

Press release

DIGITAL360: THE BOARD OF DIRECTORS APPROVES NEW INCENTIVE PLANS BASED ON OPTIONS TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING

- Defined the new incentive plan for the growth of the business, fully exercisable only on condition that the market price of DIGITAL360 shares reaches 9.00 euro (a value equivalent to approximately double the current share price).
- Approved the guidelines of an incentive plan specifically linked to the Group's international development.
- Established the terms for the implementation of the incentive plan defined in the context of the acquisition of the company Effettodomino in 2018.
- Ordinary and extraordinary shareholders' meeting convened.

Milan, 22 November 2021 - **DIGITAL360 S.p.A.**, an innovative SME listed on the Euronext Growth Milan market (formerly AIM Italy), announces that today the Company's Board of Directors resolved to approve two new option-based incentive plans and the implementation of the incentive plan defined under the investment agreement signed on the occasion of the acquisition of 49% of Effettodomino S.r.l..

Specifically, the following plans were approved:

- Incentive plan through **stock options** for all the Group's key people - directors, employees, collaborators and consultants - who have a significant role in the future growth of the business ("**SOP Italia 2021-2024**");
- Specific incentive plan through **stock options** for key people dedicated to the development of the international business ("**International SOP 2021-2026**");
- Issue of free shares reserved for the seller of the company Effettodomino S.r.l. ("**Grant Plan**") by reason of the incentive mechanism provided for in the investment agreement signed at the time of the acquisition of 49% of the company in 2018.

The **SOP Italia 2021-2024** Plan is an instrument capable of focusing the attention of the Beneficiaries on factors of strategic interest, encouraging loyalty and providing incentives for individuals of particular importance for the development of social strategies to remain with Digital360. The regulations foresee, for each beneficiary, the possibility of exercising 100% of the options assigned only if the market price of the Shares ("Price") at the time of exercise is equal to or greater than Euro 9.00, corresponding to an increase of approximately 100% with respect to the current Share Price. If the Price is lower, the percentage of exercisability will be proportionally reduced up to the Price of Euro 4.70, a value determined on the basis of the weighted average price in the 3 months prior to today's date and which represents the minimum threshold for exercising the options.

If all 850,000 shares of Digital360 common stock under the Plan are issued, they will be equal to approximately 4.37% of the current share capital.

The Board of Directors believes that the mechanism linking the exercisability of options to the actual creation of value (measured through the increase in the share price), is able to ensure that the potential dilution suffered by the Company's current shareholders following the exercise of options is always more than offset by the growth in market capitalisation.



In fact, the above-mentioned mechanism makes it possible to recognise to the beneficiaries of the plan only a share of less than 10% of the increase in the value of the Company that may be generated during the period.

With reference to the **International SOP 2021-2026**, the plan is approved as part of a major international expansion project for DIGITAL360, based on both organic growth and acquisitions. This outcome is expected to make a significant contribution to the growth of the Group's overall value.

An in-depth analysis of the international scenario carried out in recent months by a dedicated DIGITAL360 task force has highlighted interesting business development opportunities in some of the Group's strategic areas of activity. The analysis carried out has, in particular, highlighted the attractiveness of some geopolitical areas in which important rates of growth in digital technology are expected; also as a result of the cultural impact of the pandemic and the significant financial resources coming in to relaunch the economy and its digitalization. DIGITAL360, for the experience gained in these years, represents an entrepreneurial subject particularly suitable to play important games in these markets both through acquisitions and organic growth.

The INTERNATIONAL SOP 2021-2026 aims to incentivise key people involved in the internationalisation project who can make a significant contribution to the Group's overall growth.

The International SOP provides for the allocation to the relevant beneficiaries of a maximum of 470,000 ordinary shares of DIGITAL360 equal, in case of full achievement of the objectives of the plan, to approximately 2.46% of the current share capital.

In addition to granting any power necessary or appropriate to execute the INTERNATIONAL SOP 2021-2026, the Shareholders' Meeting will also be asked to grant the Board of Directors any power to determine the exact manner in which the options are to be exercised, including the ratio at which they are to be exercised, setting only the maximum number of shares to service the plan.

Lastly, the **Grant Plan** is approved on the basis of the investment contract signed at the time of the acquisition of 49% of Effetodomino S.r.l. ("EFDM Contract") and provides for the payment (free of charge) of a maximum of 100,000 shares. ("EFDM Contract") and provides, in particular, for the distribution (free of charge) of a maximum of 100,000 shares.

Per the press release of November 28, 2018, at the time of signing the EFDM Contract, an *MBO* mechanism for the vendor had been provided for, contributing to the margin increase of the *business* area called "Marketing&Sales Engine", related to the Demand Generation business unit of the DIGITAL360 Group.

Specifically, the bonus mechanism was quantified on the basis of the annual increase in the *gross margin* of the Engine area over the years 2019-20-21. The part payable in shares were valued on the basis of the price of the same at the time of approval of the relevant annual draft financial statements.

It should be noted that as of today's date, having already achieved the objectives for the years 2019 and 2020, the Beneficiary has accrued 81,517 shares. The precise number of shares will be verified by the Board of Directors at the time of execution of the Grant Plan and, therefore, at the time of the financial statements for the year 2021.

If, in service of the Stock Grant Plan, all of the maximum 100,000 common shares from the Free Capital Increase are issued, the newly issued Digital360 shares will be approximately 0.53% of the share capital.

The newly issued shares allocated to the *Italian SOP 2021-2024* and the *International SOP 2021-2026* will be offered for subscription to the relevant beneficiaries at a strike price per share calculated using a predefined and determinable criterion and equal to the ratio of the Company's shareholders' equity - as shown in the latest financial statements or balance sheet approved by the Company - to the number of issued shares calculated on the same date.

In addition, as part of the *Grant Plan*, it is necessary to amend Article 6 of Digital360's Articles of Association in order to provide, pursuant to the first paragraph of Article 2349 of the Italian Civil Code, the right to allocate profits or profit reserves to employees of the Company or its subsidiaries through the issue of shares in the Company



to be granted to them free of charge.

In order to implement the Board's proposals, the Ordinary and Extraordinary Shareholders' Meeting has been called for December 15 at 2:00 p.m. on first call and for December 16, if a second call is needed. The notice of call with the items on the agenda will be issued in accordance with the procedures and terms provided by law.

Full details of the incentive plans described are available in the Explanatory Reports of the Board of Directors of Digital360 S.p.A. published on the company's website www.digital360.it Investor Relations/Corporate Governance and Shareholders' Meetings section.

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

DIGITAL360

DIGITAL360, a company listed on the Euronext Growth Milan Market (formerly Aim Italia) of the Italian Stock Exchange, has the objective of accompanying companies and public administrations in the understanding and implementation of digital transformation and favoring 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 communication, storytelling, event management, and generating business opportunities; 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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