



DIGITAL360

Investor Presentation

Milan, 22 September 2021



I. Company overview

II. Business Units

III. Strategic directions

IV. Stock Price

V. Financials



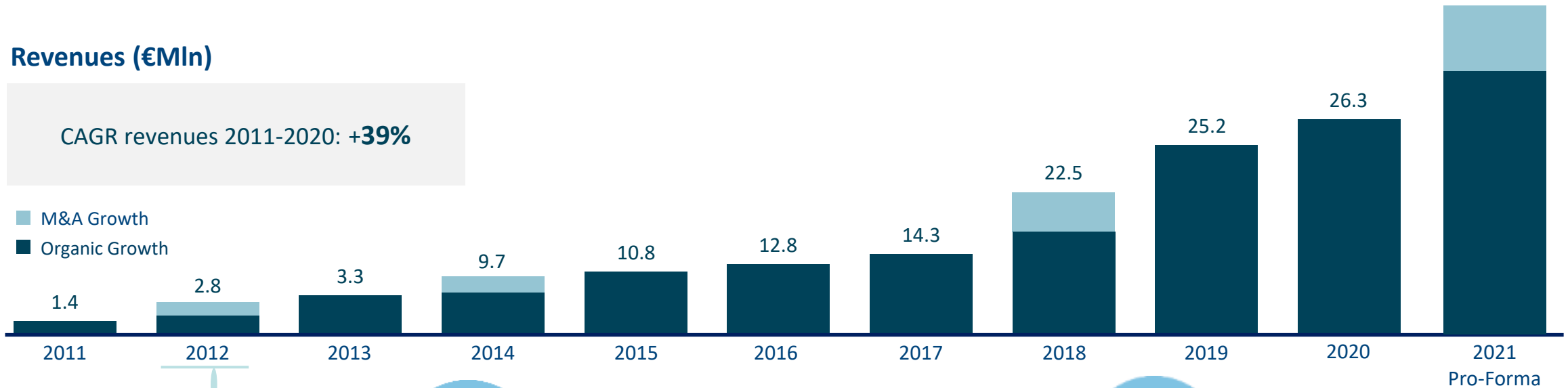
Our History, Vision and Mission

DIGITAL

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

Revenues (€Mln)

CAGR revenues 2011-2020: **+39%**



DIGITAL360 is founded



VISION

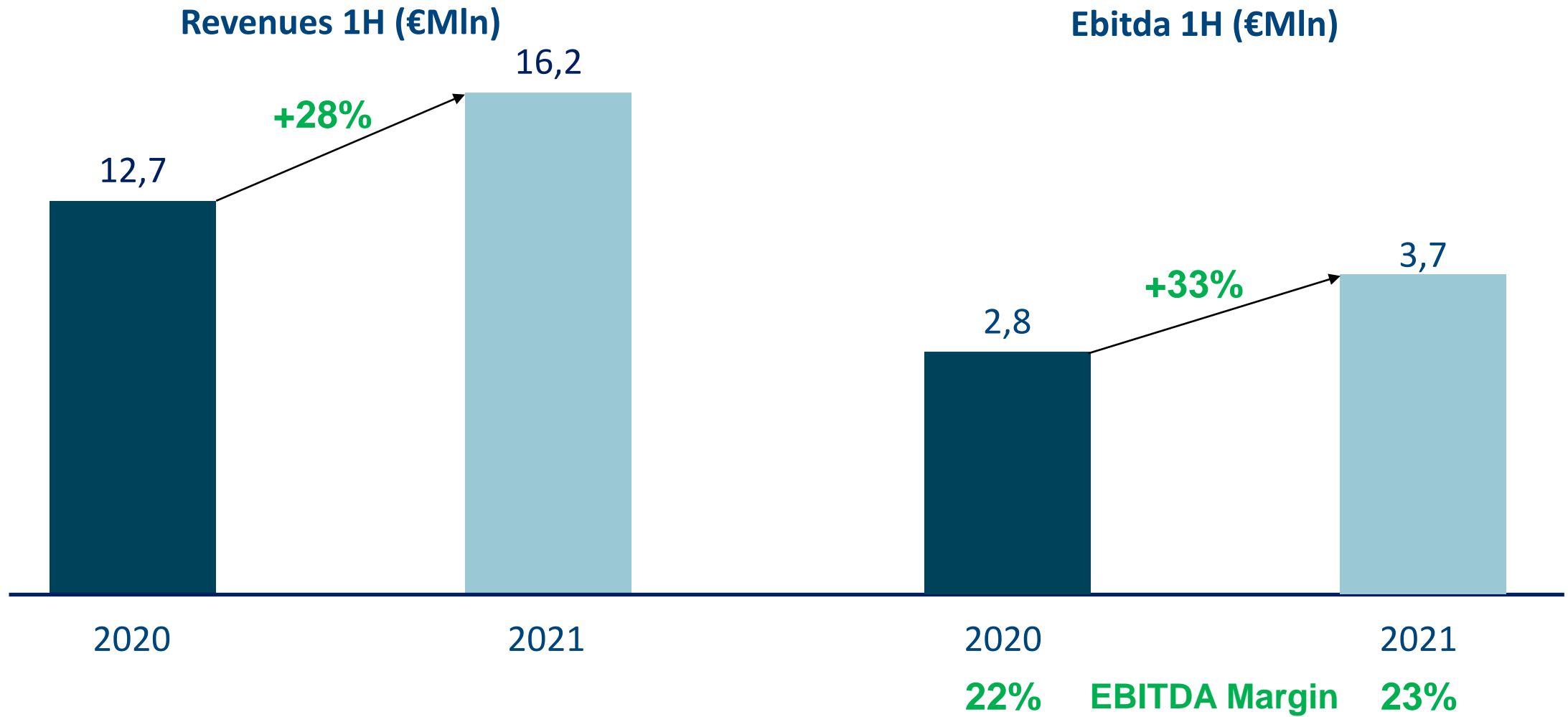
Digital Innovation as a driver for sustainable and inclusive development of the economy, businesses and public administrations



MISSION

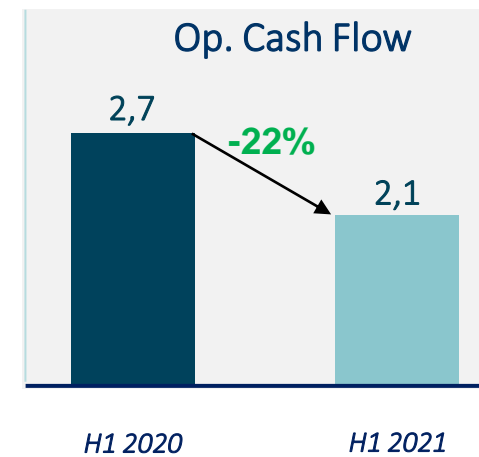
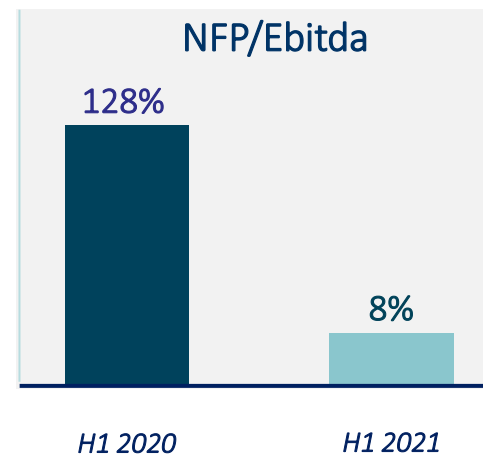
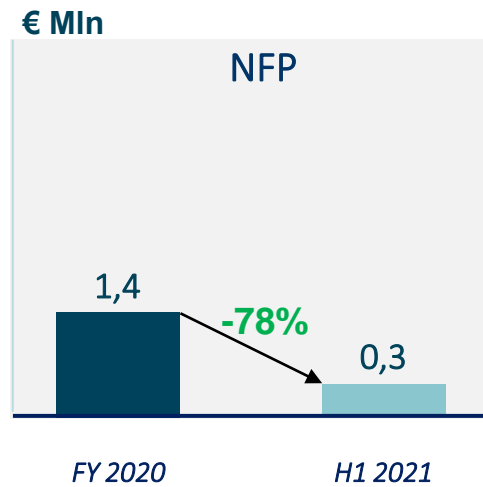
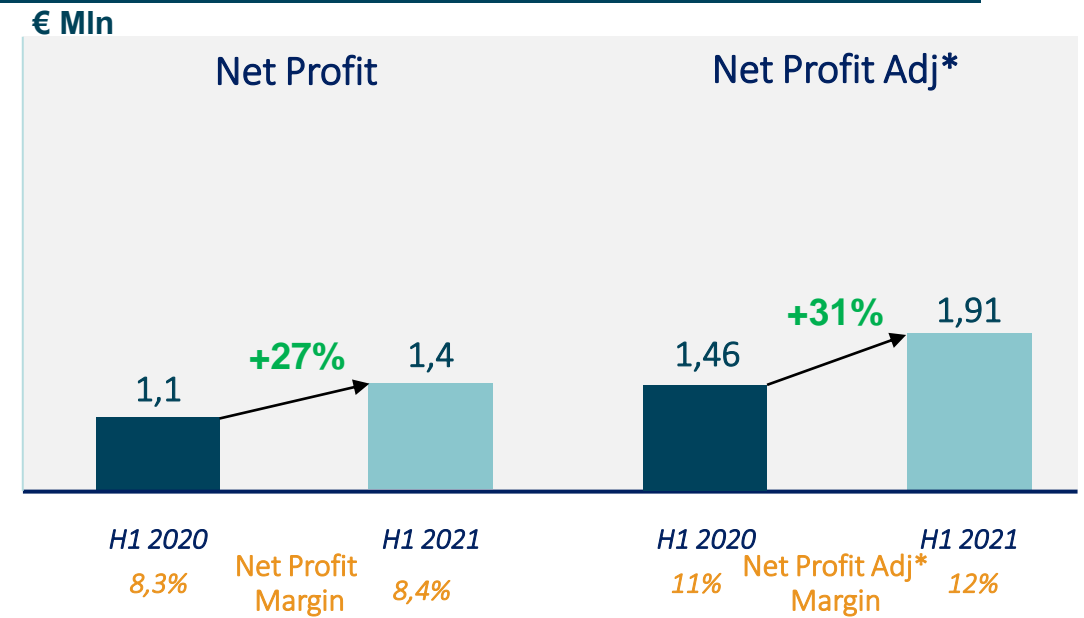
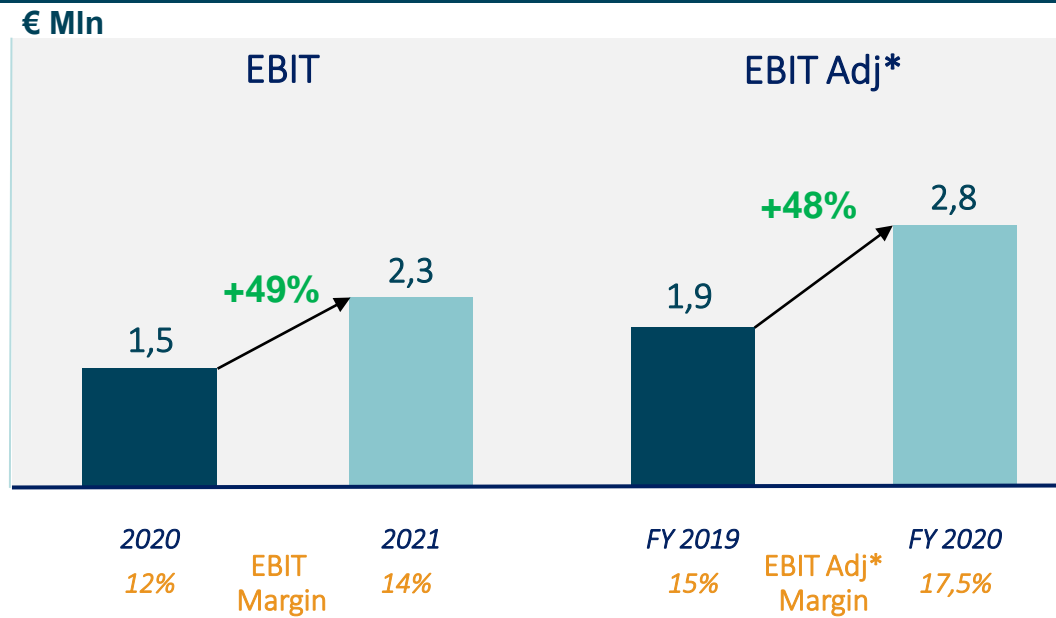
Accompanying companies and public administrations in understanding and implementing Digital Innovation and facilitating their encounter with the best technology providers

1H 2020/1H 2021: Key Economic Indicators (€ Mln)



1H 2020/1H 2021: Key Economic & Financial Indicators (€ Mln)

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



Important generation of cash flow in H1, which was in 2021 affected by significant taxes paid and OWC, caused by growth

Our Business Model: two Business Units leveraging the same Community



The Innovation Ecosystem: Our Community

Digital Innovation Supply TECH COMPANIES

ICT Vendors

Telcos

Software Houses
System Integrators

Software and Hardware
Resellers

Cloud Providers

Online Marketing
Service Providers

New Media Agencies

eCommerce Service
Providers

Start-ups

[...]

**Over 90,000
Tech Companies**

NETWORK **DIGITAL** 360

The **largest community** in Italy of **Digital Innovation Ecosystem** stakeholders

2.6mIn

unique visitors per month (average, 2021) with a max of **3.2 mln unique visitors** in *January 2021*

1st

page on Google with more than **46,000 keywords** in the Tech sector

>575,000

fans and followers on social media

58

digital assets (online portals, newsletters, etc)

1,500

original articles published each month

2,430

published white papers up to date

110,000

profiled contacts in 2021 through events, webinars, white papers and contact center

390

digital events organized in the 1H 2021 with **85,000** registered attendees

Digital Innovation Demand TECH BUYERS

Large Enterprises

SMEs

Micro Enterprises

Independent Professionals

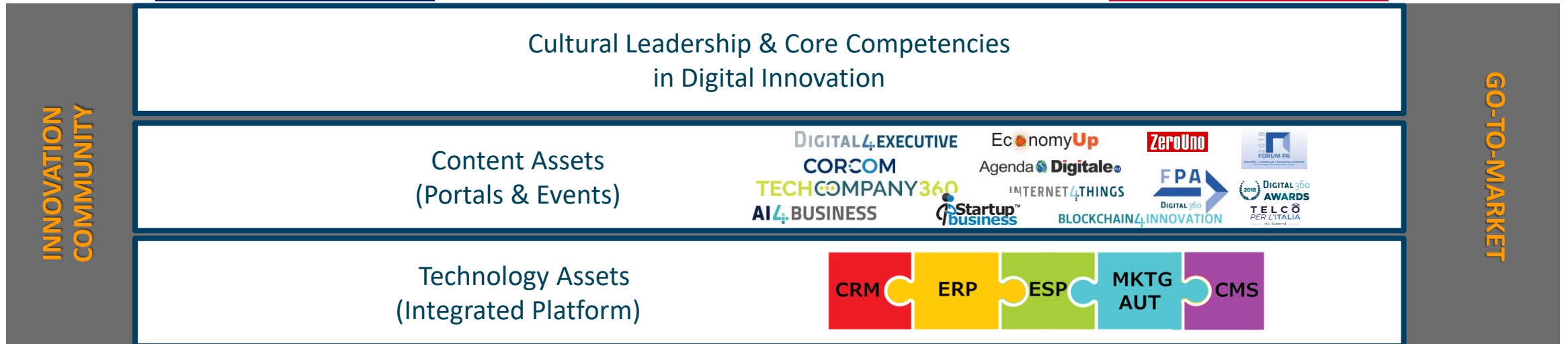
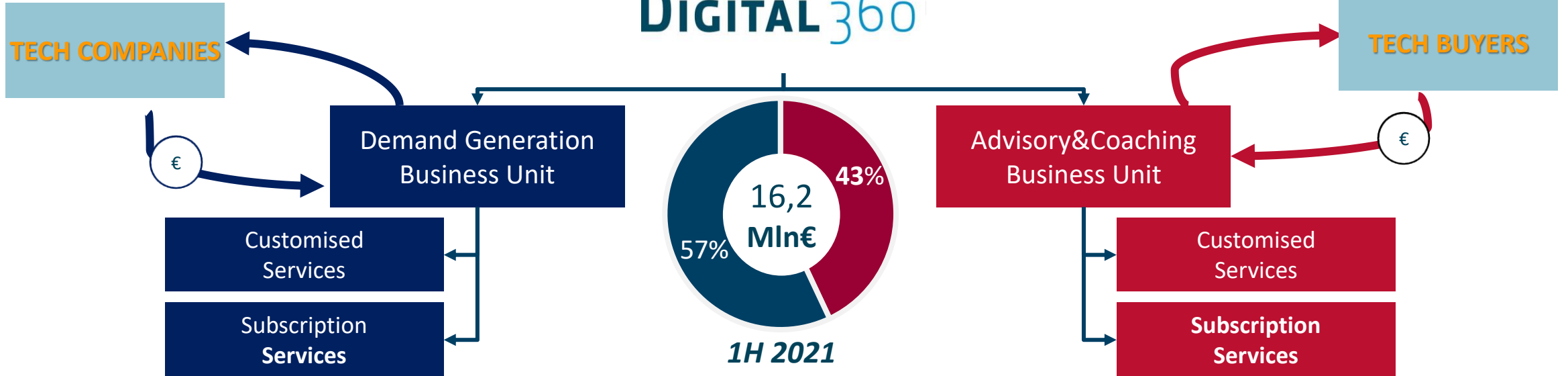
Public Sector Authorities

[...]

**Over 4 Million
Tech Buyers**

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

DIGITAL 360



I. Company overview

II. Business Units

III. Strategic directions

IV. Stock Price

V. Financials



Demand Generation

Customised services



Our services

Communication

Storytelling
Content Marketing
Communication/Advertising plans

Events

Roundtables & focus groups
Conventions, summits, webinars

Lead Generation

Profiling
Business meetings

Open Innovation

Call4ideas
Hackathons

Research

Surveys, focus groups
Customer Insights, Market Outlooks

Integrated Projects

Communication, events, lead generation, etc.



Demand Generation

1H 2021 KPI (vs 1H 2020)

- Engines sold: 107 (80)
- Average Price: 44k€
- Annual Recurrent Revenues: 4.8 M€ (3.5 M€)

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



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**

Demand Generation – Key facts in 1H 2021

Customised Services

- Growth of all digital services
 - Digital events (**390 in the first half 2021**)
 - Digital communication services boosted by Digital360 network performances
 - Online lead generation
- High level of **profitability** of the area, due to a mix focused on digital services

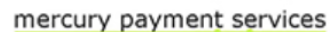
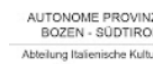
Subscription Services & Software Platforms

- 107 **Marketing & Sales Engine** sold (vs 80 at 30.06.2020), for annual recurrent revenues of 4.8 Mln (vs 3.5 mln at 30.06.2020) -> +37%
- Development of “**Out of ICT**” market, leveraging Innovation Post acquisition
- Design and first development of the innovative “**Martech 3.0**” platform

Advisory&Coaching

Customised services

Our practices



Advisory&Coaching

1H 2021 KPI (vs 1H 2020)

- AAS Advisory subscriptions sold: 127 (92)
- Annual Recurrent Revenues: 2.9M€ (1,6M€)

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



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**

ADVISORY – Key facts in 1H 2021

Evolution in service delivery mode

- **Delivery of services in hybrid mode**, using technologies to provide them both: remotely and at customer sites, also with the support of proprietary tools and platforms
- Development and improvement of many new remote and hybrid services including:
 - CISO as-a-service
 - DPO as-a-service
 - Digital skill and FPA Digital School
 - Space economy services

Subscription Services & Software Platforms

- The investments in resources and skills in the **Information & Cybersecurity** practice were strengthened, which made it possible to accelerate the offer of recurring and subscription services
- **127 Advisory project sold** (vs 92 at 30.06.2020), for annual recurrent revenues of 2,9 Mln (vs 1,6 Mln at 30.06.2020) -> **+80%** (i.e. DPO – CISO – Digital Skills – FPA Digital School)
- Development of two new modules of the **GRC360** (Audit and 231)

I. Company overview

II. Business Units

III. Strategic directions

IV. Stock Price

V. Financials



Strategic directions

- 1 Focus on the development of **Subscription Services**, with **recurrent revenues** in both business units:
 - Our **Blue Ocean strategy**
- 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**
 - **4 companies already acquired** + complete integration of **2 minorities**
 - ... but we go on with the **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 (and **first concrete Proof of Concept**)
- 5 **Benefit Company**
 - To strengthen our commitment to pursue objectives of common good, related to develop a **greater digital culture** and the promotion of **digital innovation as a lever for sustainable economic growth**

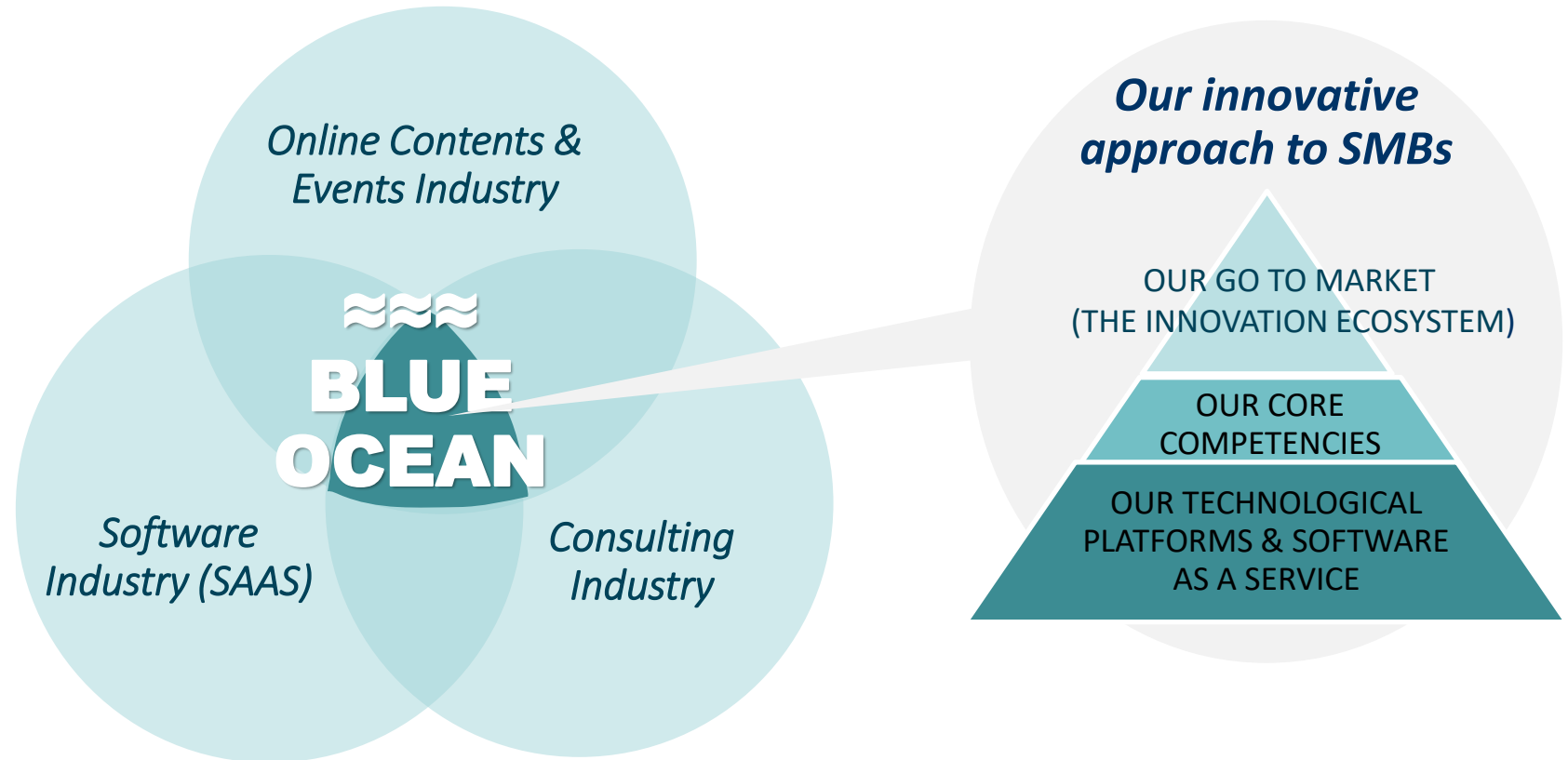
Our Blue Ocean Strategy: Digital As-A-Service (Subscription Business Model)



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)



Mergers & Acquisitions: an important pillar of our future growth

1

Acquisition of **Innovation Post**

- ✓ To enlarge our B2B Business out of ICT sector

2

Acquisition of **CTMobi**

- ✓ To increase our technological team and to boost the development of our proprietary platforms

3

Acquisition of **IMAGEWARE**

- ✓ To expand the customer base and the service portfolio in the DG Business Unit, consolidating our leadership in the Italian market

4

Acquisition of **ICT LAB**

- ✓ To boost our advisory services aimed to accompanying the digital transformation of Public Administrations

5

Acquisition of **minority interests** in **ServicePro** and **IQ Consulting**

- ✓ To consolidate business, team, financial results in the DG and ADV Business Unit

DIGITAL360 becomes a Benefit Company (sensitivity on ESG issues)

Our Goals:



1

The **dissemination of digital culture** at all levels, with the aim of accelerating the process of digital innovation



3

The promotion of a more **inclusive labour market**, in particular for fragile people



2

Mentoring entities or organisations of any kind to help them fully **understand the opportunity offered by digital innovation** to develop sustainable and inclusive growth paths



4

The **growth of its people**, fostering their wellbeing in both the professional and personal spheres, seeking to **promote diversity** and to make the most of the aptitudes and aspirations of each individual

The first social inclusion project of DIGITAL360

«Al Lavoro 4.0» is a **social innovation** project aiming at the creation of a **more inclusive labor market thanks to digital technologies**.

The project is organized in collaboration with **Caritas Ambrosiana** and **Fondazione San Carlo Onlus** and it is part of the CSR initiatives by Digital360. Their objective is to help young **NEETs** (Not in Education Employment or Training) to enter the job market through the new professions created during the current digital transformation.

The project comprises of 400 hours of theoretical and practical training within companies in the manufacturing industry that, at the end of the course, are going to offer internships and concrete opportunities for placement to the students.



I. Company overview

II. Business Units

III. Strategic directions

IV. Stock Price

V. Financials



Stock performance

Stock
Performance

DIGITAL
EMPOWERING INNOVATION



Ipo Price = 1,15
June 2017

Target Price (Fair Value):

Value Track = 5,30€ (Mkt cap
100M€)

CFO Sim = update coming soon

KT&Partners = update coming
soon

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

Financials: Income statement

Operating Results - P&L	30.06.20	30.06.21	Δ	
Euro/mlns				
Revenues	12,7	16,2	+28%	Growth recorded in both Business Units thanks also to strong increase in Subscription Revenues stream
EBITDA	2,8	3,7	33%	
% Ebitda / Total Revenues	22,0%	23%		Thanks to digital & remoted services, the company has obtained a more than proportional increase in Ebitda
EBIT	1,5	2,3	+49%	
% Ebit / Total Revenues	12%	14%		
EBIT Adjusted	1,9	2,8	48%	(*) EBIT and Net Profit Adjusted are reclassified without taking into account the amortization of the consolidation differences
% Ebit Adjusted / Total Revenues	15,1%	17,5%		
Net profit	1,1	1,4		
% Net profit / Total Revenues	8,3%	8,4%		
Net Profit Adjusted	1,46	1,91	31%	
% Net Profit Adjusted / Total Revenues	11,5%	11,8%		

Financials: Balance Sheet

Euro/mlns		31.12.2020	30.06.2021	Change	Change %	
Fixed Assets						
Materials		0,5	0,5	0,0	-2%	The increase is due to investment made in technology and M&A, deducting amortization
Immaterials		8,5	11,4	2,9	34%	
Financials		0,1	0,1	0,0	-7%	
Total Fixed Assets	A	9,1	12,0	2,9	32%	
Operating Working Capital (OWC)						
Receivables		10,2	11,7	1,5	14%	The growth of OWC reflects the increase of Receivables due to increase in turnover, improved payment conditions, vendor loan
Commercial Debts		-3,4	-4,8	-1,3	39%	
Other short terms ass/liabilities		-3,4	-4,6	-1,2	35%	
Total Operating Working Capital	B	3,4	2,4	-1,1	-31%	
Net Capital Invested (CNI)	A+B	12,5	14,4	1,9	15%	
Equity and Banks						
Equity		9,8	12,7	2,9	29%	The change mainly reflects (i) positive operating cash flows, and (ii) the investments made
Net Financial Position		1,4	0,3	-1,1	-79%	
Other funds		1,3	1,4	0,1	8%	
Total Equity, Banks and Funds		12,5	14,4	1,9	15%	

Financials: Cash Flow

Cash Flow 1H 2021 vs 2020

	30/06/20	30/06/21	Change	Change %
Ebitda	2,8	3,7	0,9	32%
Severance pay and other funds	0,1	0,1	--	--
Techn. Investments	-0,9	-1,0	-0,1	-11%
CF from business less investments (A)	2,0	2,8	0,8	40%
Tax	--	-0,9	-0,9	N.S.
Interests on loans	-0,2	-0,2	--	--
CF from Taxes and Interests (B)	-0,2	-1,1	-0,9	40%
ΔOWC (C)	0,5	-0,1	-0,6	-120%
Operating Cash Flow (A+B+C)	2,3	1,6	-0,7	-30%
M&A and extraord.	0,4	-0,9	-1,3	N.S.
Free Cash Flow	2,7	0,7	-2,0	-74%

Significant growth in CF deriving from operating business

Strong cash out due to balance for 2020 Fiscal year, on good result, amplified by advances paid for Fiscal year 2021

The amount is shown net of fiscal impact and M&A not still paid, and reflects the growth of turnover

Net amount from cap. increase (0,5 mln) and M&A (-1,4 mln)

The generated CF were largely invested in new acquisitions. The conversion of part of the Bond (0,4) is added to the CF, which total reduce PFN of 1.1 mln.

Total Op. Cash flow = 0,7+1,4 M&A = 2,1 mln



CONTACT:

Emilio Adinolfi

Investor Relations

Email: ir@digital360.it



Stock performance, US comparable



Dati di Market Cap @sett 2021

Equity Value	2.446 M\$
Enterprise Value	2.517 M\$
EV/Revenues	16,5
EV/EBITDA	88
p/e	143