

Press release

DIGITAL360 COMPLETES ACQUISITION OF IQCONSULTING AND SERVICEPRO, BOARD OF DIRECTORS PROPOSES CHANGE TO 'BENEFIT CORPORATION'.

The Board of Directors resolved to exercise the options to purchase the remaining shares in ServicePro Italy S.r.l and IQ Consulting S.r.l., held at 51%.

Proposal for the next Shareholders' Meeting to amend the Articles of Association to adopt the status of "Benefit Corporation".

MILAN, 6 May 2021 - **DIGITAL360 S.p.A.**, a company listed on the AIM Italia market, organised and managed by Borsa Italiana S.p.A., announces that today its Board of Directors resolved to exercise call options on the remaining stake in the two companies already 51% owned since 2018: **ServicePro Italy S.r.l.** ("ServicePro"), a "full service" marketing agency specialising in the creation of complex events and the management of demand and lead generation campaigns, and **IQ Consulting S.r.l.** ("IQC"), an academic spin-off company active in the field of Industry 4.0 and Supply Chain Management.

During the next Shareholders' meeting, The Board of Directors also resolved to propose the Articles of Association be amended to adopt the status of "**Benefit Corporation**", thereby formalising its commitment to pursuing common good objectives, particularly related to the dissemination of a greater digital culture, the promotion of sustainable economic growth and an inclusive labour market, and the promotion of the well-being of its people.

"The acquisition of ServicePro strengthens DIGITAL360's expertise and market position in the demand generation BU, particularly in the events sector, which has undergone a profound transformation in the last year due to the Pandemic," says **Raffaello Balocco**, CEO of DIGITAL360. "The company has skilfully turned a major threat into an opportunity, and the creation of events in digital format has enabled it to maintain market share and profit margins. "The complete integration of IQC fully integrates into the group highly synergistic specializations and skills in the BU of advisory, and in particular in the area of Industry 4.0 - says **Gabriele Faggioli**, CEO of DIGITAL360 -: the two acquisitions, in addition to strengthening the skills and market positioning in some strategic areas of the core business of DIGITAL360, will allow to fully consolidate the profits and equity of the two companies, whose results in recent years have always been excellent, even in the year 2020".

The proposal to the Assembly to the status of "Benefit Corporation" is an incentive to combine the profit motive with the common benefit we intend to pursue," says **Andrea Rangone**, President of DIGITAL360. In a context that sees Italy at the centre of a historic cultural change, in which digital innovation is the most powerful engine for development and modernisation of the economy and society, we want to contribute to accelerating the digital evolution of the productive fabric and public administration, with specific attention to the sustainability and inclusiveness of this evolution. The status of "benefit corporation" represents the best tool to enhance the vision and natural vocation of DIGITAL360, in natural alignment with the way of thinking and acting carried out in all these years".

Acquisitions. With regard to Digital360's investee companies, both closed the 2020 financial year with very positive figures: ServicePro achieved - in the year of the pandemic - revenues of EUR 3.6 million and an Ebitda of around EUR 1.0 million (with an Ebitda/Margin of 27%); IQC achieved revenues of EUR 1.4 million and an Ebitda of EUR 0.4 million (representing almost 30% Ebitda/Margin).

As regards the transaction relating to ServicePro, in accordance with the agreements with the sellers, the price paid for 49% of the shareholding was determined on the basis of the average Ebitda achieved by the company in the financial years 2018, 2019 and 2020, and was set in total at €4,025,000 to be paid in cash to the selling shareholders ("ServicePro Sellers"). Part of this price payment, amounting to EUR 1,250,000, was deferred until 2022. During the closing, the ServicePro Sellers invested a portion of the proceeds of the aforementioned sale, for a total of Euro 1,500,000, in the share capital of Digital360, by subscribing to a capital increase reserved for them and resolved by the Board of Directors today, in exercise of the authority granted by the shareholders' meeting on 23 January 2020. The subscription price has been set at Euro 2.47 per share and 607,287 ordinary shares of DIGITAL360 will therefore be issued, representing 3.35% of the share capital post capital increase. The shares subscribed by the ServicePro Sellers are subject to a lock-up period that will end in June 2023.

Also with regard to the transaction concerning IQC, in accordance with the sellers' agreements, the price paid for 49% of the shareholding was determined on the basis of the average Ebitda achieved by the company in the financial years 2019 and 2020 and was overall determined to be EUR 402,200. Today, the entire acquisition price was paid, in cash, in favour of the selling shareholders ("IQC Sellers"). Concurrently, the IQC Sellers invested all of the proceeds of the sale by subscribing to a capital increase equal to the amount of the sale, approved today by the Board of Directors of DIGITAL360, exercising the authority granted by the Shareholders' meeting on 23 January 2020. The subscription price has been set at Euro 2.47 per share and 162,832 ordinary shares of DIGITAL360 will therefore be issued, representing 0.9% of the share capital post capital increase.

The status of "Benefit Corporation". With regard to the proposal in the next shareholders' meeting to amend the Articles of Association to adopt the status of "Benefit Corporation", the Board of Directors has identified the following common benefit purposes:

1. **The dissemination of digital culture at all levels**, with the aim of accelerating the process of digital innovation in the economic-productive fabric, the public administration and society as a whole, with important beneficial effects on the country's competitiveness, productivity, sustainability and inclusiveness;
2. **Coaching entities or organisations** of any kind to help them fully understand the opportunity offered by digital innovation to develop sustainable and inclusive growth paths;
3. **The promotion of a more inclusive labour market**, in particular by favouring the digital labour market. This also includes people who show various forms of fragility - social, cultural, ethnic, physical, psychological, gender, etc. - and who are unable to access the labour market;
4. **The growth of its people**, fostering their well-being in both the professional and personal spheres, seeking to promote diversity and enhance the aptitudes and aspirations of each individual, in a working environment characterised by a corporate culture expressing a positive impact on society and the environment, in which forms of remote work also reduce environmental impact.

Digital360 intends to pursue these common benefit purposes in a sustainable, transparent and accountable manner. In accordance to the law, it will appoint a management person responsible for pursuing the company's impact, while an annual impact report ensures transparency. This would further describe both the actions taken to meet the identified targeted benefits and future plans and commitments to increase the positive impact of its work as much as possible.

In this context, it should be noted that the shareholders' meeting was also called to approve certain changes of the corporate purpose, paralleling the expansion of the Company's business activities, as detailed below.

The resolution to amend the Company's purpose constitutes an amendment to the Bylaws concerning voting or participation rights pursuant to Article 2437(1)(a) of the Italian Civil Code. Accordingly, shareholders who do not participate in the shareholders' meeting resolution approving this amendment to the Articles of Association will have the right of withdrawal, pursuant to Articles 2437 et seq. of the Italian Civil Code. The Board of Directors, per the provisions of Article 2437-ter of the Italian Civil Code, having acknowledged the opinion of the Board of Statutory Auditors and BDO Italia S.p.A. (in its capacity as the entity in charge of the legal auditing of the accounts), has set the unitary liquidation value of the Company's shares at €2.09 for the purposes of the withdrawal due to shareholders who did not participate in the Shareholders' meeting resolution approving the amendments to the Articles of Association.

In this context, it should be noted that the proposed amendment to the Bylaws is subject to the precedent that the amount in cash to be paid, if any, by DIGITAL360 to the shareholders who have exercised their right of withdrawal pursuant to Article 2437 et seq. of the Civil Code, is not equal to or does not exceed a total of EUR 400,000 (four hundred thousand). Consequently, declarations of withdrawal made will be effective only if the maximum withdrawal payment does not equal or exceed the liquidation value of EUR 400,000.00 (four hundred thousand). The terms and conditions for the exercise of the right of withdrawal will be described in detail in the report of the Board of Directors on the liquidation value that will be made available to shareholders, together with the opinions expressed by the Board of Statutory Auditors and the auditing firm BDO Italia S.p.A., in accordance with the terms and conditions set forth in the applicable regulations.

The Board of Directors also resolved to propose the Shareholders' Meeting include in the Articles of Association, inter alia, the activity related to the design and implementation of IT applications and solutions of any kind. The meeting would also discuss the necessary amendments for the Articles of Association to align them with the provisions of Borsa Italiana notice 17587 for AIM issuers. These amendments are necessary, inter alia, to coordinate the provisions on endorsement takeover bids and withdrawal from trading with the provisions of the AIM Italia Issuers' Regulations, as amended by Borsa Italiana. To this end, the Shareholders' Meeting was called for 31 May on first call and for 7 June on second call. The documentation relating to the Shareholders' Meeting and the items required by the regulations in force was approved by the Board today and will be available on the Company's website at www.digital360.it, Investor Relations section, in accordance with the law.



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

DIGITAL360

DIGITAL360, a company listed on the AIM Market of the Italian Stock Exchange, has the objective of accompanying companies and public administrations in the understanding and implementation of digital transformation and encouraging their encounter with the best technological suppliers. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation" supports technology companies (vendors, software houses, system integrators, startups, etc.) in their communication, storytelling, event management, and business opportunity generation activities; the other, called "Advisory & Coaching" is aimed at all companies and public administrations that want to undertake any kind of digital transformation. NetworkDIGITAL360, transversal to both Business Units, is the largest network of online publications dedicated to all topics of Digital Innovation. DIGITAL360 integrates a multidisciplinary and multicultural mix of professionalism and skills thanks to analysts, journalists, consultants and experts in the digital world, united by a great passion and mission: digital innovation as an engine for the growth and modernization of our country. For further information: www.digital360.it.

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