



## PRESS RELEASE

The Board of Directors approved the merger by incorporation of Digital Destination Company S.r.l. into SosTravel.com S.p.A. in order to extend its digital offer to travel booking.

The merger constitutes a reverse take over operation pursuant to Article 14 of the Euronext Growth Milan Issuers Regulation and is subject to the condition precedent, inter alia, of the approval of the Issuer's shareholders' meeting.

During the execution of the operation, shareholders of Digital Destination Company S.r.l. will be assigned 5,908,960 SOS ordinary shares and 9,846,538 SosTravel.com 2021-2024 Warrants

*Milan, 05 May 2022.* SosTravel.com S.p.A. ("SOS" or the "Company") - a company with shares and warrants listed on Euronext Growth Milan, and a digital operator in the market for assistance services for air transport passengers (ticker: SOS), announced that an investment agreement was signed today aimed at regulating the main terms of the merger by incorporation into SOS of Digital Destination Company S.r.l. ("DDC" and the "Merger" or the "Operation").

**DDC is a digital provider of solutions in the tourism sector** which operates as an intermediary between tourism service providers and customers by offering the possibility to book online stays in accommodation facilities (hotels - resorts), tourist services (e.g. trains, airplanes, ferries), experiences (e.g. guided tours, excursions, tasting itineraries) and, more generally, holiday packages.

The agreement - undersigned between SOS and RG Holding S.r.l. (as the relative majority shareholder of SOS), on the one hand, and DDC and the shareholders of DDC, on the other - provides for the commitment of the parties to implement everything in their power in order to complete the Operation by 31 December 2022; it regulates certain aspects relative to the management of SOS and DDC in the interim period between the date of undersigning of the investment agreement and the date of undersigning of the merger deed. In addition, in execution of the investment agreement, RG Holding S.r.l. and the shareholders of DDC have undertaken the commitment to sign a shareholders' agreement on the date of stipulation of the merger deed aimed at regulating governance and share transfers relative to post-Operation SOS by means of which, inter alia: (i) RG Holding and the current shareholders of DDC undertake to jointly submit and vote a single list for the appointment of the members of the Board of Directors and the Board of Statutory Auditors, within which the shareholders of DDC will have the right to appoint the majority of the members; (ii) specific lock-up constraints are provided for a duration of 12 months from the signing of the agreement on at least 70% of the quota in the share capital of SOS that will be held by RG Holding S.r.l. and by the DDC shareholders after the completion of the Operation, except for certain cases of authorized transfers; and (iii) specific matters are envisaged on which the post-merger SOS Board of Directors will be called upon to deliberate with the



favorable vote of at least one director appointed by RG Holding and two directors appointed by the shareholders of DDC.

Again on today's date, the Board of Directors of SOS and the Sole Director of DDC (Mr. Carmine Colella) approved the Operation as a whole as well as its related documentation (including, as regards SOS, the merger plan, the directors' report and the prospectus pursuant to Article 14 of the Euronext Growth Milan Issuers' Regulation).

By means of the identified exchange ratio, the shareholders of DDC will receive a total of 5,908,960 ordinary shares of SOS, with no par value, against the cancellation of the entire share capital of DDC.

In addition, the Operation provides that, on the effective date of the Merger, the shareholders of DDC - in order to ensure their substantial "equal treatment" with respect to the current shareholders of the Company - will be assigned a total of 9,846,538 Warrants, fully fungible with the warrants called "2021-2024 SosTravel.com Warrants" (the "**Warrants**") previously issued by SOS, and which will provide their holders with rights identical to those conferred by the Warrants currently in circulation for the underwriting of newly issued SOS shares.

The Operation qualifies as a reverse take over pursuant to Article 14 of the Euronext Growth Milan Issuers' Regulation (given the exceeding of the turnover relevance index pursuant to Form Three of the Euronext Growth Milan Issuers' Regulations) and is subject to the condition precedent, inter alia, of approval of the shareholders' meeting of the two companies (also pursuant to the provisions of the Euronext Growth Milan Issuers Regulation, with reference to SOS). In this regard, it should be noted that the completion of the Merger is also conditional, amongst other items, upon the fact that the SOS Shareholders' Meeting approves the Merger with a majority capable of allowing DDC shareholders to benefit from the exemption from the obligation of the full takeover bid referred to in Article 106 of the TUF (Consolidated Financial Act), in accordance with the provisions of Article 49, first paragraph, letter g), of the Consob Issuers' Regulation. With regard to this point, it should be noted that Article 49, paragraph 1, lett. g) of Consob Issuers' Regulation No. 11971/1999 provides that the aforementioned exemption is applicable if the merger is approved by the extraordinary meeting "without the contrary vote of the majority of the shareholders present at the meeting, and different from the shareholder who purchases a quota exceeding the relevant threshold and from the shareholder or shareholders who hold - even in conjunction with each other - a majority shareholding, even relative, as long as it is greater than ten percent" of the issuer's share capital (the so-called "whitewash mechanism"). Moreover, according to the provisions of Art. 9.4 of the SOS Articles of Association, "the application of the exemption, provided for by current legislation, from the obligation to promote a take-over and / or swap bid resulting from mergers or demergers will be excluded only if the majority of shareholders opposed to the relative shareholders' meeting resolution - determined on the basis of that indicated by applicable legislation - constitutes at least 7.5% of the share capital with voting rights ". For further details on the conditions provided for the

completion of the Operation, please refer to the prospectus prepared pursuant to Article 14 of the Euronext Growth Milan Issuers Regulation.

As of the Date of this press release, DDC offers its services mainly with reference to Sardinia through the portal [www.amareitalia.com](http://www.amareitalia.com). On this portal, customers can organize their trip in a personalized manner by choosing from numerous solutions offered on the basis of search criteria selected by the customers themselves.

As part of its operations, DDC primarily deals with mediation activities between suppliers (e.g. hotels) and its customers as well as the structuring of the various services within the offered holiday packages (accommodation in hotels and resorts, but also transfers to and from Sardinia). In particular, DDC's offer targets:

- a) consumers to whom the full range of available services is offered through digital advertising;
- b) to professional operators of the so-called online travel agencies sector, and to which the services they resell on their platforms are sold.

As of the date of this press release, the share capital of DDC is held (i) 45% by Le Terrazze Di Porto Ottiolu S.r.l. ; (ii) 45% by Carmine Colella (Sole Director of DDC), and (iii) 10% by Giovanni Perrucci.

The table below reports the main economic and financial data of DDC as reported in the financial statements as of 31 December 2021.

Conto Economico		Stato Patrimoniale	
€'000	2021A DDC	€'000	2021A DDC
Ricavi da vendite e servizi	10.769	Immobilizzazioni immateriali	97
Altri ricavi	20	Costi di fusione	-
<b>Ricavi totali</b>	<b>10.789</b>	Aviamento	-
<i>Crescita YoY %</i>	<i>n.a.</i>	Immobilizzazioni materiali	30
Costi	(10.463)	Immobilizzazioni finanziarie	-
<b>EBITDA</b>	<b>326</b>	<b>Attivo fisso</b>	<b>127</b>
<i>EBITDA margin %</i>	<i>3,0%</i>	Crediti commerciali	(23)
Ammortamento imm.ni immateriali	(30)	Debiti commerciali	(46)
Ammortamento costi di fusione	-	<b>Capitale circolante commerciale</b>	<b>(69)</b>
Ammortamento avviamento	-	Altre attività correnti	9
Ammortamento imm.ni materiali	(4)	Altre passività correnti	(257)
Accantonamenti per rischi ed oneri	-	Crediti/Debiti per imposte correnti	(88)
Svalutazioni di crediti	-	<b>Capitale circolante netto</b>	<b>(405)</b>
<b>EBIT</b>	<b>291</b>	Trattamento di fine rapporto	(4)
<i>EBIT margin %</i>	<i>2,7%</i>	Fondi per rischi ed oneri	-
Proventi/(oneri) finanziari	(1)	<b>Capitale investito netto</b>	<b>(281)</b>
Interessi su prestiti	-	Disponibilità liquide	(494)
<b>EBT</b>	<b>291</b>	Debiti finanziari	-
Imposte sul reddito	(88)	<b>Posizione finanziaria netta</b>	<b>(494)</b>
<i>Aliquota implicita</i>	<i>30,2%</i>	Patrimonio netto	213
<b>Utile netto</b>	<b>203</b>	<b>Fonti di finanziamento</b>	<b>(281)</b>

The **rationale of the operation** involves the desire of SOS to extend its digital offer to travel booking by integrating - on its platforms -the DDC offer consisting of a series of softwares and



algorithms for booking flights, hotels, excursions and experiences across the world. This will **allow a post-merger SOS** to:

- 1) **manage a single platform** on which the traveler can buy, plan, book and control all stages of a trip in a personalized manner and will allow for the collection of all documents and related information and/or updates (ranging from tickets to the status of the flight, as well as information on activities, excursions, experiences), even by sending notifications;
- 2) **integrate the know-how and best practices developed by DDC** with those of SOS, also due to the presence and expertise gained by the latter at an international level, thereby allowing for an expansion of the range of services and integration of their respective customer bases as well as diversifying market risks and expanding cross-selling opportunities;
- 3) **increase its offer to its users** by proposing specific travel-related service packages, even through forms of monthly or annual subscription, and with high margins;
- 4) **improve post-integration visibility** in order to attract new investors, stipulate new financial or commercial partnerships and optimize credit relationships with the financial system as a whole.

In particular, SOS intends to implement specific subscription services which will aim to build customer loyalty, thereby integrating the retention capacity of SOS and DDC and guaranteeing repeated cash flows over time while expanding the reference market through the offer of more or less advanced and differentiated packages.

The following tables illustrate the pro-forma economic and financial data of SOS as of 31 December 2021 which are reported within the Prospectus.

Conto Economico		Stato Patrimoniale	
€'000	2021PF	€'000	2021PF
Ricavi da vendite e servizi	11.412	Immobilizzazioni immateriali	902
Altri ricavi	688	Costi di fusione	-
<b>Ricavi totali</b>	<b>12.099</b>	Avviamento	378
<i>Crescita YoY %</i>	<i>n.a.</i>	Immobilizzazioni materiali	903
Costi	(12.126)	Immobilizzazioni finanziarie	71
<b>EBITDA</b>	<b>(27)</b>	<b>Attivo fisso</b>	<b>2.254</b>
<i>EBITDA margin %</i>	<i>(0,2%)</i>	Crediti commerciali	(10)
Ammortamento imm.ni immateriali	(774)	Debiti commerciali	(311)
Ammortamento costi di fusione	-	<b>Capitale circolante commerciale</b>	<b>(322)</b>
Ammortamento avviamento	-	Altre attività correnti	960
Ammortamento imm.ni materiali	(38)	Altre passività correnti	(539)
Accantonamenti per rischi ed oneri	(51)	Crediti/Debiti per imposte correnti	(88)
Svalutazioni di crediti	(162)	<b>Capitale circolante netto</b>	<b>11</b>
<b>EBIT</b>	<b>(1.052)</b>	Trattamento di fine rapporto	(60)
<i>EBIT margin %</i>	<i>(8,7%)</i>	Fondi per rischi ed oneri	(78)
Proventi/(oneri) finanziari	(22)	<b>Capitale investito netto</b>	<b>2.126</b>
Interessi su prestiti	(18)	Disponibilità liquide	(3.789)
<b>EBT</b>	<b>(1.092)</b>	Debiti finanziari	1.975
Imposte sul reddito	(88)	<b>Posizione finanziaria netta</b>	<b>(1.814)</b>
<i>Aliquota implicita</i>	<i>(8,0%)</i>	Patrimonio netto	3.941
<b>Utile netto</b>	<b>(1.180)</b>	<b>Fonti di finanziamento</b>	<b>2.126</b>

For the purposes of determining the respective economic values of the participating companies, and the consequent calculation of the exchange ratio of the Merger, the administrative bodies of the companies availed themselves of **KPMG Advisory S.p.A.** as a financial advisor; the latter issued a fairness opinion to the administrative bodies of the two companies regarding the economic values of the companies participating in the Merger and the consequent determination of the exchange ratio. In the context of the Operation, SOS and DDC were assessed by applying the discounted cash flow method in the unlevered version ("Discounted Cash Flow Unlevered" or "DCF Unlevered")<sup>1</sup>.

Following the valuations of the administrative bodies of the two companies, the following exchange ratio will be submitted for approval to the respective shareholders' meetings: 590.9 ordinary shares of SOS - with no indication of nominal value and having the same dividend date as the ordinary shares of SOS in circulation on the effective date of the Merger - for each Euro 1 of DDC's share capital, without providing for any adjustments in cash. SOS will therefore issue 5,908,960 ordinary shares of SOS against a share capital increase with a nominal value of Euro 590,896. In addition to the above, the assignment of a total of 9,846,538 Warrants is provided

<sup>1</sup> The discounted cash flow method, in its unlevered version, determines the value of the net invested capital of a company ("**Enterprise Value**") on the basis of the future cash flows allocated for the remuneration of risk and debt capital lenders ("**FCFO**"). By subtracting - from the Enterprise Value thus determined - the value of the net financial debt on the reference date, the fair value of the company can be determined.

for. In detail, the newly issued Warrants will be assigned as follows: 4,430,942 Warrants to Mr. Carmine Colella, 4,430,942 Warrants to Le Terrazze di Porto Ottiolu S.r.l. and 984,654 Warrants to Mr. Giovanni Perrucci.

The operation will not generate a right of withdrawal for the shareholders of SOS and DDC.

Based on the information available to SOS on the date of this press release, the following table reports the composition of the SOS shareholding structure following the completion of the Merger, with an indication of the shareholders who hold quotas of more than 5% of the share capital.

<i>Declaring party</i>	<i>Direct shareholder</i>	<i>SOS shares</i>	<i>%</i>
Carmine Colella		2,659,032	20.3
Le Terrazze di Porto Ottiolu S.r.l.		2,659,032	20.3
Giovanni Perrucci		590,896	4.5
Rudolph Gentile	Rudolph Gentile	12,432	0.1
	Trawell Co S.p.A.	792,336	6.1
	RG HOLDING S.r.l.	2,699,374	20.6
	<b>Total</b>	<b>3,504,142</b>	<b>26.8</b>
Free float		3,674,116	28.1
<b>Total</b>		<b>13,087,218</b>	<b>100</b>

Pursuant to Article 2501-sexies of the Italian Civil Code, and at the joint request of the companies, the Court of Milan appointed the company **Baker Tilly Revisa S.p.A.** for the purpose of issuing the fairness report on the exchange ratio. This report will be made available to the public in the manner prescribed by current legislation.

For additional information on the Operation, please refer to the contents of the prospectus prepared pursuant to Article 14 of the Euronext Growth Milan Issuers Regulation, available on the SOS website under the Investor Relations - Info For Shareholders section as well as within the Borsa Italiana website under the "1Info" SDIR system. On today's date, Banca Finnat Euramerica S.p.A. and SOS issued - to Borsa Italiana - the declarations required by article 14 of the Euronext Growth Milan Issuers Regulation (respectively the declarations required by form seven, part 1 of the Euronext Growth Milan Issuer Regulations and by form four, part 1 of the Euronext Growth Advisor Regulations). **Banca Finnat Euramerica S.p.A.** is the Euronext Growth Advisor of SOS.

All the documentation required for the convocation of the SOS and DDC shareholders' meetings will be made available to the shareholders of SOS and DDC in accordance with legally required deadlines.

In the context of the Operation, **Bordiga-Xerri Law Firm** acted as legal advisor to SOS and RG Holding S.r.l., while the **Gianni & Origoni Law Firm** assisted DDC and its partners, as well as **Banca Finnat Euramerica S.p.A.** for regulatory aspects; **Audirevi S.p.A.** acted as an auditing firm.

"Today's agreement represents a very important step for the future of Sostravel.com" - **declared Rudolph Gentile, the CEO and Chairman of the Issuer.** "The integration with Digital Destination



Company - **continues Gentile** - was born from the complementarity of their business lines and, at the same time, from the shared strategy and technology of the two companies; it allows us to immediately extend the range of services to travelers with the possibility of buying air, ship, bus and train tickets as well as hotels and holidays, car rentals, excursions and events all over the world. These services are already available in the booking section of the Sostravel.com website and will soon also be offered through our Sostravel and Flio apps. In addition, the excellent online sales results of Digital Destination Company allow us to already forecast significant economic results in the current year. “

“We are thrilled to be joining the Sostravel.com group. - **declares Carmine Colella, CEO and founder of DDC.** “The design of an app that aggregates all the traveler's needs into a single platform currently represents an important response to a real need of the digital traveler. We therefore set ourselves the objective of working quickly on a technological platform which is perfectly integrated into the Sostravel.com apps, and capable of offering the user the possibility to book his/her trips and all ancillary services with the utmost simplicity, immediacy and convenience, all within in a single digital space. “

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**Sostravel**, founded in 2017 by Rudolph Gentile, is a company operating in the market of passenger assistance services. The Company operates under the “Sostravel” and “Flio” trademark, and through the Sostravel App proposes itself as “aggregator” of a range of air passenger assistance services during the whole journey, from departure to arrival at the destination airport, with the aim of becoming an important reference point” for passengers “before, during and after their journey”.

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