

Press Release

DIGITAL360: signed a binding agreement for the acquisition of the majority of the shares of the three companies of the Imageware Group, specialized in PR, marketing, communication and event management.

Milan, 17 September 2021 - **DIGITAL360 S.p.A.**, innovative SME listed on the AIM Italia market of Borsa Italiana, announces that it has signed a binding agreement for the acquisition of a 51% stake in the companies Imageware S.r.l. (Imageware), Hi-Comm S.r.l. (Hi-Comm) and Brand to Italy S.r.l. (BTol), together defined as **"Imageware Group"**.

Imageware Group is one of the most prestigious and competent PR, marketing and communication agencies on the Italian scene. It operates in three main areas of activity: (i) Public Relations and Social Media; (ii) implementation of creativity and communication projects; (iii) organization of physical and digital events. The Group, characterized by a strong specialization in the Information & Communication Technology market, boasts important clients from different sectors, both private companies and organizations and institutions.

The purpose of the acquisition is threefold: to broaden the client portfolio, bringing within the Group's perimeter important companies in the technology sector and entities that promote digital and sustainability; to exploit significant operational and strategic synergies in communication activities, event management and lead generation; to broaden the portfolio of services, adding in particular Public Relations activities, which are highly synergic with all the others.

With reference to the details of the transaction, the steps following the binding agreement provide the following:

- prior to the closing, the sellers, Maria Grazia Bruschi and Marco Franceschi (jointly the "Sellers"), will carry out a reorganization and rationalization of the activities of the Imageware Group, through the merger by incorporation of the company BTol into the company Imageware. As a result of this transaction, whose final merger deed is expected to be signed in the first days of October, only Imageware S.r.l. will remain;
- at closing, the Sellers will sell to DIGITAL360 51% of Imageware and Hi-Comm.

The sale of 51% of the shares in the Imageware Group (therefore comprising, at the closing, the companies Imageware and Hi-Comm) was set at a total of 2.5 million euros, including the NFP of the companies, which as of 31/12/2020 was positive (credit) for approximately 2.5 million euros.

The Imageware Group achieved aggregate revenues of over €8 million in 2019, which declined to around €6 million during 2020. The decrease is actually entirely attributable to the events area, resulting from the inability to organize events due to the pandemic.



Nevertheless, the reduction in sales volumes did not lead to a decline in margins, with EBITDA rising from around 0.5 million in 2019 to over 0.6 million in 2020.

The Imageware Group's operations, despite the continuing pandemic, are continuing very well into 2021.

The consideration for the sale will be paid as follows:

- (i) 1.1 million euros in cash at the closing, which is expected to take place in October 2021;
- (ii) up to a maximum of EUR 0.4 million, at the sole discretion of DIGITAL360, through the assignment to the Sellers of newly issued ordinary shares of DIGITAL360, the number of which will be determined on the basis of the average price of Digital360's shares on the AIM Italia market during the 3 months preceding the closing date; in the event that DIGITAL360 does not avail itself of this option, the amount may be paid also partially in cash within 3 months from the closing;
- (iii) 1.0 million euros in cash, half of which will be paid within six months of the closing and the remainder within twelve months of the closing.

Among other agreements, the agreement between the parties foresees an active involvement of the current Selling Partners in the future management of the Imageware Group. In fact, they will be able to designate two of the five board members who will manage the companies, including the appointment of Mr. Marco Franceschi as managing director of the Imageware Group companies.

A lock-up commitment has been agreed upon by the Sellers, until the end of 2023, on any shares received in payment of the price, and a general non-compete obligation has been provided for a period of three years from the closing.

Finally, the agreement provides opportunity for both parties to exercise cross options (*Put & Call*) for the purchase or sale of the remaining 49% of the Imageware Group, the price of which will be established on the basis of the average aggregate EBITDA recorded by the companies in the financial years 2021, 2022 and 2023 multiplied by 5, in addition to the NFP.

The operation continues on the path of growth through external lines already undertaken by DIGITAL360, which has taken shape through various acquisitions made in recent years.

"I am very pleased with this operation", says Raffaello Balocco, CEO of DIGITAL360. "The Imageware Group is a historical and recognized reality in the sector, with an excellent positioning with customers and with important strategic and operational synergies with the DIGITAL360 Group. In addition to consolidating and strengthening some of the services already offered by the Group, the acquisition will allow us to offer our customers - especially technology vendors - new services, with the aim of satisfying all their marketing and lead generation needs. I am very happy to welcome to DIGITAL360 a team like Imageware Group's, made up of professionals with great skills, highly appreciated by customers".

"We are proud to join the DIGITAL360 Group, a recognition of both our positioning in the world of innovation and our long-term strategy of pursuing solid, customer- and employee-focused growth. We matched not only our business management practices, but also our ethical values, which are fundamental to us, and we are convinced that this will stimulate internal synergies and opportunities



for clients in the future. After 35 years of activity in favour of market leading brands, Imageware is welcomed by an ecosystem of specializations and professionals of the highest level, visionaries, from which our customers and partners will also benefit", says Marco Franceschi, CEO of the Imageware Group companies.

This press release is available on the Company's website at www.digital360.it.

DIGITAL360

DIGITAL360, a company listed on the AIM Market of the Italian Stock Exchange, has the objective of accompanying companies and public administrations in the understanding and implementation of digital transformation and favoring their encounter with the best technological suppliers. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation" supports technology companies (vendors, software houses, system integrators, startups, etc.) in communication, storytelling, event management, and generating business opportunities. The other, called "Advisory & Coaching" is aimed at all companies and public administrations that want to undertake any kind of digital transformation. NetworkDIGITAL360, transversal to both Business Units, is the largest network of online publications dedicated to all topics of Digital Innovation. DIGITAL360 integrates a multidisciplinary and multicultural mix of professionalism and skills thanks to analysts, journalists, consultants and experts in the digital world, united by a great passion and mission: digital innovation as an engine for the growth and modernization of our country. For further information: www.digital360.it

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