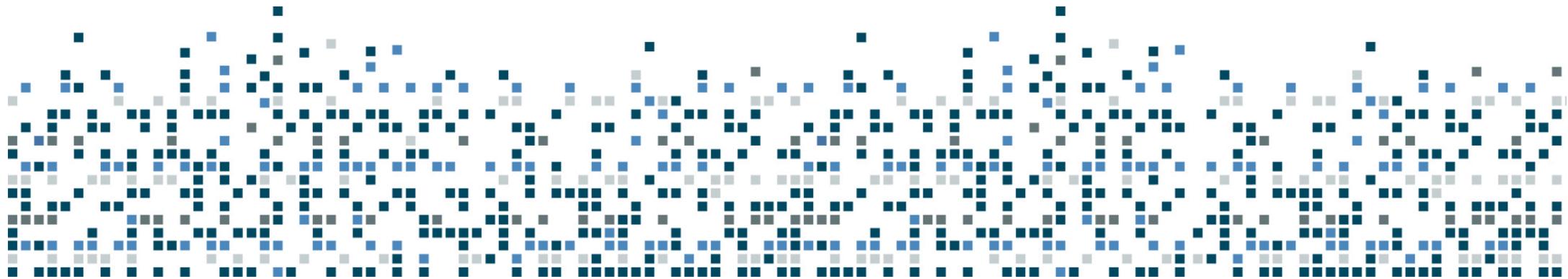


DIGITAL360

EMPOWERING INNOVATION

DIGITAL360 Investor Presentation

NEXT GEMS, 3-4 NOV 2020





I. Company overview

II. Business Units

III. Strategic directions

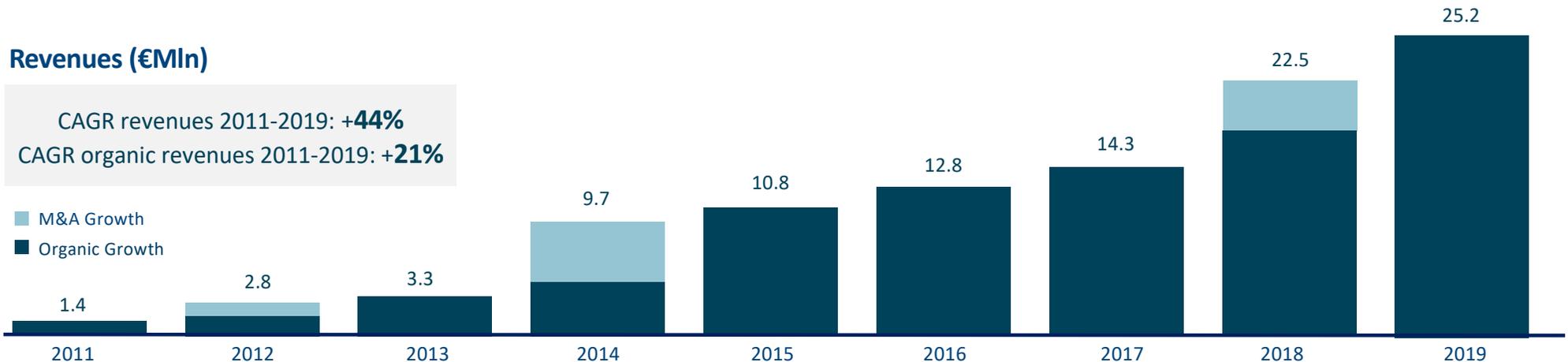
IV. Stock Price

V. Financials

Our History, Vision and Mission

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

Revenues (€Mln)



DIGITAL360 is founded

VISION

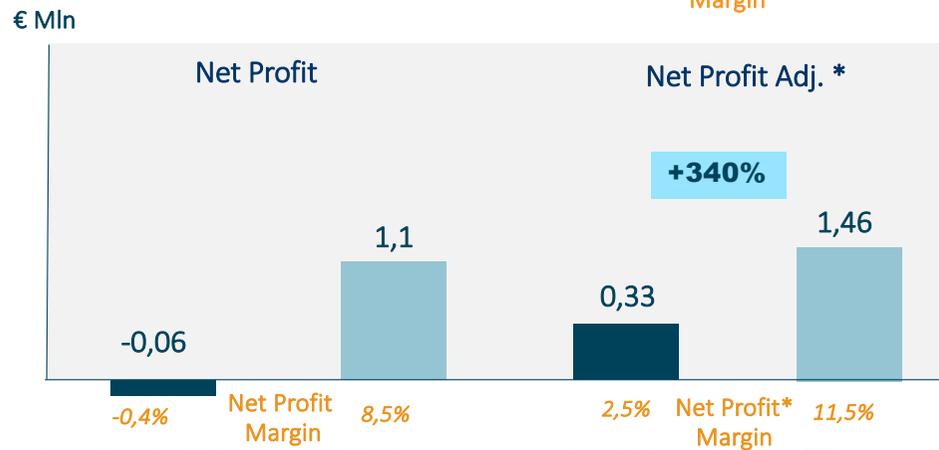
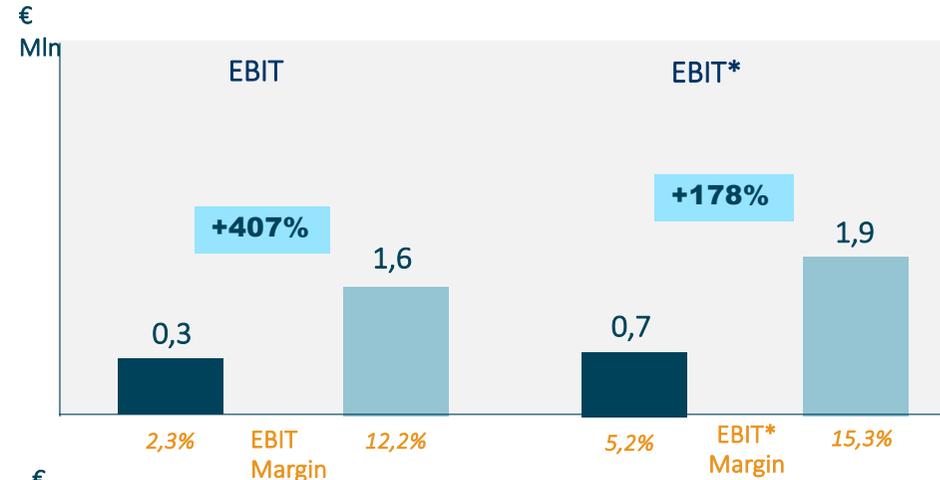
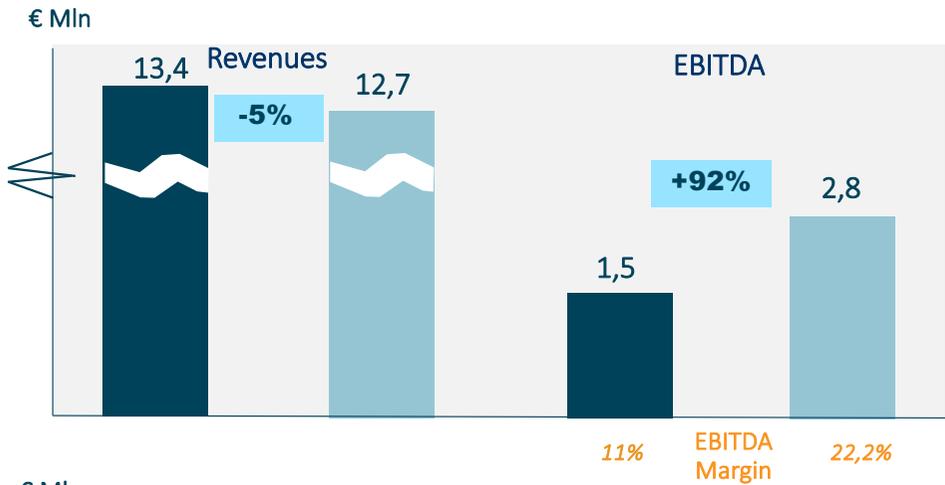
Digital Transformation and Entrepreneurial Innovation - the engine for economic growth and for modernising businesses and public bodies

MISSION

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

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

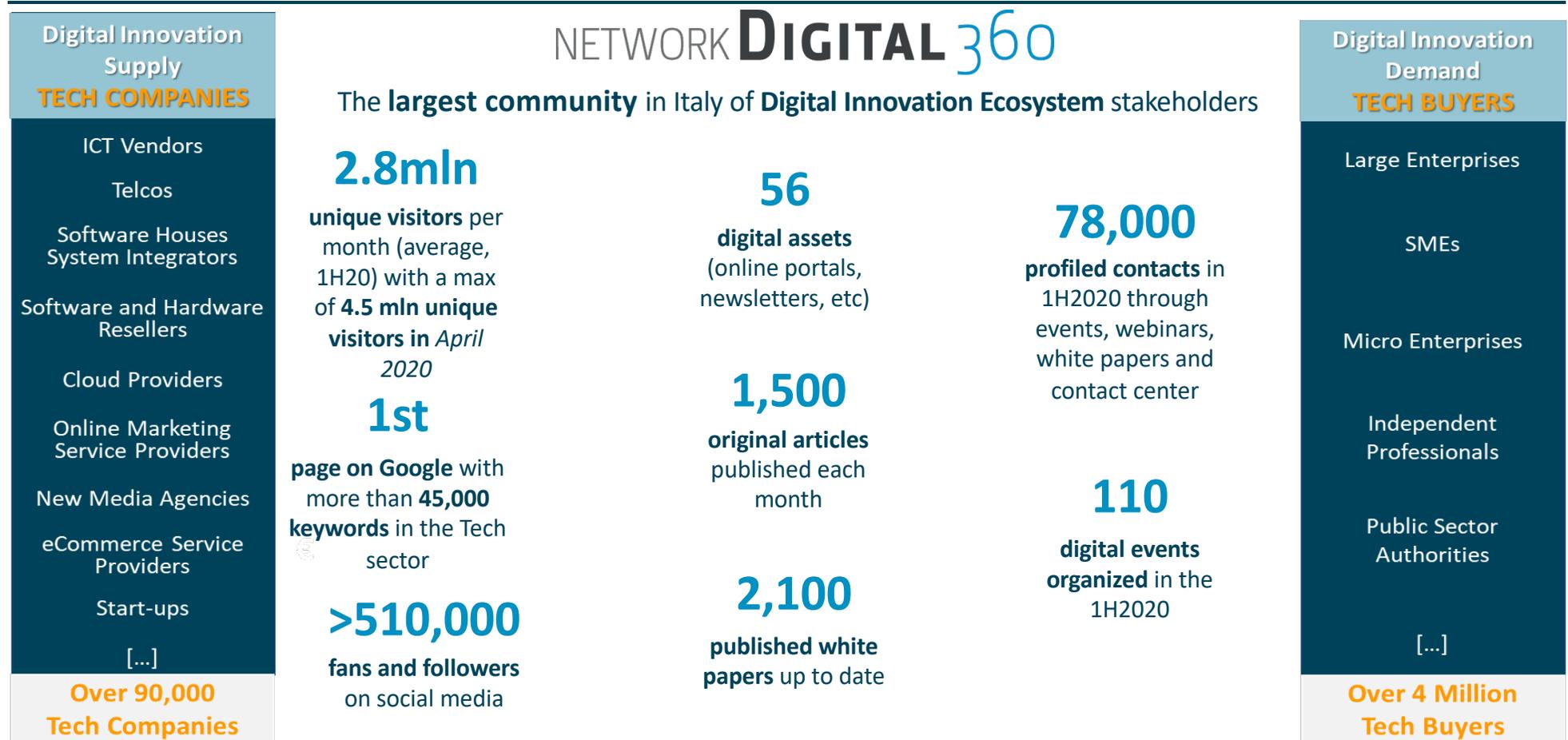
■ 1H 2019 ■ 1H 2020
**Adjusted data are reclassified without taking into account the amortization of the consolidation differences*



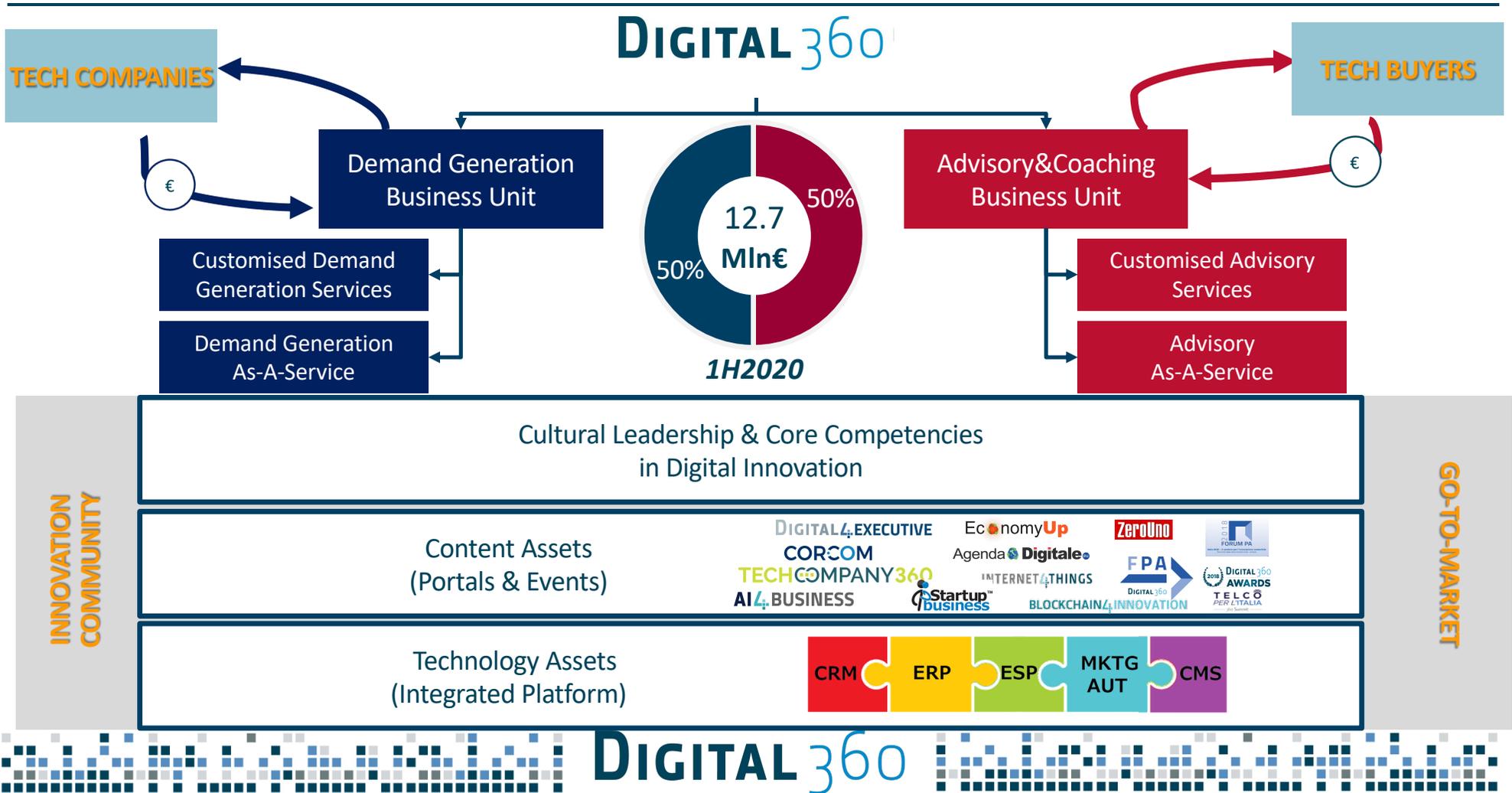
Our Business Model: two Business Units leveraging the same Community



The Innovation Ecosystem: Our Community



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





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

Demand Generation

Customised services

Our 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**



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Demand Generation – Key Facts in 1H 2020

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

Advisory&Coaching

Customised services

Our practices



IT Governance & Data Driven Innovation

Digital Open Innovation

Smart Working & HR Trasformation

Information & Cyber Security

Compliance & Audit

Smart Operations

Healthcare Innovation

MarTech

Legal



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**





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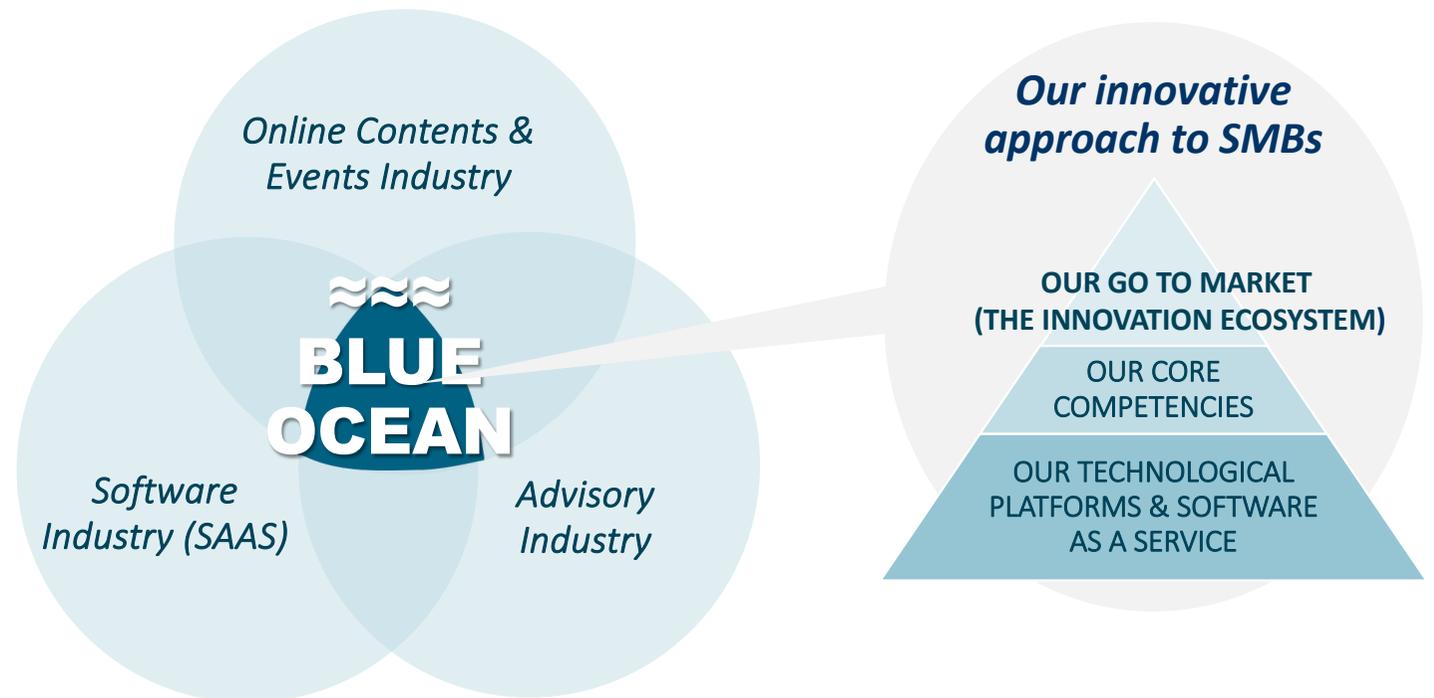
Our Blue Ocean Strategy: Digital As-A-Service



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)



DIGITAL 360



Strategic Actions 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**

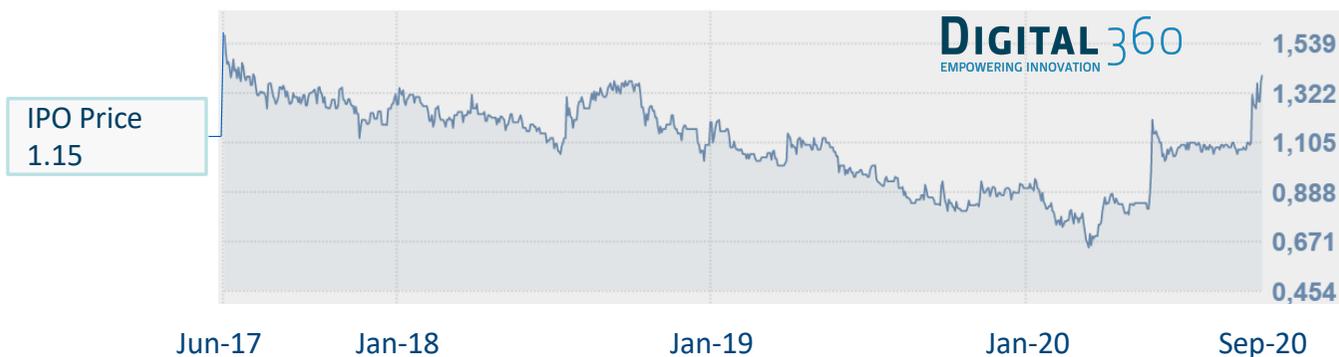
- 2 **Scouting of innovative small tech companies and start-ups (M&A)**, to support and accelerate the development of our “As-A-Service” solutions (in particular software-as-a-service provider in strategic areas, like MarTech, GRC, HR, Industry4.0, etc.)

- 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)**



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Stock performance & Market multiples



$$\frac{\text{EV}}{\text{EBITDA}^*} = 6$$

$$\frac{\text{P}}{\text{E}^*} = 15$$

**The denominator of the fractions is represented by the estimates of the last available Analyst Researches at 15/10/2020*

			
Equity Value	1.370 M\$	22 M€	11.300 M\$
Enterprise Value	1.370 M\$	26 M€	12.900 M\$
EV/Revenues	10	1	3
EV/EBITDA	47	6	20
p/e	196	15	47



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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 and Net Profit Adjusted are reclassified without taking into account the amortization of the consolidation differences
% 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%		



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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.
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%
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%
Net Capital Invested (CNI)	A+B	15,5	14,0	-1,5	-9%
Equity and Banks					
Equity		8,1	9,3	1,2	14%
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	-1,4	-9%

The 4% reduction is due to amortization which reduced its book value.
About half of the total value of the fixed assets (€ 4.5M) is represented by the consolidation differences arising from M&A transactions; the residual part derives from the costs of technological development and launch of new services

The increase compared to the end of last year is affected by the seasonality in the trend of receivables and payables

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

The change reflects (i) positive operating cash flows (+3.6M) and (iii) the investments made (-0.9M)



Financials: Net Financial Position and Cash Flow

Cash Flow 1H 2020 vs 1H 2019

	30/06/19	30/06/20	D
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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Annexes

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 collect ideas and contributions:

- **CallXAction – Ready.... Go !**



To understand, engage and be closer to everyone:

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



To offer training and new opportunities to all:

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



Group Structure

DIGITAL 360

