PRESS RELEASE

DIGITAL360: signed binding agreement to acquire 75% of the shares of CryptoNet Labs s.r.l. , a company operating in Italy in the field of computer security

Milan, 30 June 2022 - DIGITAL360 S.p.A. ("DIGITAL360" or the "Company"), an innovative SME listed on the Euronext Growth Milan market, announces that today it has signed a binding agreement for the acquisition of 75% of the company CryptoNet Labs s.r.l. ("**CryptoNet**"), which is active in the field of active and passive systems for Cybersecurity, offering services, consultancy and technological platforms for the monitoring and defence of corporate data and information.

CryptoNet is a young company, established in 2017 and in a phase of very strong growth, which has been collaborating with DIGITAL360 for some time, having a complementary offer to the cybersecurity services already offered by DIGITAL360 for years through its wholly-owned subsidiary Partners4Innovation (P4I).

Thanks to this acquisition, a dedicated cybersecurity service centre is established at DIGITAL360, with an expected total turnover in this sector of EUR 5.5 million in 2022[1] with a growth of more than 25 % compared to 2021, almost half of which will be recurring (Annual Recurrent Revenue).

In particular, with the acquisition of CryptoNet, DIGITAL360 strengthens its more innovative, subscription-based consultancy services based on as-a-service software platforms ('Consultech'). Some examples of cybersecurity-related subscription services are:

- the '*CISO As-A-Service*', the service that allows customers to outsource to DIGITAL360, through the payment of an annual subscription, the role of Chief Information Security Officer and the complete management of IT security-related activities;
- the '*Application Security* Managed Service', a managed service that combines a platform for static and dynamic analysis of applications (web and mobile) for vulnerability detection and security level certification;
- the '*Digital Bodyguard*', to guard, in full outsourcing, against external Cyber threats, with constant research on Clear, Deep and Dark web indicators of risk exposure.

In 2021, CryptoNet achieved revenues of about EUR 2.8 million (up more than 60 per cent on the previous year), EBITDA of about EUR 1.35 million (EBITDA margin of 47 per cent), and the net financial position was creditworthy by about EUR 1.5 million.

The consideration for the sale of 75% of the shares was set at a total of EUR 9.6 million (to which 75% of the NFP as at 31 May 2022 should be added) and will be paid as follows:

(i) EUR 5.0 million in cash at closing, expected by July 2022. To this amount will be added 70% of the amount to be paid for the NFP;

[1] Considering Cryptonet's turnover pro-forma over the 12 months.

(ii) EUR 2.5 million by assignment to the seller on the closing date of newly issued ordinary shares of DIGITAL360, valued at EUR 4.70 each;
(iii) EUR 2.1 million in cash within 12 months of the closing. To this amount will be added 30% of the amount to be paid for the NFP.

The agreement between the parties provides, among other stipulations, for the active involvement of CryptoNet's current sole shareholder and director, Stefano Taino, in the future management of the company. Taino will hold the role of CEO, within a Board of Directors composed of 3 members; the other 2 members will be appointed by DIGITAL360.

A three-year lock-up commitment was agreed upon for Stefano Taino on the shares received in payment of the price, and a general non-compete obligation for a period of four years from the closing.

Finally, the agreement provides for the possibility for both parties to exercise cross-options (*Put & Call*) for the purchase or sale of the remaining 25% of CryptoNet, the price of which will be established on the basis of the EBITDA recorded by the company in the financial year 2024, in addition to the NFP.

The transaction will be financed through the use of bank lines recently contracted with illimity Bank S.p.a.

"The cybersecurity market is growing a great deal in Italy, also as a result of the strong impulse to digitalisation given by the pandemic and the funds of the PNRR (National Recovery and Resilience Plan) and the great attention paid to the issue at a political and governmental level (suffice it to recall the recent birth of the National Cybersecurity Agency and the recent presentation of the National Cybersecurity Strategy). This is why we want to play an important game in this market, which also has so many valuable implications for Italian companies and public administrations,' says Gabriele Faggioli, CEO of DIGITAL360. With the acquisition of CryptoNet we are bringing on board at DIGITAL360 one of the most experienced entrepreneurs in Italy in this field, whose vision of the future and the way of doing business is perfectly aligned with both our cultural model and our strategy of strengthening revenues from recurring subscription-based services. In addition, the Group is thus strengthening its expertise in the cybersecurity sector, with the possibility of exploiting important synergies with its current services through CryptoNet".

"This acquisition seals, also on a formal level, a path of increasingly close collaboration, which has been underway for some time now," adds Stefano Taino, founder of CryptoNet Labs, "to join forces with the aim of building a complete and integrated cybersecurity offering. In this way, we can move both at a managerial-organisational level (thanks to the DIGITAL360 component) and at a technological level, in order to provide operational continuity to our consulting activities. DIGITAL360 represents a reference reality in the Digital Transformation panorama in Italy and we are sure that this integration will bring benefits to both. The benefits also extend to our clients: they can count on a single interlocutor who is able to deploy high specialisation and multidisciplinarity, where the automated ConsulTech platforms allow for greater effectiveness of action and leave room for the added value represented by our skills and experience".

For the legal aspects of the transaction, both parties were advised by ADVANT Nctm, while Cryptonet was assisted by Fineurop Soditic as financial advisor.

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

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DIGITAL360

DIGITAL360, a company listed on the Euronext Growth Milan Market, has the objective of accompanying companies and public administrations in understanding and implementing digital transformation and facilitating their encounter with the best technology suppliers. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation" supports technology companies (vendors, software houses, system integrators, start-ups, etc.) in communication activities, storytelling, event management and generation of business opportunities; the other, called "Advisory & Coaching" is aimed at all companies and public administrations wishing to undertake any digital transformation path. 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 modernisation of our country. For further information: www.digital360.it

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