

**THE BOARD OF DIRECTORS OF DIGITAL360 S.P.A. APPROVES THE INTERIM
FINANCIAL STATEMENTS AS AT 30 JUNE 2020:
STRONG GROWTH IN EBITDA (+92%), EBIT (+178%) AND CASH FLOW**

Group results for the first half of 2020:

- **Consolidated revenues of Euro 12.7 million, down 5% compared to the same period in 2019;**
- **EBITDA¹ amounting to Euro 2.8 million, up 92% from Euro 1.5 million in the same period in 2019;**
- **EBIT and Adjusted EBIT² amounting to respectively Euro 1.6 million and Euro 1.9 million, up 407% and 178% compared to 30 June 2019;**
- **Net profit and Adjusted net profit amounting to respectively Euro 1.1 million and Euro 1.46 million, compared with Euro -0.06 million and Euro 0.33 million as at 30 June 2019;**
- **The negative Net Financial Position amounts to Euro 3.6 million, a clear improvement compared to the Euro 6.3 million recorded as at 31 December 2019;**
- **Cash Flow generated during the period amounted to Euro 2.7 million.**

Milan, 21 September 2020 - **DIGITAL360 S.p.A.**, company listed on the AIM market of the Italian Stock Exchange – Mercato Alternativo del Capitale market, organised and managed by Borsa Italiana S.p.A. ("**Digital360**" or "**Company**") – announces that the Board of Directors, which met today, examined and approved the Company's consolidated half-year financial report as at 30 June 2020, drawn up pursuant to AIM Italia Issuers' Regulations and according to Italian accounting principles in force.

"The slight decrease in revenues is attributable to the net effect of a sharp drop in revenues from physical live events, which were blocked for months due to the COVID-19 emergency, largely offset by a significant increase in revenues from digital events and, more generally, digital services. The conversion towards this type of services also generated important effects on the productivity and scalability of the business, leading to a significant growth in EBITDA in the first half of the year – explains Andrea Rangone, Chairman of DIGITAL360 –. The results in terms of revenues, operating margins and cash flow reflect not only the responsiveness of DIGITAL360, which has seized the opportunity, at a very difficult time, to accelerate the offer on the market of its services designed to support the digital transformation of businesses and public administrations, but also the realisation of the important investments made in recent years, aimed in particular at developing the most innovative and scalable subscription-based services (called Digital As-A-Service) that generate recursive revenues."

Main consolidated results for the period

¹ The EBITDA and EBIT indices are not seen as accounting measurements in the context of national and international accounting principles and should not be regarded as alternative measurements for assessing the performance of the Group's operating results.

² Adjusted amounts are reclassified to neutralise the effects of amortisation/depreciation relating to consolidation differences as at 30 June.

As at 30 June 2020 Revenues amounted to Euro 12.7 million, with a slight decrease of 5% compared to Euro 13.4 million in the corresponding period in 2019.

The decrease in revenues linked to physical live events – one of DIGITAL360's lines of business – has led to a proportional reduction in the related expenses, while the growth in revenues from more innovative and scalable digital or remote services, has led to only modest increases in costs, with a clear effect on the overall improvement of margins.

EBITDA amounts to Euro 2.8 million, up 92% compared the value reported as at 30 June 2019.

EBIT amounts to Euro 1.6 million and the consolidated net result is equal to Euro 1.1 million, compared to respectively Euro 0.3 million and Euro -0.06 million for the corresponding period in 2019.

Adjusted EBITDA amounts to Euro 1.9 million, up 178% compared to the value as at 30 June 2019.

The Adjusted consolidated net profit amounts to Euro 1.46 million, against 0.33 million in the first half of 2019.

With reference to the Group's main balance sheet and financial data, it should be noted that the Net Financial Position (debt) improved from Euro 6.3 million as at 31 December 2019 to 3.6 million as at 30 June 2020.

Despite investments of approximately Euro 0.9 million in the first half of the year, the cash generated was Euro 2.7 million, a result that highlights the Group's ability to transform the profits generated into cash.

In particular, the value of the ratio between cash flow for the period and revenues should be noted, which, with a sharp reversal of the trend observed in the past, rose from -4% in the first half of 2019 to +21% in the first half of 2020.

Consolidated Shareholders' Equity was strengthened from Euro 8.1 million as at 31 December 2019 to Euro 9.3 million as at 30 June 2020.

A summary of the main economic and financial indicators is presented below.



Operating Results	30.06.19	30.06.20	Delta
values in million euros			
Total revenues	13,4	12,7	-5%
EBITDA	1,5	2,8	92%
	11,0%	22,2%	
EBIT	0,3	1,6	407%
% EBIT / Total Revenues	2,3%	12,2%	
Adjusted EBIT *	0,7	1,9	178%
% Adjusted EBIT / Total Revenues	5,2%	15,3%	
Net Profit	-0,06	1,1	
% Net Profit / Total Revenues	-0,4%	8,5%	
Adjusted Net Profit *	0,33	1,46	340%
% Adjusted Net Profit / Total Revenues	2,5%	11,5%	

* The adjusted figures are reclassified to neutralise the effects of amortisation/depreciation of consolidation differences

Balance Sheet Indicators	31.12.2019	30.06.20	Change	% Change
Shareholders' Equity	8,1	9,3	1,2	14%
Net Financial Position	6,3	3,6	-2,7	-43%

Financial Indicators	31.12.2019	30.06.20	Change	% Change
Cash Flow for the period (CF)	-0,6	2,7	1,2	n.s.
Cash Flow Margin (CF/Revenues)	6,3	3,6	-2,7	n.s.

The COVID-19 emergency and DIGITAL360's answers

The year 2020 will certainly be remembered as the year of the COVID-19 virus, not only because of the health emergency that has shocked the world, but also because of the heavy economic repercussions that are being seen in almost all countries.

DIGITAL360 tackled the challenges brought on by this difficult period, resiliently riding the wave of the lock down and of the forced smart working to further push digital innovation in Italian businesses and public administrations, characterised by a much lower average level of digitisation compared to most advanced European countries.

To cope with the sudden change in the economic and organisational scenario brought on by the health emergency relating to the COVID-19 virus, DIGITAL360 has enhanced its digital services, both internal, to ensure the continuity of all the Group's activities, as well as external, to offer its customers concrete support in managing the crisis situation and to ensure the continuity of business activities. On the external front, the market offer of the most suitable services to tackle the sudden and unexpected scenario was immediately strengthened in both of the Group's Business Units. In the "Demand Generation" Business Unit, all the services able to allow client companies to continue to manage their relationship with their market, despite the limitations of the health emergency, were enhanced and expanded: digital communication, online lead generation and transformation of physical events into digital events. In the "Advisory & Coaching" Business Unit, on the other hand, all services were first and foremost made available to any client based on a remote approach.

Moreover, the DIGITAL360 Network, which represents the largest network of B2B newspapers and portals in Italy dedicated to digital transformation and entrepreneurial innovation, has dedicated a lot of attention during this period to the hottest and most relevant issues related to the use of digital tools to react to the current emergency. The relevance of the topics dealt with and the ways in which the services were made available led to repeated peaks in the number of visitors to the Group's portals during the first half of the year, reaching a record of over 4.5 million unique visitors in April 2020 and marking an increase of over 200% compared to the same period in 2019.

Overall, these actions have brought considerable benefits to the DIGITAL360 Group, which found itself ready to tackle the acceleration of the digital transformation forced by the health emergency also thanks to the key investments made in past years, thus obtaining important results in terms of margins and cash flow.

During the first half of the year, despite the current health crisis and the economic slowdown, sales of more innovative and scalable "subscription" services, known as *Digital-As-A-Service*, continued to grow. As at 30 June 2020, these services were sold to 172 customers, an increase of 52% compared to the previous year, and generated an annual recurrent revenue of Euro 5.1 million (+19%).

And it is from this data that an important key to interpreting the results obtained by DIGITAL360 can be seen: if the loss in turnover deriving from physical live events due to the contingency of the first half of the year will most likely be recovered in the immediate future, the increase in revenues from the most innovative, digital and recursive services, on the other hand, appears to be firmly established. The combination of these two factors lays the foundations for the solid business growth of the DIGITAL360 Group.



Main events occurring during the first half of 2020

In addition to what has already been illustrated above, the main events that took place during the year are detailed below.

In March, DIGITAL360 launched **360DigitalSkill** (<https://www.360digitalskill.it/>) on the market, an online multimedia content platform for developing and updating people's digital skills and attitudes. The platform complements the digital training framework already launched with the **FPA Digital School platform**, specifically designed for public administrations.

In May, DIGITAL360 launched **MarTech360**, a marketing automation software platform, offered in software-as-a-service (SAAS) mode and designed to allow SMEs to easily and flexibly implement inbound marketing campaigns, which can be integrated with a wide range of digital marketing and lead generation services thanks to the synergies with DIGITAL360's network of portals.

To support organisations in managing GDPR compliance, DIGITAL360 has continued the development of the **GRC360 (Governance, Risk and Compliance)** solution, a tool designed to help businesses and public administrations to easily manage and monitor the activities necessary to ensure compatibility with the European GDPR regulation for the protection of personal data.

These services represent the tip of the iceberg of the strategic infrastructure developed in recent years by DIGITAL360, thanks to the continuous investments made, action that is opening a genuine Blue Ocean for the Group consisting of an innovative, unique offer aimed at supporting small and medium-sized Italian companies in their digital transformation path. Despite representing the heart of the Italian economic-productive fabric Italian SMEs, in fact, are still far behind in this modernisation process. This, also due to the fact that the traditional offer of consulting and software services clashes with their low digital culture, the lack of specific skills and the very high fragmentation and dispersion across the national territory.

The Group's program of investments in technological innovation and development of new services also continued. The value of the total expenditure, which in the first half of 2020 amounted to approximately Euro 0.9 million, primarily consists of intangible fixed assets.

In particular, in addition to investments related to new *Digital-As-A-Service* subscription models (*Digital Marketing & Sales Engine*, *DPO- Data Protection Officer As-A-Service*, *CISO-Chief Information Security Officer As-A-Service*, etc.), investments were also made to develop platforms focused on the organisation of digital events (*Fpa live*), the launch of new websites or the development of existing ones (e.g. *TechCompany360*), the launch of new Advisory services (e.g. *Empowercare*) in order to push the new digital healthcare models, the *Smart Working Emergency Kit* aimed at the rapid adoption of organisational models based on remote working, as well as the *App 360 Inspection* solution designed to allow companies to achieve the highest possible level of compliance of their online assets.

Significant events after 30 June 2020 and future outlook

In the months following the end of the first half of 2020, DIGITAL360 continued its revenue development path focused on digital services. In addition to the good sales performance, commercial orders also showed signs of growth and, despite the uncertainties arising from the spread of the COVID-19 virus, as well as its



expected resurgence in the autumn period, an overall positive trend is expected for the second half of the year and in line with forecasts for the current year.

The Company's consolidated half-year financial report for the period ended as at 30 June 2020 will be made available to the public subject to the terms and in the manner provided for by AIM Italia Issuers' Regulations, and will be available on the Company's website, www.digital360.it.

The consolidated income statement, the balance sheet and cash flow statement are attached.

The Managing Directors and the Chairman of the DIGITAL360 Board of Directors will comment on the results of the first half of 2020 during a call with investors set to be held on 23 September 2020 at 5:30 PM CET. You can register to participate in the call at the following link: https://access.networkdigital360.it/webinar-digital360-presentazione-semestrale-2020-pb?utm_campaign=WEBINAR%20INVESTITORI_23sett_FORM%20COMPLETO&utm_source=email&utm_medium=network360&utm_content=ma-CS

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

DIGITAL360

DIGITAL360, a company listed on the Borsa Italiana AIM Market, aims to partner with businesses and public authorities assisting them in the understanding and implementation of digital transformation solutions, relying on the best technology providers on the market. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation", supports technological companies (vendors, software houses, system integrators, start-up companies, etc.) in their communication, storytelling, event management and business opportunity generation activities; the other, called "Advisory & Coaching" is aimed at all companies and all public administrations who wish to embark on any digital transformation path. Transversal to both Business Units, NetworkDIGITAL360 is the largest network of online publications focused on all aspects and current themes related to Digital Innovation. DIGITAL360 integrates a multidisciplinary and multicultural mix of professionalism and expertise, thanks to analysts, journalists, consultants and experts active in the digital world who all share a great passion and a common mission: digital innovation as an engine of growth and modernisation of our country. For more information: www.digital360.it

Contacts

Investor relations

Emilio Adinolfi

Email: emilio.adinolfi@digital360.it

Tel: +39 0292852801

Laura Cavallaro

Email: laura.cavallaro@p4i.it

Tel: +39 3484073553

DIGITAL360 Press Office: d'I comunicazione

Piero Orlando

Email: po@dicomunicazione.it

Tel: +39 3351753472



Nominated Adviser and Specialist

CFO SIM S.p.A.

Email: ecm@cfosim.com

Tel: +39 02303431

This press release has been prepared for informational purposes only and does not constitute a public offer or an invitation to subscribe to or to purchase financial instruments in Italy or in any other country where such offer or solicitation would be subject to restrictions or the approval of local authorities or otherwise prohibited by law. This press release may not be published, distributed or broadcast in the United States, Canada, Australia or Japan. The securities referred to in this press release may not be offered or sold in Italy or in the United States, or in any other jurisdiction without registration pursuant to the applicable provisions or an exemption from the obligation to register in accordance with the applicable provisions. The securities mentioned in this press release have not been and shall not be registered under the US Securities Act of 1933 or pursuant to the applicable provisions in force in Italy, Australia, Canada, Japan or any other jurisdiction. There will be no public offering of the Company's shares in Italy or in the United States, Australia, Canada or Japan or anywhere else.



DIGITAL360 S.p.A.

Registered office: Via Copernico 38, Milan
Share capital: 1,609,154 euros (fully paid up)
Milan Companies Register no. 08053820968
REA no. 2000431

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

BALANCE SHEET - ASSETS	30.06.2020	31.12.2019
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS		
I. Intangible Fixed assets:		
2) development costs	3.129.749	2.994.447
3) industrial patents and intellectual property rights	587.252	611.351
4) concessions, licences, trademarks	12.912	
5 bis) consolidation differences	4.500.392	4.887.870
7) other assets	694.162	781.677
Total intangible fixed assets	8.924.468	9.275.344
II. Tangible Fixed Assets		
1) land and buildings	305.263	310.264
3) industrial and commercial equipment		
4) other assets	196.600	210.341
Total	501.862	520.605
III. Financial Fixed assets		
1) investments in:		
b) associated companies	24.005	24.005
d) other companies	95.320	110.354
Total investments	119.325	134.359
Total	119.325	134.359
TOTAL FIXED ASSETS (B)	9.545.655	9.930.307
C) CURRENT ASSETS		
I - Inventories	0	0
II. Receivables		
1) trade receivables	10.300.159	9.416.209
of which due beyond the financial year	0	0
4 bis) tax receivables	86.535	401.366
of which due beyond the financial year	0	0
4 ter) deferred tax assets	265.056	383.138
of which due beyond the financial year	0	0
5) other receivables	305.189	286.701
of which due beyond the financial year		
Total	10.956.939	10.487.413
III. Financial activities which are not fixed assets		
6) other securities	0	0

Total	0	0
IV. Cash and cash equivalents		
1) deposit accounts	3.901.502	1.999.739
3) cash at hand	8.210	136
Total	3.909.713	1.999.876
TOTAL CURRENT ASSETS (C)	14.866.652	12.487.289
D) ACCRUALS AND DEFERRALS		
a) prepaid expenses and accrued income	378.860	389.911
TOTAL ACCRUALS AND DEFERRALS (D)	378.860	389.911
TOTAL ASSETS (A+B+C+D)	24.791.167	22.807.507

DIGITAL360 S.p.A. Registered office: Via Copernico 38, Milan Share capital: 1,609,154 euros (fully paid up) Milan Companies Register no. 08053820968 REA no. 2000431 CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020		
BALANCE SHEET - LIABILITIES	30.06.2020	31.12.2019
A) SHAREHOLDERS' EQUITY		
I. Group share capital	1.625.820	1.609.154
II. Share premium reserve	6.747.143	6.680.476
IV. Legal reserve	15.981	7.562
V. Treasury shares portfolio reserve	-39.344	-34.782
Merger surplus reserve	20.964	20.964
Reserve for hedging expected cash flow operations	-5.230	-5.230
Other reserves	26.706	26.706
VIII. Euro rounding reserve	-8	-5
IX. Reserve for share capital increase	0	0
X. Group retained earnings (accumulated losses)	-938.535	-109.101
XI. Group profit (loss) for the financial year	858.039	-821.014
TOTAL SHAREHOLDERS' EQUITY group share	8.311.536	7.374.730
Minority share capital and reserves	772.244	394.221
Profit (loss) for the financial year attributable to minority interests	215.733	378.023
TOTAL MINORITY INTERESTS	987.977	772.244
TOTAL SHAREHOLDERS' EQUITY (A)	9.299.513	8.146.974
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) provision for pensions and similar obligations	24.527	24.527
3) other	6.882	6.882
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	31.409	31.409
C) EMPLOYEE SEVERANCE INDEMNITIES (C) FOR EMPLOYEES (C)	1.112.431	980.043

D) PAYABLES		
2) convertible bonds	2.000.000	2.000.000
of which due beyond the financial year	2.000.000	2.000.000
4) due to banks	5.512.097	6.134.769
of which due beyond the financial year	4.103.008	2.985.791
6) payments on account	51.547	62.577
of which due beyond the financial year	0	0
7) trade payables	3.445.562	3.098.299
of which due beyond the financial year	0	0
12) tax payables	1.168.915	601.776
of which due beyond the financial year	0	0
13) due to social security and welfare institutions	397.856	418.964
of which due beyond the financial year	0	0
14) other payables	1.154.088	1.114.542
of which due beyond the financial year	0	0
TOTAL PAYABLES (D)	13.730.066	13.430.927
E) ACCRUALS AND DEFERRALS		
a) accrued expenses and deferred income	617.750	218.155
TOTAL ACCRUALS AND DEFERRALS (E)	617.750	218.155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D+E)	24.791.167	22.807.507

0,4

-0

DIGITAL360 S.p.A.

Registered office: Via Copernico 38, Milan
Share capital: 1,609,154 euros (fully paid up)
Milan Companies Register no. 08053820968

REA no. 2000431

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

INCOME STATEMENT	30.06.2020	30.06.2019
A) VALUE OF PRODUCTION		
1) revenue from sales and services	12.659.213	13.364.157
4) increases in fixed assets from internal work	682.663	728.469
5) other income and revenues	60.752	42.410
TOTAL VALUE OF PRODUCTION (A)	13.402.628	14.135.036
B) PRODUCTION COSTS		
6) for raw and auxiliary materials, consumables and goods	4.894	3.218
7) for services	5.888.083	7.793.256
8) for rents and leases	392.952	355.807
9) personnel costs:		
a) salaries and wages	3.046.627	3.147.583
b) social security contributions	827.003	823.579
c) employee severance indemnity	217.594	203.332
e) other personnel costs	4.272	194.426
Total personnel costs	4.095.495	4.368.920
10) amortisation, depreciation and write-downs:		

a) amortisation of intangible assets	1.225.234	1.123.955
b) depreciation of tangible assets	48.924	43.154
c) current asset write-downs		
Total amortisation, depreciation and write-downs	1.274.158	1.167.109
14) other operating expenses	197.031	141.105
TOTAL PRODUCTION COSTS (B)	11.852.613	13.829.415
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	1.550.015	305.621
C) FINANCIAL INCOME AND EXPENSES		
15) Investment Income		
- other	212.713	
16) Other Financial Income		
- other		11.661
Total financial income from fixed asset receivables	212.713	11.661
17) interest expenses and financial charges:		
- to others	142.091	151.708
Total interest and other financial charges	142.091	151.708
17 bis) exchange rate gains and losses	440	459
TOTAL FINANCIAL INCOME/EXPENSES	-71.062	139.587
D) VALUATION ADJUSTMENTS OF FINANCIAL ASSETS	#N/A	#N/A
18) revaluations (write-ups)	0	0
Total revaluations (write-ups)	0	0
19) devaluations (write-downs)		
a) of investments	0	0
Total devaluations (write-downs)	0	0
Income before taxes (A-B+-C+-D+-E)	1.621.077	166.034
22) current, deferred and prepaid income taxes for the financial year		
current taxes	112.054	369.353
deferred tax assets	118.082	-145.261
income (expenses) from participation in tax consolidation system	317.169	0
tax for previous financial years		0
Total current, deferred and prepaid income taxes for the financial year	547.305	224.092
23) profit (loss) for the financial year	1.073.772	-58.058
Group	858.039	-380.578
Minority interests	215.733	322.515

EBITDA 0,35
2.824.173

