

CLOUD IS THE NEW DIGITAL

Company Overview

MID & SMALL 2021 | SUMMER
VIRGLIO IR, 26 July – 5 August 2021



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AGENDA

1. WHO WE ARE
2. BUSINESS MODEL AND MARKET OPPORTUNITIES
3. FINANCIAL RESULTS 2020
4. STRATEGIC ROADMAP 2021



CLOUD IS THE NEW DIGITAL

OUR VISION

DIGITAL TRANSFORMATION AND INNOVATION ARE THE KEYS FOR GROWTH AND NEW BUSINESS - CLOUD MARKETING IS THE DIGITOUCH VALUE OFFERING TO ADDRESS COMPANIES NEEDS FOR A FULL INTEGRATED AND SCALABLE SERVICE

OUR MISSION

TO SUPPORT OUR CLIENTS AND PA IN THE DIGITAL TRANSFORMATION PATH, THROUGH AN INTEGRATED OFFER OF DIGITAL MARKETING, TECHNOLOGY AND E-COMMERCE SERVICES, WITH A MARKET CENTRIC APPROACH



GRUPPO DIGITOUCH

A FAST GROWING DIGITAL PLAYER

- ✓ ESTABLISHED IN 2007
- ✓ LISTED on AIM ITALIA since 2015
- ✓ 300+ HIGHLY SKILLED PEOPLE
- ✓ OFFICES in ROME, MILAN, MONZA
- ✓ FULLY GDPR COMPLIANT
- ✓ 300+ CLIENTS



Gruppo DigiTouch is an ISO-9001 Certified Company for:

- business management systems
- design and delivery of training interventions in Digital Transformation area

Note: Net Income as adj. for goodwill amortization

Data accounted in IT GAAP

34 Million Euro
REVENUES 2020

5.7 Million Euro
EBITDA adj. 2020

1.7 Million Euro
Net Income adj. 2020

19% 2014-2020
TOP LINE CAGR

27 Million Euro
Cumulated Investments 2014-2020

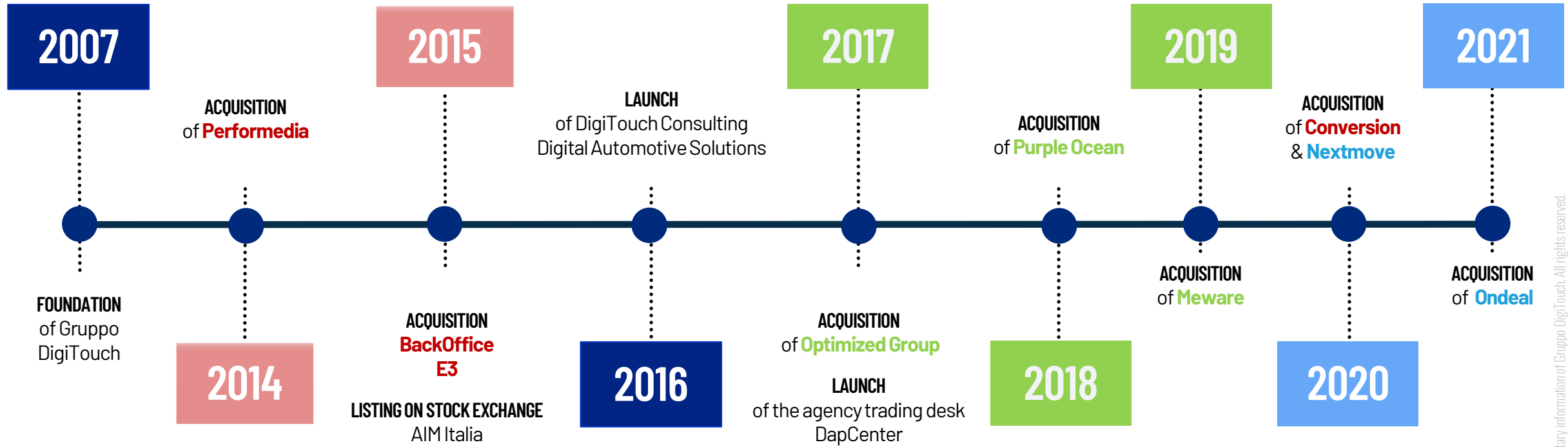




OUR MILESTONES



- ✓ Experience in M&A
- ✓ Capability in People & Process integration
- ✓ Focus on mid-term Business Innovation



- E-Commerce
- Technology
- Marketing Services



A FULLY INTEGRATED OFFER

CREATING VALUE BY LEVERAGING ON AN INTEGRATED APPROACH AND CROSS FERTILIZATION

CORE OFFER

TECHNOLOGY SERVICES

- Data analysis & insights
- Business analytics & predictive models
- Data science & machine learning
- Mar-Tech system integration
- Marketing Automation
- Business Process Automation

E-COMMERCE SERVICES

- E-commerce solutions
- Interface development
- Experience Design
- Cloud Solutions

MARKETING SERVICES

- Omnichannel marketing
- Content & Creativity
- Tracking
- SEO & CRO
- Special projects
- Digital event platform

VALUE FOR CLIENTS

Plan, implement and manage clients' digital offers

Display and sell clients' goods and services digitally

Promote market and services and recruit clients online

We are a **Cloud Marketing Company** with focus on integrating **Technology, Marketing, Resources and Skills.**

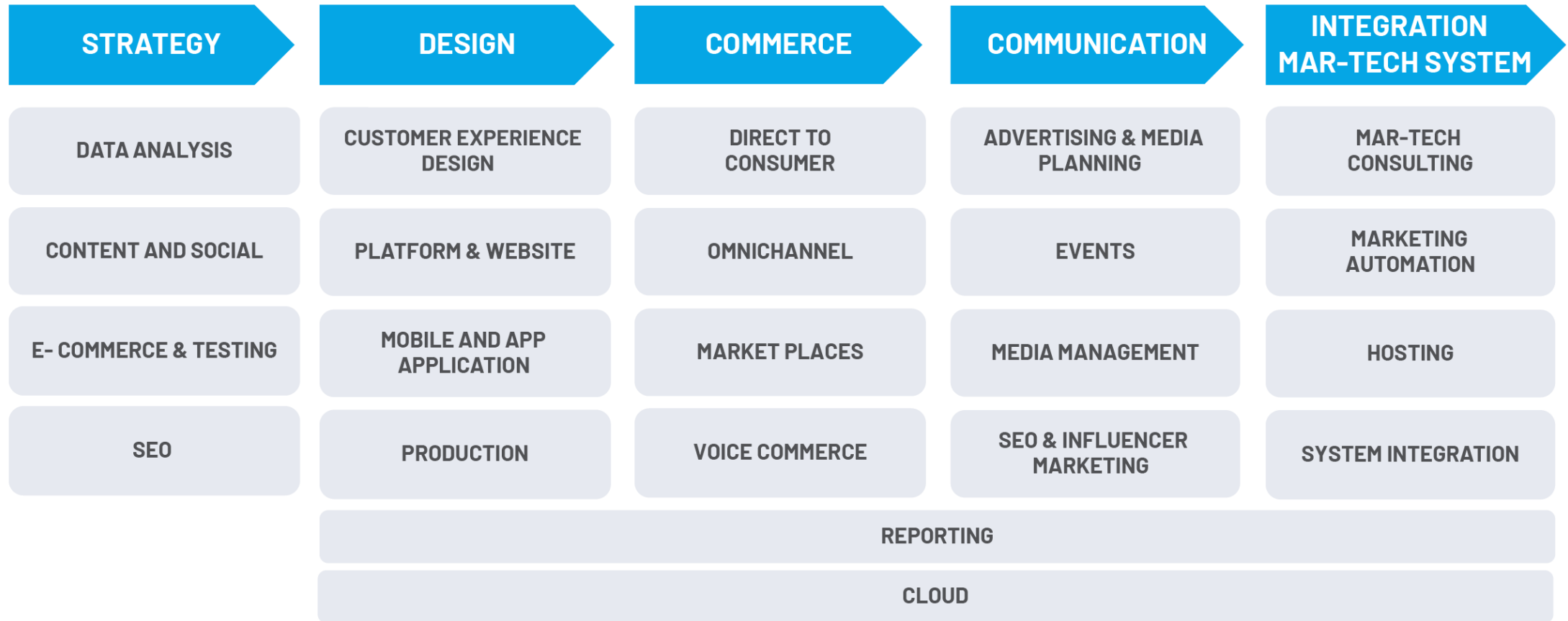
Flexibility, market centricity, consultancy and assets integration are our keys

SCALABILITY & PERFORMANCES



FULL SERVICES VALUE CHAIN

CREATING VALUE FOR OUR CLIENTS ALL OVER THE VALUE CHAIN



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MULTIPLE PROPRIETARIES TECHNOLOGIES

TECH SKILLS WITHIN THREE CORE DIVISIONS

	TECHNOLOGY SERVICES	E-COMMERCE SERVICES	MARKETING SERVICES	
OWNED TECH ASSETS	<ul style="list-style-type: none"> Cognitive Platform Dealer Tab Store Locator Chatbot Voice CMS Sales Agent Gamification Platform iEGP® Social CMS Custom CMS 	<ul style="list-style-type: none"> Purple X Digital Human Experience 	<ul style="list-style-type: none"> Gamification Platform iEGP® Social CMS Chatbot Custom CMS Store Locator Voice CMS Digital Human Experience 	
SKILLS IN OTHER TECH ASSETS	<ul style="list-style-type: none"> Test Automation Risk Management BPA 	<ul style="list-style-type: none"> UX/UI development 	<ul style="list-style-type: none"> shopify Magento 	<ul style="list-style-type: none"> Pac Analytics
TECHNOLOGY PARTNERS	<ul style="list-style-type: none"> TIBCO Power BI entando CISCO SSAS Gold Partner ORACLE PARTNER DATA4! DATA CENTERS AT SCALE redhat READY BUSINESS PARTNER 	<ul style="list-style-type: none"> Adobe amazon web services Google Cloud Azure Business Partner WEICOMM 	<ul style="list-style-type: none"> facebook adverity audiens Google Partner amazon adform OSSERVATORI.NET digital innovation 	



FOCUS ON INNOVATION



MACHINE LEARNING

Proprietary platform - Meware Cognitive Platform (MCP) - which offering evolved **system of business analysis**, based on a modular architecture able to **analyse complex data**, also using algorithms from **machine learning** and **deep machine learning**

CLOUD

Managing complex and heterogenous infrastructures and is able to **project, implement and manage cloud environments** (private and public). It employs **elastic infrastructures** and the strength is the ability to erogate a tailor-made managed service business

E-COMMERCE & INTERFACES

Strong competences in **infrastructure services**, development of **e-commerce apps** and designing winning **user interfaces**
Capabilities to develop stand alone ecommerce portals as well as ecommerce market place solutions

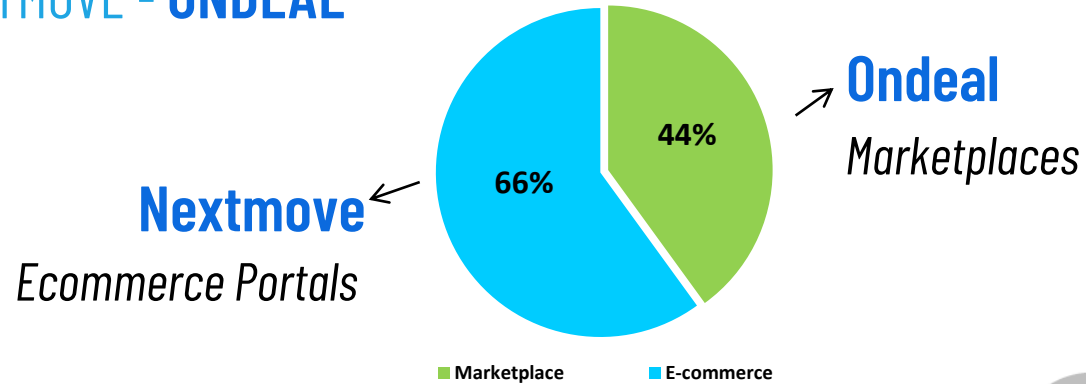
DIGITAL MARKETING

Skilled team of professionals in the **full set of digital marketing tools and products** leveraging on internal assets and capabilities as well as external partnerships with main software vendors



LAST M&A TRANSACTIONS

ACQUISITION OF CONVERSION - NEXTMOVE - ONDEAL



Strengthening the position in the booming e-commerce field with a preliminary agreement to acquire Gruppo Ondeal, leader in the segment through the full service provider in the marketplace 4Deal

In 2020 in Italy sales through marketplace were almost 44% on total €24bn transactions through Ecommerce



COVID-19 changed consumers behavior and accelerated e-commerce adoption, with many consumers experimenting with, and even becoming reliant on the digital channel while in isolation



E-commerce market is expected to grow significantly during next years - top three regions (North America, Europe and APAC) are expected to increase e-commerce market size by 60%-70% in next 5 years. Global ecommerce reached \$2.501bn in 2020 (+25% YoY) and it is projecting 4.283bn in 2025 (CAGR% of 11.4%)





DIVERSIFIED PORTFOLIO

EXPERTISE IN DIFFERENT SEGMENTS - CORE CUSTOMERS



RETAIL &
E-COMMERCE



FOOD & BEVERAGE,
CONSUMER GOODS



PUBLIC
ADMINISTRATION



FASHION &
LUXURY



FINANCE &
INSURANCE



TELCO, UTILITIES,
TECH & SERVICES



EDUCATION,
ENTERTAINMENT, TRAVEL
& AUTOMOTIVE



PHARMA &
HEALTHCARE



LUISAVIAROMA

sergio rossi

MORELLATO

BLUESPIRIT
GIOIELLI

MOLESKINE



SECTOR
NO LIMITS

FENDI



AGOS



FIDITALIA

Schroders

Posteitaliane



Wolters Kluwer

ASUS

kaspersky



PHILIPS



Bocconi



tata

Sisal



Disney

SONY



Zambon

Dompé

SANOFI

BAUSCH+LOMB



BaByliss

fismad



20% on Rev.

8% on Rev.

<5% on Rev.

10% on Rev.

21% on Rev.

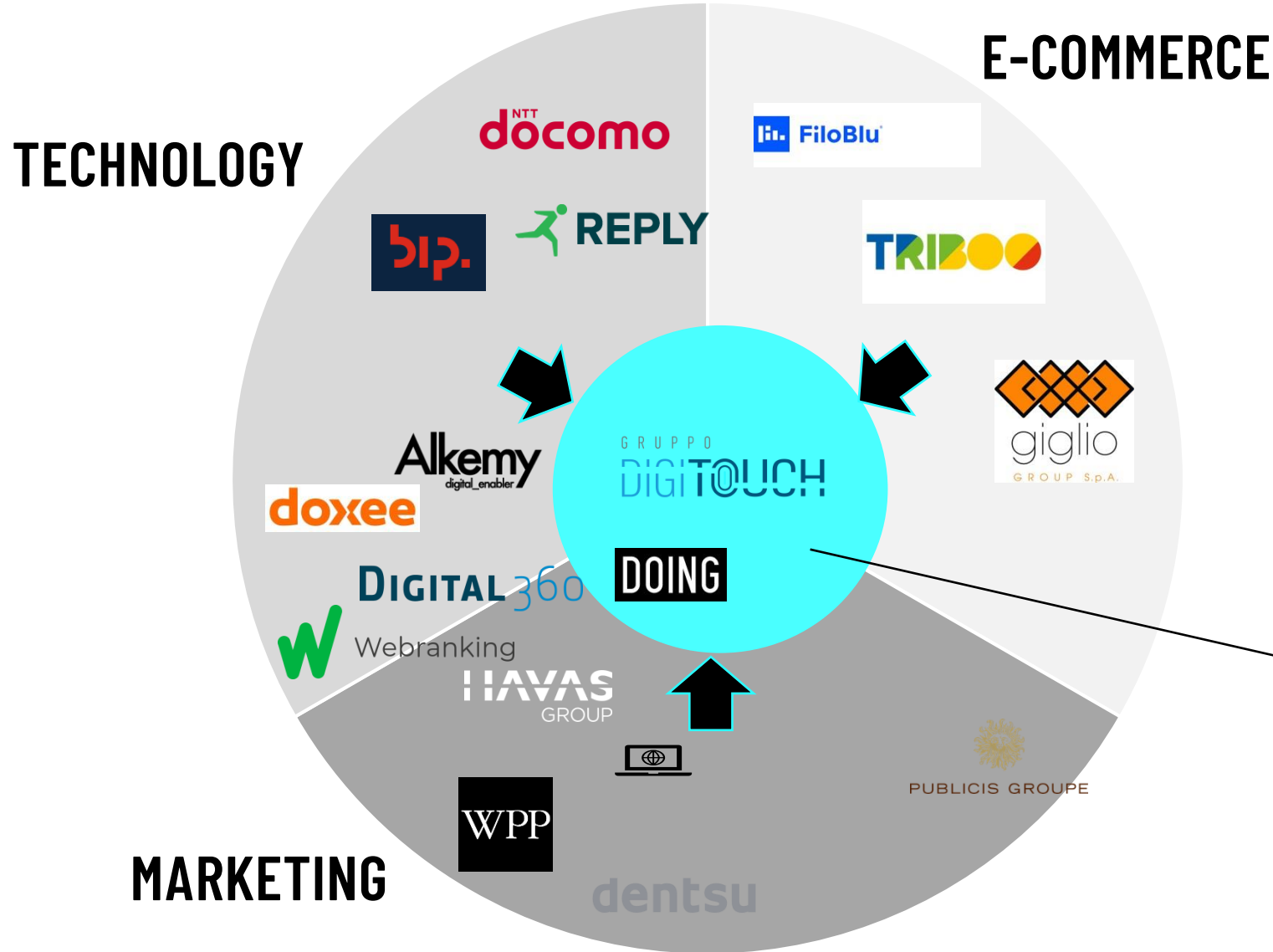
30% on Rev.

8% on Rev.

<5% on Rev.



COMPETITIVE ARENA



Overall market convergence in the area of "Integrated Offer", generating additional market consolidation

Gruppo DigiTouch competes with big consultancy groups through a mix of consulting, marketing and tech competences

Compared to them, DigiTouch can be more flexible in delivering some customized projects at more scalable conditions

INTEGRATED OFFER



KEYPEOPLE

GRUPPO DIGITOUCH



SIMONE RANUCCI BRANDIMARTE
PRESIDENT, Gruppo DigiTouch

Over 20 years of international experience in the digital business and technological innovation sector and one of the founders of Buongiorno, a pioneer company in mobile marketing and digital entertainment. He is the founder and president of Yolo Group, a company operating in the insurtech field and he is also the President of the Italian Insurtech Association. Simone is also co-founder, business angel and advisor of various start-ups active in Europe and Asia. He has been leading DigiTouch since 2007 as President of the Board and main shareholder.



ENRICO TORLASCHI
Chief Client Officer,
Gruppo DigiTouch

Highly qualified executive manager with an international footprint in the digital transformation industry. He is also speaker at events and conferences, coach and team mentor. After the experiences in Accenture Interactive and in Publicis, since July 2020 he is CCO in DigiTouch.

20 years experience in Accenture, covering various roles and developing solid expertise in the management of complex IT projects of Data & Analytics Platforms, Digital Transformation and Cloud enablement. He joins DigiTouch with the aim of guiding the Group in the structuring of an integrated technological offer.



GIUSEPPE SACCO
MD & Technology
Integrator Lead,
Gruppo DigiTouch



ALBERTO ROSSI
CEO,
Conversion E3

After an experience in sales and marketing in Unilever, he founded an agency focused on Brand Activation and Shopper Marketing. With an omnichannel perspective, he launched the agency Conversion, adding the technology part with the acquisition of Nextmove, merging it with E3 and becoming part of DigiTouch Group.



FRANCESCO DI NORCIA
CEO,
Performedia

About 15 years of experience in the Digital and Media world gained in Italian and international agencies, such as Dada, Wpp Group and Havas, where he held the position of Head of Digital. Then he ventured into an entrepreneurial experience by founding the innovative start-ups.



ROBERTO DI GIULIO
CEO,
Meware

He began in software development in major IT companies. He continued with in a Digital American multinational company, as commercial manager first in the defense branch of the central PA and then in telecommunications. He founded Meware in 2010 which designs and creates IT solutions.



MASSIMO LEONARDA
CEO,
Purple Ocean

Over 20 years of experience in the IT sector and in particular in the management of operations teams engaged in the provision of business critical services for Enterprise customers. In 2010 he founded the Purple Ocean company.



DIGITOUCH ON ESG FACTORS

ESG as a success factor and is becoming an essential part of the long-term strategy of many companies

Environmental, Social and Corporate Governance place more and more great value on sustainable management and in our society's awareness of environmental and social issues is rising more and more.

The pandemic has put social factors related to ESG on the corporate and was able to bring increased focus on non-financial performance over the next 12 months.

Aware of this trend, Gruppo DigiTouch started with a **Social Responsibility strategy**, focused on three areas:

01. SUPPORT ENTREPRENEURIAL ACTIVITIES
02. DIVERSITY INCLUSION
03. ITALIAN CULTURAL HERITAGE ENHANCEMENT





GRUPPO DIGITOUCH

2020 IN A SNAPSHOT



COVID-19 RECOVERY WILL BE DIGITAL – READY FOR THE «NEXT NORMAL»

1. **Strong free cash flow in tough circumstances and after M&A activities; +€3,1m in Op. Cash Flow**
2. **Exceptionally low Net Debt/EBITDA at 0,3x, offering room for additional leverage and further investments**
3. **Pandemic impact on ADV Marketing Revenue level almost entirely compensated by the growth in Technology and E-commerce**
4. **Operating profitability improved and overall profitability preserved**
5. **Net income as adjusted for goodwill amortization at €1,7m**
6. **Share buy-back programme in execution for €700K**
7. **Dividend distribution of €0,01 in payment end of June 2021**

- **Strong cash generation over the period**
 - ✓ €3,1 m in Operating Cash Flow vs €1,5m as of 31st December 2019 thanks to better NWC
 - ✓ €0,6 m in Free Cash Flow vs -€0,7m last year despite new equity investments – Converse
- **NFP improved from -2,5m in FY 2019 to -€2,0m in FY 2020**
- **Revenues at €33,5 million – down 14% – (vs. sector decrease of nearly 30%)**
- **Improvement in marginality compared to FY 2019**
 - Adj. EBITDA at €5,7 m in line with FY '19 and EBITDA margin improved to 17,1% vs 14,8% in FY '19
- **Pre-tax result at €0,7m and Net income as adjusted for goodwill amortization at €1,7m**
 - ✓ Net income as reported is impacted by the amortization of goodwill as for ITA GAAP

Note: Net Income as adj. for goodwill amortization

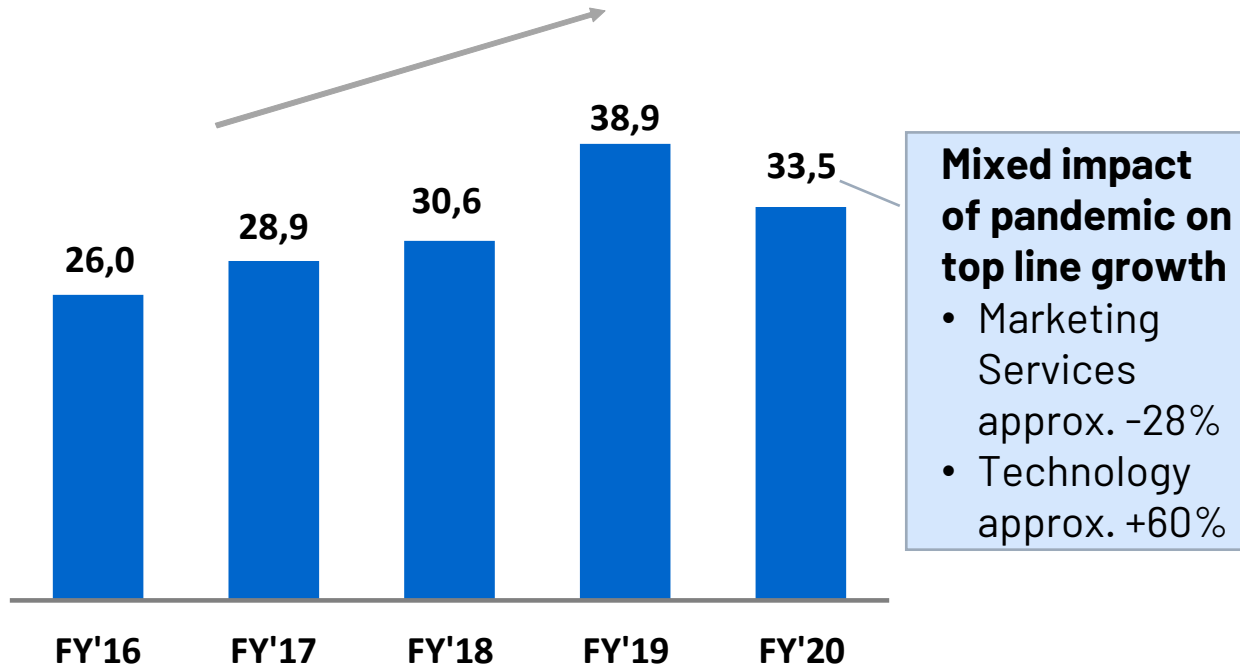
Data accounted in IT GAAP



GROWING AND RESILIENT BUSINESS MODEL

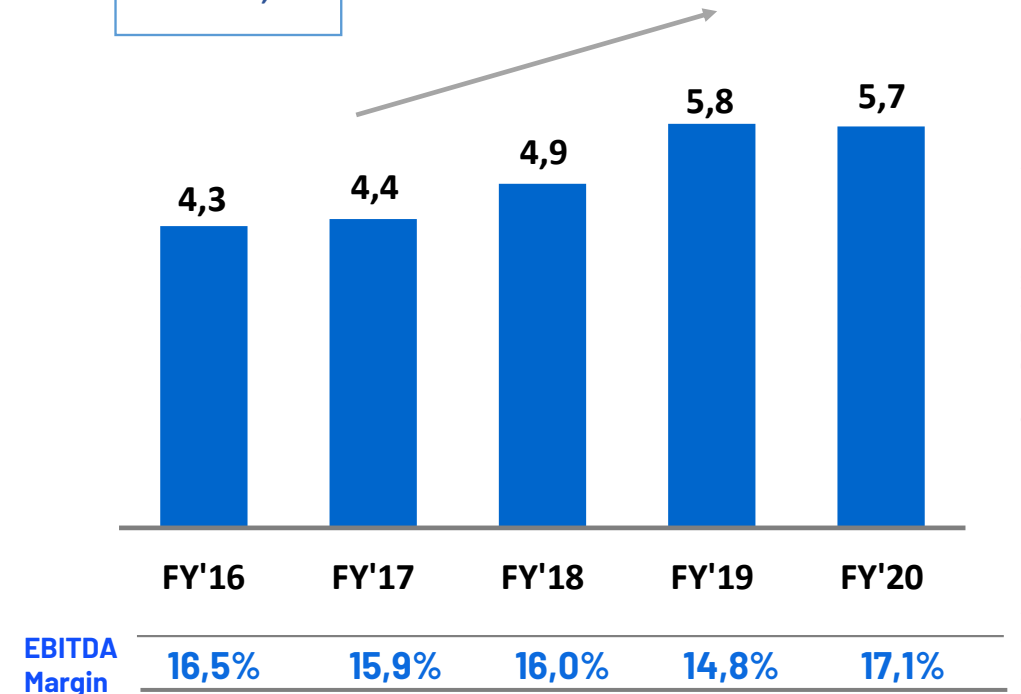
REVENUES

CAGR +6,7%



EBITDA

CAGR +7,3%



Note: EBITDA as adj. for non recurring items
Data in euro million - Data accounted in IT GAAP



FY 2020 INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

Income Statement (Euro M)	FY'19	FY '20
Revenues	38,94	33,52
EBITDA adj.	5,76	5,72
<i>EBITDA margin</i>	14,8%	17,1%
EBIT	1,69	1,02
<i>EBIT margin</i>	4,3%	3,0%
Net Income adj. for goodwill amortization	2,30	1,70
Earnings before tax	1,31	0,68
Net Income	0,77	0,07
<i>Net Income margin</i>	2,0%	0,2%

BALANCE SHEET

Balance Sheet (Euro M)	FY'19	FY '20
Goodwill	8,60	8,35
Other Assets	6,39	7,67
Net Working Capital	3,22	2,40
Long-term Liabilities	-1,16	-1,64
Net Capital Employed	17,05	16,77
Net Equity	14,54	14,77
Net Financial Debt	2,55	2,01
Net Equity and Funds	17,09	16,78

- **Adj. EBITDA Margin increased thanks a better mix, and the new go-to-market approach with focus on more profitable projects**
- **Amortization, depreciation and write-downs up compared to last year due to some investments entered into the production cycle that were completed in the previous year and certain write-downs**



FY 2020 – NET RESULT AS ADJ FOR GOODWILL

NET INCOME ADJ.

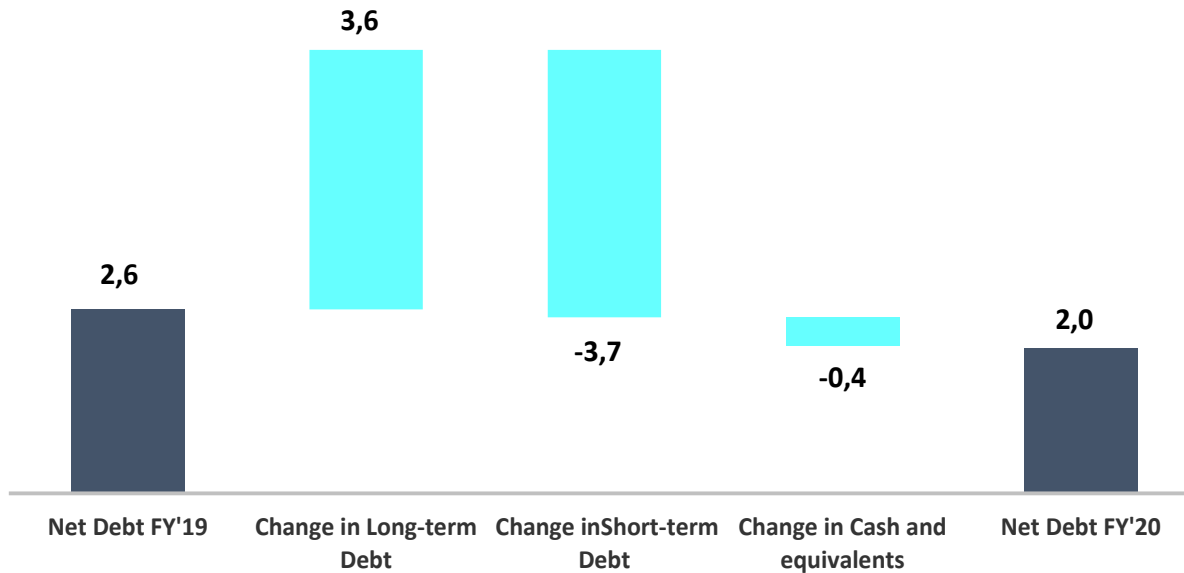
Analysis of Net Income adj. (Euro M)	FY'17	FY'18	FY'19	FY '20
Revenues	28,9	30,6	38,9	33,5
residual Goodwill	11,4	10,0	8,6	8,3
Net Equity	14,1	14,1	14,5	14,8
Net Equity after goodwill coverage	2,7	4,1	5,9	6,4
Goodwill amortization	1,2	1,3	1,5	1,6
Net Income	0,4	0,3	0,8	0,1
Net Income adj. for goodwill amortization	1,7	1,6	2,3	1,7
<i>Net Income adj. margin</i>	<i>5,7%</i>	<i>5,3%</i>	<i>5,8%</i>	<i>5,0%</i>

- **DigiTouch reports its Financials in IT GAAP**
- Adjusted Net Result: heavily impacted by the effect of goodwill amortization accounted in accordance with OIC rules
- Net Equity after goodwill coverage: highlights the ability to cover the residual value of goodwill



FY 2020 – NFP AND FCF DYNAMICS

NET DEBT



Detailed FCF (Euro M)	FY'19	FY '20
EBITDA	5,76	5,72
Other	-1,81	-2,01
Change in WC	-2,50	-0,60
Operating Cash Flow	1,45	3,11
Capital expenditures	-0,85	-2,80
Other (investments)/divestments	-1,29	0,30
FCF	-0,69	0,60
Net Debt/EBITDA	0,44	0,35

- **€3m bond repaid in March 2020; issuance of a new loan**
- **Significantly low Net Debt/EBITDA at 0,3x - still room for additional leverage and investments**
- **Positive change in at Operating cash flow level due a lower absorption of Working capital**
- **Positive change in Net Debt mostly due to the increase in cash liquidity (€7,8m as of December 31st 2020)**



STRATEGIC ROADMAP 2021



DigiTouch will continue to focus on the new integrated offer through the go-to-market approach while maintaining attention on both top line growth – also through M&As – and profitability progress

The Group has already reinforced priorities and enhanced continuity plans to navigate the “next normal”. In the current difficult market context, the Group was favored by its versatile business model and the sound balance sheet

The digital shift is one of the most profound changes brought about by the pandemic, and DigiTouch is taking all the available opportunities with a clear strategy aimed at:

- 1. Focus on the sector of public tenders**
 - 2. Accelerate e-commerce / development of digital enabler e-commerce positioning**
 - 3. Speed up innovation in the fast growing areas of cloud marketing, machine learning, cyber security**
 - 4. Offer integrated projects combining its platforms with customers’ technologies**
-



FOCUS ON M&A

BECOMING THE AGGREGATING DIGITAL HUB



Strengthen market position through potential accretive strategic operations

In a market that pushes companies to increase critical mass, **Digitouch is palying fully the role of a major "DIGITAL HUB"**, able to support end-to-end customers and offer a complete suite of tech services

Focus is on the 3 business services lines: technology, e-commerce and digital service with the aim in the **medium term to have a balanced mix**

Financial discipline is a key driver to buy at **"best in class" conditions as the track record up to now has shown**



GUIDANCE 2021



Revenues \geq €40m
EBITDA adj. €6,2-6,5m

We are committed to generate returns to our current and potential shareholders by delivering profitable growth medium-long term thanks outstanding service delivery, solid client base, talented professionals and financial discipline



SOLID LONG-TERM GROUP

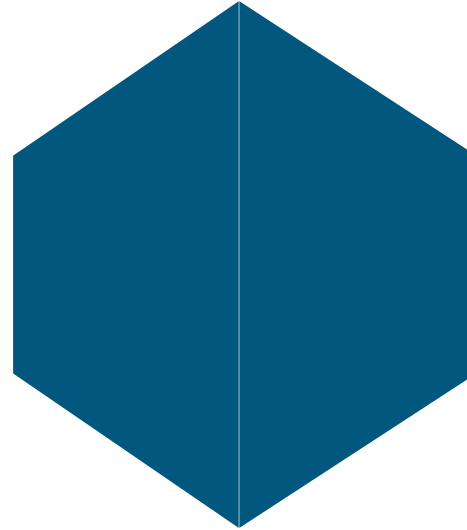


Significant commitment of Board members expressed through a share buy back programme

06.

Stable high margins over time and significant cash flow generation

05.



.01

Long-term relationships with its customers, as well as strong connections in the industry

.02

Focus on best of the shelf technology

.03

Sound Balance Sheet

.04

Solid top management with length experience in the industry and trustable credibility

THANKS

investor.relator@digitouch.it