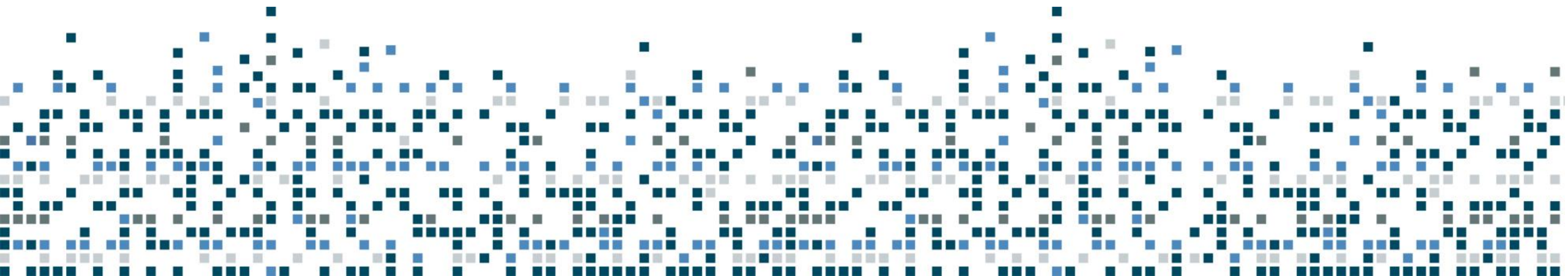




DIGITAL360

Investor Presentation

Milan, 23rd September 2020





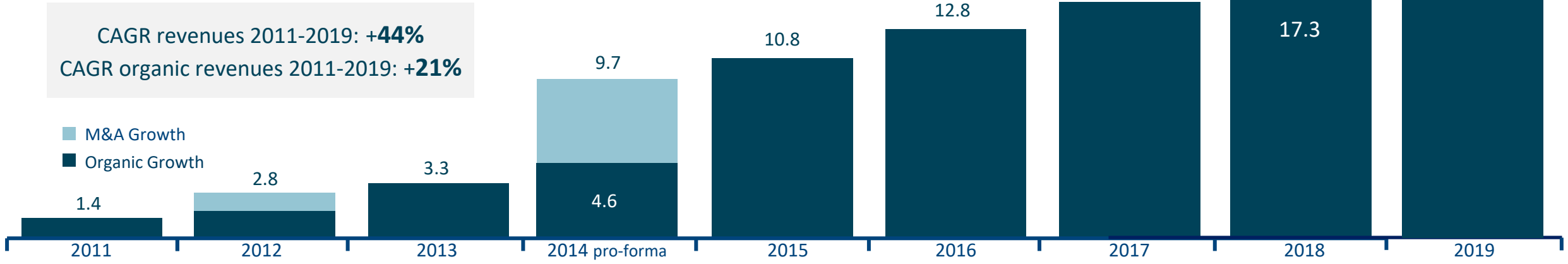
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Our Growth

DIGITAL360 stems from the experience developed by Politecnico di Milano Professors in the area of Digital Transformation and Entrepreneurial Innovation.

Revenues (€Mln)

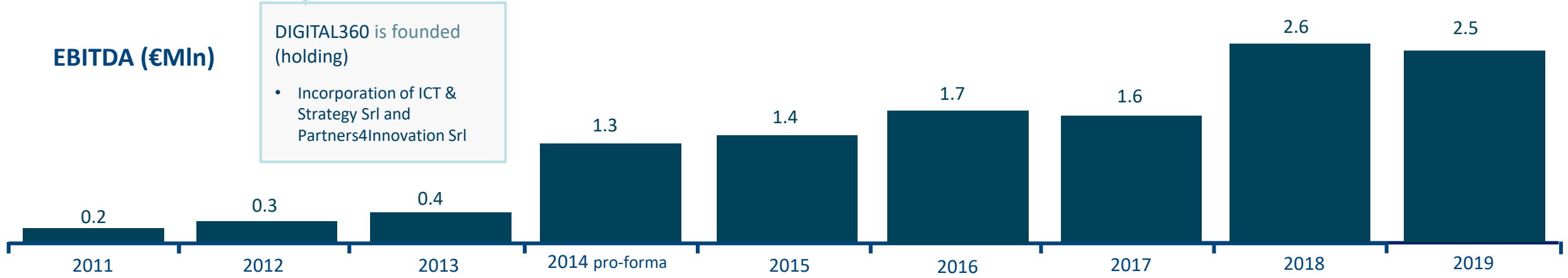
CAGR revenues 2011-2019: **+44%**
 CAGR organic revenues 2011-2019: **+21%**



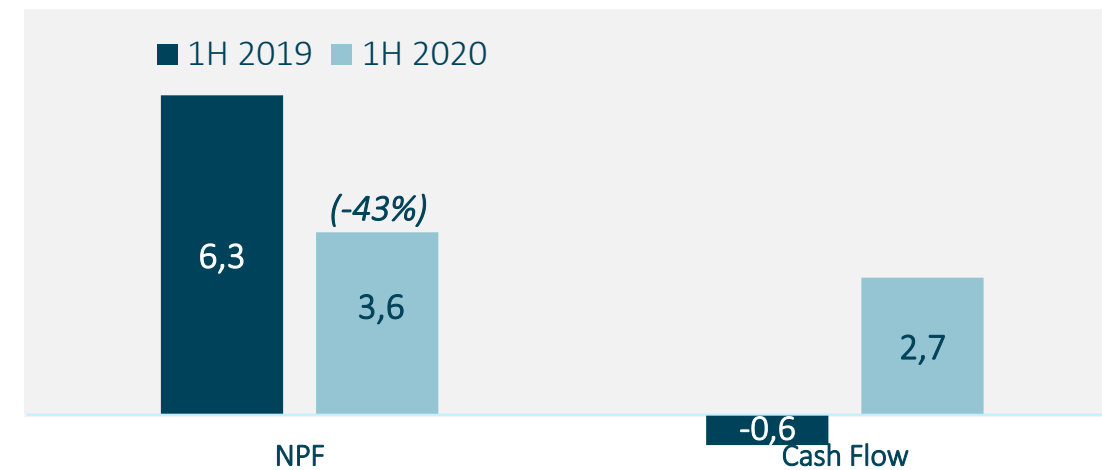
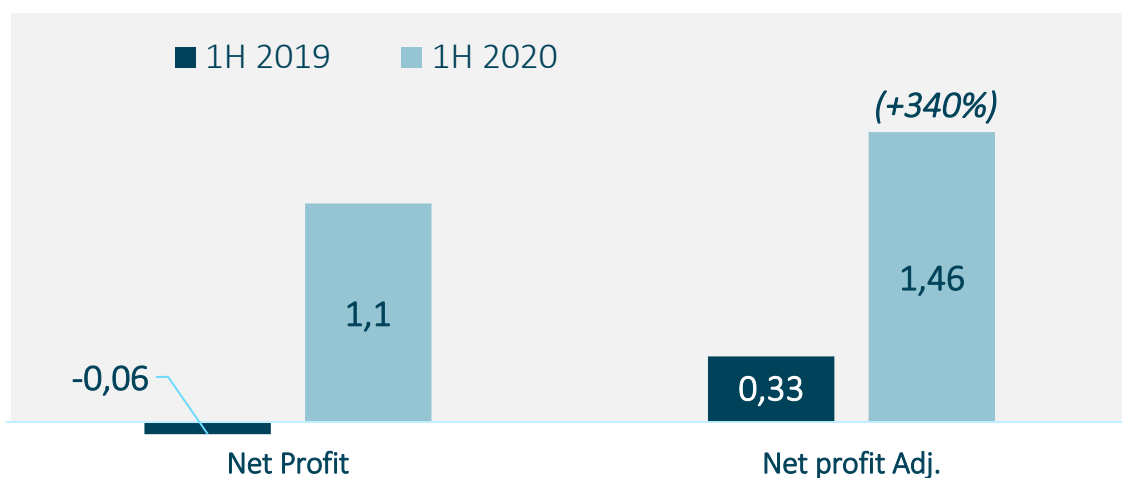
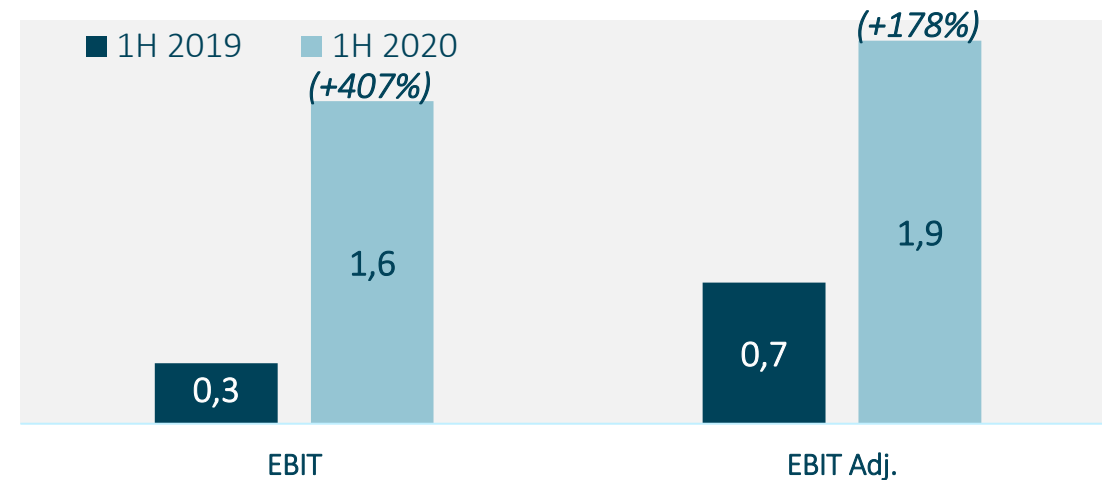
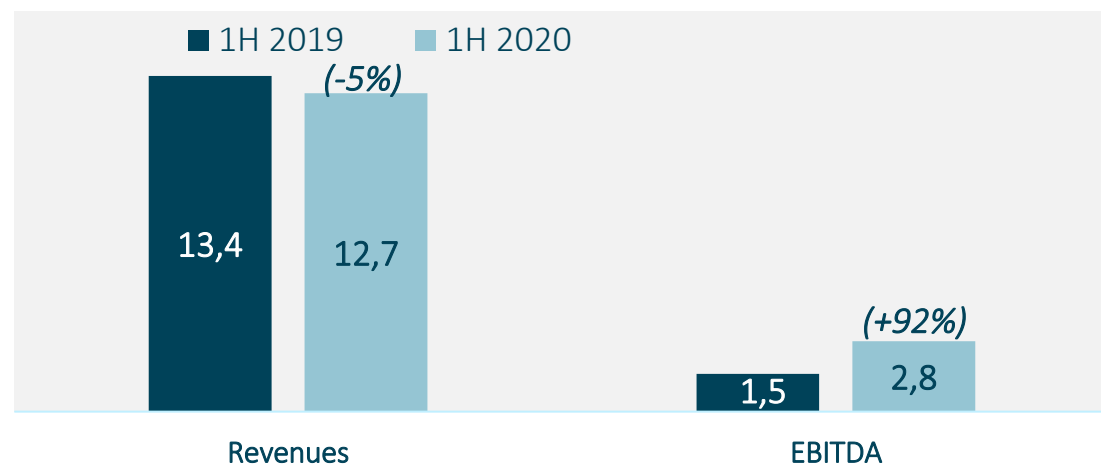
EBITDA (€Mln)

DIGITAL360 is founded (holding)

- Incorporation of ICT & Strategy Srl and Partners4Innovation Srl



Key Economic & Financial Indicators: a Strong Growth (€ Mln)



Covid time: efficiency & effectiveness of full smart working



To keep updated the whole staff:

- **Coronavirus time Weekly update webinar** every week
- **Digital360 Insight #restiamoacasa special edition** (twice per week)



To understand, engage and be closer to everyone:

- **Survey Smart Working**
- **App Beaconforce**
- **Facebook Workplace**



To collect ideas and contributions:

- **CallXAction – Ready.... Go !**



To offer training and new opportunities to all:

- **360digitalskill**
- **Webinar**
- **English Courses**
- **Area-specific training initiatives**



DIGITAL 360

EMPOWERING INNOVATION



VISION

Digital Transformation and Entrepreneurial Innovation - the engine for economic growth and for modernising businesses and public bodies



MISSION

To help businesses and public bodies in understanding and pursuing their path to Digital Transformation and Entrepreneurial Innovation



Business Model: two Business Units leveraging the same Community



Our Community: the Innovation Ecosystem

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**

DIGITAL 360

The **largest community** in Italy of **tech users & buyers**

1st

page on Google with
more than **45,000**
keywords in the Tech
sector

2.8mIn

unique visitors per
month (average,
1H20) with a max
of **4.5 mln unique**
visitors in April
2020

56

digital assets
(online portals,
newsletters, etc)

1,500

original articles
published each
month

2,100

published white
papers up to date,
downloaded by
more than 21,000
users in the 1H2020

110

digital events
organized in the
1H2020

>510,000

fans and followers
on social media
channels
(company's accounts
and key people's
accounts)

78,000

profiled contacts in
1H2020 through
events, webinars,
white papers and
contact center

Digital Innovation Demand TECH BUYERS

Large Enterprises

SMEs

Micro Enterprises

Independent
Professionals

Public Sector
Authorities

[...]

**Over 4 Million
Tech Buyers**

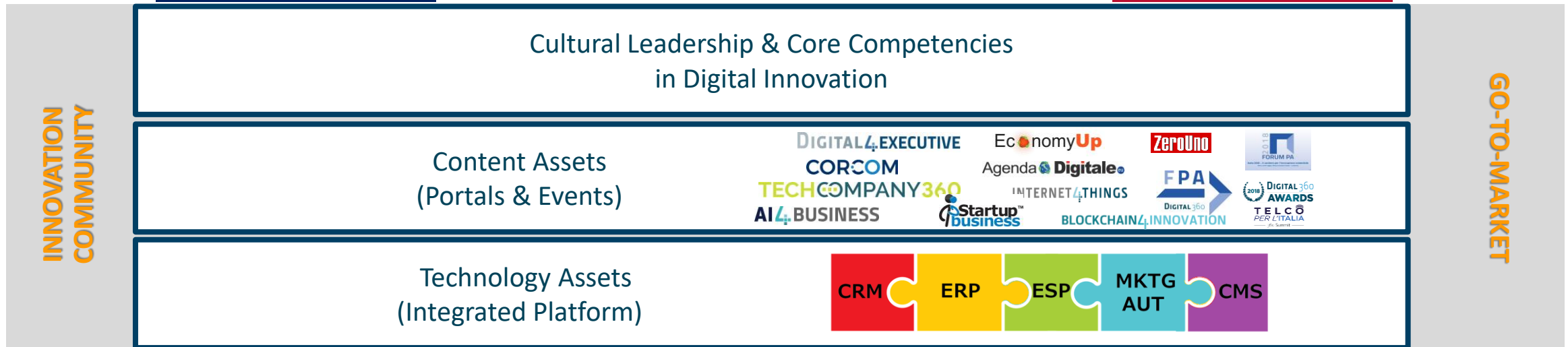
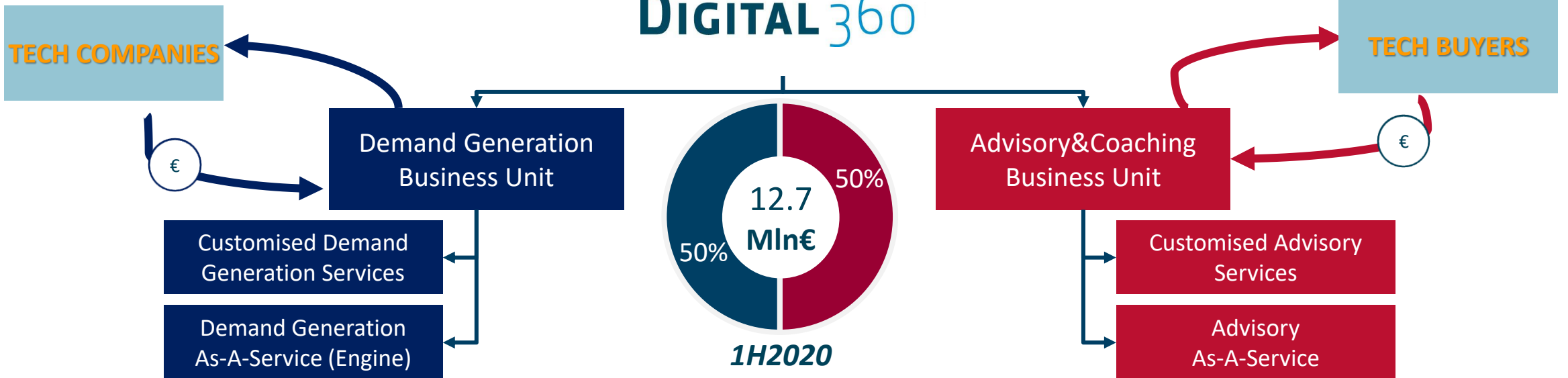


DIGITAL 360



Core Competences & Strategic Assets

DIGITAL 360



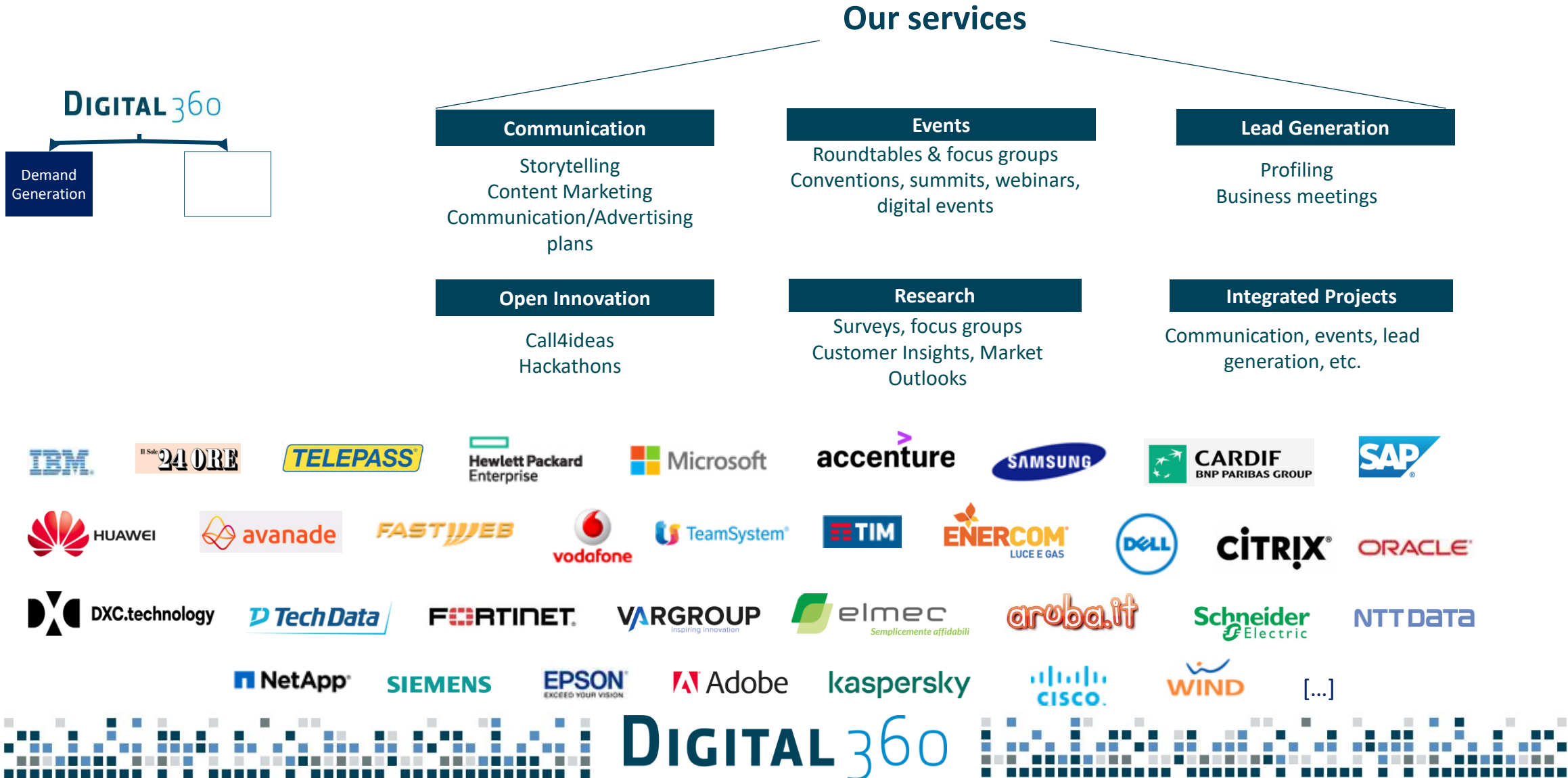
DIGITAL 360



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Demand Generation

Customised services



Demand Generation

Demand Generation As-A-Service: the Digital Marketing & Sales «Engine»

1H2020 KPI (vs 31.12.2019)

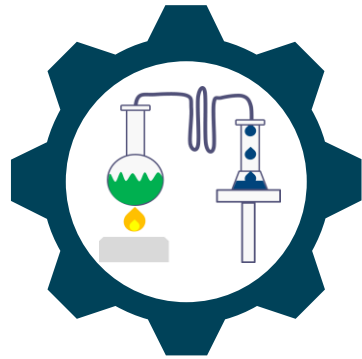
- Engines sold: 80 (67)
- Average Price: 44k€ (45k€)
- Annual Recurrent Revenues: 3.5 M€ (3.0 M€)

Original methodologies and models



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original digital marketing&sales methodologies**

Engineering the know how



By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized marketing&sales services**

Recurring Revenues



Replicable & standardized marketing&sales services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

Software as a Service



The marketing and sales services can be delivered through specific **software-as-a-service platforms** (i.e. Hubspot, Martech proprietary platform, etc.)

Go-to-market Channel



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 1H2020

Customised Services

- Cancellation of all physical events, replaced by a terrific growth of all digital services
 - Digital events (+**200%** vs 1H 2019)
 - Digital communication services boosted by Digital360 network performances (**4.5 mln unique visitors** in *April 2020*)
 - Online lead generation
- Growth of profitability of the area

Demand Generation as a Service

- **80 Marketing & sales Engine sold** (vs 67 at the end of 2019), for **annual recurrent revenues of 3,5 Mln** (vs 3,0 mln at the end of 2019)
- Growth of profitability of the area
- Development of “Martech360” platform

Processes and organization

- Reengineering of the main processes (e.g. delivery, etc.) in order to increase productivity
- Adoption of software platforms and tools to support collaboration and smart working



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Advisory&Coaching

Advisory&Coaching As–A-Service

1H2020 KPI (vs 31.12.2019)

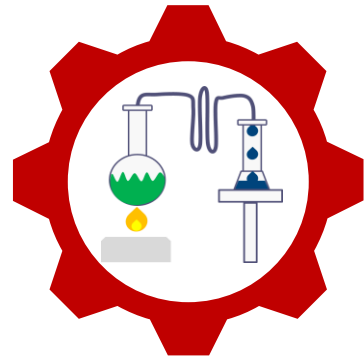
- AAS Advisory subscriptions sold: 92 (46)
- Annual Recurrent Revenues: 1.7M€ (1.3M€)

Original methodologies and models



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original methodologies**

Engineering the know how



By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized advisory services**

Recurring Revenues



Replicable & standardized advisory services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

Software as a Service



The Advisory services can be based on specific **software-as-a-service platforms**, aimed at making the advisory services themselves more effective and efficient

Go-to-market Channel



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 1H2020

Customised Services

- Transformation of services typically offered in presence into fully remote services and complete remotisation of As-a-Service activities
- Development of the Smart Working Emergency KIT service
- Development of the EmpowerCare Service

As-a-service activities and tool

- Increase in Contracts and revenues of As-a-Service and tool-based activities (i.e. DPO – CISO – Digital Skills – FPA Digital School – Engine Out Of ICT)
- Development of two new modules of the GRC360 (Audit and 231)

Processes and organization

- Reengineering of the main processes (e.g. go to market, delivery, etc.) in order to increase productivity
- Adoption of software platforms and tools support collaboration and smart working



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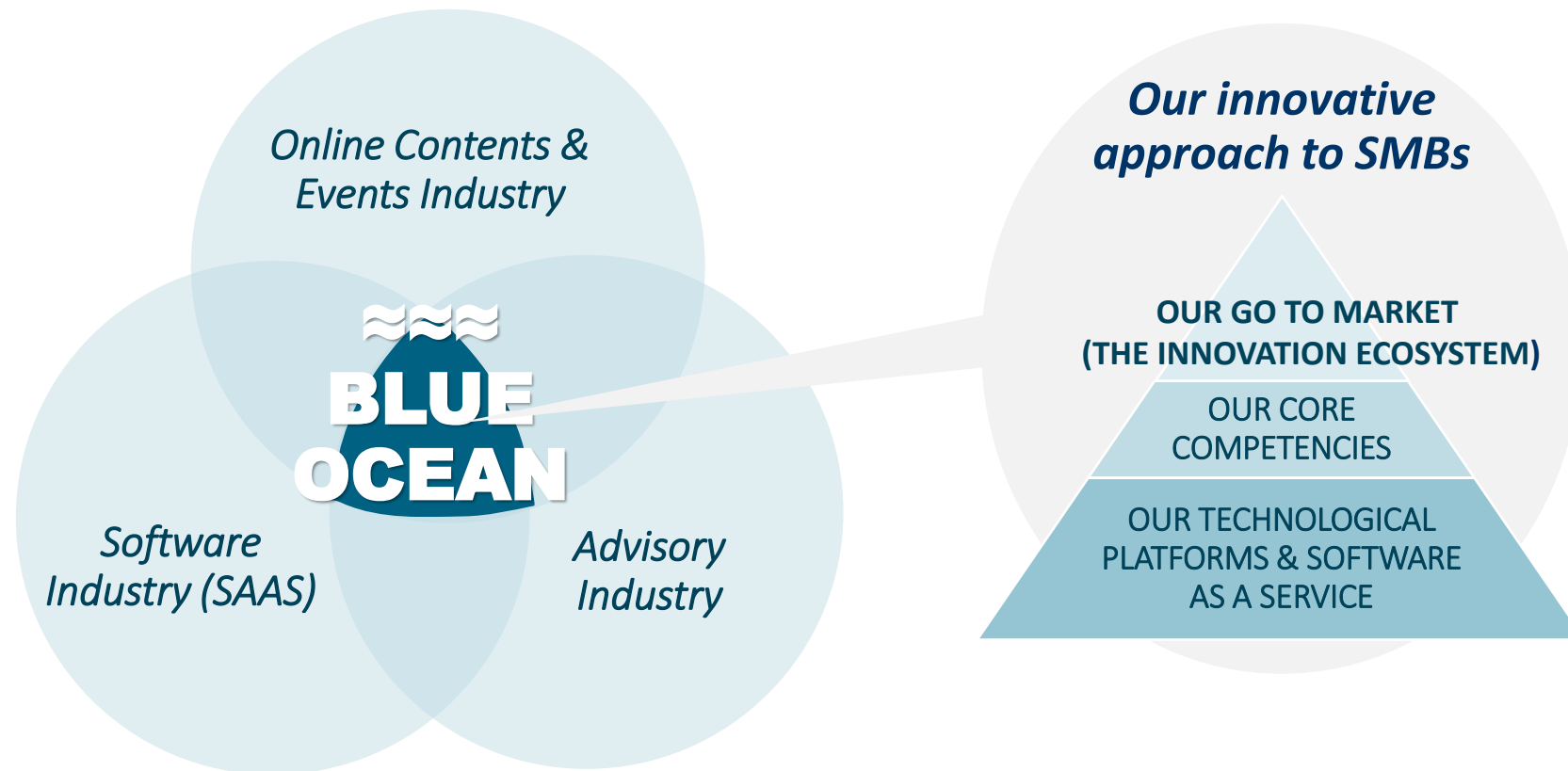
Our Blue Ocean Strategy: Digital As-A-Service



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)



Strategic Directions in 2020

- 1 Strategic focus on the development of “**As-A-Service**” packaged solutions, with **recurrent revenues**:
 - **Digital Marketing & Sales Engine** (non only for tech companies but also in other industries)
 - **Advisory-As-A Service**
 - **360DigitalSkill & FPADigitalSchool**

- 2 **Scouting of innovative small tech companies and start-ups (M&A)**, to support and accelerate the development of our “As-A-Service” solutions (in particular software-as-a-service provider in strategic areas, like MarTech, GRC, HR, Industry4.0, etc.)

- 3 **Investments in**
 - **core competencies** in digital innovation (knowledge, engineered know-how, etc.)
 - **technological platforms** (Artificial Intelligence, Automatic Process Automation, Business Analytics, CRM, Marketing Automation, etc.)
 - **content assets** (portals, SEO, social networks, etc.), in order to develop our **community (innovation ecosystem)**

Other events in H120

Minority Participations

1. Sale of 6.8% of Sata Srl to a company part of the Credem Group at a nominal price of 244k€, with a 94% capital gain on the latter.
2. Strong valorization of the subsidiary AppQuality, with an investment round of 3.5M€ led by prominent Italian VCs, valuing the company at 10.5M€. As of today, D360 holds 5.04% of the company.

Board of Directors Proxy for future share capital increases

Also to support M&A operations and the growth of the group, proxy will be used for share capital increases, even excluding the right of option, as well as for the issue of convertible bonds/warrants.

The Proxy can be exercised until January 23rd 2023 and up to a maximum amount of 10M€.

Lock-up

To build trust in the company, co-founders, representing 70,35% of the shareholdings and Employees, holding 2,03% of the shares, have signed a lock-up agreement for a period of 3 years starting on June 2020.

New Board of Directors

The new Board of Directors has been appointed: Andrea Rangone becomes the new Chairman, Raffaello Balocco and Gabriele Faggioli CEOs. New skills and professionalism enter the board also with the appointment of Pierluigi Negro.



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Financials: Income statement

Operating Results - P&L Euro/mlns	30.06.19	30.06.20	D	
Revenues	13,4	12,7	-5%	Effect of the decrease in revenues linked to «in presence» events, largely offset by the growth of digital services
EBITDA	1,5	2,8	92%	The growth of digital services has exploited the scalability of the business, resulting in only modest increases in costs, with an evident effect on the improvement of margins overall
% Ebitda / Total Revenues	11,0%	22,2%		
EBIT	0,3	1,6	407%	
% Ebit / Total Revenues	2,3%	12,2%		
EBIT Adjusted	0,7	1,9	178%	(*) EBIT and Net Profit Adjusted are reclassified without taking into account the amortization of the consolidation differences
% Ebit Adjusted / Total Revenues	5,2%	15,3%		
Net profit	-0,06	1,1		
% Net profit / Total Revenues	-0,4%	8,5%		
Net Profit Adjusted	0,33	1,46	340%	
% Net Profit Adjusted / Total Revenues	2,5%	11,5%		



Financials: Financial statement

Balance Sheet		31.12.2019	30.06.2020	Change	Change %	
Euro/mlns						
Fixed Assets						
Materials		0,5	0,5	0,0	n.s.	<p>The 4% reduction is due to amortization which reduced its book value.</p> <p>About half of the total value of the fixed assets (€ 4.5M) is represented by the consolidation differences arising from M&A transactions;</p> <p>the residual part derives from the costs of technological development and launch of new services</p>
Immaterials		9,3	8,9	-0,4	-4%	
Financials		0,1	0,1	0,0	n.s.	
Total Fixed Assets	A	9,9	9,5	-0,4	-4%	
Operating Working Capital (OWC)						
Receivables		9,4	10,3	0,9	9%	<p>The increase compared to the end of last year is affected by the seasonality in the trend of receivables and payables</p>
Commercial Debts		-3,1	-3,5	-0,4	-12%	
Other short terms ass/liabilities		-0,7	-2,3	-1,6	-215%	
Total Operating Working Capital	B	5,6	4,5	-1,1	-19%	<p>In addition to the effect related to receivables and payables, the reduction is a consequence of (i) the collection of tax credits and (ii) the increase in tax debts, as a result of the profits generated</p>
Net Capital Invested (CNI)	A+B	15,5	14,0	-1,5	-9%	
Equity and Banks						
Equity		8,1	9,3	1,2	14%	<p>The change reflects (i) positive operating cash flows (+3.6M) and (iii) the investments made (-0.9M)</p>
Net Financial Position		6,3	3,6	-2,7	-43%	
Other funds		1,0	1,1	0,1	13%	
Total Equity, Banks and Funds		15,5	14,0	-1,5	-9%	



Financials: Net Financial Position and Cash Flow

Cash Flow 1H 2020 vs 1H 2019

	30/06/19	30/06/20	Δ
Ebitda	1,5	2,8	1,3
Severance pay and other funds	-0,1	0,1	0,2
Investments	-1,0	-0,9	0,1
CF from business and investments (A)	0,4	2,0	1,6
Tax	0,0	0,0	0,0
Interests on loans	-0,15	-0,15	0,0
CF from Fiscal and Interests (B)	-0,15	-0,15	0,0
ΔOWC (C)	0,3	0,5	0,2
Operating Cash Flow (A+B+C)	0,6	2,4	1,8
Extraordinaries (M&A)+others	-1,2	0,3	1,5
Free Cash Flow	-0,6	2,7	3,3

Summary 1H and FY 2019, 2020, CF Margin

	30/06/2019	30/06/2020	31/12/2019
Revenues	13,4	12,7	25,2
Cash Flow	-0,6	2,7	-1,7
CF Margin	-4%	21%	-7%
PFN	5,7	3,6	6,3
PFN/Ebitda 1H	3,8	1,3	
PFN/Ebitda FY			2,5

The business trend, accompanied by careful financial management, generated strong cash flows





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Stock performance & Market multiples - 1/2






$$\frac{EV}{EBITDA^*} = 5.7$$

$$\frac{P}{E^*} = 14$$

**The denominator of the fractions is represented by the estimates of the last available Analyst Research*



Stock performance & Market multiples – 2/2

	 1H2020 (M\$) % on revenues	 1H2020 (M€) % on revenues	 1H2020 (M\$) % on revenues
Revenues	66	12,7	1.992
EBITDA	14 21%	2,8 22%	406 20%
Net Profit	7 11%	1,46 11%	215 11%
PFN	-4	3,6	1.600
Free Cash Flow	13 20%	2,7 21%	333 17%
Main Ratios			
Equity Value	1.100 M\$	20 M€	11.300 M\$
Enterprise Value	1.100 M\$	23,6 M€	12.900 M\$
EV/Revenues	8,1	0,9	3,0
EV/EBITDA	37,9	5,7	19,8
p/e	157	14	47

DIGITAL 360

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Annexes

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