

Press release

THE BOARD OF DIRECTORS OF DIGITAL360 S.P.A. APPROVES THE CONSOLIDATED FINANCIAL STATEMENT AND DRAFT FINANCIAL STATEMENT AS AT 31 DECEMBER 2017

Group results for financial year 2017

- Consolidated revenues totalling 14.3 million Euros, an increase of 12% compared to 2016;
- EBITDA¹ of 1.64 million Euros, in-line with 2016
- Adjusted net profit² of 0.53 million Euros (against 0.6 million in 2016)
- The negative Net Financial Position amounts to 2.6 million Euros, compared with 5.7 million Euros as at 31 December 2016
- Group net assets of 7.8 million Euros, against 1.9 million on 31 December 2016)

Pro-forma results³ following M&A activity

- Three acquisitions were concluded in the early months of 2018: 51% of Effettodomino Srl, 51% of IQ Consulting Srl and 51% of Service PRO Srl; in all three cases with options to purchase the remaining 49%
- Pro-forma revenues of 19.2 million Euros
- Pro-forma EBITDA of 2.5 million Euros
- Pro-forma adjusted net profit of 1.1 million Euros

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

2 The adjusted values do not take into account depreciation/amortisation related to consolidation differences as at 31 December.

3 The pro-forma data is a simulation, provided purely for illustrative purposes, of the possible effects of acquisitions on the financial and economic situation of Digital360. In particular, since the pro-forma data is assembled to retroactively illustrate the effects of operations after the close of the 2017 financial year, there are - despite full compliance with the universally accepted rules and the use of reasonable assumptions - limitations inherent in the very nature of pro-forma data. If the acquisitions had effectively taken place on the hypothetical dates, the same results as those illustrated in the pro-forma financial information would not necessarily have been achieved. Furthermore, in view of the differing aims of pro-forma data compared to that of a normal financial statement, and since the effects are calculated differently as regards the pro-forma financial position and the pro-forma income statement, these must be read and interpreted separately without seeking accounting connections between them.

DEMAND GENERATION

ADVISORY

Milan, 28 March 2018 – Digital360 S.p.A. (“**Digital360**” or the “**Company**”), a company listed on the AIM Italia market, announces that the Board of Directors, which met today, examined and approved the consolidated financial statement and draft financial statement for the financial year 2017, drawn up pursuant to AIM Italia Issuers’ Regulations and in compliance with Italian accounting principles. This is the Company’s first financial statement after its listing on the AIM market of Borsa Italiana, which took place in June of the financial year 2017.

“The consolidated financial statement data reflects the strategic directions set out following the listing: significant investment in technological innovation and new services; an increase in human and R&D resources to address the strong growth planned for the future, also externally; acquisition of the minority stakes of already controlled companies, to hold 100% of the capital.” - comments Andrea Rangone, CEO of Digital360 - “In the second half of 2017, moreover, we accelerated our scouting, analysis and evaluation activities with regard to acquisitions, leading to the conclusion - in the early months of 2018 - of major binding agreements for the acquisition of majority stakes in companies that will make a fundamental contribution to the Group’s growth and development. For this reason, in the data for financial year 2017 we considered it appropriate to highlight - in addition to the consolidated financial statement data - some “pro-forma” economic and financial figures. This was not only to show what the effects would have been of these acquisitions on the consolidated financial statements if they had been concluded in 2017, but also to highlight figures relating to the current progress of the business.”

Main consolidated results of the financial year

The revenues achieved as at 31 December 2017 total 14.3 million Euros, with organic growth of 12% compared to the 12.8 million of 2016. This increase is also connected with the market launch of new services, particularly in relation to the development of new portals (on artificial intelligence, the blockchain, big data and agrifood tech) and the introduction of new advisory practices (data driven innovation, compliance/GDPR and security).

The EBITDA figure is 1.64 million Euros, substantially in-line with that of 2016 but with a slight percentage reduction vis-a-vis revenues; this was caused by an increase in fixed costs related to new human and R&D resources and new services acquired during the course of 2017.

The adjusted EBIT figure is è 0.76 million Euros, with the adjusted consolidated net profit standing at 0.53 million Euros, against 1.1 million and 0.6 respectively for 2016; this is the result of higher amortisation due to investments in technological innovation and new services.

The EBIT figure is è 0.28 million Euros with the consolidated net profit standing at 0.052 million Euros, against 0.7 million and 0.2 respectively for 2016; this is the result of higher amortisation due not only to investments but also to differences in consolidation related to the acquisition of minority stakes of controlled companies. The loss for the parent company Digital360 S.p.a. totals 0.15 million Euros,

DEMAND GENERATION

Agenda  **Digitale**

 **CORCOM**
IL PORTALE DI LINEE DEL COMMERCIO ESTERNO E DELL'INNOVAZIONE

 **DIGITAL4
EXECUTIVE**

 **DIGITAL4
TRADE**

 **EconomyUp**

 **FORUM
PA**

 **Startup
Business**

 **ZeroUno**

 **L20
UNIVERSITY
BUSINESS**

ADVISORY

 **P4I**  **FPA**

which the Board of Directors will ask the Meeting of Shareholders to carry forward.

The Group's Net Financial Position (debt) moved from 5.7 million Euros in 2016 to 2.6 million Euros on 31 December 2017, mainly as a result of proceeds from the listing on AIM and the investments made during the period that has just ended. Net equity increased from 1.9 million Euros to 7.8 million Euros.

As already mentioned, in view of the significant acquisitions concluded in the early months of 2018 we thought it useful to report some "pro-forma" data that provide a snapshot of the Group's new configuration: the pro-forma revenues in 2017 would have been 19.2 million Euros, the pro-forma 2017 EBITDA 2.5 million Euros, and the pro-forma adjusted net profit 1.1 million Euros; the pro-forma net equity would have been 8.6 million Euros and the pro-forma Net Financial Position 4.0 million Euros (the latter a slight deterioration compared to the consolidated financial statement as a result of cash outflows due to acquisitions). We highlight that this data has not been audited by the auditing company and has been prepared by the Company solely for the purpose of simulating the possible effects of the acquisitions as if they had already been concluded by 1 January 2017.

Main events during the financial year

The main events of financial year 2017 are detailed below:

- in June 2017 the Company finalised the process of its listing on AIM Italia, to continue and support the growth of the Group and to simultaneously transform it into an S.p.A.. At this stage the share capital was raised to 1 million Euros through a free capital increase, utilising the share premium reserve. The listing operation on AIM involved a capital increase of 4 million Euros and a 5-year convertible bond loan of 2 million Euros with a 4.5% coupon. The final price of the shares offered for subscription in the context of the Placement was €1.15;
- during the course of the financial year the Group accelerated significantly due to the proceeds of the listing and the plan for investment in technological innovation and in the development of new services, all needed to support and enable medium to long-term growth. More specifically, in addition to the investments made to complete the acquisition of the companies FPA S.r.l. and ICTandStrategy S.r.l - the controlling stake in which rose to 100% during the financial year - major investments were also made in:
 - the development and integration of the technological platforms at the basis of the Group's online business model (Content Management System, Customer Relationship Management, Marketing Automation, Events Management);
 - the launch of new portals and the technological updating of some of those already online;
 - the launch of new Advisory practices, the "engineering" of know-how and the creation of online tools and back-office software in support of projects;
- In December 2017 the Digital360 S.p.a. ordinary shareholders' meeting approved a Stock Option plan with the aim of creating the best and most favourable conditions for the Group's growth and development, boosting the company's retention of important resources. The Plan is

DEMAND GENERATION

Agenda  Digitale

 CORCOM
IL PORTALE DI LINE DEL'EDUCATION DIGITALE & DELL'INNOVATION

 DIGITAL4
EXECUTIVE

 DIGITAL4
TRADE

 EconomyUp

 FORUM PA

 Startup
business

 ZeroUno

 UNIVERSITY
BUSINESS

ADVISORY

 P4I  FPA

addressed to employees, collaborators and directors of the Group identified by the Board of Directors, and envisages the free assignment of a right to buy the Company's ordinary shares at a price of €0.50. In particular, the possibility is also envisaged of exercising all assigned options, should the market price of the Shares be over €2.00. In the event of a lower Price the percentage that can be exercised will be reduced proportionally, up to a Price of €1.15 which is the minimum threshold for exercising the options.

Significant events after 31 December 2017 and foreseeable management developments

In the first three months of 2018 Digital360 finalized the conclusion of binding agreements, following which it will acquire majority stakes in three companies: Effettodomino S.r.l., IQ Consulting S.r.l. and ServicePro S.r.l.

Effettodomino S.r.l.

On 17 January 2018 Digital360 S.p.A. concluded the acquisition of a 51% stake in Effettodomino, an innovative digital marketing and lead generation agency that has been operating since 2015 with the aim of supporting companies in the development of marketing and sales processes through digital strategies. Effettodomino's entry into the Group enables the expansion and enrichment of the range of online services offered by the Digital360 Group, creating strong synergies without the need for additional investments thanks to the highly complementary nature of the mutual assets.

IQ Consulting S.r.l.

On 6 March 2018 Digital360 S.p.A. signed a binding agreement for the acquisition of a 51% stake in IQ Consulting S.r.l. ("IQC"), an academic spin-off working in the Industry 4.0 and Supply Chain Management fields. IQC supports innovation and the strategic management of supply chains that design, supply, produce and distribute products and services, providing integrated logistical, technological, organisational and IT skills. With this operation Digital360 aims to strengthen its expertise and market positioning in one of the fields of greatest interest for the digital transformation of Italian companies: Industry 4.0. Through integration with the Digital360 team working in Advisory, a unique pool of integrated interdisciplinary skills is being created in the contexts of Smart Supply Chain Management and Smart Operations, giving the capability to compete with the best players at the national and European levels.

ServicePro S.r.l.

On 27 March Digital360 S.p.A. announced that it had signed a binding agreement for the acquisition of a 51% stake in ServicePro S.r.l., a marketing agency specialized in organising complex events and in managing demand generation and lead generation campaigns. ServicePro particularly aims its services at large vendors of technological solutions, carrying out the role of preferred agency for a number of these and managing important elements of their marketing budgets. ServicePro has a business model and an array of skills that very closely complement those of Digital360 and, for this reason, its entry into the Group will immediately create significant synergies in terms of both market positioning and the range of services offered.

DEMAND GENERATION

ADVISORY

The first months of 2018 have begun in a positive vein, with revenues on the rise compared to 2017 and in-line with forecasts for the current year.

The process already under way continues, for both the Parent Company and the controlled companies, in order to complete the investment projects begun and to launch new ones; at the same time further acquisitions are being evaluated targeting other companies operating in the relevant market or similar markets.

Convening of the ordinary shareholders' meeting

The Company's consolidated financial statement and that of the parent company for the financial year ending 31 December 2017 will be made available to the public in accordance with the terms and procedures provided for by the AIM Italia Issuers' Regulations, and will be available to view on the Company website, www.digital360.it Investor Relations section.

The Board of Directors has resolved to convene the Shareholders' Meeting for approval of the financial statement for the year ended 31 December 2017 on 30 April 2018 (first convocation) and 2 May (second convocation). The convocation notice will be published in accordance with the law.

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

* * *

Digital360

Digital360 aims to partner with businesses and public administrations 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 a multichannel platform unique in Italy, referred to as the "MatchMaking Platform", composed of online portals, white papers, events, webinars, communications and marketing services, lead generation initiatives and advisory/consulting. 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

Investor relations:

Emilio Adinolfi emilio.adinolfi@digital360.it phone +39 0292852801

Digital360 Press Office: d'I comunicazione

Piero Orlando po@dicomunicazione.it mobile +39 3351753472

DEMAND GENERATION

ADVISORY

Nominated Adviser and Specialist: CFO SIM S.p.A.
ecm@cfosim.com, telephone +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.

DEMAND GENERATION

Agenda  **Digitale**

COR.COM
IL PORTALE DI LINEE DEL "COMUNICAZIONE DIGITALE & INNOVATION"

DIGITAL4
EXECUTIVE

DIGITAL4
TRADE

EconomyUp 


FORUM PA


Startup
business

ZeroUno


L20 UNIVERSITY
BUSINESS

ADVISORY

 

APPENDICES

Summary of the main Group Consolidated Financial Statement data:

Operating results	31.12.16	31.12.17
values in millions of Euros		
Overall revenues	12,8	14,3
EBITDA	1,68	1,64
% Ebitda / Total revenues	13,1%	11,5%
EBIT	0,7	0,28
% Ebit / Total revenues	5,4%	2,0%
EBIT adjusted	0,7	0,28
% Adjusted Ebit / Total revenues	5,4%	2,0%
Net Profit	0,2	0,052
% Net Profit / Total revenues	1,8%	0,4%
Adjusted Net Profit	0,2	0,05
% Adjusted Net Profit / Total revenues	1,8%	0,4%
Net Assets	1,9	7,8
Net Financial Position	5,7	2,6

DEMAND GENERATION

ADVISORY

Summary of the main Group Consolidated Pro-forma data:

Operating results	31.12.17	31.12.17
values in millions of Euros		<i>Pro-Forma</i>
Overall revenues	14,3	19,2
EBITDA	1,64	2,5
% Ebitda / Total revenues	11,5%	13,1%
EBIT	0,28	0,8
% Ebit / Total revenues	2,0%	4,4%
EBIT adjusted	0,76	1,6
% Adjusted Ebit / Total revenues	5,3%	8,3%
Net Profit	0,052	0,38
% Net Profit / Total revenues	0,4%	2,0%
Adjusted Net Profit	0,53	1,10
% Adjusted Net Profit / Total revenues	3,7%	5,7%
Net Assets	7,8	8,6
Net Financial Position	2,6	4,0

DEMAND GENERATION

ADVISORY

DIGITAL360 S.p.A.		
Registered office: Milan Via Copernico 38		
Share capital: Euro 1,537,154 (fully paid up)		
Milan companies register no. 08053820968		
REA no. 2000431		
CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2017		
BALANCE SHEET - ASSETS	31.12.2017	31.12.2016
A) RECEIVABLES FOR SHAREHOLDER PAYMENTS STILL OWING	-	-
B) FIXED ASSETS		
I. Intangible Fixed Assets:		
1) plant and extension costs	-	-
2) development costs	1.934.940	1.394.796
3) industrial patents and intellectual property rights	408.316	254.557
4) concessions, licences, trademarks	278	557
5) start-up	0	0
5 bis) consolidation differences	3.378.105	2.958.435
6) fixed assets in progress and advances	-	-
7) other assets	1.051.158	554.724
Total intangible fixed assets	6.772.797	5.163.069
II. Tangible Fixed Assets		
4) other assets	95.955	81.260
5) fixed assets in progress and advances	-	-
Total	95.955	81.260
III. Financial Fixed Assets		
1) investments in:		
a) controlled companies	-	50.578
b) associated companies	14.005	14.005
d) other companies	167.808	223.617
Total investments	181.812	288.200
Total	181.812	288.200
TOTAL FIXED ASSETS (B)	7.050.565	5.532.529
C) CURRENT ASSETS		
II. Receivables		
1) from customers	5.219.559	4.791.750
of which due beyond the financial year	-	-
4 bis) tax receivables	992.616	367.423
of which due beyond the financial year	-	-
4 ter) deferred tax assets	130.819	40.849
of which due beyond the financial year	-	-
5) from others	215.322	210.618
of which due beyond the financial year	-	52.400
Total	6.558.316	5.410.640
IV. Cash and cash equivalents		
1) deposit accounts	2.080.986	259.788
2) cheques	-	-
3) cash at hand and deposited	-	334
Total	2.080.986	260.122
TOTAL CURRENT ASSETS (C)	8.639.302	5.670.762
D) ACCRUED EXPENSES AND DEFERRED INCOME		
a) prepaid expenses and accrued income	772.173	556.457
b) discounts on loans	-	-
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (D)	772.173	556.457
TOTAL ASSETS (A+B+C+D)	16.462.040	11.759.747

DEMAND GENERATION

ADVISORY

BALANCE SHEET - LIABILITIES		31.12.2017	31.12.2016
A)	NET ASSETS		
	I. Group Share capital	1.537.154	11.911
	II. Share Premium Reserve	5.852.476	1.278.800
	III. Revaluation Reserve	-	-
	IV. Legal Reserve	3.443	-
	Merger surplus reserve	20.964	20.963
	Other reserves	26.705	26.706
	VIII. Arrears reserve Euro	-	-
	IX Reserve with capital increase	-	-
	X. Group Retained earnings (accumulated losses)	280.470	40.882
	XI. Group Profit (loss) for the financial year	50.366	243.029
	TOTAL NET ASSETS of the group	7.771.576	1.622.291
	Minority share capital and reserves	5.329	242.454
	Profit (loss) for the financial year attributable to minority interest	2.556	-
	TOTAL MINORITY INTERESTS	7.885	230.320
	TOTAL NET ASSETS (A)	7.779.461	1.852.611
B)	PROVISIONS FOR LIABILITIES AND CHARGES		
	1) provision for pensions	24.527	20.956
	TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	24.527	20.956
C)	SEVERANCE PAY FOR EMPLOYEES (C)	698.510	558.646
D)	PAYABLES		
	1) bonds	-	-
	of which due beyond the financial year	-	-
	2) convertible bonds	2.000.000	-
	of which due beyond the financial year	2.000.000	-
	3) payables to shareholders for financing	-	-
	of which due beyond the financial year	-	-
	4) payable to banks	2.250.649	3.977.825
	of which due beyond the financial year	793.773	1.285.540
	7) payables to suppliers	2.009.446	1.643.800
	of which due beyond the financial year	-	-
	9) payables to controlled companies	0	7.500
	of which due beyond the financial year	-	-
	12) tax payables	462.987	474.089
	of which due beyond the financial year	-	-
	13) payables to social security and welfare institutions	228.623	192.626
	of which due beyond the financial year	-	-
	14) other payables	876.237	2.857.252
	of which due beyond the financial year	399.596	1.963.800
	TOTAL PAYABLES (D)	7.827.941	9.153.092
E)	ACCRUED EXPENSES AND DEFERRED INCOME		
	a) accrued expenses and deferred income	131.600	174.442
	TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	131.600	174.442
	TOTAL LIABILITIES AND NET (A+B+C+D)	16.462.040	11.759.747

DEMAND GENERATION

ADVISORY

INCOME STATEMENT		31.12.2017	31.12.2016
A)	VALUE OF PRODUCTION		
	1) revenue from sales and services	13.458.881	12.303.648
	5) other income and revenues	860.927	485.581
	TOTAL VALUE OF PRODUCTION (A)	14.319.808	12.789.229
B)	PRODUCTION COSTS		
	6) for raw, subsidiary, consumer materials and goods	-	-
	7) for services	7.347.151	6.568.250
	8) for rents and leases	663.164	705.703
	9) personnel costs:		
	a) salaries and wages	3.338.432	2.569.520
	b) social security and welfare contributions	751.784	762.869
	c) employee severance indemnity	268.142	225.740
	d) severance pay	-	-
	e) other personnel costs	16.992	746
	Total personnel costs	4.375.350	3.558.875
	10) amortisation, depreciation and write-downs:		
	a) amortisation of intangible assets	1.275.971	896.932
	b) depreciation of tangible assets	28.986	24.107
	c) other write-downs of fixed assets	-	11.651
	d) depreciation of receivables included in current assets and cash equivalents	51.706	57.332
	Total amortisation, depreciation and write-downs	1.356.663	990.022
	14) other operating expenses	294.468	275.788
	TOTAL PRODUCTION COSTS (B)	14.036.796	12.098.638
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	283.012	690.591
C)	FINANCIAL INCOME AND EXPENSES		
	from associated companies	-	-
	from controlling companies	-	-
	others	33.459	213
	Total financial income from receivables included in fixed assets	33.459	213
	17) interest expenses and financial charges:		
	- to controlled companies	-	-
	- to associated companies	-	78
	- to controlling companies	-	-
	- to others	242.902	118.657
	Total interest and other financial charges	242.902	118.735
	17 bis) Gains and losses on foreign exchange	- 5.777	- 1.853
	TOTAL FINANCIAL INCOME/EXPENSES	- 215.220	- 120.375
	Total revaluations (write-ups)	-	-
	19) Devaluations (write-downs):		
	a) of holdings	-	57.477
	Total devaluations (write-downs)	-	57.477
	Income before taxes (A - B + - C + - D + - E)	67.792	512.739
	22) Current, deferred and prepaid income taxes for the financial year		
	current taxes	104.840	300.587
	deferred taxes	-	30
	deferred taxes	- 89.970	- 18.713
	Total current, deferred and prepaid income taxes for the financial year	14.870	281.844
		-	-
	23) Profit (loss) for the financial year	52.922	230.895
	Group	50.366	243.029
	Minority interests	2.556	- 12.134

DEMAND GENERATION

ADVISORY

Financial Statement 31 December 2017

	31/12/2017	31/12/2016
A. Cash flows arising from operating income (indirect method)		
Profit (loss) for the financial year	52.922	230.895
Income taxes	14.870	281.844
(Dividends)		
(Capital gains)/capital losses arising from the disposal of assets	- 8.063	
1. Profit (loss) for the financial year before income taxes, dividends and gains/losses on disposals	59.729	633.114
<i>Adjustments for non-cash items that had no counterpart in net working capital</i>		
Severance indemnity provisions	268.142	225.740
Depreciation of fixed assets	1.304.957	921.039
Write-downs for impairment losses	50.578	57.477
Other adjustments for non-cash items	(124.707)	81.852
2. Cash flow of non-monetary adjustments	1.498.970	1.122.404
<i>Changes in net working capital</i>		
Decrease/(increase) in inventories	0	0
Decrease/(increase) in receivables from customers	(427.808)	(363.097)
Increase/(decrease) in payables to suppliers	365.646	(684.887)
Decrease/(increase) in prepaid expenses and accrued income	(215.716)	111.481
Increase/(decrease) in accrued expenses and deferred income	(42.842)	43.644
Other changes in net working capital	(762.433)	(237.915)
3. Cash flow of changes in net working capital	(1.083.154)	(1.130.774)
<i>Other adjustments</i>		
(Income taxes paid)	(66.544)	(392.556)
Dividends received		
(Use of funds)		(13.390)
4. Cash flow of other adjustments	(66.544)	(526.321)
Cash flow from operating income (A)	409.001	98.422
B. Cash flows from investment activities		
<i>Tangible fixed assets</i>		
(Investments)	(43.682)	(41.051)
Price for disposals		
<i>Intangible fixed assets</i>		
(Investments)	(1.785.325)	(1.013.293)
Price for disposals		
<i>Financial fixed assets</i>		
(Investments)		0
Price for disposals	63.872	
<i>Financial assets not held as fixed assets</i>		
(Investments)		
Price for disposals		
Acquisition or disposal of subsidiaries or other business units net of cash and cash equivalents	0	(274.916)
Cash flow from investments (B)	(1.765.135)	(1.329.260)
C. Cash flows from investment activities		
<i>Third party equity</i>		
Increase (decrease) in accounts payable to banks	- 1.186.121	122.929
New financing	630.000	1.400.000
net proceeds from Convertible bonds	1.440.000	0
Repayment of loans	(1.171.056)	(844.036)
Payables for acquisition of equity investments (Vendor Loan)		100.000
Payment of instalments and balance M&A (Vendor Loan)	(534.376)	(441.167)
<i>Own equity</i>		
Paid capital increase	3.998.550	
Disposal (purchase) of treasury shares		
Dividends (and advance payments on dividends) paid		
Cash flow from financing activities (C)	3.176.998	337.726
Increase (decrease) of cash and cash equivalents (A ± B ± C)	1.820.864	-893.112
Cash and cash equivalents as at 1 January	260.122	1.153.234
Cash and cash equivalents as at 31 January	2.080.986	260.122

DEMAND GENERATION

ADVISORY

Consolidated Net Financial Position at 31.12.16 and 31.12.17

values in millions of Euros	<u>31.12.16</u>	<u>31.12.17</u>
Net banking debt	3,7	0,2
Other finance debt/Vendor Loans (*)	2,0	0,4
Liabilities To Bondholders	0,0	2,0
TOTAL NET FINANCIAL POSITION	5,7	2,6

* Item included in "Other payables"

DEMAND GENERATION

Agenda  **Digitale**

 **CORCOM**
IL PORTALE DI LINE BELL'INDUSTRIE DIGITALE E DELL'INNOVATION

 **DIGITAL4
EXECUTIVE**

 **DIGITAL4 TRADE**

 **EconomyUp**

 **FORUM PA**

 **Startup
business**

 **ZeroUno**

 **UNIVERSITY
BUSINESS**

ADVISORY

 **P4I**  **FPA**

DIGITAL360 S.p.A.		
Registered office: Milan Via Copernico 38		
Share capital: Euro 1,537,154 (fully paid up)		
Milan companies register no. 08053820968		
REA no. 2000431		
PARENT COMPANY FINANCIAL STATEMENT AT 31 December 2017		
BALANCE SHEET - ASSETS		
	31.12.2017	31.12.2016
A) RECEIVABLES FOR SHAREHOLDER PAYMENTS STILL DUE	0	0
B) FIXED ASSETS		
I. Intangible Fixed Assets:		
2) development costs	100.324	0
3) industrial patents and intellectual property rights	58.398	18.946
7) other assets	919.060	372.210
Total intangible fixed assets	1.077.782	391.155
II. Tangible Fixed Assets		
4) other assets	6.994	7.513
Total	6.994	7.513
III. Financial Fixed Assets		
1) investments in:		
a) controlled companies	6.227.058	5.048.826
b) associated companies	14.005	14.005
d) other companies	167.507	223.315
Total investments	6.408.570	5.286.146
Total	6.408.570	5.286.146
TOTAL FIXED ASSETS (B)	7.493.346	5.684.814
C) CURRENT ASSETS		
II. Receivables		
1) from customers	1.086.621	116.221
of which due beyond the financial year	0	0
2) from controlled companies	776.991	146.983
of which due beyond the financial year	0	0
4 bis) tax receivables	67.963	5.038
of which due beyond the financial year	0	0
4 ter) deferred tax assets	60.432	14.001
of which due beyond the financial year	0	0
5) from others	32.229	30.890
of which due beyond the financial year	0	30.700
Total	2.024.235	313.134
III. Current financial assets not held as fixed assets		
Total	0	0
IV. Cash and cash equivalents		
1) Deposit accounts	1.239.920	57.037
Total	1.239.920	57.037
TOTAL CURRENT ASSETS (C)	3.264.155	370.171
D) ACCRUED EXPENSES AND DEFERRED INCOME		
a) Prepaid expenses and accrued income	163.355	7.301
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (D)	163.355	7.301
TOTAL ASSETS (A+B+C+D)	10.920.856	6.062.286

DEMAND GENERATION

ADVISORY

DIGITAL360 S.P.A. BALANCE SHEET - LIABILITIES	31.12.2017	31.12.2016
A) NET ASSETS		
I. Group Share capital	1.537.154	11.911
II. Share Premium Reserve	5.852.476	1.278.800
IV. Legal reserve	2.382	0
VIII. Arrears Reserve Euro	1	-1
X. Group Retained earnings (accumulated losses)	-226.663	-249.298
XI. Group Profit (loss) for the financial year	-152.379	25.018
TOTAL NET ASSETS (A)	7.012.971	1.066.430
B) PROVISIONS FOR LIABILITIES AND CHARGES		
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	0	0
C) EMPLOYEE SEVERANCE INDEMNITIES (C)	90.360	31.425
D) PAYABLES		
2) convertible bonds	2.000.000	0
of which due beyond the financial year	2.000.000	0
4) payable to banks	48.547	507.288
of which due beyond the financial year	0	0
7) payables to suppliers	553.529	324.583
of which due beyond the financial year	0	0
9) payables to controlled companies	545.314	1.519.418
of which due beyond the financial year	0	806.146
12) tax payables	70.851	42.664
of which due beyond the financial year	0	0
13) payables to social security and welfare institutions	48.943	9.947
of which due beyond the financial year	0	0
14) other payables	466.677	2.514.446
of which due beyond the financial year	399.596	0
TOTAL PAYABLES (D)	3.733.861	4.918.347
E) ACCRUED EXPENSES AND DEFERRED INCOME		
a) accrued expenses and deferred income	83.664	46.085
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	83.664	46.085
TOTAL LIABILITIES AND NET (A+B+C+D)	10.920.856	6.062.287

DEMAND GENERATION

ADVISORY

DIGITAL360 S.P.A. INCOME STATEMENT		31.12.2017	31.12.2016
A)	VALUE OF PRODUCTION		
	1) revenue from sales and services	1.883.540	1.654.082
	5) other income and revenues	54.508	22.902
	TOTAL VALUE OF PRODUCTION (A)	1.938.048	1.676.984
B)	PRODUCTION COSTS		
	7) for services	621.990	985.018
	8) for rents and leases	564.773	9.499
	9) personnel costs:		
	a) salaries and wages	393.023	361.499
	b) social security and welfare contributions	117.749	103.613
	c) employee severance indemnity	67.217	26.759
	e) other personnel costs	309	400
	Total personnel costs	578.298	492.271
	10) amortisation, depreciation and write-downs:		
	a) amortisation of intangible assets	192.592	93.645
	b) depreciation of tangible assets	1.994	1.210
	Total amortisation, depreciation and write-downs	194.586	94.855
	14) other operating expenses	77.825	7.237
	TOTAL PRODUCTION COSTS (B)	2.037.472	1.588.880
	DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	-99.424	88.104
C)	FINANCIAL INCOME AND EXPENSES		
	15) Income from holdings		
	Total investment income	0	0
	16) Other financial income		
	a) from receivables included in fixed assets		
	from controlled companies	7.317	1.685
	others	33.416	16
	Total financial income from receivables included in fixed assets	40.733	1.701
	17) interest expenses and financial charges:		
	- to controlled companies	22.618	20.530
	- to others	117.500	28.000
	Total interest and other financial charges	140.118	48.530
	TOTAL FINANCIAL INCOME/EXPENSES	-99.385	-46.829
D)	VALUE ADJUSTMENTS OF FINANCIAL ASSETS		
	18) Revaluations (write-ups):		
	Total revaluations (write-ups)	0	0
	19) Devaluations (write-downs):		
	Total devaluations (write-downs)	0	0
	Income before taxes (A - B + - C + - D + - E)	-198.809	41.275
	22) Current, deferred and prepaid income taxes for the financial year		
	current taxes	0	15.270
	deferred taxes	-46.430	987
	Total current, deferred and prepaid taxes for the financial year	-46.430	16.257
	23) Profit (loss) for the financial year	-152.379	25.018

DEMAND GENERATION

ADVISORY