

PRESS RELEASE

DIGITAL360:

**Binding agreement signed for the acquisition of 51% of the shares of Methodos,
a leading group in the market for advisory services and change management
platforms**

Milan, 27 June 2022 - DIGITAL360 S.p.A. ("DIGITAL360" or the "Company"), an innovative SME listed on the Euronext Growth Milan market, announces that today it has signed a binding agreement for the acquisition of 51% of the Methodos Group. Specifically, the transaction provides for the indirect acquisition of 51% of the shares of the companies Methodos S.p.a. and Accompany S.r.l. (acquired through the acquisition of 100% of the holding company Methodos Group S. p.a.) and 51% of the company Digital Attitude S.r.l. (of which approximately 28% acquired indirectly through Methodos Group S. p. a. and the remaining 23% acquired directly from other selling shareholders).

Methodos is a long-established company with a well-known brand name and a prominent position in organisational consultancy, specializing in management of organisational and cultural change in companies. Founded in 1979 in Milan, Methodos has recently expanded its *business* perimeter through its subsidiaries Digital Attitude and Accompany, which are active in the market of software platforms supporting behavioural changes (Digital Coach and Digital Adoption Platform) and in supporting digital transformation, respectively.

Methodos' offer includes services to support organisational change and digital transformation in organisations, to improve, disseminate and share the culture and *mindset* of corporate change in employees and managers, consistent with organisational strategies. The Group boasts a qualified organisation, with more than 60 highly specialised resources, a team of professionals with heterogeneous *backgrounds*, from economics and engineering to human sciences, design and architecture.

With this acquisition, DIGITAL360 expands its presence in the *advisory* market, also based on technology platforms (so-called Consultech), to support organisational change and digital transformation in organisations, a market that is growing strongly due in part to the impetus provided by the pandemic and the post-emergency economic recovery and renewal plans (PNRR).

In particular, the union of DIGITAL360 and Methodos gives rise to a pole of excellence capable of supporting companies throughout the technological, organisational, cultural and managerial transformation process linked to digital innovation and the necessary adoption of new technologies, business models and ways of working.

The acquisition of Methodos will also help accelerate the growth path of the most innovative subscription-based consulting services, which are strongly based on the use of proprietary technology platforms (Consultech). Methodos, in fact, through Digital Attitude, launched four years ago as a 'HI' (*Habit-Inspiring* Platform), a Software-As-A-Service (SAAS) platform of intelligent digital coaching that facilitates and makes the adoption of new tools and working models scalable and measurable.

This offer complements others in Consultech and subscription already introduced to the market by DIGITAL360 (through its wholly-owned subsidiary, Partners4Innovation) such as:

- Data Protection Officer As-A-Service (DPO AAS), Chief Information Security Officer As-A-Service (CISO AAS), Chief Retention Officer As-A-Service, all services that allow customers to outsource key specialist roles in their digital transformation process to DIGITAL360. These services involve a subscription-based revenue model and can be delivered on the basis of a proprietary software platform (GRC360); or
- 360DigitalSkill and FPADigitalSchool, two platforms dedicated to enterprises and public administrations respectively, for the training and *empowerment* of human capital, with a focus on the development of digital skills and attitudes to change.

In 2021, the Methodos Group achieved revenues of approximately EUR 9.0 million, with an EBITDA of more than EUR 1.5 million (EBITDA margin of 17%). The Group's net financial position as of 30 April 2022 is almost break-even.

The consideration for the sale of the shares was set at a total of EUR 4.26 million (plus NFP) and will be paid as follows:

- (i) for EUR 3.7 million (in addition to the NFP) in cash at the closing, expected by July 2022;
- (ii) up to a maximum of EUR 0.57 million, at DIGITAL360's sole discretion, by allotting to the Sellers newly issued ordinary shares of DIGITAL360, valued at EUR 4.70 each; in the event that DIGITAL360 does not choose this option, the amount may be paid in cash.

To this, subject to the achievement of certain economic targets, an *earn-out* of a maximum EUR 1.1 million may be added, to be paid entirely in cash and subsequent to the approval of the 2022 budget.

The agreement between the parties provides, among other stipulations, for the active involvement of the current Selling shareholders in the future management of the Methodos Group. In fact, they will be able to appoint two of the five directors in each company of the Methodos group. Appointed are (i) Filippo Muzi Falconi and Alessio Vaccarezza as managing directors of Methodos, (ii) Giovanni Sgalambro and Filippo Muzi Falconi as managing directors of Accompany and (iii) Luca Argenton and Filippo Muzi Falconi as managing directors of Digital Attitude.

A three-year *lock-up* commitment was agreed upon for the Sellers on any shares received in payment of the price, and a non-compete obligation was agreed upon for a period of three years from the closing.

Lastly, the agreement provides for the possibility for both parties to exercise cross-options (*put* and *call*) for the purchase or sale of the remaining 49% of the Methodos Group, the price of which will be established based on the weighted average of the aggregate EBITDA recorded by the companies in the financial years 2024 and 2025, in addition to the NFP.

The transaction will be financed using bank lines recently contracted with illimity Bank S.p.a.

Says Filippo Muzi Falconi, CEO of Methodos Group: "We are very satisfied with this transaction, which enhances our positioning and attractiveness to new Italian and international customers. The possibility to work in synergy with the companies of the DIGITAL360 Group, and to develop new offers together, represents a great opportunity for our group to grow".

"This acquisition goes in the direction of building the Italian reference pole for innovation in the field of human resources and organisational models, a challenge that is today essential to interpret the transition towards a new paradigm in the relationship between people and organisations - adds Mariano Corso, co-founder of DIGITAL360 -. The skills and experience of Methodos can support us in creating a leading pole in the Advisory market to support organisations with a view to digital transformation and related organisational change. The acquisition also allows us to accelerate the development of our Consultech offering, a pillar of our transformative vision of the advisory market".

For the legal aspects of the transaction DIGITAL360 used ADVANT Nctm, while the sellers were assisted by AMTF.

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, has the objective of accompanying companies and public administrations in understanding and implementing digital transformation and facilitating their encounter with the best technology suppliers. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation" supports technology companies (vendors, software houses, system integrators, start-ups, etc.) in communication activities, storytelling, event management and generation of business opportunities; the other, called "Advisory & Coaching" is aimed at all companies and public administrations wishing to undertake any digital transformation path. 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 modernisation of our country. For further information: www.digital360.it

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