



## **Board of Directors approves final conditions of the capital increase with pre-emptive rights, issue of additional SG Company Società Benefit S.p.A. Warrants expiring in 2025, and capital increase to service the Warrants**

*Milan, 20 January 2021* - The Board of Directors of SG Company Società Benefit S.p.A. ("**SG Company**" or the "**Company**"), one of Italy's top players in the Entertainment&Communication industry, listed on the AIM Italia market of Borsa Italiana (ticker: SGC), met on 20 January 2021, following the resolutions adopted by the Board of Directors on 25 November 2020 and by the Extraordinary Shareholders' Meeting on 16 December 2020, and approved the final terms and conditions of the capital increase with pre-emptive rights for a maximum of Euro 2,500,000, including share premium, as well as the issue of additional SG Company Società Benefit Warrants expiring in 2025, and the capital increase to service the Warrants. With regard to the capital increase with pre-emptive rights, the Board of Directors resolved to issue up to no. 12,092,744 ordinary shares of the Company, with no par value and with regular dividend entitlement (the "**New Shares**"). The New Shares will be offered on a pre-emptive basis to the Company's current shareholders, pursuant to art. 2441, paragraphs 1, 2 and 3 of the Italian Civil Code, at a ratio of 1 New Share for every 1 share held, at the price of Euro 0.20 each, of which Euro 0.05 as share capital and the remaining Euro 0.15 as share premium; all this considering the general market conditions, the stock market prices and volumes of the Company's share, as well as the business performance and financial standing of the Company and the Group (the "**Offer**"). The maximum value of the Offer is Euro 2,418,548.80.

With regard to the resolution adopted on 16 December 2020, the Board of Directors also resolved to combine the issue of a maximum of no. 6,046,372 Warrant SG Company 2018-2025 (the "**Warrants**"), to be granted free of charge, with no need for further requests, to those who, in execution of the above capital increase with pre-emptive rights, will subscribe to the New Shares, at a ratio of 1 warrant for every 2 New Shares. Each Warrant will grant the right to subscribe to newly-issued shares of the Company resulting from the related capital increase, the latter for a maximum of a nominal Euro 302,318.6, plus share premium (the "**Conversion Shares**"), at a ratio of 1 Conversion Share for every 1 Warrant submitted for exercise and under the conditions set out in the "Warrant SG Company Società Benefit S.p.A. 2018-2025" Regulation (the "**2018-2025 Warrants Regulation**"). The Company will issue a maximum of no. 6,046,372 Conversion Shares to service the exercise of a maximum of no. 6,046,372 Warrants, with no indication of the par value and with the same characteristics as those outstanding on the issue date.

According to the schedule of the Offer, the Option Rights eligible for subscription of the New Shares may be exercised, on pain of forfeiture, from 25 January 2021 to 11 February 2021, first and last day included (the "**Option Period**"), and may also be traded on the AIM Italia market from 25 January 2021 to 5 February 2021, first and last day included.

The Option Rights for subscription of the New Shares will be made available to those entitled through Monte Titoli S.p.A.. The ISIN code of the Option Rights for subscription of the New Shares is IT0005432890. The ex-dividend date for the related options is 25 January 2021.

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The coupon representing the option right is number 3.

Acceptance of the offer to subscribe to the New Shares shall take place by signing the forms specifically prepared by the authorized intermediaries belonging to the centralized management system of Monte Titoli S.p.A., with whom the Option Rights are deposited.

Intermediaries shall give the relevant instructions to Monte Titoli by 2.00 p.m. on 11 February 2021. Each subscriber shall submit a specific application for subscription in the manners and by the time limit notified by the depository intermediary in order to comply with the above time limit. Acceptance of the Offer is irrevocable and may not be subject to conditions.

Full payment of the New Shares shall be made to the authorized intermediary where the application for subscription has been submitted and according to the time limit and procedures indicated in the application form; no additional charges or expenses are applied by the Issuer on the applicant.

The New Shares subscribed by the end of the Offer Period, together with the relevant warrants, will be credited to the accounts of the intermediaries belonging to the centralized management system managed by Monte Titoli at the end of the settlement phase on the last day of the Offer Period with availability on the same date.

After the time limit of 11 February, the Option Rights not exercised by the end of the Option Period will be offered on the Stock Exchange, under ISIN code IT0005432908, within the month following the end of the Option Period, for at least two market trading days and unless they have already been fully sold, pursuant to art. 2441, paragraph 3 of the Italian Civil Code. The dates for the trading of any unexercised rights will be indicated in a specific disclosure to the market.

The New Shares arising from the Capital Increase will have the same characteristics and will grant the same administrative and equity rights as the SG Company shares outstanding at the date of their issue and will be traded on the AIM Italia market.

Mention should be made that the Warrants issued in combination with the New Shares will be identical, therefore fungible, to the Company's warrants already outstanding, called "Warrant SG Company Società Benefit S.p.A 2018-2025", and will be listed on the AIM market under the same ISIN code IT0005347593.00.

The exercise price, amounting to Euro 0.80, will be adjusted, if necessary, following the paid capital increase through issue with pre-emptive rights of new shares, pursuant to art. 4.2, letter a, of the Warrant SG Company 2018-2025 Regulation.

In this respect, it should be noted that on 14/01/2021 the Company filed a statement with the competent office of the Milan Monza Brianza Lodi Company Register supplementing the minutes of the Extraordinary Shareholders' Meeting held on 16 December 2020, in which Chairman Davide Ferruccio Verdesca pointed out, with regard to the resolution on the issue of new warrants expiring in 2025, that these are financial instruments virtually identical, therefore fungible, to those of the Company already outstanding, namely that they are an additional tranche of the Warrant SG Company Società Benefit S.p.A 2018-2025, and for such reason governed by the 2018-2025 Warrant Regulation (the latter as last amended on 16 December 2020 by the Special Meeting of Warrant Holders and published on the Company website, *Investor Relations-Warrants* section). The warrants granted free of charge in combination with the new shares will be issued with an Exercise Price equal to the Exercise Price of the warrants already outstanding, adjusted, if necessary, to take account of the detachment of the option right related to the capital increase.

As disclosed on 25 November 2020, the capital increase is intended to support the Company's new Business Plan, approved by the Board of Directors on 29 October 2020 and, specifically, to foster:

1. the financing of the digital transformation process aimed at expanding and diversifying the Group's business strategy, with the launch of new business lines and the integration of market-driven technological solutions to increase market competitiveness;
2. the development of a new technology platform for digital event management accessible from all types of instruments;
3. international business development, especially in Europe;
4. the strengthening of the financial position;
5. the future acquisition of enterprises that are complementary to the Group's business lines;
6. the inclusion of new skills for implementing the new business lines.

As previously stated in the press release published on 2 November 2020, the Issuer's controlling shareholder (DL S.r.l.), holder of 82.69% of the share capital, confirms that it will not subscribe to the option rights it is entitled to.

The issue and free granting of Warrants is intended to:

- i. encourage subscription of the capital increase;
- ii. enable new shareholders to take an active part in the Company's development plans over the medium to long term;
- iii. provide new and current shareholders with a financial instrument able, in any case, to set a market value and be sold on AIM Italia;
- iv. enable the Company to increase resources in support of its financial structure and growth plans.

On the sidelines of today's BoD meeting, CEO Davide Verdesca stated that: *the 2020 pandemic has disrupted our core markets and forced companies like SG Company to change their skin and make a new leap towards technology and professional specialization. This change is steadily transforming SG and the whole group into a different business capable of offering increasingly engaging and personalized digital services today, and live services when possible. This group turnaround requires additional professional roles and financial resources in order to be fully accomplished in the proper timeframe. The capital increase and the subsequent issue of financial instruments to propose to Invitalia (development decree, art. 26 of LD no. 34/2020) are crucial for the achievement of the goals set in the 2021-2023 Business Plan. To fulfill these projects, which will enable the group to emerge from the pandemic stronger than ever and with prospects for landing on new domestic and foreign markets, we needed to make the capital increase more appealing and to radically change the Company's ownership structure. Issuing the new SG Company shares at a strong discount to stock market trading prices has this very intent. Additionally, the free issue of warrants and the lower strike price of the warrants already on the market are proof of the SG Company Management's belief that it can make a further quantum leap as the 2021-2023 Business Plan plays out.*

**SG Company Società Benefit S.p.A.**, ISO 9001 certified and listed on the AIM market of Borsa Italiana (ticker: SGC), is an Innovative SME and, in keeping with its mission of "Sharing Growth", has also embarked on the ESG (Environmental, Social and Governance) path to ensure an increasingly future-oriented sustainable management of the Company, firmly believing in the value of business for the collective benefit. One of Italy's top players for over 20 years now in the Entertainment&Communication industry, it specializes in the areas of Digital & Live Communications, Hybrid Events, Video Production, Consumer Format, and Meetings & Events Industry. In its 2021-2023 Business Plan, it has embarked on a path of digital transformation, integrating a data valorization strategy on each business area thanks to the implementation of Marketing Technology solutions on every activity. Its distinctive positioning hinges on the synergy between data and content, as well as on the ability to offer a single direction over creativity, production and technology natively for each project, guaranteeing clients constant integration between physical and digital. The Company boasts a portfolio of high-standing clients at global level. It has planned, promoted and produced many successful national and international formats such as Milano Food Week, Milano Wine Week, Obecity, Sneakerness, Digital Design Days, and Business Tech Forum.



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