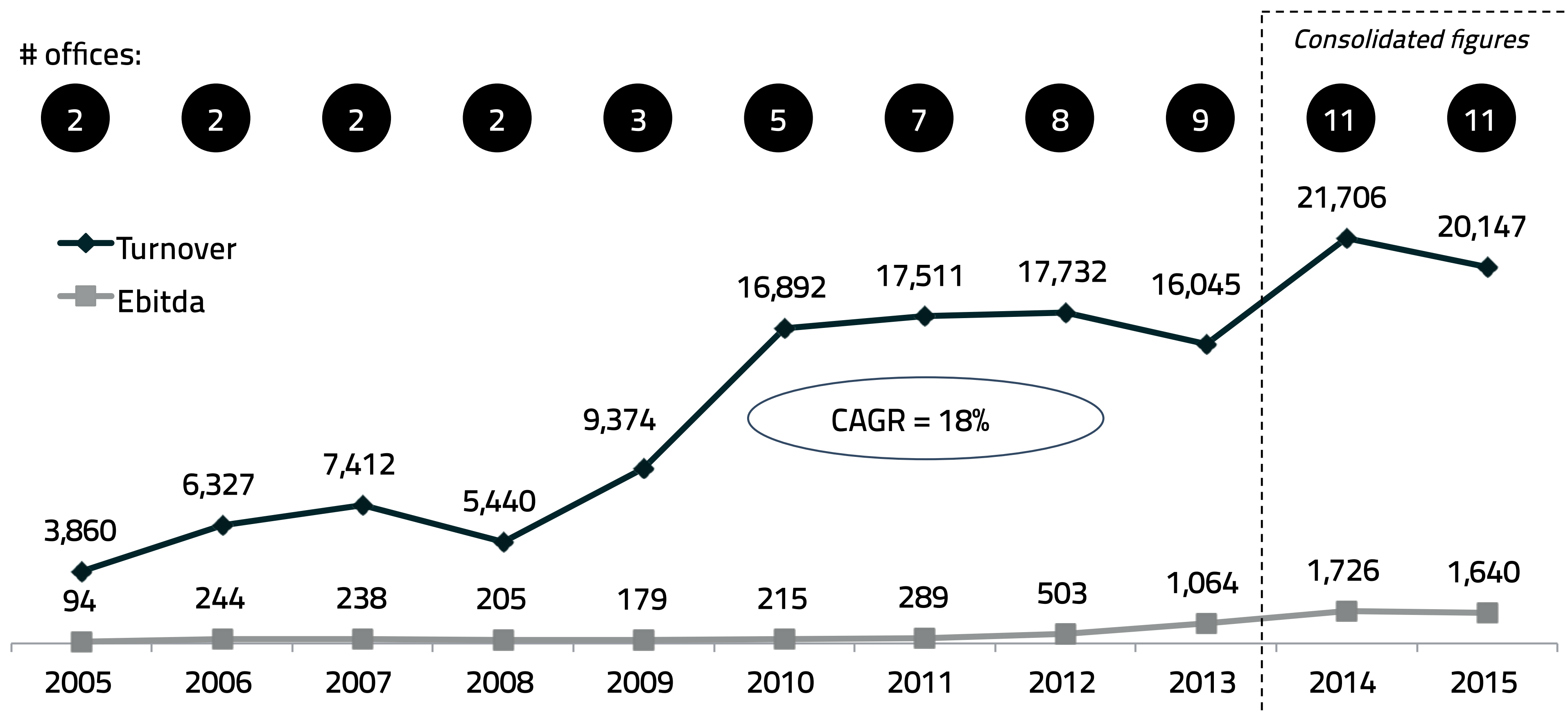
## The Group's expansion has been driven by a strong value proposition for local partners

### MILESTONES 2005-today



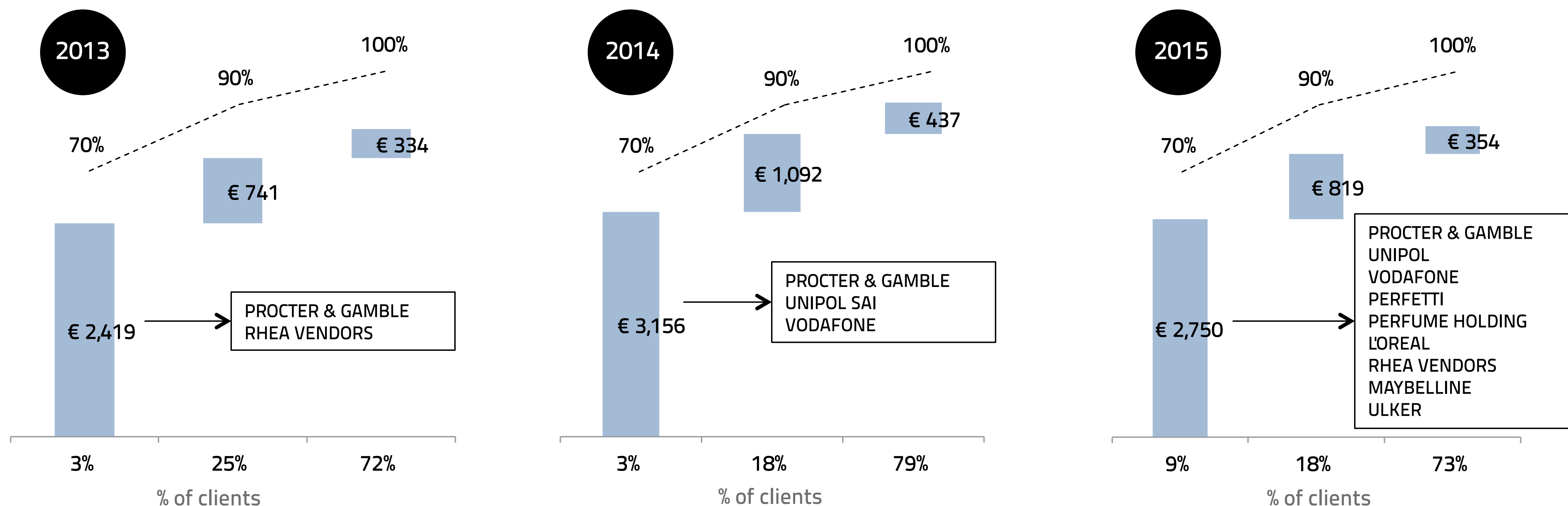
The Group has grown at 18% rate in 10 years

GROWTH METRICS (no., €000)



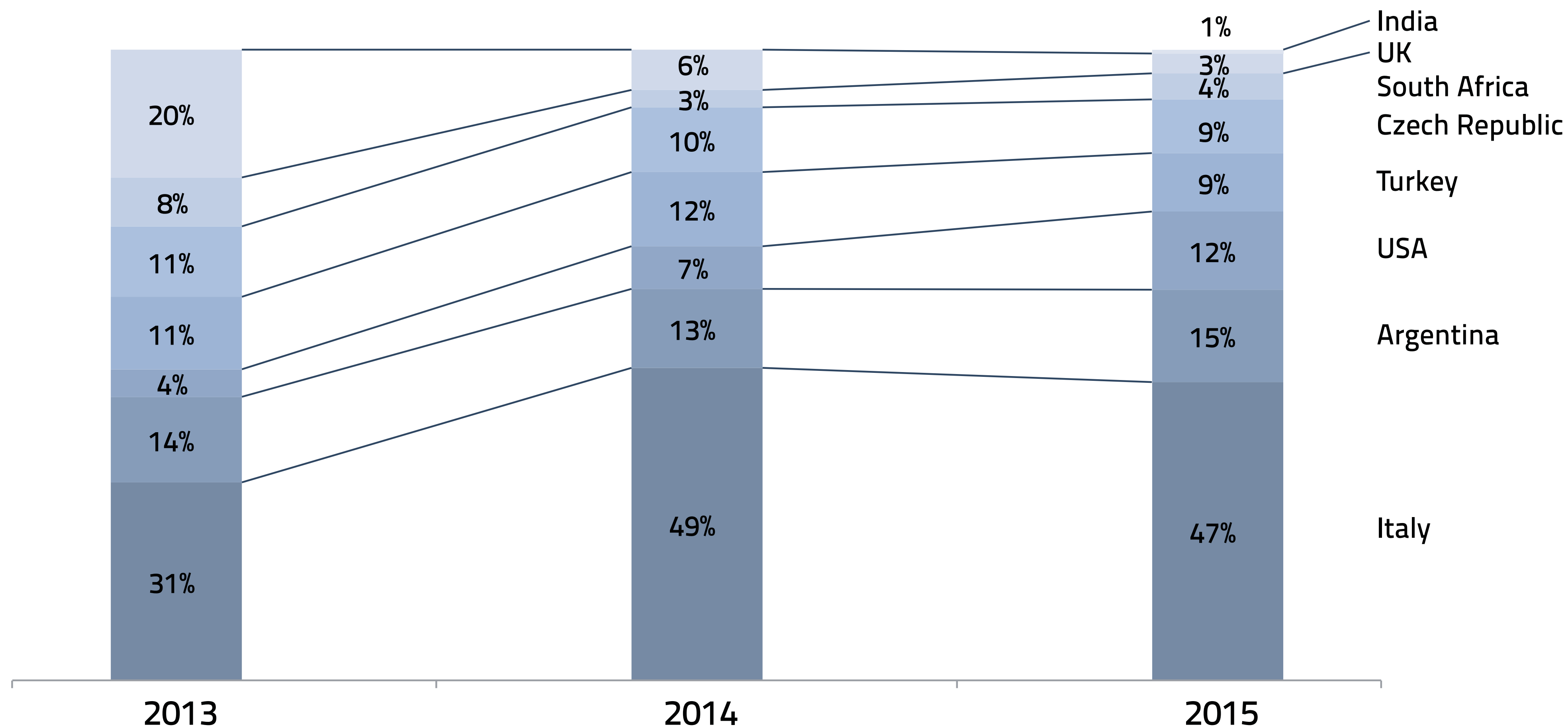
Key clients relationships have fuelled CDG's initial international expansion, but the Group is growing a broader A class clients base

CLIENT PORTFOLIO (gross margin in €000 and cumulated %)



## More than half of turnover is international

REVENUE MIX: GEOGRAPHIES (% of total turnover)





## Awards

# 35

**INTERNATIONAL AWARDS  
WON LAST YEAR (2016)**









CDG has recently signed the agreement for the reverse takeover of Blue Note, entertainment company listed on AIM Italia

## BLUE NOTE MILANO HIGH-LIGHTS

- International brand
  - 13 years of uninterrupted activity
- 25% of the total Italian live Jazz turnover
  - 60.000 tickets sold per year
  - of which 48.000 sold online
- 80.000 recipients of BN weekly newsletter
  - Live on Radio Monte Carlo
- High quality music, food and beverage
  - Perfect location



Blue Note has hosted the performances of world-famous jazz, blues and soul artists

The Blues Brothers, Stefano Bollani, Dee Dee Bridgewater, Billy Cobham, Chick Corea, Eugenio Finardi, Paolo Fresu, Pino Daniele, Malika Ayane, Al Di Meola, Incognito, Ahmad Jamal, Raphael Gualazzi, Level 42, The Manhattan Transfer, Wynton Marsalis, Brad Mehldau, Marcus Miller, Maceo Parker, Gino Paoli, Enrico Rava, Joshua Redman, Antonella Ruggiero, John Scofield, McCoy Tyner, Chucho Valdes, Ornella Vanoni and The Angels in Harlem Gospel Choir which performs regularly during Christmas period.





The integration of Blue Note within Casta Diva Group can benefit from multiple synergies

LIVE  
ENTERTAINMENT  
OFFERING

BRAND  
EXTENSION

ECONOMIES  
OF SCALE



4 - 15 NOVEMBRE 2016

Video Teaser



J  
A  
Z  
Z  
M  
I



1 CITY

12 DAYS

40 LOCATIONS

80 CONCERTS

320 ARTISTS

30.000 + AUDIENCE

3.000.000 € EARNED MEDIA



The resulting business combination has been valued €31m

COMBINED ENTITY'S KEY FIGURES (BASED ON 2015 BALANCE SHEETS)

Turnover	€ 24.660k
Ebitda	€ 1,118k
Ebitda/Turnover	4.5%
Net Financial Position	€ -249k
No. of shares	10,472,923
Share price	€ 3.00

*Note: valuation and swap ratio approved by the expert appointed by the Court of Milan ('ex art. 2501 sexies c.c.')*

IN EURO THOUSANDS

## BLUE NOTE CONSOLIDATE

### 2016 H1 Financial Results

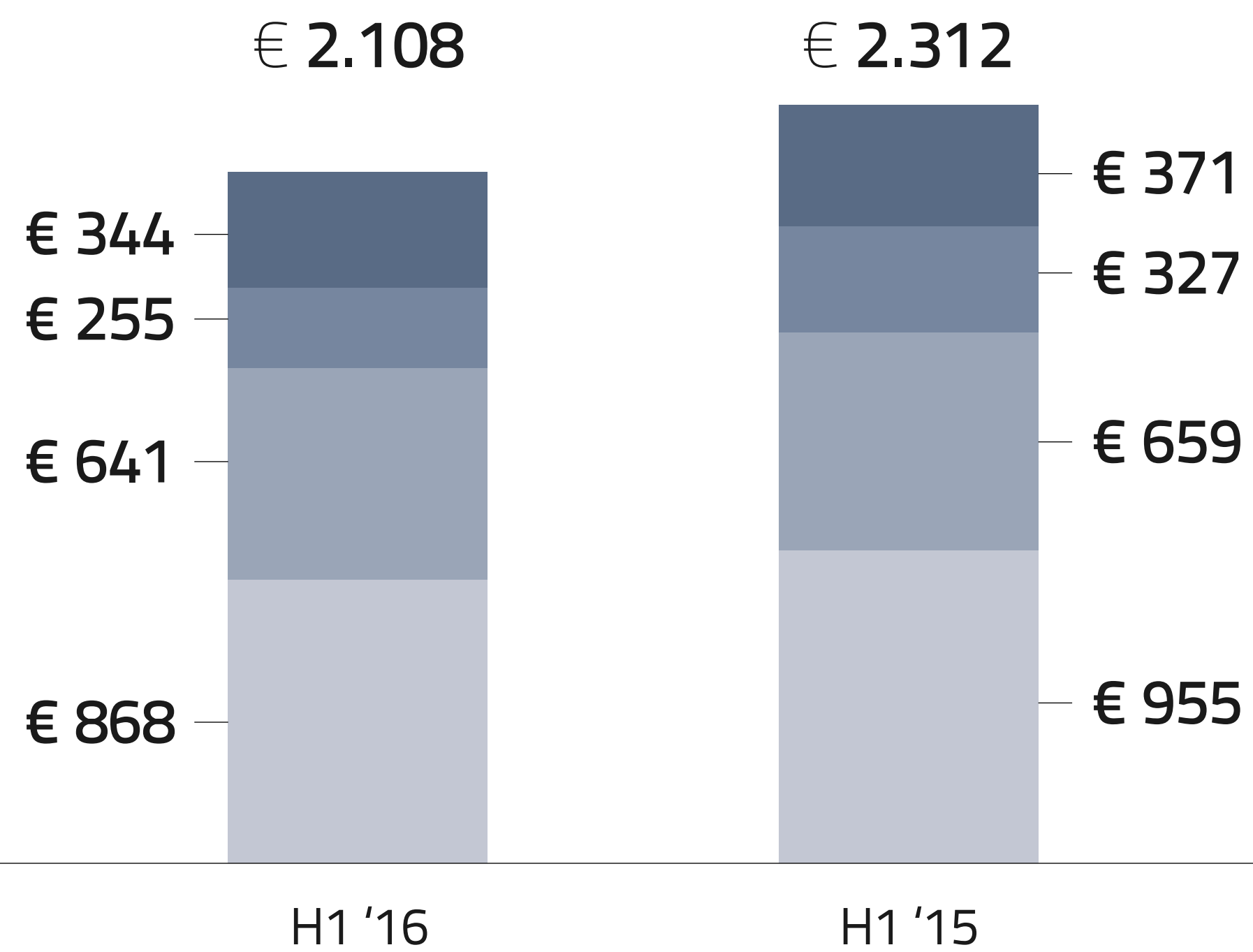
	H1 '16	H1 '15	
TOTAL NET REVENUES	2.108	2.312	-9%
EBITDA	- 47	-222	79%
PFN / (Cash)	636	181 *	

\* Dec '15

Revenues	-9% vs H1 '15	closed in June 2016
EBITDA	+79% vs H1 '15	loss reduction

BLUE NOTE H1 REVENUES (EURO THOUSANDS)

- Other
- Events
- Food & Beverage
- Shows



IN EURO THOUSANDS

## CASTA DIVA GROUP CONSOLIDATE

### 2016 H1 Financial Results

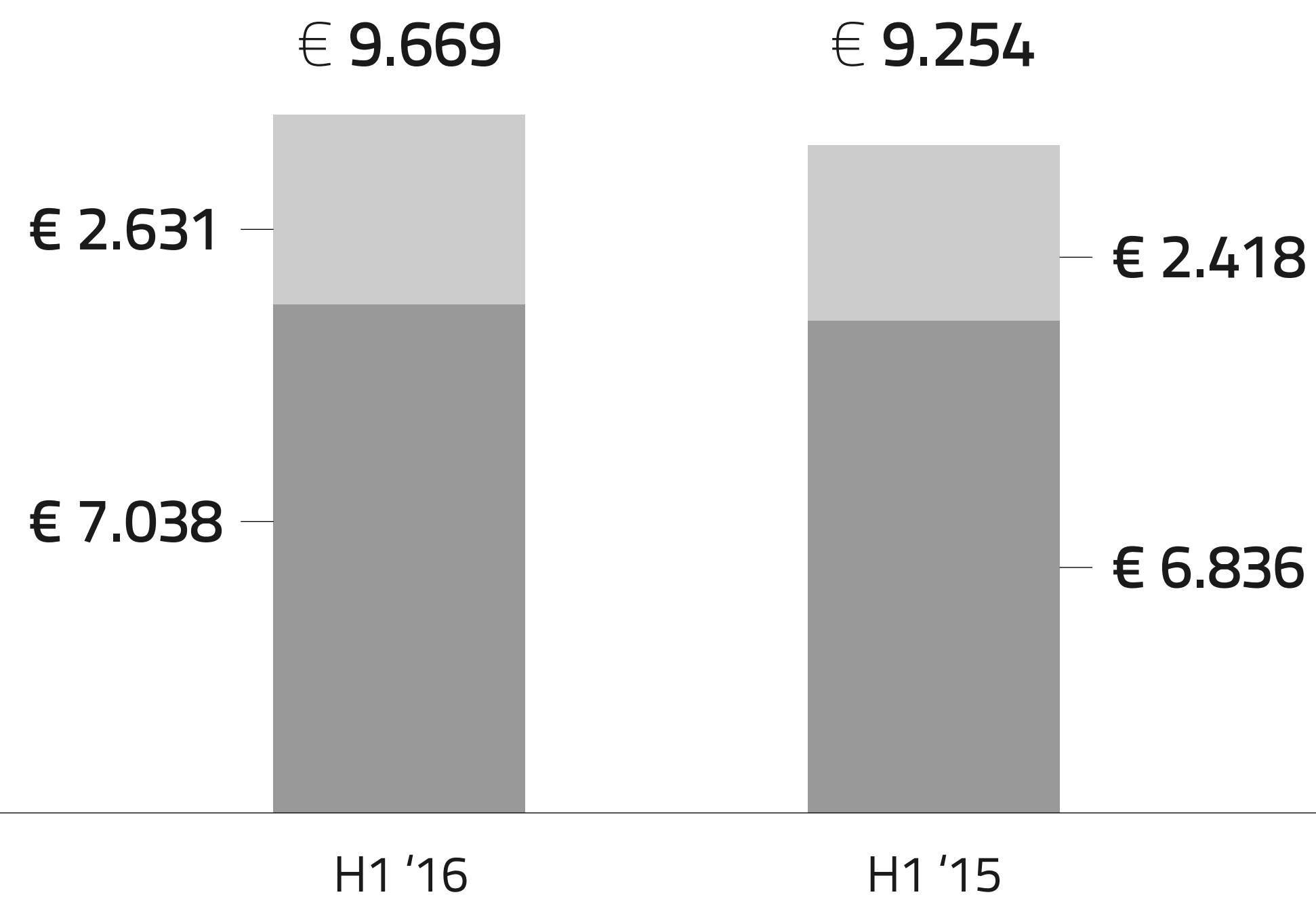
	H1 '16	H1 '15	
TOTAL NET REVENUES	9.669	9.254	4%
EBITDA	826	721	15%
PFN / (Cash)	-656	-430 *	

\* Dec '15

Revenues	+4% vs H1 '15
EBITDA	+15% vs H1 '15

CASTA DIVA GROUP H1 REVENUES (EURO THOUSANDS)

- Live Communication
- Branded Content / Cinema / TV





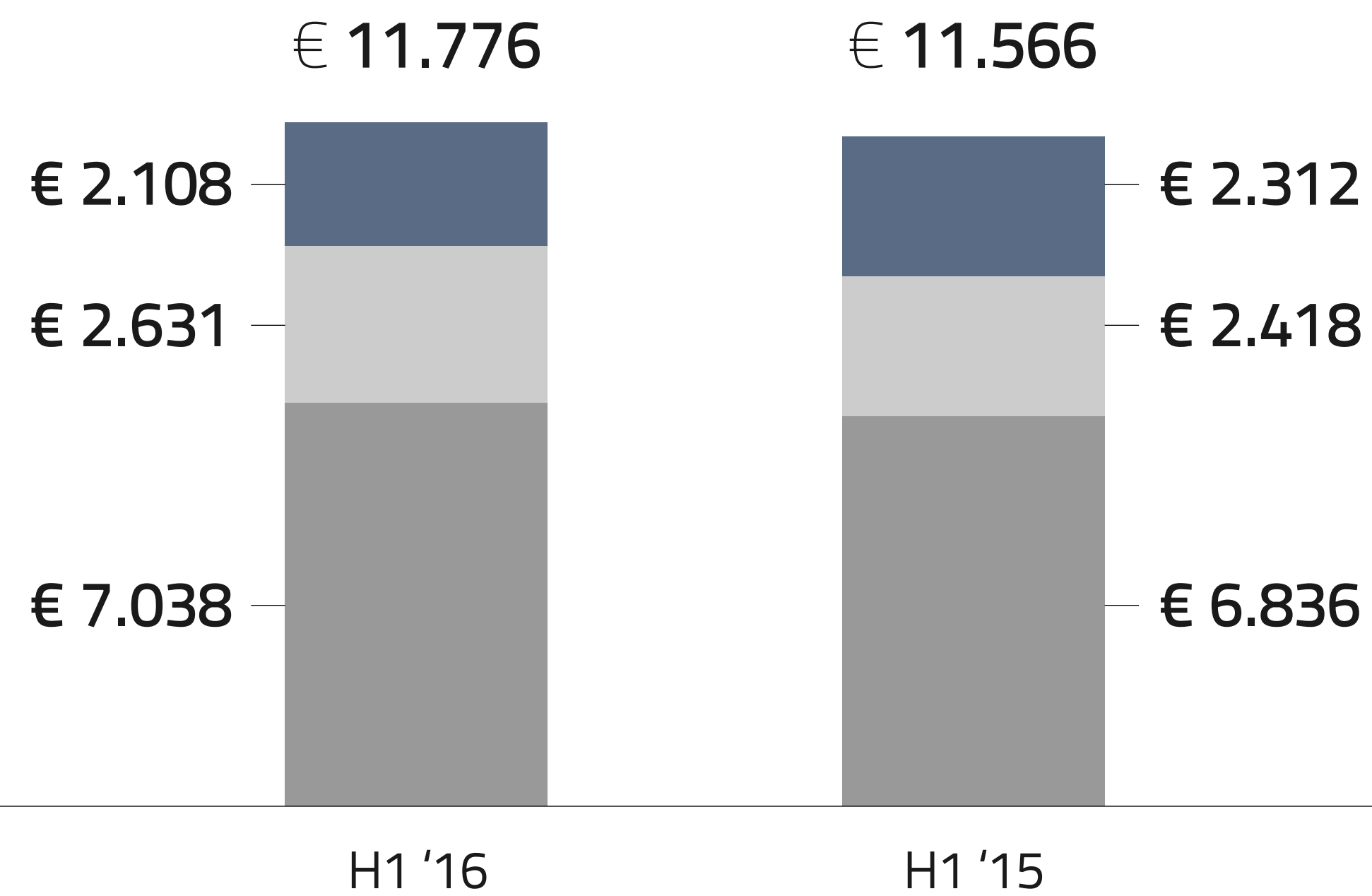
IN EURO THOUSANDS

2016 H1 Financial Results	Blue Note Consolidate	Casta Diva Group Consolidate	Aggregate
TOTAL REVENUES	2.108	9.669	11.776
EBITDA	- 47	826	779
PFN / (Cash)	636	- 656	- 20

Revenues	+1,8% vs H1 '15
EBITDA	+56% vs H1 '15

CASTA DIVA GROUP + BLUE NOTE H1 REVENUES (EURO THOUSANDS)

- Blue Note
- Live Communication
- Branded Content / Cinema / TV





HOW DOES THE MARKET MAKE MONEY  
AND HOW DO YOU?

Convergence is the keyword of future communication

- Target and channels segmentation
- Seamless use of multiple channels
- Content is king, distribution is queen
- Evolution of product-driven companies to media companies

The plan is based on a detailed analysis of revenue and cost drivers for each office

GROUP AVERAGE JOB: P&L (%)

**Drivers:**

- # countries
- # jobs
- avg job size
- avg mark up

100%

Revenues

**Drivers:**

- standard resource pool per job type
- make/buy strategy
- local standard costs

74%

External  
production  
costs

**Drivers:**

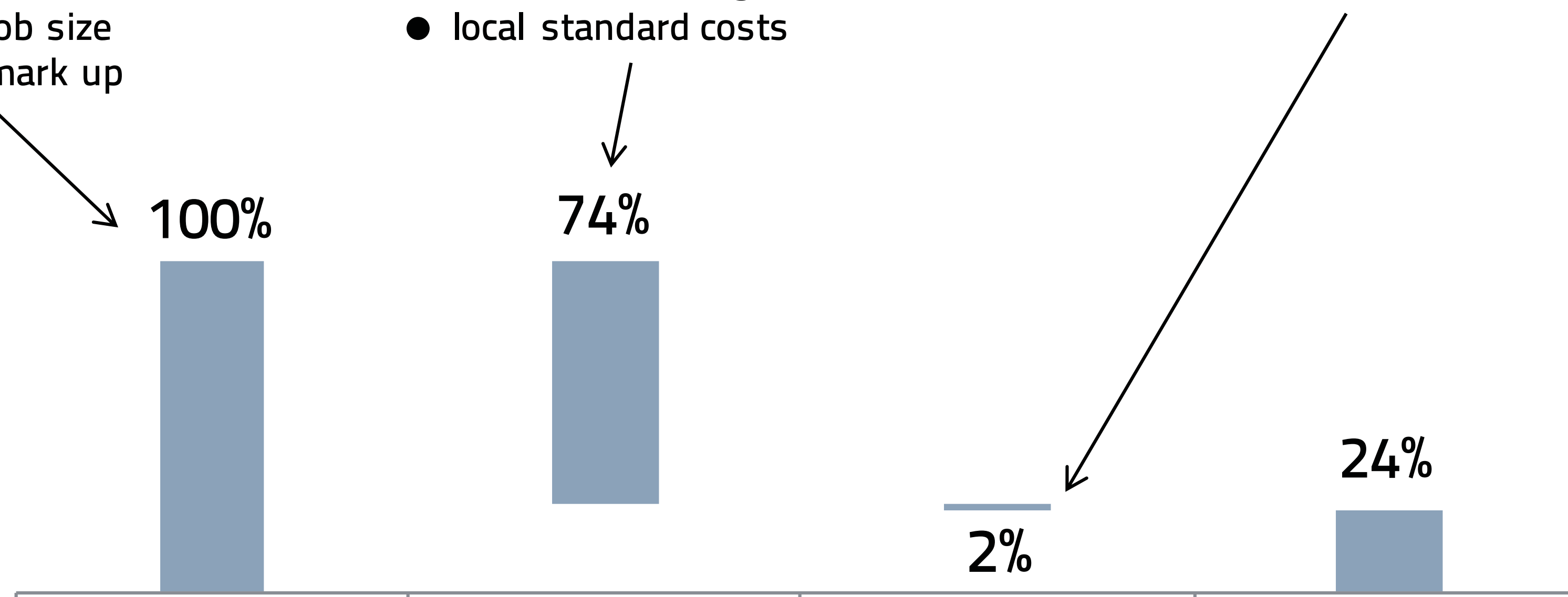
- make/buy strategy
- local standard costs

2%

Internal  
production  
costs

24%

Gross margin





HOW DO YOU INTEND TO EXPAND?



Casta Diva Group has identified 4 strategic pillars for development

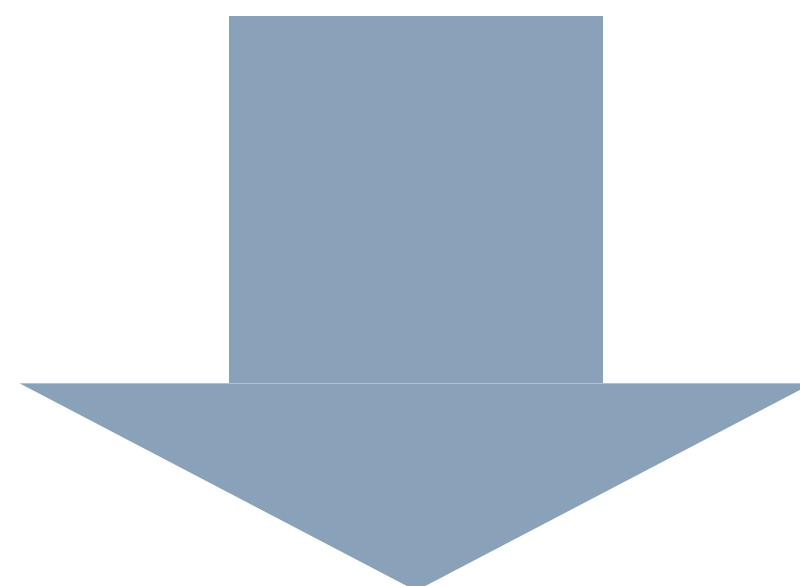
DEVELOPMENT GUIDELINES

**PREFERRED  
PARTNERSHIPS**



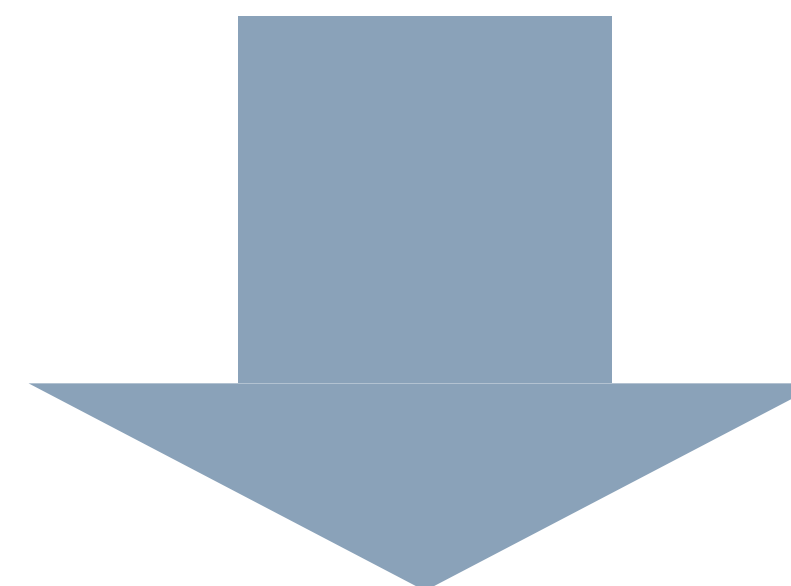
**INCREASED PRESSURE  
ON SALES & MARKETING**

**LIVE  
COMMUNICATION**



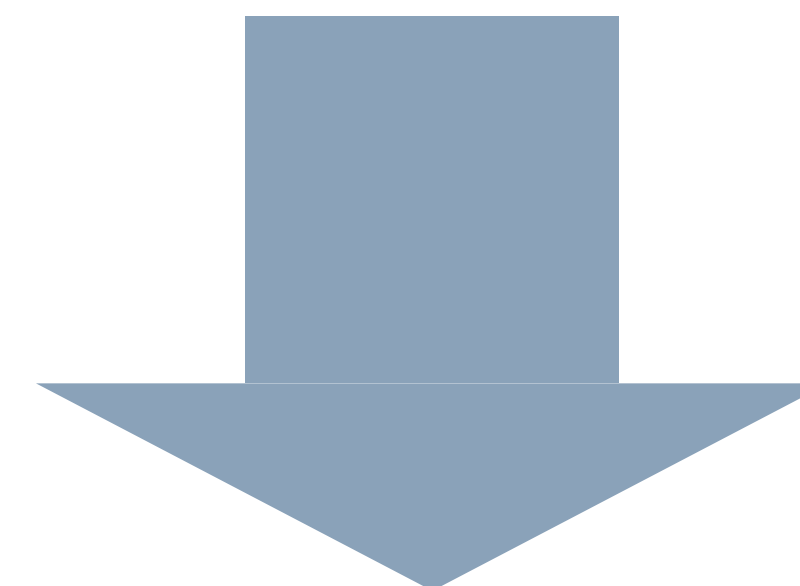
**GROWTH BY ACQUISITION  
+ FOCUSED INVESTMENTS**

**DIGITAL  
COMMUNICATION**



**GROWTH BY ACQUISITION**

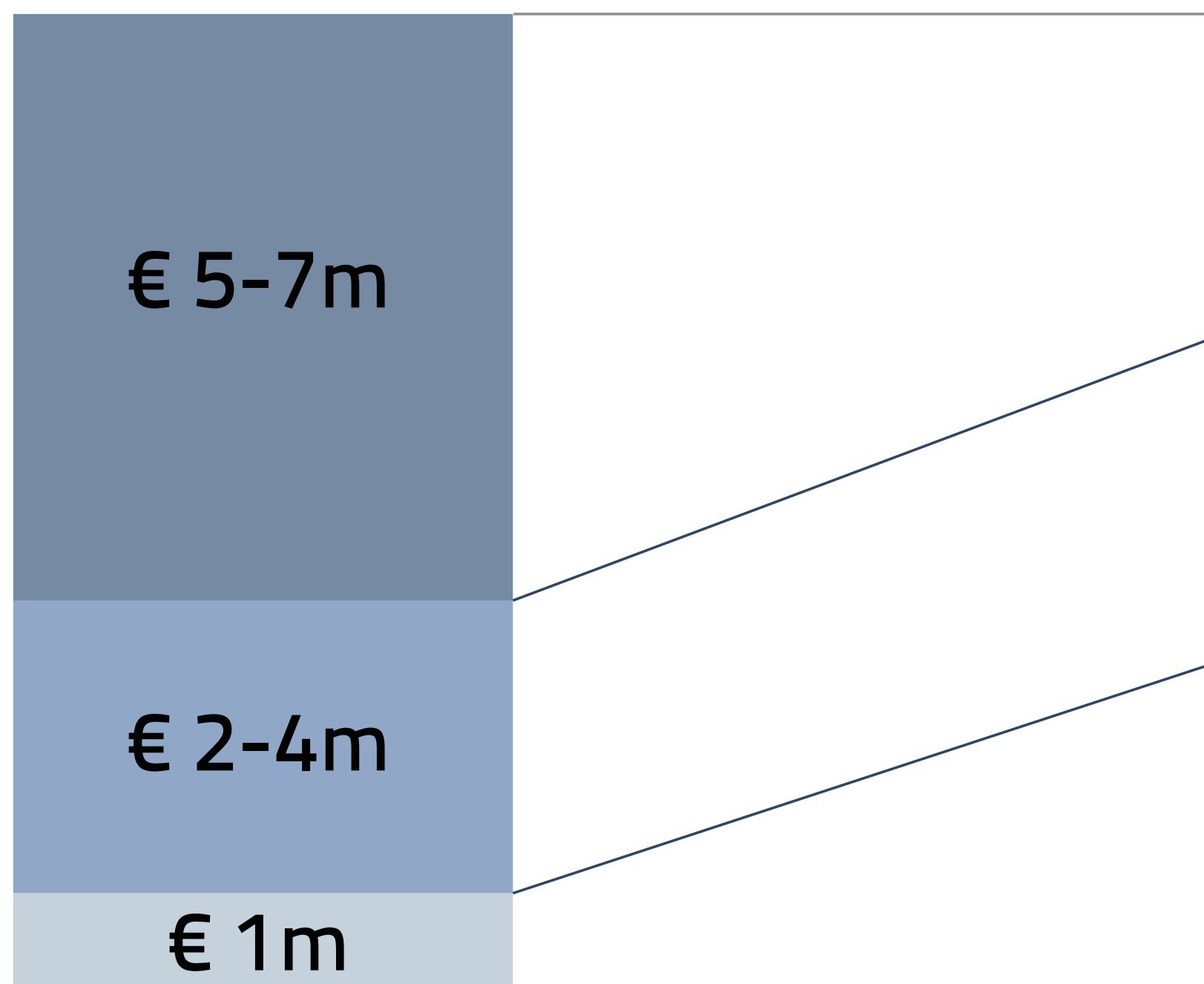
**FICTION AND  
STORYTELLING**



**FOCUSED  
INVESTMENTS**

The Group is launching a capital increase with the goal of becoming a leading player in innovative video and live communication leveraging digital technologies

**TOTAL FUNDING**  
€ 10m



**USE OF PROCEEDS**

Live Communication: growth by acquisition

Digital Communication: growth by acquisition and product development

Offering and organizational development



**WHAT ARE THE TRACK RECORDS OF THE MANAGERS  
WHOSE JOB IS TO IMPLEMENT THE PLANS?**



### **Paolo Perrotta, Chief Financial Officer**

Born in Naples in 1977, he worked in Turin for several years as Financial Controller and Finance Manager in the real estate business. He always wanted to work in media and entertainment and in 2011 he joined Fox Networks Group Italy in Rome as Planning & Reporting Manager, developing a significant experience in programming rights management and financial reporting. He joined Casta Diva Group as CFO to manage the reverse takeover of Blue Note and the listing process at the AIM Italia. His responsibilities include finance, planning, control and administration, capital markets, M&A, corporate development.





### **Luca Oddo, Chairman**

Started in the advertising business at Ogilvy & Mather in Milan, first as a copywriter, later as a producer. Five years in agency, fifteen years in a production company before cofounding Casta Diva Pictures. Vast experience with international clients and film directors from all over the world. Since 2005 he is the partner of Andrea De Micheli in Casta Diva Pictures. Luca and Andrea are the authors of the book *La fabbrica degli spot* (The Spot Factory), published in 2007 by editor Fausto Lupetti.



### **Andrea De Micheli, CEO**

One thousand spots produced for one hundred major brands in thirty countries. His teachers have been Oscar-winners like Martin Scorsese, Dante Ferretti, Nestor Almendros, Peppuccio Tornatore, Stu Hagmann, Paolo Sorrentino and many others, among whom, Jean Jacques Beneix, Dario Argento, John Landis, and the numberless agency creatives who have put their trust in him. He founded two corporate web tv networks, for Enel and Intesa. He has an EAVE master's degree in cinema and one in multimedia. Today he is partner to Luca Oddo in Casta Diva Group. With him he wrote the book *La fabbrica degli spot* (The Spot Factory), published in 2007 by editor Fausto Lupetti.



## Luca Oddo, Andrea De Micheli

La fabbrica degli spot (The Spot Factory), 2007  
publisher Fausto Lupetti.

"I tell all my students all the time there's no one way to get into film-making. You don't have to go to film school to be a film-maker.

Many come in through music videos. Many come in through the commercial route.

I like the immediacy of commercials because they come and get it quick. You might get a call..here are the boards. We shoot in a week. And it has to be cut right after that.

So between my feature films, I just don't want to be sitting around.

Doing documentaries, short films, commercials really helps my film-making for."

*Excerpt from Spike Lee's foreword to the book*



# THANKS FOR LISTENING!

Further information upon request

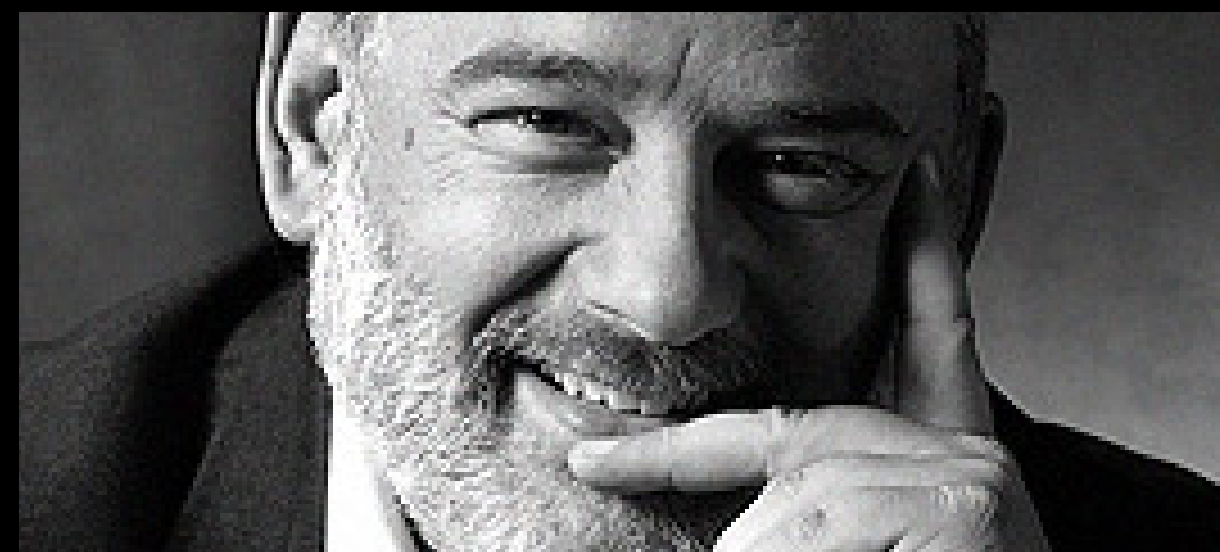
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IR Top Consulting  
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Integrae SIM  
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Corporate Family Office SIM  
Specialist