

## CASTA DIVA GROUP: THE BoD APPROVES THE RESULTS FOR 2016

- **Value of Production: EUR 24.9 million (FY 2015\*: EUR 24.7 million)**
- **EBITDA: EUR 0.7 million (FY 2015\*: EUR 1.1 million); adjusted EBITDA totals EUR 0.9 million\*\***
- **Net Financial Position: EUR 0.8 million (FY 2015\*: EUR -0.2 million)**
- **Net Equity: EUR 4.9 million (FY2015\*: EUR 4.4 million)**

\* aggregate figures of Casta Diva Group Srl and Blue Note SpA

\*\* excluding costs related to mergers and listing on the AIM Italia market

**Contract signed for the production of *Last Diva*, a docufiction adapted from the autobiography of Valentina Cortese, starring Cristiana Capotondi, Carolina Crescentini and Michele Riondino; photography by Michele D'Attanasio, costumes by Massimo Cantini Parrini, both awarded yesterday with the David di Donatello prize**

**The Company will meet the financial community at the AIM INVESTOR DAY organised by IR Top (6 April 2017, 8:30, at Palazzo Mezzanotte)**

*Milan, 28 March 2017*

Today, the Board of Directors of Casta Diva Group, the AIM-listed multinational that operates in the communications sector, approved the Consolidated Financial Statements and the draft Financial Statements at 31 December 2016.

**Andrea de Micheli, CEO, and Luca Oddo, Chairman:** *"2016 brought great changes to the Group: our listing on the AIM Italia market is the result of a strong commitment by the management, which took away time and energy from our core business, but which has greatly strengthened the standing of our company, which now enjoys a greater visibility and new opportunities on the credit market. Casta Diva Group will continue to pursue a growth strategy aimed at international expansion and internal consolidation. The company is considering acquisitions, in Italy and abroad, of companies operating in what we think are promising markets: Digital Communication and events organisation."*

### **Key consolidated figures at 31 December 2016**

Following is an overview of the consolidated results of Casta Diva Group SpA: the comparison is with the figures for 2015, obtained by aggregating the consolidated financial statements at 31.12.2015 of the former Blue Note S.p.A. and the former Casta Diva Group S.r.l. (reclassified based on the new financial reporting provisions, pursuant to Legislative Decree 139/2015 implementing Directive 34/2013/EU).

**Value of Production** totals EUR 24.9 million, up year-over-year (EUR 24.7 million).

Value of Production **abroad** stands at EUR 11.4 million (46% of the total), while in **Italy** it totals 13.5 million (54%).

Value of Production of the **Spot Advertising – Digital Video Content** business areas (production and post-production of commercials, digital and viral videos, web series, branded content) stands at **EUR 16.0 million**, equal to **64%**. In the Spot Advertising market, global expenditure highlights a constant growth, from \$Bn 480 in 2011 to \$Bn 570 in 2015, with forecasts of further growth up to almost \$Bn 700 in 2018. Within this overall positive trend,

the TV segment has remained substantially stable, from 42% of the total in 2015 to 40.3% forecasted for 2017. There has also been a strong growth in digital communication – both web and mobile – from 24.6% of the total in 2015 to 30.2% forecasted for 2017 (source: Statista). Compared to our Italian competitors, Casta Diva Group now ranks second in spot advertising production, however with the highest international outreach, thanks to our 13 offices in 10 different countries.

Value of Production of the **Events – Live&Digital Communication** business segment (organisation of conventions, web events, road shows, fair stands, team building, product launches, experiential events for both the B2B and B2C targets) totals **EUR 8.9 million (36%)**. In this field, our subsidiary Egg Events won its second contract for organising the GE Oil&Gas Annual Meeting 2017, one of the most important events in the industry, carried out predominantly in 2016.

**EBITDA** total EUR 0.7 million (EUR 1.1 million in 2015) as a result of increased external operating costs relating to the extraordinary reverse takeover transaction, while in 2017 we expect to undertake optimisation and rationalisation operations, also taking into account the economies of scale related to the Group's growth prospects. The **adjusted EBITDA**, gross of the merger and AIM Italia market listing costs, total **EUR 0.9 million**.

**EBIT** total EUR -0.03 million (EUR 0.24 million in 2015), after depreciation, impairment and appropriations totalling EUR 0.77 million (EUR 0.87 million), as a result of the investments relating to the reverse takeover transaction made in 2016, recorded among the intangible assets (set up and expansion costs) and depreciated over 5 years. The **adjusted EBIT** total **EUR 0.6 million**.

The **Result before tax** totals EUR -143 thousand (EUR 88 thousand in 2015). The **Net Result** totals EUR 136 thousand, significantly up compared to EUR -417 thousand in 2015; taxes were affected for EUR 409 thousand by the recovery of deferred tax assets not recognised in the previous years and relating to the previous losses incurred by di Blue Note S.p.A. in 2012-2015.

The **Net Financial Position** totals EUR 0.8 million (EUR -0.2 million at 31 December 2015), primarily due to investments in intangible assets (consulting, due diligence and advisory services) made during the year in connection with the reverse takeover transaction. **Net Equity** totals EUR 4.9 million, compared to EUR 4.4 million in 2015.

#### **Key figures of the parent company Casta Diva Group S.p.A. at 31 December 2016**

The operating results of the Parent Company are affected by the merger and amalgamation of Casta Diva Group S.r.l. into Blue Note S.p.A., completed on 5 August 2016, and the subsequent transfer of the Blue Note business arm to Blue Note S.r.l., carried out on 7 October 2016. Therefore, the 2016 figures include the operations of both the Blue Note division until 7 October 2016 and of the holding company of the former Casta Diva Group S.r.l. for the entire year. Following are the key figures at 31 December 2016, the comparison with the previous year not being significant. Casta Diva Group S.p.A. records Revenues of EUR 3.0 million, EBITDA of EUR -0.5 million, EBIT of EUR -0.8 million and a Net Result of EUR -0.3 million. The Net Financial Position totals EUR 0.4 million.

The Board of Directors has resolved to propose to the General Meeting to carry forward the EUR 319 thousand loss.

#### **Significant events after the end of the year**

On 20 March 2017, the Company entered into a co-production contract with DO Production & Consulting, the production arm of the well-known agent Daniele Orazi, for the production of Last Diva, a docufiction adapted from

the autobiography of the Italian actress Valentina Cortese, *Quanti sono i domani passati*, published by Mondadori, the shooting of which is scheduled to start in April 2017, directed by Francesco Patierno, nominated for best adapted screenplay at the David di Donatello 2017 awards for Naples '44, and which is expected to star Anna Foglietta, Barbara Bobulova, Anita Caprioli, Carolina Crescentini, Cristiana Capotondi, Greta Scarano, as well as Michele Riondino. The film will also feature an exceptional technical cast, with photography by Michele D'Attanasio, who was awarded yesterday with the David di Donatello prize for the film *Veloce come il vento*, costumes by Massimo Cantini Parrini, who also won a David prize for the film *Indivisibili*, screenplay by Paki Meduri (Gomorra La Serie), editing by Andrea Maguolo, who won the David last year for *Lo chiamavano Jeeg Robot*.

On 9 March 2017, Casta Diva Group was awarded a contract, as part of an international tendering procedure, for the production of commercials for about 0.7 million dollars, for a client in the FMCG (Fast Moving Consumer Goods) sector. The spots will be shot in 2017 for screening in India and the Middle East.

For the same client, on 2 March 2017, the Company secured an exclusive 2-year contract, as part of an international tendering procedure, for over 3 million dollars, for the production of advertising spots and digital content. The spots will be made for screening in India, the Middle East and Africa, with the involvement of offices in Mumbai, Beirut and Cape Town.

On 3 February 2017, a petition was lodged with the Court of Milan containing a sworn report, made by an expert appointed by the Court, determining the withdrawal value of the shares of Blue Note S.p.A. at EUR 2.28 per share, a value lower than the value determined by the board of directors of Blue Note S.p.A. of EUR 2.30 per share, which had been challenged by two shareholders. The Board had resolved to offer the shareholders of the Company an option in the measure of 1 share every 79,757 shares held, the 129,500 shares for which the withdrawal rights had been exercised, at the unit price of EUR 2.30. This price is equal to the price determined by the BoD of Blue Note S.p.A., and substantially equal to the price also determined by the expert (EUR 2.28 per share). Given the very small difference between the two prices, the BoD decided to offer all the shares for which the right of withdrawal had been exercised at EUR 2.30 per share, based on the principle of fairness, to ensure the equal treatment of all the withdrawing shareholders. The deadline set for accepting the offer was 90 days from the filing of the option offer on 13 February 2017, and the offer was promptly notified to the market. At the expiry of the above mentioned deadline, if the shareholders fail to purchase all or part of the shares of the withdrawing shareholders, the Board may sell the shares to third parties. If the shares remain unsold, however, the Company will purchase the shares itself and the withdrawing parties will be reimbursed at the price of EUR 2.30 per share, in accordance with the law. Casta Diva Group S.p.A. shall notify the results of the offer, taking into account the exercise of the pre-emption rights and the terms and method of payment and transfer of the shares subject to withdrawal, by issuing a press release through the SDIR, and also posted on the Company's website. The share purchase form has been made available, from 14 February 2017, on the website [www.castadivagroup.com](http://www.castadivagroup.com) in the Investor Relations page (Offer).

### **Foreseeable management outlook**

In the field of digital communication, there is an increasing trend towards the integration of software and technology and the Group is actively considering the possibility of securing the expertise it needs, through acquisitions, in order to be able to supply, alongside the typical Apps for managing events and communication projects, physical technological applications such as immersive booths, virtual reality, tools for viewing 360° videos, responsive robots, etc.

In the Events sector, we intend to repeat the success story interpreted in Italy, where, alongside the BU for producing advertising spots and branded content, we have also set up a BU dedicated to organising events, which can tap onto the prestige and credibility built up over the years by the former. Likewise, through targeted

acquisitions in Countries where Casta Diva Pictures has set up BUs, the Group intends to expand activities into the live events sector.

### **IR Top AIM Investor Day – 6 April 2017**

Casta Diva Group announces that on 6 April 2017 we will be taking part in the 6<sup>th</sup> AIM INVESTOR DAY. The event is organised by [IR Top](#) with the support of Borsa Italiana - LSE Group. During the event, which opens at 8:30 am at Palazzo Mezzanotte (Conference Room), Piazza degli Affari, 6 – Milan, Andrea de Micheli, CEO, will present the Company at 10:30 am. The Institutional Presentation will be made available before his speech on the company website at [www.castadivagroup.com](http://www.castadivagroup.com) in the *Investor Relations* page.

The press release can be viewed at [www.castadivagroup.com](http://www.castadivagroup.com) and [www.emarketstorage.com](http://www.emarketstorage.com)

**Casta Diva Group (CDG:IM)** is a multinational that works in the sector of communication for the production of branded content, viral videos, digital content, films and corporate events. It is present in 4 continents with offices in 13 cities: Milan, Rome, London, Manchester, Prague, Beirut, Istanbul, New York, Los Angeles, Buenos Aires, Montevideo, Cape Town, Mumbai. The Group's brands are Casta Diva Pictures, Egg Events, Bin Jip and, thanks to a commercial agreement, Adacto. It is the world's most extensive production network for advertising films and events and for international events, built up through the active and continuous interaction between its various headquarters and the experience of its 62 digital communication and live entertainment experts. It is a talent hub capable of retaining Oscar winners and celebrities from across the world, as well as attracting new creative talent that guarantee very high standards of excellence. Casta Diva Group and its managers have offered innovative and creative communication strategies to over 100 major brands, reinterpreting the conventional rules of communication. Since its establishment in 2005, the Group has grown constantly and has been regularly awarded a large number of prizes and recognitions, including various Lions at the Cannes Lions International Festival of Creativity, Mobius Awards, LIA - London International Awards, and EuBEA – European Best Event Awards. It owns Blue Note Milan, the jazz club and upscale restaurant opened in 2003 and part of the Blue Note international network, a famous venue for international jazz, that in via Borsieri, in the Isola district, (and not only) holds about 300 concerts a year, with a turnover amounting to about 25% (source: Siae) of all jazz revenues in Italy.

### **Contacts**

#### **CASTA DIVA GROUP – Issuer**

Paolo Perrotta  
[investor.relations@castadivagroup.com](mailto:investor.relations@castadivagroup.com)  
Via Lomazzo 34, 20154 Milan  
T: +39 02 3450817

#### **IR TOP CONSULTING**

**Investor Relations** - Maria Antonietta Pireddu  
[m.pireddu@irtop.com](mailto:m.pireddu@irtop.com)  
**Media Relations**  
Domenico Gentile, Antonio Buoizzi  
[ufficiostampa@irtop.com](mailto:ufficiostampa@irtop.com)  
Via C. Cantù, 1 - 20123 Milan  
T: +39 02 45473884 - [www.aimnews.it](http://www.aimnews.it)

#### **INTEGRAE SIM – Nomad**

Via Meravigli 13 – 20123 Milan  
T: +39 02 87208720  
[info@integraesim.it](mailto:info@integraesim.it)

#### **CFO SIM – Specialist**

Via dell'Annunciata 23 – 20121 Milano  
T: +39 02 303431  
[info@cfosim.it](mailto:info@cfosim.it)

## CONSOLIDATED INCOME STATEMENT

(KEuros)

Abbreviated consolidated financial statement	31.12.2016	31.12.2015	Change	% change
		Aggregate		
Value of production	24,912	24,657	256	1%
Costi operativi esterni	(24,175)	(23,544)	(631)	-3%
<b>EBITDA</b>	<b>737</b>	<b>1,113</b>	<b>(375)</b>	<b>-34%</b>
<i>EBITDA percentage</i>	3.0%	4.5%		
Depreciation, appropriations and impairments	(767)	(872)	105	12%
<b>EBIT</b>	<b>(30)</b>	<b>241</b>	<b>(271)</b>	<b>-113%</b>
<i>EBIT percentage</i>	-0,1%	1,0%		
Financial income and expenses/other non-operating expenses and income	(113)	(152)	40	26%
<b>EBT</b>	<b>(143)</b>	<b>88</b>	<b>(231)</b>	<b>-262%</b>
Tax for the year	279	(505)	785	155%
<b>Net result</b>	<b>136</b>	<b>(417)</b>	<b>553</b>	<b>133%</b>
Minority interest: net profit	473	453	20	5%
<b>Net result of company</b>	<b>(337)</b>	<b>(870)</b>	<b>574</b>	<b>61%</b>

**CONSOLIDATED BALANCE SHEET**

(KEuros)

Abbreviated consolidated balance sheet	31.12.2016	31.12.2015 Aggregate	Change	% change
Intangible assets	4,201	2,811	1,390	49%
Tangible assets	262	198	64	32%
Financial assets	223	13	210	1604%
<b>Total fixed assets</b>	<b>4,686</b>	<b>3,022</b>	<b>1,664</b>	<b>55%</b>
Trade credits	7,439	4,772	2,667	56%
(Trade debts)	(6,189)	(4,322)	(1,867)	-43%
Inventories	2,129	306	1,824	596%
Other assets	1,982	1,782	200	11%
(Other liabilities)	(3,745)	(1,229)	(2,516)	-205%
<b>Net working capital</b>	<b>1,616</b>	<b>1,309</b>	<b>308</b>	<b>24%</b>
<b>Net invested capital</b>	<b>6,303</b>	<b>4,331</b>	<b>1,972</b>	<b>46%</b>
Cash and cash equivalents	(2,261)	(1,420)	(842)	-59%
(Financial debts)	3,040	1,171	1,869	160%
<b>Net Financial Position</b>	<b>778</b>	<b>(249)</b>	<b>1,027</b>	<b>413%</b>
Share capital and reserves	4,818	4,777	41	1%
Profit for the year	136	(417)	553	133%
<b>Net Equity</b>	<b>4,954</b>	<b>4,360</b>	<b>594</b>	<b>14%</b>
<b>Funds</b>	<b>570</b>	<b>220</b>	<b>351</b>	<b>160%</b>
<b>Total sources of financing</b>	<b>6,303</b>	<b>4,331</b>	<b>1,972</b>	<b>46%</b>

**CONSOLIDATED NET FINANCIAL POSITION**

*(KEuros)*

Consolidated net financial position	31.12.2016	31.12.2015 Aggregate	Change	% change
Cash and cash equivalents	(2,261)	(1,420)	(842)	-59%
Bank debts, within 12 months	2,340	675	1,665	247%
Bank debts, beyond 12 months	700	496	204	41%
<b>Net Financial Position</b>	<b>778</b>	<b>(249)</b>	<b>1,027</b>	<b>413%</b>

**CASH FLOWS IN 2016 (based on 2015 Aggregate)**

(KEuros)

<b>CASH FLOWS 2016 - CDG</b>	<b>31.12.2016</b>
<b>A. OPENING BALANCE (2015 Aggregate)</b>	1,420
<b>B. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit in the period	136
Depreciation and appropriations	767
Capital (gains) or losses from the disposal of fixed assets	(52)
Changes in the capital	210
Net change in the employee severance indemnity fund	119
Changes in the consolidation perimeter	(2,353)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,172)</b>
<b>C. CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</b>	
Investments in fixed assets:	
- intangible assets	(863)
- tangible assets	(117)
- financial assets	(54)
Divestments of fixed assets:	
- intangible assets	
- tangible assets	410
- financial assets	
<b>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</b>	<b>(624)</b>
<b>D. CASH FLOW FROM FINANCING ACTIVITIES</b>	
New M/L term loans	200
New short-term loans	1,095
Funding from shareholders	370
Loan repayments	(236)
Treasury share transactions	
Changes in the consolidation perimeter	1,751
Other changes in the net equity	(541)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2,638</b>
<b>E. DISTRIBUTION OF PROFIT</b>	<b>0</b>
<b>F. CASH FLOW IN THE PERIOD (B+C+D+E)</b>	<b>842</b>
<b>G. CLOSING BALANCE (A+F)</b>	<b>2,261</b>



**INCOME STATEMENT OF CASTA DIVA GROUP S.p.A.**

*(KEuros)*

<b>Abbreviated Income Statement</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>Change</b>	<b>% change</b>
Value of production	2,986	4,364	(1,379)	-32%
External operating costs	(3,522)	(4,961)	1,440	29%
<b>EBITDA</b>	<b>(536)</b>	<b>(597)</b>	<b>61</b>	<b>10%</b>
<i>EBITDA percentage</i>	<i>-18,0%</i>	<i>-13,7%</i>		
Depreciation, appropriations and impairments	(218)	(202)	(16)	-8%
<b>EBIT</b>	<b>(754)</b>	<b>(799)</b>	<b>45</b>	<b>6%</b>
<i>EBIT percentage</i>	<i>-25,3%</i>	<i>-18,3%</i>		
Financial income and expenses/other non-operating expenses and income	(31)	(33)	2	7%
<b>EBT</b>	<b>(785)</b>	<b>(832)</b>	<b>47</b>	<b>6%</b>
Tax for the year	466	(35)	502	
<b>Net result</b>	<b>(319)</b>	<b>(867)</b>	<b>549</b>	<b>63%</b>

**BALANCE SHEET OF CASTA DIVA GROUP S.p.A.**

(KEuros)

<b>Abbreviated Balance Sheet</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>Change</b>
Intangible assets	650	695	(45)
Tangible assets	8	133	(124)
Financial assets	6,939	902	6,037
<b>Total fixed assets</b>	<b>7,597</b>	<b>1,730</b>	<b>5,868</b>
Trade credits	470	24	446
(Trade debts)	(476)	(682)	206
Inventories	0	51	(51)
Other assets	858	559	298
(Other liabilities)	(962)	(622)	(340)
<b>Net working capital</b>	<b>(111)</b>	<b>(670)</b>	<b>559</b>
<b>Net invested capital</b>	<b>7,487</b>	<b>1,060</b>	<b>6,427</b>
Cash and cash equivalents	(0)	(29)	29
(Financial debts)	446	230	216
<b>Net Financial Position</b>	<b>446</b>	<b>201</b>	<b>244</b>
Share capital	5,000	1,437	3,563
Reserves	2,349	106	2,243
Profit for the year	(319)	(867)	549
<b>Net Equity</b>	<b>7,030</b>	<b>676</b>	<b>6,354</b>
<b>Funds</b>	<b>11</b>	<b>182</b>	<b>(172)</b>
<b>Total sources of financing</b>	<b>7,487</b>	<b>1,060</b>	<b>6,427</b>

**NET FINANCIAL POSITION OF CASTA DIVA GROUP S.p.A.**

*(KEuros)*

<b>Net financial position</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>Change</b>	<b>% change</b>
Cash and cash equivalents	(0)	(29)	29	99%
Bank debts, within 12 months	446	230	216	94%
Bank debts, beyond 12 months	0	0	0	0%
<b>Net Financial Position</b>	<b>446</b>	<b>201</b>	<b>244</b>	<b>122%</b>

**CASH FLOW OF CASTA DIVA GROUP S.p.A.**

(KEuros)

<b>CASH FLOW IN 2016 - Casta Diva Group S.p.A.</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>A. OPENING BALANCE</b>	29	199
<b>B. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit in the period	(319)	(867)
Depreciation and appropriations	218	202
Capital (gains) or losses from the disposal of fixed assets		
Changes in the capital	333	325
Net change in the employee severance indemnity fund	9	40
Effects of merger and contributions	(269)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(28)</b>	<b>(301)</b>
<b>C. CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</b>		
Investments in fixed assets:		
- intangible assets	(575)	(46)
- tangible assets	(2)	(22)
- financial assets	(9)	0
<b>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</b>	<b>(586)</b>	<b>(68)</b>
<b>D. CASH FLOW FROM FINANCING ACTIVITIES</b>		
New M/L term loans		
New short-term loans	446	230
Funding from shareholders	370	
Loan repayments		
Treasury share transactions		(31)
Effects of merger and contributions	(230)	
<b>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</b>	<b>585</b>	<b>199</b>
<b>E. DISTRIBUTION OF PROFIT</b>	<b>0</b>	<b>0</b>
<b>F. CASH FLOW IN THE PERIOD (B+C+D+E)</b>	<b>(29)</b>	<b>(170)</b>
<b>G. CLOSING BALANCE (A+F)</b>	<b>0</b>	<b>29</b>