

DIGITAL360 S.P.A BOARD OF DIRECTORS APPROVES CONSOLIDATED FINANCIAL STATEMENTS AND DRAFT FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

REVENUE GROWTH OF 4%. EBITDA DOUBLED TO 5 MILLION EUROS, CASH FLOW OF 4.9 MILLION EUROS AND NFP DOWN SHARPLY FROM 6.3 TO 1.4 MILLION EUROS.

- **Value of production of 27.6 million euros, up 4% compared to the same period in 2019;**
- **Consolidated revenues of 26.3 million euros, up 4% on 2019;**
- **EBITDA¹ of 5 million euros, up 99% from 2.5 million euros in the same period in 2019;**
- **EBIT and ²adjusted EBIT of 2.5 and 3.3 million euros respectively, compared to 0.1 and 1.2 million as at 31 December 2019;**
- **Net profit and adjusted net profit of 1.6 and 2.34 million euros respectively, compared to -0.4 and 0.72 million as at 31 December 2019;**
- **Negative net financial position of 1.4 million euros, a clear improvement compared to the 6.3 million euros as at 31 December 2019;**
- **Cash flow generated during the period of 4.9 million euros.**

Milan, 22 March 2021 – Digital360 S.p.A., a company listed on the AIM Italia market, announced that the Board of Directors, which met today, examined and approved the consolidated financial statements and draft financial statements for the 2020 financial year, drawn up in compliance with Italian accounting principles.

“The increase in revenues, lower than expected at the beginning of the year, is due to the net effect, on the one hand, of a fall in revenues linked to live events, blocked due to the continued lockdowns caused by the Covid-19 pandemic and, on the other hand, of strong growth in digital events and, more generally, all digital services and those able to be delivered remotely. The change in the sales mix has had a very positive effect on the productivity and scalability of the business, resulting in significant margin growth,” says Raffaello Balocco, Managing Director of Digital360.

“The healthcare emergency not only had a temporary effect on the business, but has helped move it towards a model that was already being developed, accelerating its effect as our customers, businesses and public authorities have become more aware of digital innovation, say Gabriele Faggioli, CEO of Digital360.

“The Group’s results reflect in particular the significant investments made in recent years in order to develop

¹ EBITDA and EBIT 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 31 December. In addition, for 2019 only, the data is also net of one-off extraordinary costs.

more innovative and scalable subscription services, known as Digital As-A-Service, which generate recursive revenues.”

“These services represent the tip of the iceberg of the offering developed in recent years by Digital360, which is opening a real blue ocean for the Group, consisting of highly engineered services, based on proprietary technological platforms and put on the market through a single sales channel, represented by the online portals of the Digital360 Network,” says Andrea Rangone, Chair of Digital360. “These services have been specially designed to support Italian small and medium-sized enterprises in their digital transformation path. Despite representing the core of the Italian economic and productive fabric, SMEs are still far behind in this modernisation process. This is also due to the fact that the traditional offering of consulting and software services clashes with their low digital culture, lack of specific skills and very high fragmentation and dispersion across the country. It’s a huge market still waiting to be won.”

Main consolidated results of the financial year

As at 31 December 2020, revenues amounted to 26.3 million euros, a 4% increase on the 25.2 million euros in the corresponding period in 2019.

The decrease in revenues linked to live events – one of Digital360’s business lines – has led to a proportional reduction in the related expenses, while the growth in revenues from more innovative and scalable digital or remotely deliverable services, has led to only modest increases in costs, with a clear overall improvement to margins.

EBITDA was 5.0 million euros, up 99% compared to the value reported as at 31 December 2019.

EBIT was 2.5 million euros and the consolidated net result after tax was 1.6 million euros, compared to 0.1 million and -0.4 million euros respectively for the corresponding period in 2019.

Adjusted EBITDA was 3.3 million euros, up 164% compared to the value as at 31 December 2019.

Adjusted consolidated net profit was 2.34 million euros, over three times higher than the 0.72 million in 2019.

With reference to the Group’s main balance sheet and financial data, it should be noted that the Group’s (negative) net financial position increased from 6.3 million euros as at 31 December 2019 to 1.4 million as at 31 December 2020, with the cash flow generated being more or less equivalent to EBITDA, notwithstanding investments of around 1.7 million euros made during the year.

In particular, the value of the ratio between cash flow for the period and revenues should be noted, which, in a clear reversal of the trend observed in the past, rose from -7% in the first half of 2019 to +19% in the year just finished.

Consolidated Shareholders’ Equity was strengthened from 8.1 million euros as at 31 December 2019 to 9.8 million euros as at 31 December 2020.



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

Operating Results	31.12.19	31.12.20	Δ
values in million euros			
Value of production	26.7	27.6	4%
TOTAL REVENUES	25.2	26.3	4%
EBITDA	2.5	5.0	99%
% Ebitda / Total revenues	10.0%	19.1%	
EBIT	0.1	2.5	n.s.
% EBIT / Total revenues	0.3%	9.6%	
Adjusted EBIT	1.2	3.3	164%
% Adjusted EBIT / Total revenues	4.9%	12.5%	
Net profit	-0.4	1.6	455%
% Net profit / Total revenues	-1.8%	6.0%	
Adjusted net profit	0.72	2.34	224%
% Adjusted net profit / Total revenues	2.9%	8.9%	

* Adjusted data is reclassified without taking into account the amortisation/depreciation of consolidation differences. In addition, for 2019 only, the data is also net of one-off extraordinary costs for the restructuring of certain Group companies

Balance Sheet indicators	31.12.19	31.12.20	Δ
Shareholders' Equity	8.1	9.8	21%
Net Financial Position	6.3	1.4	-78%

Financial Indicators	31.12.19	31.12.20	Δ
Cash flow for the period (CF)	-1.7	5.0	n.s.
Cash flow margin (CF/Revenues)	-7%	19%	n.s.

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

In such a difficult context, however, the global pandemic has accelerated - in a sudden and unpredictable way - some dynamics which had been in place for years: it has made everyone realise the strategic importance of digital technologies; it has pushed the digital transformation of businesses and public authorities; it has induced a change - by individuals and organisations - in many habits and behaviours; and it has made clear the importance and effectiveness of many digital tools, services and communication systems. All this has accelerated the market's adoption of many services that Digital360 offers and in which we have invested over the years many resources - such as digital events, online communication, digital lead generation, remote advisory - and has increased the perception of the importance of topics such as smart working, cyber-security, Industry 4.0, digital skills development, digital marketing and remote selling - all areas in which the company has always been active.

More generally, in the course of 2020, in response to the continued lockdowns and the enforced smart working that have affected all enterprises and public authorities, all the digital services of the Demand Generation Business Unit (in addition to events, online communication, content marketing, marketing automation and lead generation) and all the services that can be provided remotely by the Advisory & Coaching Business Unit (remote advisory, subscription services such as Data Protection Officer and Chief Information Security Officer as-a-service, smart learning through 360DigitalSkills and FPA Digital School platforms) have been offered and pushed.

All of these actions have made it possible to recover, with a surplus, the revenue loss linked to live events.

The change in the mix of services offered towards more digital services, which are by nature more efficient and scalable, has led to a significant increase in margins, to which the increased weight of the more innovative subscription services, known as "Digital-As-A-Service", also contributed; all of these grew significantly in 2020 - Digital Marketing & Sales Engine, Data Protection Officer and Chief Information Security Officer as-a-Service and the eLearning platforms (360 Digital Skill and FPA Digital School). All these services are based on three fundamental assets, developed in recent years with significant investments: highly engineered know-how, a single sales channel (go-to-market) represented by the online portals of the Digital360 Network, and the use of proprietary technology platforms provided in as-a-service mode.

The key to reading the results achieved by Digital360 is the fact that, as well as the more than likely recovery in future of revenues from live events, which fell temporarily during 2020, the increase in revenues from the more innovative, digital, remotely delivered and recursive services is likely to continue to be part of the Group's financial resources, laying the foundations for solid future growth.

The healthcare emergency has therefore not only had a temporary effect on the business, but has helped it



move towards a model that was already being implemented, accelerating its effect as the market gains greater digital sensitivity and becomes aware of the increasing need for innovative services.

Main events during the 2020 financial year

The main activities and investments during the year are set out below. More details are given in the Report on Operations.

investments and new services

The following online portals were launched or enhanced during 2020:

- **EnergyUp.Tech**, which deals with all issues related to digital innovation in the energy sector and energy sustainability;
- **ESG360.it**, dedicated to environmental, social and governance issues, which are becoming increasingly important in the assessment of investments by Italian companies. The website aims to offer news, research, expert and operator testimonials, market analysis and insights into indices, ratings, regulations, tax benefits, incentives and compliance formalities and requirements regarding ESG;
- **Techcompany360.it**, which is the publishing development of the previous Digital4trade.it website, with the aim of telling business stories, strategic changes and the transformation of business models of the main tech companies operating in the Italian market.

Some of the Group's software-as-a-service (SaaS) platforms have been developed or improved:

- **MarTech360**, a marketing automation platform, offered in SaaS mode and designed to enable 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 synergies with Digital360's network of portals;
- **Event360**, a platform for organising and managing online events, which will soon be integrated with all of the Group's other marketing and lead generation services, to become a powerful integrated demand generation solution;
- **GRC360**, a platform designed to help businesses and public authorities to easily manage and monitor the activities required to ensure compatibility with the European GDPR regulation on personal data protection.

During the course of 2020, further methodologies and processes related to the **Digital Marketing & Sales Engine** were implemented with the development of new ways of providing services; pre-sales, sales and delivery processes were designed and engineered, and a **simpler and easier to use version of the Marketing & Design Engine** was also planned, at a lower cost, to meet specific needs of smaller tech companies with lower spending budgets.



New advisory services have been launched, some specially designed to help businesses during the healthcare emergency. Here are a few examples:

- **Empoware Care**, set up to respond to the health emergency but aimed more generally at supporting healthcare players in the digital innovation process;
- **Smart working risk analysis**, set up to respond to the situation created by Covid-19, but with a more general aim of identifying the actions needed to mitigate or eliminate the (regulatory, organisational, management) risks resulting from the use of smart working;
- **Privacy Manager as a service**, which enables businesses, including smaller ones, to access a team with multi-disciplinary skills who can ensure compliance with data protection regulations and practices, by determining and implementing appropriate technical and organisational measures;
- **ESG Rating**, which enables organisations to gain and improve their environmental, social & governance rating over time, in order to show in objective terms the weight given to sustainability in corporate management;
- **Cookie360 Inspection**, which enables Customers to make their websites fully compliant with regard to cookies and other tracking technologies;
- **App360 Inspection**, to offer the opportunity to check whether a company or public authority's mobile applications comply, from a legal and technical point of view, with European regulations and guidelines.

Two services and related smart learning technology platforms were launched:

- **360DigitalSkill** for companies, aimed at increasing the awareness of their employees and contract staff of all aspects of digital transformation (smart working, artificial intelligence, open innovation, blockchain, digital marketing, GDPR, cyber security, etc.), with video courses, multimedia content and constant updates through news feeds and video interviews with industry experts;
- **FPA Digital School** for public authorities, for training and developing public sector workers and for supporting the authorities themselves in the process of digital transformation towards organisational, technological and institutional innovation.

Exercise of the “Digital360 Stock Option Plan”

In February 2020, the parent company Digital360 S.p.A. exercised the mandate granted at the Shareholders' Meeting held on 19 December 2017, resolving to increase share capital against payment, in one or more tranches, for a maximum amount of 250,000.00 euros, plus any share premium, by issuing a maximum of 2,500,000 ordinary shares, with the exclusion of option rights, to be reserved by subscription for the beneficiaries of the Digital360 Stock Option Plan at a price of 0.50 euros. This Plan was reserved for certain directors, employees, contract staff and consultants of the Group (Category A Options), as well as for certain managers of the Business Units into which the Company is divided (Category B Options).

In February 2020, and then again in February 2021, the company announced that both categories of options had matured.

In particular, in total 777,370 **Category A Options** had matured, subject to payment of an exercise price of 0.50 euros, attributing the right to the same number of Digital360 shares. Of these 734,936 were exercised.

In addition, 500,000 **Category B Options** were then exercised in full, giving the right to subscribe the same number of Digital360 shares at a price of 0.50 euros per share.

The Company implemented the Plan by issuing a total of 1,234,936 ordinary shares deriving from the capital increase to service the Stock Option Plan.

Closure of the second conversion period of the convertible bond issue called "Digital360 Convertibile 4.5% 2017 - 2022"

On 31.12.2020, the second of the five planned periods for the conversion of the convertible bonds ("Convertible Bonds") related to the bond issue called "Digital360 Convertibile 4.5% 2017 - 2022" ("Issue"). During this second window, 51 Convertible Bonds were converted, for a nominal value of 81,600 euros, and consequently 51,000 conversion shares were subscribed. Therefore, 1,199 Convertible Bonds remain in circulation; these can be converted in subsequent periods, as specified in the Issue regulations.

The bond issue, which matures in June 2022, gives holders the option to convert the bonds into Digital360 shares on the basis of a conversion ratio of 1,000 (one thousand) shares for each convertible bond presented for conversion and therefore at a unit price per share of 1.60 euros. At the current stock price (over €2.40) the conversion option is very advantageous and therefore "in the money". Should the bondholders consider converting the bonds into Digital360 shares at maturity, this debit component, which as at 31 December 2020 represents the entire Net Financial Position, could potentially be converted into Equity.

The Company's consolidated financial statements and those of the parent company for the financial year ended 31 December 2020 will be made available to the public in accordance with the terms and procedures laid down in the AIM Italia Issuer Regulations and will be available to view in the Investor Relations section of the Company website, www.digital360.it.

The net income for the financial year of the parent company Digital360 S.p.A. was 28,615 euros. The Board of Directors will propose to the Shareholders' Meeting that the net income should be allocated as follows:

- 1,431 euros to the legal reserve;
- 27,184 euros to retained earnings.



At today's meeting, the Board of Directors also agreed to ask the Meeting for authorisation to carry out a programme of buying and selling treasury shares to achieve its aims, including meeting its obligations arising out of convertible debt instruments, meeting the needs to support share liquidity, and selling and/or using the treasury shares for extraordinary operations. The Board also approved the report, which must be made available to Shareholders during the 15 days preceding the date set for the meeting called to approve the plan.

Finally, the Board of Directors discussed the proposal to amend the Articles of Association of Digital360 S.p.A., to incorporate the measures laid down by Borsa Italiana in notice 17587 for AIM issuers: these changes are necessary to bring the provisions on internal company share offers and on revoking trading in line with the AIM Italia Issuer Regulations as amended by Borsa Italiana. The Board also approved the report containing all the information on this subject, which will be made available to the public and Shareholders as required by law.

The Board of Directors agreed to call the Shareholders' Meeting, in ordinary and extraordinary session, to approve the financial statements for the year ended 31 December 2020, to approve the programme for buying treasury shares, and to amend the Articles of Association as per the previous paragraph on 27 April 2021 (first call) and 29 April 2021 (second call). The calling notice will be published in accordance with the law.

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 technology 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 public authorities who wish to embark on a digital transformation path. Covering both Business Units, the Digital360 Network is the largest network of online publications focused on all aspects and current themes related to Digital Innovation. Digital360 incorporates 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

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DIGITAL360 S.p.A.

Registered office: Via Copernico 38, Milan
Share capital: 1,630,921 euros (fully paid up)
Milan Companies Register no. 08053820968
REA no. 2000431

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

BALANCE SHEET - ASSETS	31.12.2020	31.12.2019
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS		
I. Intangible fixed assets:		
2) development costs	3,087,436	2,994,447
3) industrial patents and intellectual property rights	758,356	611,351
4) concessions, licences, trademarks	12,682	
5 bis) consolidation differences	4,102,790	4,887,870
7) other assets	550,509	781,677
Total intangible fixed assets	8,511,773	9,275,344
II. Tangible fixed assets		
1) land and buildings	300,234	310,264
4) other assets	166,486	210,341
Total	466,720	520,605
III. Financial fixed assets		
1) investments in:		
b) associated companies	24,005	24,005
d) other companies	98,759	110,354
Total investments	122,764	134,359
Total	122,764	134,359
TOTAL FIXED ASSETS (B)	9,101,256	9,930,307
II. Receivables		
1) trade receivables	10,232,407	9,416,209
of which due beyond the financial year	-	-
4 bis) tax receivables	115,377	401,366
of which due beyond the financial year	-	-
4 ter) deferred tax assets	250,288	383,138
of which due beyond the financial year	-	-
5) other receivables	294,992	286,701
of which due beyond the financial year		
Total	10,893,064	10,487,413
IV. Cash and cash equivalents		
1) deposit accounts	6,317,406	1,999,739
3) cash at hand	13,823	136
Total	6,331,228	1,999,876
TOTAL CURRENT ASSETS (C)	17,224,292	12,487,289
D) ACCRUALS AND DEFERRALS		
a) prepaid expenses and accrued income	81,262	389,911
TOTAL ACCRUALS AND DEFERRALS (D)	81,262	389,911
TOTAL ASSETS (A+B+C+D)	26,406,811	22,807,507

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BALANCE SHEET - LIABILITIES	31.12.2020	31.12.2019
A) SHAREHOLDERS' EQUITY		
I. Group share capital	1,630,921	1,609,154
II. Share premium reserve	6,823,642	6,680,476
IV. Legal reserve	15,467	7,562
V. Treasury shares portfolio reserve	-39,345	-34,782
Merger surplus reserve	20,964	20,964
Reserve for hedging expected cash flow operations	-5,919	-5,230
Other reserves	26,706	26,706
VIII. Euro rounding reserve	-6	-4
IX. Reserve for share capital increase	-	-
X. Group retained earnings (accumulated losses)	-961,206	-109,101
XI. Group profit (loss) for the financial year	1,070,745	-821,014
TOTAL SHAREHOLDERS' EQUITY group share	8,581,968	7,374,731
Minority share capital and reserves	763,135	394,221
Profit (loss) for the financial year attributable to minority interests	497,394	378,023
TOTAL MINORITY INTERESTS	1,260,529	772,244
TOTAL SHAREHOLDERS' EQUITY (A)	9,842,497	8,146,974
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) provision for pensions and similar obligations	24,527	24,527
3) other	7,788	6,882
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	32,315	31,409
C) EMPLOYEE SEVERANCE INDEMNITIES (C)	1,229,321	980,043
D) PAYABLES		
2) convertible bonds	1,918,400	2,000,000
of which due beyond the financial year	1,918,400	2,000,000
4) due to banks	5,781,229	6,134,769
of which due beyond the financial year	3,950,981	2,985,791
6) payments on account	50,212	62,577
of which due beyond the financial year	-	-
7) trade payables	3,388,033	3,098,299
of which due beyond the financial year	-	-
12) tax payables	1,153,901	601,776
of which due beyond the financial year	-	-
13) due to social security and welfare institutions	333,575	418,964
of which due beyond the financial year	-	-
14) other payables	916,101	1,114,542
of which due beyond the financial year	-	-
TOTAL PAYABLES (D)	13,541,451	13,430,927
E) ACCRUALS AND DEFERRALS		
a) accrued expenses and deferred income	1,761,228	218,155
TOTAL ACCRUALS AND DEFERRALS (E)	1,761,228	218,155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D+E)	26,406,811	22,807,507

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INCOME STATEMENT	31.12.2020	31.12.2019
A) VALUE OF PRODUCTION		
1) revenue from sales and services	26,098,668	24,884,197
4) increases in fixed assets from internal work	1,305,942	1,426,564
5) other income and revenues	244,968	360,815
TOTAL VALUE OF PRODUCTION (A)	27,649,579	26,671,576
B) PRODUCTION COSTS		
6) for raw and auxiliary materials, consumables and goods	23,511	13,743
7) for services	12,860,100	14,220,292
8) for rents and leases	751,861	754,751
9) personnel costs:		
a) salaries and wages	6,352,562	6,288,679
b) social security contributions	1,499,545	1,575,856
c) employee severance indemnity	441,789	405,443
e) other personnel costs	5,230	347,451
Total personnel costs	8,299,126	8,617,429
10) amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	2,424,161	2,327,172
b) depreciation of tangible assets	83,542	87,120
c) current asset write-downs	76,400	34,840
Total amortisation, depreciation and write-downs	2,584,104	2,449,132
14) other operating expenses	612,543	535,693
TOTAL PRODUCTION COSTS (B)	25,131,245	26,591,040
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	2,518,333	80,536
C) FINANCIAL INCOME AND EXPENSES		
15) income from investments		
- other	212,942	
16) other financial income		
- other	250	11,096
Total financial income	213,192	11,096
17) interest expenses and financial charges:		
- to others	293,872	350,424
Total interest and other financial charges	293,872	350,424
17 bis) exchange rate gains and losses	-890	-1,401
TOTAL FINANCIAL INCOME/EXPENSES	81,569	340,729
D) VALUATION ADJUSTMENTS OF FINANCIAL ASSETS		
18) revaluations (write-ups)	-	-
Total revaluations (write-ups)	-	-
19) devaluations (write-downs)		
a) of investments	11,246	-
Total devaluations (write-downs)	11,246	-
Income before taxes (A-B+-C+-D+-E)	2,425,518	-260,193
22) current, deferred and prepaid income taxes for the financial year		
current taxes	731,471	411,596
deferred tax assets	133,068	2,474
income (expenses) from participation in tax consolidation system	4,975	-228,638
tax for previous financial years	-12,135	-2,634
Total current, deferred and prepaid income taxes for the financial year	857,379	182,798
23) profit (loss) for the financial year	1,568,139	-442,991
Group	1,070,745	-821,014
Minority interests	497,394	378,023

Cash Flow Statement 31 December 2020	31/12/20	31/12/19
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the financial year	1,568,139	(442,991)
(Capital gains)/capital losses arising from the disposal of assets	(212,688)	
1. Profit (loss) for the financial year before income taxes, interest, dividends and gains/losses on disposals	1,355,451	(442,991)
<i>Adjustments for non-cash items with no offsetting item in net working capital</i>		
Severance indemnity provisions	441,789	405,443
Amortisation/depreciation of fixed assets	2,507,703	2,414,292
Write-downs for impairment losses	76,400	-
Other adjustments for non-cash items	(32,080)	6,880
<i>Total adjustments for non-cash items</i>	2,993,812	2,826,615
2. Cash flow before changes in net working capital	4,349,264	2,566,422
<i>Changes in net working capital</i>		
Decrease/(increase) in trade receivables	(739,798)	(1,073,333)
Increase/(decrease) in trade payables	289,734	(336,382)
Decrease/(increase) in prepaid expenses and accrued income	308,649	317,218
Increase/(decrease) in accrued expenses and deferred income	1,543,073	28,855
Other changes in net working capital	866,472	446,198
<i>Total changes in net working capital</i>	2,268,130	(617,443)
3. Cash flow after changes in net working capital	6,617,393	1,948,979
<i>Other adjustments</i>		
(Income taxes paid)	(155,266)	(479,844)
(Use of provisions)	(192,510)	(418,474)
<i>Total other adjustments</i>	(347,776)	(898,318)
Cash flows from operating activities (A)	6,269,617	(99,340)
B. Cash flows from investing activities		
<i>Tangible and intangible fixed assets</i>		
(Investments)	(1,690,248)	(1,869,105)
<i>Financial fixed assets</i>		
(Investments)	(1,000)	-
Proceeds from disposals	227,721	-
Cash flow from investing activities (B)	(1,463,527)	(1,869,105)
C. Cash flows from financing activities		
<i>Third-party equity</i>		
Increase (decrease) in accounts due to banks	(1,304,156)	316,475
New loans	1,700,000	2,687,254
Net proceeds from convertible bonds		
Loan repayments	(749,384)	(933,693)
Payables for acquisition of equity investments (vendor loans)	(199,995)	(1,150,000)
<i>Own equity</i>		
Paid capital increase	83,333	-
Disposal (purchase) of treasury shares	(4,536)	-
Cash flow from financing activities (C)	(474,738)	920,036
Increase (decrease) of cash and cash equivalents (A±B±C)	4,331,352	101,591
Cash and cash equivalents as at 1 January	1,999,876	1,898,285
Cash and cash equivalents as at 31 December	6,331,228	1,999,876

Consolidated net financial position as at 31/12/2020 and 31/12/2019

values in million euros	<u>31.12.19</u>	<u>31.12.20</u>
Net bank debt	4.1	-0.6
Other financial debts/vendor loans (*)	0.2	0.0
Liabilities to bondholders	2.0	1.9
TOTAL NET FINANCIAL POSITION	6.3	1.4

(*) Item included in "Other payables"



Balance sheet of the Parent Company Digital360 S.p.A.

DIGITAL360 S.p.A.		
Registered office: Via Copernico 38, Milan		
Share capital: 1,630,921 euros (fully paid up)		
Milan Companies Register no. 08053820968		
REA no. 2000431		
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020		
BALANCE SHEET	31/12/20	31/12/19
Assets		
B) Fixed assets		
I. Intangible fixed assets	1,668,822	1,750,476
II. Tangible fixed assets	36,577	38,563
III. Financial fixed assets	9,730,166	9,768,357
Total fixed assets (B)	11,435,565	11,557,396
C) Current assets		
II. Receivables		
due within the next financial year	3,129,982	2,653,607
deferred tax assets	83,424	85,851
Total receivables	3,213,406	2,739,458
IV. Cash and cash equivalents	721,530	73,203
Total current assets (C)	3,934,936	2,812,661
D) Accruals and deferrals	23,756	105,018
Total assets	15,394,257	14,475,075
Liabilities		
A) Shareholders' equity		
I. Capital	1,630,921	1,609,154
II. Share premium reserve	6,823,642	6,680,476
IV. Legal reserve	15,467	7,562
VI. Other reserves	-39,345	-34,782
VII. Reserve for hedging expected cash flow operations	-5,919	-5,230
VIII. Retained earnings (accumulated losses)	-130,434	-280,630
IX. Profit (loss) for the financial year	28,615	158,102
Total shareholders' equity	8,322,947	8,134,652
B) Provisions for liabilities and charges	7,788	6,882
C) Employee severance indemnities	170,472	88,776
D) Payables		
due within the next financial year	3,315,756	3,294,733
due beyond the next financial year	3,528,644	2,950,032
Total payables	6,844,400	6,244,765
E) Accruals and deferrals	48,650	-
Total liabilities	15,394,257	14,475,075

Income statement of the Parent Company Digital360 S.p.A.

DIGITAL360 S.p.A.		
Registered office: Via Copernico 38, Milan Share capital: 1,630,921 euros (fully paid up) Milan Companies Register no. 08053820968 REA no. 2000431		
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020		
INCOME STATEMENT	31/12/20	31/12/19
A) Value of production		
1) revenue from sales and services	4,090,750	3,381,144
4) increases in fixed assets for internal work	268,167	383,160
5) other income and revenues		
operating grants	10,927	120,171
Other	19,857	10,414
Total other income and revenues	30,784	130,585
Total value of production	4,389,701	3,894,889
B) Production costs		
6) for raw and auxiliary materials, consumables and goods	12,884	6,670
7) for services	1,951,014	1,532,826
8) for rents and leases	485,753	536,678
9) personnel costs		
a) salaries and wages	973,628	969,392
b) social security contributions	240,839	250,550
Employee severance indemnities, provision for pensions, other personnel costs	69,878	165,623
c) employee severance indemnities	68,369	61,798
e) other personnel costs	1,509	103,825
Total personnel costs	1,284,345	1,385,565
10) amortisation, depreciation and write-downs		
Amortisation of intangible fixed assets, depreciation of tangible fixed assets, other write-downs of fixed assets	624,754	541,471
a) amortisation of intangible fixed assets	615,623	534,194
a) depreciation of tangible fixed assets	9,131	7,277
Total amortisation, depreciation and write-downs	624,754	541,471
14) other operating expenses	56,432	83,020
Total production costs	4,415,182	4,086,230
Difference between value and cost of production (A-B)	-25,481	-191,341
C) Financial income and expenses		
15) investment income		
from subsidiaries		400,000
Other	212,688	589
Total investment income	212,688	400,589
16) other financial income		
d) income other than the above		
from subsidiaries	1,991	1,511
Other	79	10,251
Total income other than the above	2,070	11,762
Total other financial income	2,070	11,762
17) interest expenses and other financial charges		
to subsidiaries	21,836	37,551
Other	157,809	153,166
Total interest and other financial charges	179,645	190,717
17 bis) exchange rate gains and losses	75	-61
Total financial income and expenses	35,188	221,573
D) Valuation adjustments of financial assets and liabilities		
19) devaluations (write-downs)		
a) of investments	11,246	-
Total devaluations (write-downs)	11,246	-
Total valuation adjustments of financial assets and liabilities	-11,246	-
Income before taxes (A-B+C-D)	-1,539	30,232
20) current, deferred and prepaid income taxes for the financial year		
current taxes	15,267	820
deferred taxes and tax assets	2,644	5,393
income (expenses) from participation in tax consolidation system	48,065	134,083
Total current, deferred and prepaid taxes for the financial year	-30,154	-127,870
21) profit (loss) for the financial year	28,615	158,102