



CASTA DIVA GROUP, THE BOARD APPROVES THE SIX-MONTH REPORT UP TO 30TH JUNE 2018: ADJUSTED EBITDA FOR 0,8 MILLION EURO EQUAL TO 7,4% OF THE PRODUCTION VALUE

- Production Value: 10,8 million Euro (1H 2017: 12,3 million Euro)
- Adjusted EBITDA: 0,8 million Euro (1H 2017: 0,67 million Euro);
- Net Financial Position: 1,9 million Euro (FY 2017: -1,8 million Euro)
- Net Assets: 6,8 million Euro (FY 2017: 7,9 million Euro)

Milan, 27th September 2018

The Board of Casta Diva Group (CDG:IM), Innovative PMI listed on AIM Italia, operating internationally in the field of communications, chaired by Andrea De Micheli, has approved today the six-month report up to 30th June 2018.

MAIN CONSOLIDATED RESULTS UP TO 30th JUNE 2018

Production Value is equal to 10,8 million Euro (43% produced abroad), decreasing in comparison to 12,3 million Euro up to 30th June 2017, also due to the currency rates trend of the Turkish Lira and Argentinian Pesos, with a strong impact on the performance of our subsidiaries CDP Turkey and CDP Argentina (whose revenue increased by 20% in local currencies).

Revenue is equal to 9,9 million Euro decreasing in comparison to 14,2 million Euro up to 30th June 2017, subdivided into business areas:

- ❑ **ADVERTISING PRODUCTION** (*adverts production, post production, digital videos and video content*): 6,3 million Euro (8,7 million Euro up to 30th June 2017);
- ❑ **EVENTS** (*Live & Digital Communication: conventions management, web based events, roadshows, forums, exhibition stands, team building, product launches, B2B experiential events*): 2,2 million Euro (3,6 million Euro up to 30th June 2017);
- ❑ **ENTERTAINMENT** (*branded content, films and TV series, live entertainment - concerts and performances*): 1,4 million Euro (1,9 million Euro up to 30th June 2017).

EBITDA is equal to 0,06 million Euro, decreasing in comparison to 0,7 million Euro up to 30th June 2017.

Adjusted EBITDA is equal to 0,8 million Euro, equal to 7,40% of the Production Value, increasing in comparison to 5,5% on 30th June 2017. Adjusted Ebitda is calculated before deduction of non-recurring costs equal to 747 thousand; these costs refer to: bonuses given to national and international management teams on 10th June 2018 (240 thousand Euro); non-recurring costs for a Casta Diva Events employee (50 thousand Euro); Casta Diva Events costs for a bidding in Public Administration, with a negative outcome after litigation (330 thousand Euro); legal and administration costs for legal litigation with a positive outcome (142 thousand Euro).

No further liabilities are expected for the Group.

Operational costs are constantly decreasing by percentage in comparison to proceeds; also, in the first semester of 2018, strategic action has been implemented for the operational costs, according to the market needs. Trade agreements have been revised, together with incentive policies and



fixed costs in order to adjust the costs structure based on revenue. Thanks to these specific commercial policies, the relation between Production Value and adjusted EBITDA has increased from 3% in 2016, to 5,5% on 30th June 2017 up to 7,4% in the first semester of 2018.

EBIT is equal to -0,6 million Euro (0,3 million Euro up to 30th June 2017), after amortisation, depreciation and provisions, equal to 0,7 million Euro (0,4 million Euro up to 30th June 2017).

Earning before taxes is equal to -0,7 million Euro (0,2 million Euro up to 30th June 2017), after net financial expenses, equal to 0,1 million Euro.

Net profit/loss is equal to -1,0 million Euro (-0,07 million Euro up to 30th June 2017), after taxes equal to 0,3 million Euro, in line with results up to 30th June 2017.

Net financial position is equal to 1,9 million Euro; the variation in comparison to 31st December 2017 (-1,8 million Euro) mainly due to the increase of Net Operating Working Capital, M&A activity and investments mentioned in the Industrial Plan 2018-2020.

Net Equity of Minority is equal to 6,8 million Euro, in comparison to 7,9 million Euro up to 31st December 2017.

MAIN FACTS AFTER THE SEMESTER CLOSURE

On the 12th of July the Board has approved incentive plans for administrators, managers and employees of Casta Diva Group S.p.A. and of the Italian subsidiaries belonging to the Group, as selected by the Board. These plans include incentives (in shares for the administrators) measured after achieving and exceeding (+15%) the strategic targets in terms of consolidated EBITDA mentioned in the "STRATEGIC PLAN 2018-2020" approved by the Board on the last 21st June and in terms of specific strategic targets in terms of EBITDA and/or individual Gross Operating Margin for the subsidiaries of the Group, established in specific yearly budgets for 2018-2020. The bonuses will be given in Company shares for a price equal to arithmetic mean of the market prices from the last 2 months, prior to the approval date of the consolidated financial statement, not less than 2,00 Euro, with a 12 month lock-up. The maximum number of new issued shares over 2019-2021 could be 363.796 shares, based on estimated theoretical prices, equal to 2,8% of the total number of shares of the Company in circulation, after issuing the shares (total number of shares in circulation 13.079.673).

PREDICTABLE MANAGEMENT EVOLUTION

Casta Diva Group SpA states that, thanks to the results achieved in the six-month financial report 2018 and thanks to the main operation in events, signed today, for the company DISTRICT Srl, it will contribute to consolidated revenue by 12 million Euro; it is expected to overcome the strategic targets mentioned on 21st June 2018 with the approval of the Strategic Plan 2018-2020. After careful analysis of the potential synergies from the integration of the new companies in the Group, the Board of Casta Diva Group will be developing, in the next months, a Strategic Plan, focused on the new structure of the Group.



Casta Diva Group (CDG:IM - ISIN IT0005003782) is a multinational company, which operates in communications and production of branded contents, viral videos, digital contents, film and live music entertainment. It is located in 4 continents with branches in 14 cities: Milan, Rome, London, Manchester, Prague, Beirut, Istanbul, New York, Los Angeles, Buenos Aires, Montevideo, Cape Town, Mumbai and Shanghai. The Group brands are Casta Diva Pictures, Casta Diva Events, Antepima Video, Blue Note Milano and Casta Diva Forums. It represents the biggest production network for advertising and events worldwide, built through an active and continuous interaction among the different branches and the experience of its professionals in digital communications and live entertainment. It's a talent hub able to get Oscar awards and celebrities from all over the world and to discover and attract new creative talents, who deliver standard of excellence. Casta Diva Group and its managers have offered strategies of innovative and creative communications and 100 big brands, reinterpreting the rules of conventional communication. Since its foundation, in 2005, the Group has constantly developed and awarded with the Lions at Cannes Lions International Festival of Creativity, Mobius Award, LIA - London International Awards, EuBEA – European Best Event Awards. It owns Blue Note Milan, jazz club and cuisine restaurant opened in 2003 and part of the international network Blue Note, well renowned in the jazz world, located in via Borsieri, Isola, (not only there) and produces over 300 shows per year, with an income of 25% (by: Siae) of the total income of the jazz industry in Italy.

Press release available on www.castadivagroup.com and www.emarketstorage.com

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FINANCIAL STATEMENT	30.06.2018	30.06.2017
PRODUCTION VALUE:		
1) Revenues from sales and services	9.860.735	14.219.048
2) Var. work in progress, semi-finished and finished products. and finished	42.749	(1.943.383)
3) Var. work in progress on request	217.054	0
5) Other revenues and income	693.218	54.267
Total value of production (A)	10.813.756	12.329.933
B) PRODUCTION COSTS:		
6) raw, ancillary, consumable materials and goods for sale	334.406	518.250
7) for services	8.506.702	8.791.082
8) for use of third party assets	212.032	300.167
9) for staff		
<i>a) wages and salaries</i>	<i>1.376.219</i>	<i>1.420.990</i>
<i>b) social security contributions</i>	<i>271.616</i>	<i>416.546</i>
<i>d), e) Pensions and other costs.</i>	<i>0</i>	
<i>c) Employee severance indemnities</i>	<i>56.453</i>	<i>137.573</i>
Total costs for staff (9)	1.704.288	1.975.109
10) depreciation, amortisation and write-downs		
<i>a) Amortisation of intangible fixed assets</i>	<i>446.778</i>	<i>367.313</i>
<i>b) Depreciation of tangible fixed assets</i>	<i>31.008</i>	<i>52.119</i>
<i>c) Write-down of receivables from financial fixed assets</i>	<i>175.800</i>	<i>(45.000)</i>
<i>d) Write-down of receivables from current assets</i>	<i>0</i>	
Total amortisations and write-down (10)	653.585	374.432
11) Variations of raw materials consumed and goods for sale	0	
12) Provisions for risks	0	45.000
14 Sundry operating charges	0	69.843
Total cost of production (B)	11.411.013	12.073.882
Difference between production value and costs (A-B)	(597.256)	256.050
C) FINANCIAL INCOME AND CHARGES:		
16 other financial income:		
d) Proceeds other than previous income		
Other	(53.792)	(8.489)
Total proceeds different from previous income (d)	(53.792)	(8.489)
Total other financial proceeds (16)	(53.792)	(8.489)
17) interest and other financial charges		
Other	188.335	74.686
Total interest and other financial charges (17))	188.335	74.686
17-bis) exchange gains and losses	1.910	5.342
Total financial income and expenses (C) (15+16-17+-17 bis)	(132.633)	(77.832)
D) VALUE ADJUSTMENTS OF FINANCIAL ACTIVITIES:		
Total value adjustments of financial assets (D) (18-19)	0	0
E) Extraordinary Income and Expenses:		
20) Financial Income		
Difference due to rounding of Euro unit	0	0
Other	0	0
Total proceeds (20)	0	0
21) Charges	0	0
Other	0	0
Total charges(21)	0	0
Total of extraordinary profits (E) (20-21)	(0)	0
Result before taxes (A-B+-C+-D)	(729.890)	178.218
22) Current, deferred and prepaid income taxes for the year:		
Current taxes	252.435	252.316
Advanced taxes	0	
Total income taxes for the year (22)	252.435	252.316
23) PROFIT (LOSS) OF THE YEAR	(982.324)	(74.098)
PROFIT (LOSS) OF MINORITY	145.870	444.856
PROFIT (LOSS) OF THE GROUP	(1.128.194)	(518.954)

CONSOLIDATED FINANCIAL ASSETS

CONSOLIDATED FINANCIAL SHEET		
ASSETS	CASTA DIVA GROUP	CASTA DIVA GROUP
ASSETS	30.06.2018	31.12.2017
A) SUBSCRIBED CAPITAL, UNPAID	0	0
Total subscribed capital unpaid (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
1) Installation and expansion costs	1.396.310	1.536.738
3) Industrial patents and intellectual property rights	0	0
4) Concessions, licences and trademarks	325.132	170.736
5) Goodwill	2.543.932	2.152.371
6) Assets under construction and payments on account	592.328	479.479
7) Other	117.110	187.865
	0	0
	0	0
Total intangible fixed assets (I)	4.974.813	4.527.190
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	22.618	30.486
3) Industrial and commercial equipment	222.988	207.587
4) Other assets	26.526	47.914
	0	0
	0	0
Total tangible fixed assets (II)	272.132	285.987
<i>III - Financial fixed assets</i>		
<i>1) Shareholdings</i>		
a) Subsidiaries	298.000	150.392
d) Companies under the control of parent companies		
d bis) Other companies	251	2.500
2) Receivables		
a) From subsidiaries		
b) From associated companies		93.964
c) From parent companies	0	0
Due after the next financial year	0	0
d) Companies under the control of the parent companies	0	0
d bis) from others		
Due in the next financial year	942.190	1.548.371
Due after the next financial year	0	0
	0	93.964
<i>Total receivables</i>		
<i>Other financial fixed assets</i>	0	0
	0	0
4) Own shares	0	0
Total financial fixed assets (III)	1.240.441	1.795.227
Total fixed assets (B)	6.487.386	6.608.404
C) Current assets		
<i>I - Stock</i>		
3) Contract work in progress	491.439	276.666
4) Finished products and goods for sale	18.731	10.135
Total stock (I)	510.170	286.801
<i>II - II - Receivables</i>		
1) Trade receivables		
Due in the next financial year	7.088.705	6.209.201
Total trade receivables (1)	7.088.705	6.209.201
2) From subsidiary companies		
Due in the next financial year	0	0
Total receivables from subsidiaries (2)	0	0
5-bis) Tax receivables		
Due in the next financial year	683.781	463.414
Total tax receivables (5-bis)	683.781	463.414
5-ter) Prepaid taxes		
Due in the next financial year	747.858	752.227
Due after the next financial year	0	0
Total prepaid taxes (4-ter)	747.858	752.227
5 quater) from others		
Due in the next financial year	747.970	710.463
Due after the next financial year	0	0
Total receivables from others (5)	747.970	710.463
<i>Due in the next financial year</i>	9.268.314	8.135.305
<i>Due after the next financial year</i>	0	0
Total receivables (II)	9.268.314	8.135.305
<i>III- Financial activities not fixed assets.</i>		
Total Financial activities not fixed assets. (III)		0
<i>IV - Cash and cash equivalents</i>		
1) Bank and Post Office deposits	617.683	2.012.147
3) Cash and cash equivalents in hand	30.998	56.025
Total cash and cash equivalents (IV)	648.681	2.068.173
Total current assets (C)	10.427.165	10.490.278
D) ACCRUALS AND DEFERRALS		
Accrued income and prepaid expenses	156.966	176.343
Total accrued income and prepaid expense (D)	156.966	176.343
TOTAL ASSETS	17.071.518	17.275.025



CONSOLIDATED NET FINANCIAL POSITION

Thousand Euro	30.06.2018	31.12.2017	Variation
Financial receivables	(942)	(1.642)	700
Cash	(649)	(2.068)	1.419
(Financial debts)	3.511	1.874	1.637
NET FINANCIAL POSITION	1.920	(1.837)	3.757

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow statement

(amount in euro)

CASTA DIVA GROUP	30.06.2018	30.06.2017
Operating activities		
Operating result	(1.128.194)	(74.097)
Adjustments for		
a depreciation of tangible fixed assets	31.008	52.119
b write-downs for impairment losses on tangible fixed assets	175.800	
c amortisation of goodwill	187.832	150.093
d amortisation of intangible assets	258.945	217.220
e write-downs of trade receivables	0	(45.000)
f (capital gains) / capital losses from disposals of fixed assets	0	0
g changes in the scope of consolidation	0	0
h provisions / (utilisations) of funds	(405.223)	53.251
Total adjustments	248.362	427.683
Changes in working capital		
a ((increase) / decrease in stock	(223.369)	1.944.560
b ((increase) / decrease in trade and other receivables	(1.118.001)	(2.603.916)
c increase (or decrease) in trade payables and other payables	(359.972)	(726.049)
Total changes in working capital	(1.701.343)	(1.385.405)
Cash flow generated by operating activities	(2.581.175)	(1.031.819)
Income taxes and adjustments to prepaid taxes	4.368	773.009
Interest paid	(188.335)	0
Net cash flow from (used in) operating activities	(2.765.142)	(258.810)
Investment activities		
Interests received	0	0
Dividends received	0	0
Proceeds from (purchases) / sales of financial assets	378.986	0
Disposals of investments in subsidiaries		
a Part of the amount received in cash or cash equivalent	0	0
b Cash and cash equivalent of the equity investments disposed of	0	0
Total effect of disposal of investments in subsidiaries	0	0
Disinvestment of equity investments in other companies	0	0
Purchases of investments in subsidiaries		
a Part of the amount paid in cash or cash equivalent	0	0
b Cash and cash equivalent of the equity investments purchased	0	0
Total effect of purchases of equity investments in subsidiaries	0	0
Purchases of equity investments in other companies	0	0
Tangible and intangible investments	(911.553)	(109.212)
Other financial investments	0	0
Amounts from selling tangible and intangible assets	0	0
Net cash flow from (used in) investing activities	(532.567)	(109.212)
Financial assets		
Exchange gains (losses)	167.668	0
Payments for finance leases	0	0
New loans raised	1.237.575	0
Repayment of loans	612.708	(213.226)
Shareholder Financing	0	0
Changes in the scope of consolidation	(36.059)	(2.071)
Other changes in financial assets	0	396.081
Operations on own shares	103.830	(4.132)
Share capital increase	255.000	104.000
Other changes	(462.505)	178.993
Net cash flow from (used in) financial assets	1.878.217	459.645
Increase/ (or decrease) in net cash and cash equivalents	(1.419.491)	91.623
Cash and cash equivalents at the beginning of the year	2.068.173	2.261.401
Effect of changes in foreign currency exchange rates	www	group.com
Cash and cash equivalents at the end of the year	648.682	2.353.024