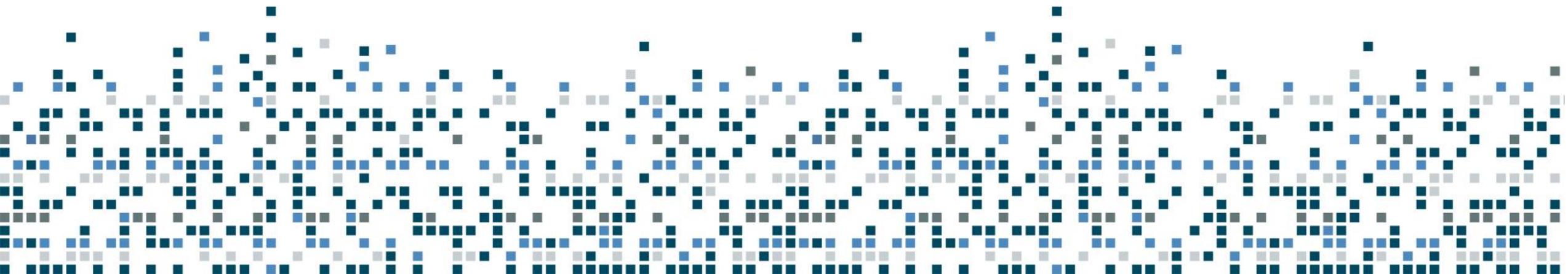


DIGITAL 360
EMPOWERING INNOVATION

DIGITAL360
Investor Presentation





I. **Company overview**

II. Business Units

III. Strategic directions

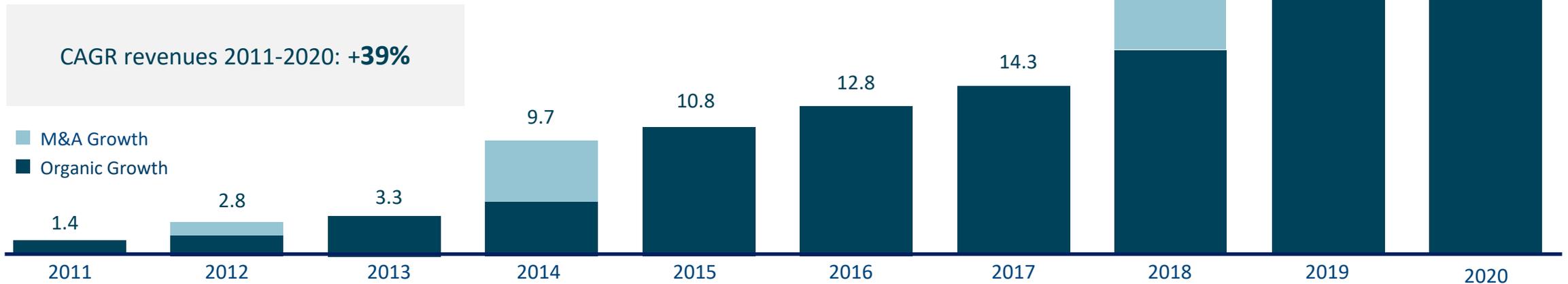
IV. Stock Price

V. Financials

Our History, Vision and Mission

DIGITAL360 stems from the experience developed by Politecnico di Milano Professors in the area of Digital Transformation and Entrepreneurial Innovation.

Revenues (€Mln)



DIGITAL360 is founded



VISION

Digital Transformation and Entrepreneurial Innovation - the engine for economic growth and for modernising businesses and public bodies



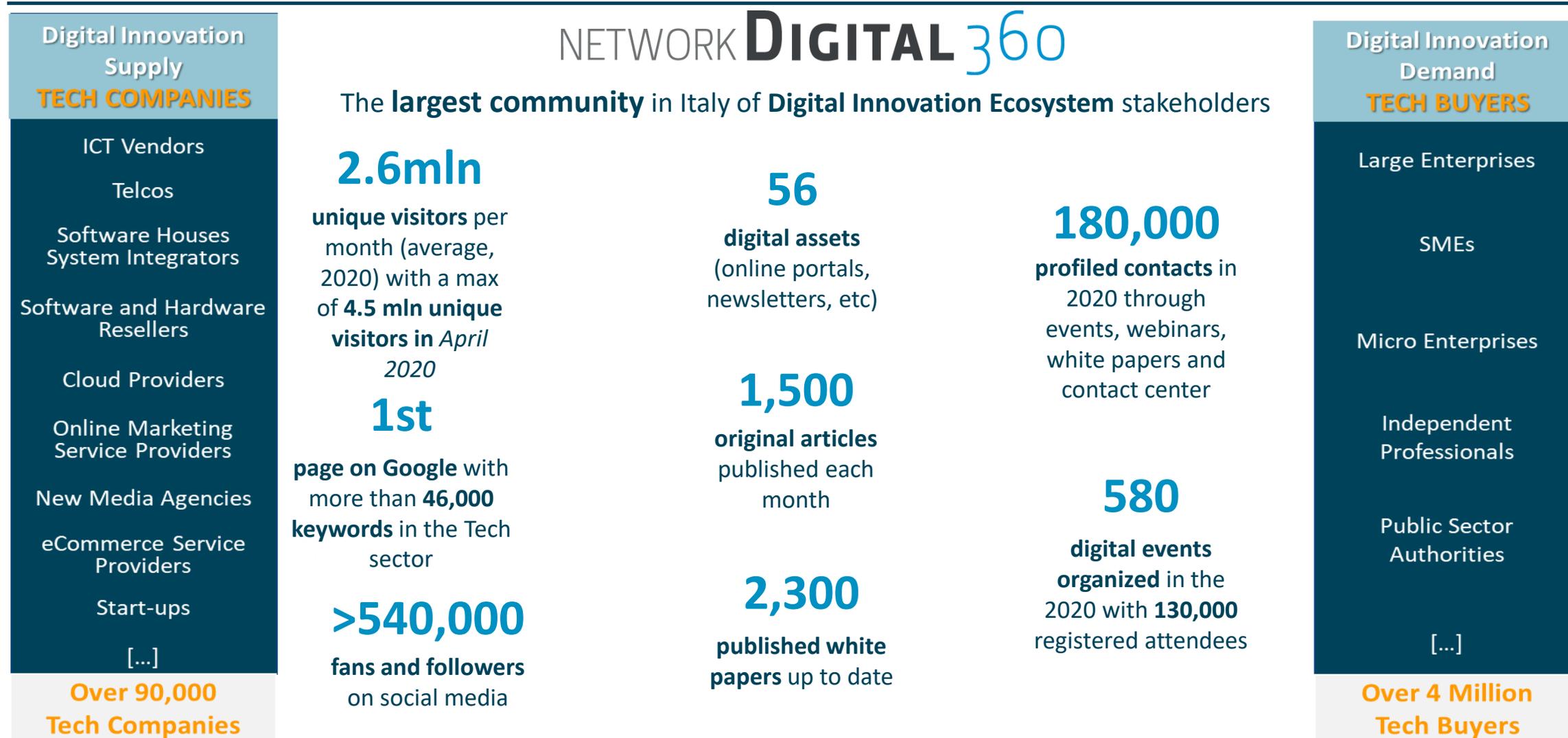
MISSION

To help businesses and public bodies in understanding and pursuing their path to Digital Transformation and Entrepreneurial Innovation

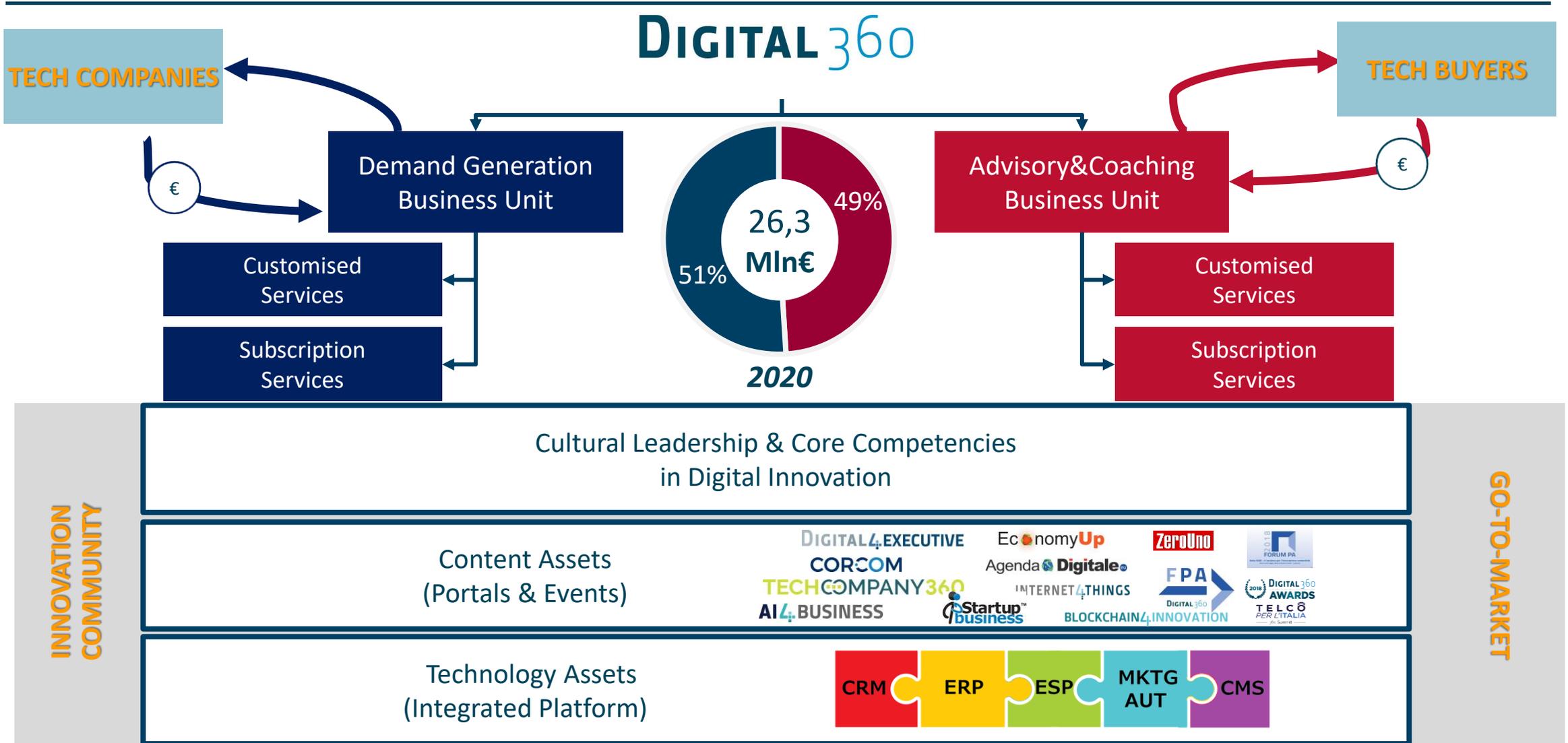
Our Business Model: two Business Units leveraging the same Community



The Innovation Ecosystem: Our Community

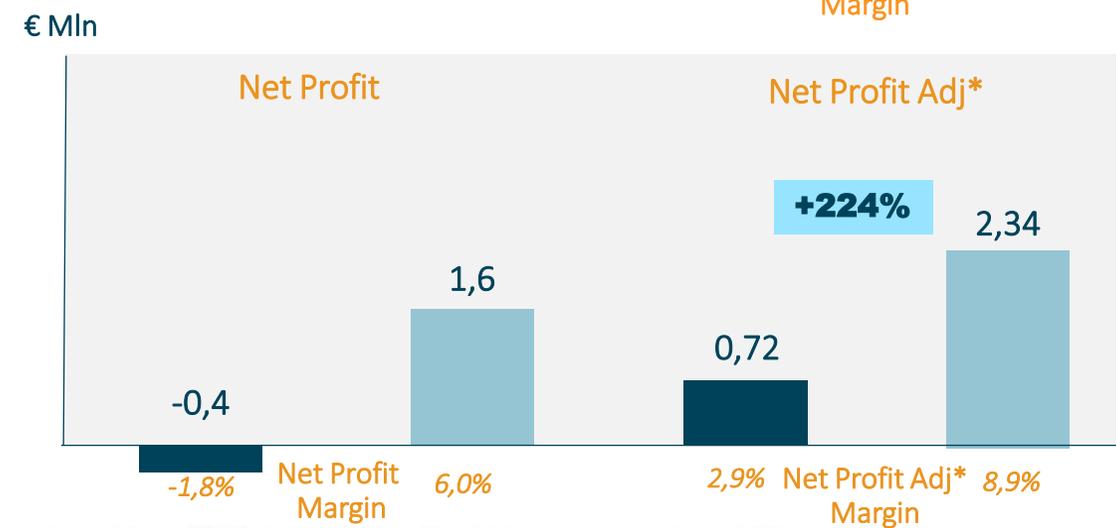
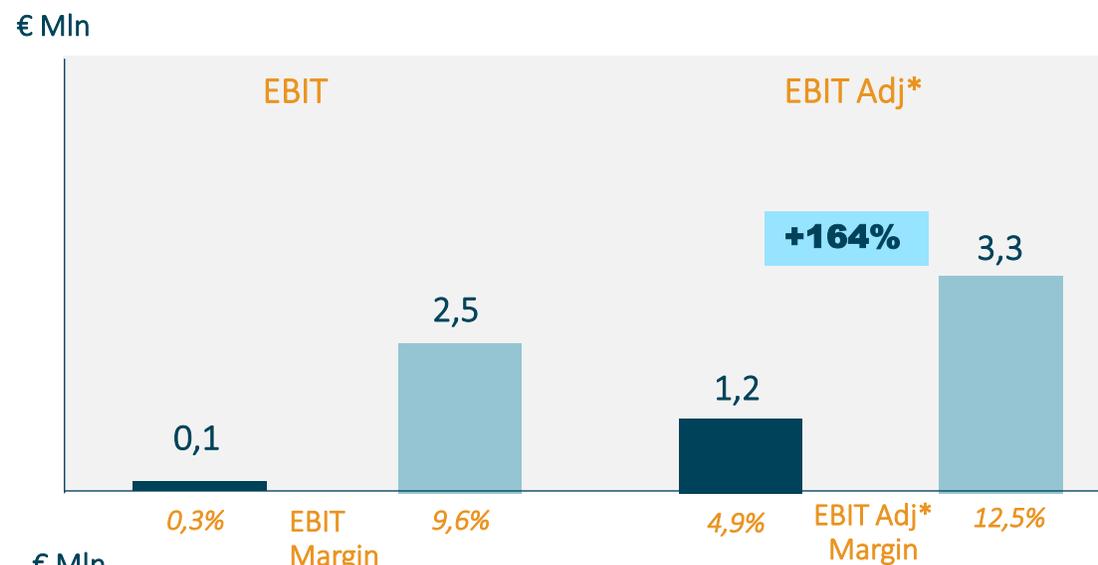
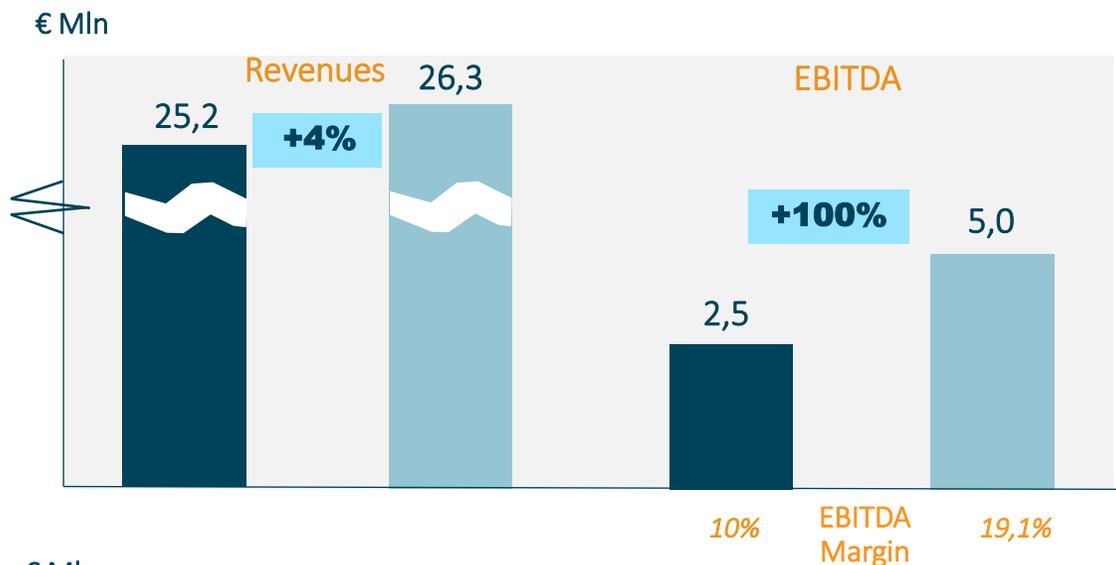


Our Core Competences, Strategic Assets & Go-to-Market Strategy



FY 2020: Key Economic & Financial Indicators (€ Mln)

■ 2019 ■ 2020
**Adjusted data are reclassified without taking into account the amortization of the consolidation differences*





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Demand Generation

Customised services



Demand Generation

Subscription Services: **MarTech & SalesTech** (an example: «Digital Marketing & Sales Engine»)

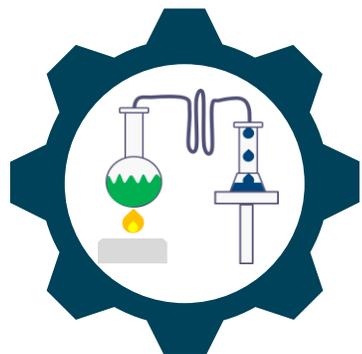
2020 KPI (vs 31.12.2019)

- Engines sold: 90 (67)
- Average Price: 43k€
- Annual Recurrent Revenues: 3.9 M€ (3.0 M€)

Original methodologies and models



Engineering the know how



Recurring Revenues



Software as a Service



Go-to-market Channel



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original digital marketing&sales methodologies**

By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized marketing&sales services**

Replicable & standardized marketing&sales services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

The marketing and sales services can be delivered through specific **software-as-a-service platforms** (i.e. Hubspot, Martech proprietary platform, etc.)

The marketing&sales services are promoted through **Digital360hub**, all the portals of **Digital360 Network** and specific **events/webinars**, generating a **steady stream of prospects**



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Advisory&Coaching

Subscription Services: **ConsulTech** (an example: Data Protection As-A-Service)

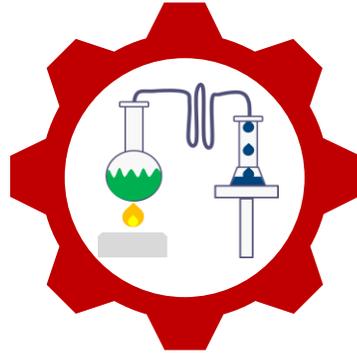
2020 KPI (vs 31.12.2019)

- AAS Advisory subscriptions sold: 123 (43)
- Annual Recurrent Revenues: 2.5M€ (1.3M€)

Original methodologies and models



Engineering the know how



Recurring Revenues



Software as a Service



Go-to-market Channel



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original methodologies**

By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized advisory services**

Replicable & standardized advisory services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

The Advisory services can be based on specific **software-as-a-service platforms**, aimed at making the advisory services themselves more effective and efficient

The Advisory team and its key people can enjoy a high level of visibility on the **portals and events** offered by the Group, positioning itself as an opinion leader and **generating a steady stream of prospects**





- I. Company overview
- II. Business Units
- III. **Strategic directions**
- IV. Stock Price
- V. Financials

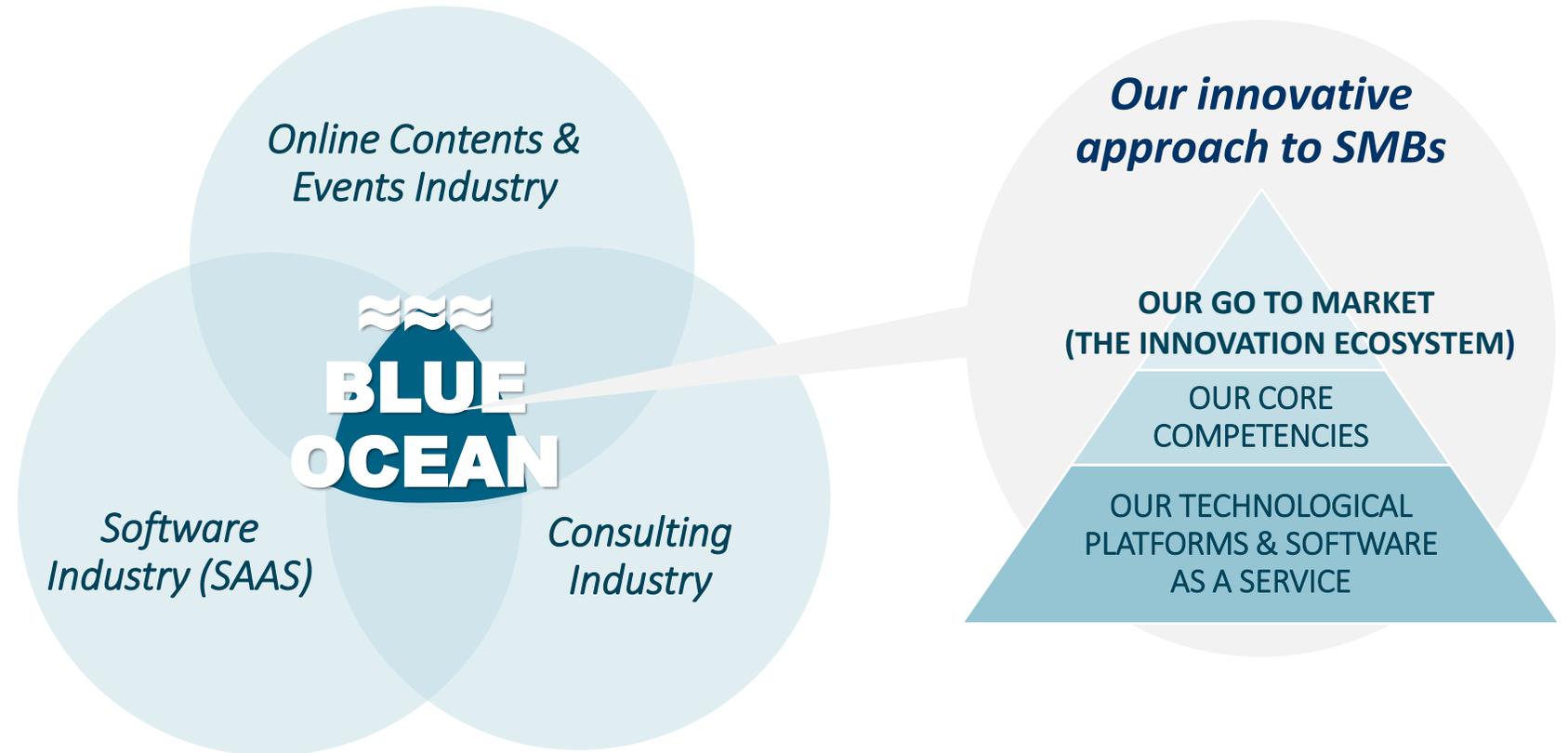
Our Blue Ocean Strategy: Digital As-A-Service (Subscription Business Model)



Our Goal: support SMBs in undertaking digital transformation, by outsourcing ICT-intensive processes which, otherwise, would require rare and expensive internal employees

A **new** interpretation of 3 traditional industries to support the digital transformation of SMBs (a huge potential market in Italy)

- with «subscription-based» professional services
- supported by software-a-service platforms
- promoted and sold through our community (innovation ecosystem)



Strategic Actions in 2021

1

Focus on the development of **Subscription Services**, with **recurrent revenues** in both business units:

- Demand Generation
- Advisory & Coaching

2

Investments in

- **core competencies** in digital innovation (knowledge, engineered know-how, etc.)
- **technological platforms** (AI, RPA, Analytics, CRM, Martech, Digital Events, HRTech, etc.)
- **content assets** (portals, SEO, social networks, etc.) to develop our **community (innovation ecosystem)**

3

M&A

- Scouting of different types of companies: innovative software companies, online portals in complementary markets, innovative B2B marketing agencies, small consultech companies, ecc.

4

Internationalization

- focus on the first geopolitical area





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Stock performance & Market multiples

Stock Performance

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$$\frac{EV}{EBITDA^*} = 9$$

$$\frac{P}{E^*} = 27 \text{ (18 adj)}$$

Dati di Market Cap @marzo 2021



Equity Value	1.991 M\$	45,5 M€	16.200 M\$
Enterprise Value	1.920 M\$	44,0 M€	17.460 M\$
EV/Revenues 20	14,3	1,66	4
EV/EBITDA 20	70	9	26
p/e 20	113	28 (19 adj)	61

Target Price (Fair Value):

CFO Sim = 4€ (Mkt cap 70 M€)

K&T Partners = 3,3€(Mkt cap 58 M€)

Value Track = 3,1€ (Mkt cap 54 M€)



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Financials: Income statement

Operating Results - P&L Euro/mlns	31.12.19	31.12.20	Δ	
Revenues	25,2	26,3	+4%	Net effect of the decrease in revenues linked to «in presence» events, largely offset by the growth of digital services and remote services
EBITDA	2,5	5,0	100%	
% Ebitda / Total Revenues	10,0%	19,1%		The growth of digital and remote services has exploited the scalability of the business, resulting in only modest increases in costs, with an evident effect on the improvement of margins overall
EBIT	0,1	2,5	N.S.	
% Ebit / Total Revenues	0,3%	9,6%		
EBIT Adjusted	1,2	3,3	164%	(*) EBIT and Net Profit Adjusted are reclassified without taking into account the amortization of the consolidation differences
% Ebit Adjusted / Total Revenues	4,9%	12,5%		
Net profit	-0,4	1,6		
% Net profit / Total Revenues	-1,8%	6,0%		
Net Profit Adjusted	0,72	2,34	224%	
% Net Profit Adjusted / Total Revenues	2,9%	8,9%		



Financials: Financial statement

Balance Sheet		31.12.2019	31.12.2020	Change	Change %	
Euro/mlns						
Fixed Assets						
Materials		0,5	0,5	0,0	n.s.	<p>The reduction is due to amortization which reduced its book value.</p> <p>About half of the total value of the fixed assets (€ 4.5M) is represented by the consolidation differences arising from M&A transactions;</p> <p>the residual part derives from the costs of R&D, technological development and launch of new services</p>
Immaterials		9,3	8,5	-0,8	-8%	
Financials		0,1	0,1	0,0	n.s.	
Total Fixed Assets	A	9,9	9,1	-0,8	-8%	
Operating Working Capital (OWC)						
Receivables		9,4	10,2	0,8	9%	<p>The growth reflects the increase in turnover and improved payment conditions</p>
Commercial Debts		-3,1	-3,4	-0,3	8%	
Other short terms ass/liabilities		-0,7	-3,5	-2,7	369%	
Total Operating Working Capital	B	5,6	3,4	-2,2	-39%	<p>In addition to the effect related to receivables and payables, the reduction is a consequence of (i) the collection of tax credits and (ii) the increase in tax debts, as a result of the profits generated</p>
Net Capital Invested (CNI)	A+B	15,5	12,5	-3,0	-19%	
Equity and Banks						
Equity		8,1	9,8	1,7	21%	<p>The change mainly reflects (i) positive operating cash flows (+5.0M), (ii) positive change in OWC (2.2M) and (iii) the investments made (-1.7M)</p>
Net Financial Position		6,3	1,4	-4,9	-78%	
Other funds		1,0	1,3	0,3	25%	
Total Equity, Banks and Funds		15,5	12,5	-3,0	-19%	



Financials: Net Financial Position and Cash Flow

Cash Flow 2020 vs 2019

	31/12/19	31/12/20	Δ
Ebitda	2,5	5,0	2,5
Severance pay and other funds	0,3	0,2	-0,1
Investments	-1,9	-1,7	0,2
CF from business and investments (A)	0,9	3,5	2,6
Tax	-0,4	-0,6	-0,2
Interests on loans	-0,4	-0,3	-0,1
CF from Fiscal and Interests (B)	-0,7	-0,9	-0,2
ΔOWC (C)	-0,8	2,0	2,8
Operating Cash Flow (A+B+C)	-0,6	4,6	5,2
Extraordinaries (M&A)+others	-1,2	0,3	1,5
Free Cash Flow	-1,7	4,9	6,6

CF Margin & PFN/EBITDA 2020 vs 2019

	31/12/2019	31/12/2020
Revenues	25,2	26,3
Cash Flow	-1,7	4,9
CF Margin	-7%	19%
PFN	6,3	1,4
PFN/EBITDA	2,52	0,28

The business trend, accompanied by careful financial management, **generated strong cash flows**



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Annexes

Covid time: efficiency & effectiveness of full smart working



To keep updated the whole staff:

- **Coronavirus time Weekly update webinar** every week
- **Digital360 Insight #restiamoacasa special edition** (twice per week)



To understand, engage and be closer to everyone:

- **Survey Smart Working**
- **App Beaconforce**
- **Facebook Workplace**



To collect ideas and contributions:

- **CallXAction – Ready.... Go !**



To offer training and new opportunities to all:

- **360digitalskill**
- **Webinar**
- **English Courses**
- **Area-specific training initiatives**



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