

Press release

Digital360: a binding agreement has been signed for the acquisition of a majority holding in ServicePro, a marketing agency specialised in organising complex events and managing demand generation and lead generation campaigns.

MILAN, 27 March 2018 – Digital360 S.p.A. (“**Digital360**” or the “**Company**”), a company listed on AIM Italia – Mercato Alternativo del Capitale - organised and managed by Borsa Italiana S.p.A. (“**AIM Italia**”), has today signed a binding agreement for the acquisition of a 51% holding in the *marketing agency* ServicePro Italy S.r.l. (“**ServicePro**”).

This operation is defined as significant pursuant to article 12 of the AIM Italia Rules on Issuers.

1. Description of the business conducted by ServicePro and profits ascribable to these activities

ServicePro is a company operating as a “full service” marketing agency, organising complex events and managing demand generation and lead generation campaigns. It 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. By virtue of this role, a large part of ServicePro’s annual earnings comes through repeat business.

In 2017 ServicePro reported revenues of 3.9 million euros, an EBITDA of 750 thousand euros and a positive NFP, as at 31 December 2017, of around 940 thousand euros.

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 Digital360 Group will immediately create significant synergies in terms of both market positioning and the range of services offered.

2. Detailed information on the operation, the sum to be paid and how this has been calculated

The agreement provides for Digital360’s acquisition of a 51% majority holding in the share capital of ServicePro.

The provisional price for the purchase of the above-mentioned stake is 2 million euros as well as 51% of the NFP at the date of closing, and will be paid in cash in 2 tranches. The first tranche, of 1,496,330 euros (a sum based on an estimate of the NFP at the date of closing), will be paid in cash at the time of closing; the balance of 750,000 euros will be paid in cash at the end of the 10th month following closing, should the expected conditions between the parties subsist.

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The provisional price was calculated on the basis of evaluation criteria referencing prospective earnings and cash-generating capacity, as well as the market multiples approach referencing transactions of comparable companies.

The provisional price is subject to two possible adjustments - which might be negative (and therefore owed by the selling parties to Digital360) or positive (and therefore owed by Digital360 to the selling parties) - according to (i) the exact amount of the NFP of ServicePro (at 51%) which will be noted at the time of closing and (ii) the company's EBITDA results in financial years 2018, 2019 and 2020. Both adjustments will be entirely paid in cash.

Simultaneously with the closing date it is agreed that the selling parties will invest part of the proceeds from the above-mentioned sale, totalling 500,000 euros, into the share capital of Digital360, underwriting a capital increase which will be reserved to themselves. The shares underwritten by the vendors will be issued at a price of 1.25 euros each and subjected to a lock-up period of 3 years.

Digital360 also has an option, exercisable in 2021, to acquire the remaining 49% at a price that will be calculated on the basis of the average EBITDA achieved by ServicePro in financial years 2018, 2019 and 2020 and multiplied by 5.25. In the same way, the selling partners will be assigned a put option for the same company shares and at the same conditions.

Finally, the agreement includes a lock-in commitment by Pierluigi Negro, the current CEO of ServicePro, for a period of at least 3 years, thus creating the basis for a continuation of the company's development and for its optimal integration into the structure of the Group controlled by Digital360.

3. Effect of the operation on the Company

The operation provides continuity with the external growth strategy already embarked upon through the acquisition of a majority share holding in Effetodomino S.r.l., concluded in January 2018, and a majority share holding in IQ Consulting S.r.l. announced to the market on 6 March 2018.

The operation significantly strengthens Digital360 positioning and range of services in organising complex events and in managing demand generation and lead generation campaigns.

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“I’m very happy with this operation” - comments Andrea Rangone, CEO of Digital360 - “ServicePro is an outstanding organisation with an excellent positioning in the technological sector and important strategic and operational synergies with the Digital360 Group. Together we’ll have an increasing ability to work alongside our clients - vendors of technological solutions in particular - in satisfying their innovative marketing and lead generation needs. I’m really very happy to welcome into our Group a young team possessing comprehensive skills in marketing, in planning and managing complex events, and in communications and creativity.

“We’re very excited about this important partnership with an industry leader like Digital360, which will enable us to complete our offering to the IT Industry with a positioning based around digital services, events, business marketing and complete content” - says Pierluigi Negro, CEO of ServicePro - “We believe that it perfectly completes our continually growing range of specialist services, and that it will enable us to cover the entire marketing cycle of our clients.”

Digital360 has been assisted by the legal firm Nctm, represented by Lukas Plattner (partner) and Eleonora Sofia Parrocchetti (associate).

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

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