

**CASTADIVAGROUP**  
We Make Things Happen

# GROWTH PLAN

2023  
2025



Dear shareholders,

in 2022 your company increased its turnover by 179%, its ebitda by 300%, its NFP by 269% and its share price by 99%. The absolute values of these parameters are between 2 and 6 times higher than those of 2019, before the crisis triggered by Covid, and we have reached and exceeded the turnover, envisaged by the November 2022 Update, two years in advance.

At the end of the 2023-25 Plan that I am presenting, we expect to arrive, on a like-for-like basis, at €105m in turnover and €11m in EBITDA. Any additional M&A could considerably improve these results.

The strategic pillars that have allowed our extraordinary growth and on which we will base an equally ambitious plan for the future, have been built on the following drivers:

- aggregate the Live Communication market in Italy;
- simplify the corporate structure and reduce costs;
- digitalize processes;
- promote sustainability and achieve several ESG objectives;
- expand the diversification of the offer and the international reach through M&A;
- monitor and integrate technological innovations;
- improve the share's performance;
- remunerate the shareholding.

Our market is too fragmented. Casta Diva can play an active role in consolidation thanks to its unique characteristics: strong diversification of the offer, wide international presence and easy access to capital markets. It is necessary to create a national champion, with a turnover of € 200-300m, able to compete with the leading European companies.

We are flattening our organization. We are also merging Casta Diva Ideas into G2 Eventi and Service Zero into Casta Diva Group. We are standardizing processes by digitalizing all operating companies on a single platform.

We have appointed Francesca Panigutto ESG Manager while launching the ESG PACT division, created campaigns and courses for inclusion, helped employees deal with expensive bills and post-pandemic stress, thanks to a free psychological help desk, and we are the only EGM company with 5 out of 6 independent directors.

We have received several proposals to acquire other companies; small, medium and large, active in sectors close to those in which we operate or in different territories. We are committed to conclude some acquisitions during the Plan's timeframe, however they are not included in its financials.

Casta Diva is a founding member of Web 3 Alliance, the consortium of companies active in Web 3.0 technologies: Artificial Intelligence, Metaverse, VR, AR, Blockchain, NFT, and I was recently elected Chairman of the Consortium. Casta Diva has designed a campaign based on a visual created by DALL-E, an Open application to create images starting from a prompt: simply "Casta Diva", in our case. The campaign has been spotted and commented by many experts as a pioneering case of the use of AI in advertising.

Casta Diva's share, despite its price doubling during 2022, is still extremely undervalued, with a market capitalization equal to 2 times the 2022 EBITDA, while the standard multiplier for a company of our size, international and listed, should be 6 to 8 times. We hope to convince investors of this anomaly during the Plan's timeframe.

In the meantime, we plan to set up a shareholder remuneration policy based on the distribution of dividends for an amount of no less than € 3m over the period of the Plan.

Andrea De Micheli  
Chairman and CEO



- Casta Diva Group (CDG) is a multinational communication company listed on the EGM in Milan since 2016, active in eleven countries and two sectors: Creative Content Production and Digital & Live Communication (B2B and B2C).
- Despite the setback in 2020-21 due to the pandemic, it recorded double-digit annual growth from 2005 to 2022 with a 20% CAGR.
- The Group intends to play a leading role in the sector's ongoing consolidation.
- The market is characterized by some important trends: a renewed enthusiasm in Live Communication, the constant growth of digital media, the growing demand for creative contents' production to meet the demand coming from the increasingly numerous digital platforms.
- CDG has shown positioning, skills, geographical coverage and organizational structure suitable to implement an acquisition growth strategy, and expects by the end of the 2023-25 Plan to exceed € 100m turnover and 10 % ebitda margin, maintaining a cash-positive NFP of €4.5m, despite the distribution, over the 3 years of the Plan, of dividends to shareholders for an amount of no less than € 3m.







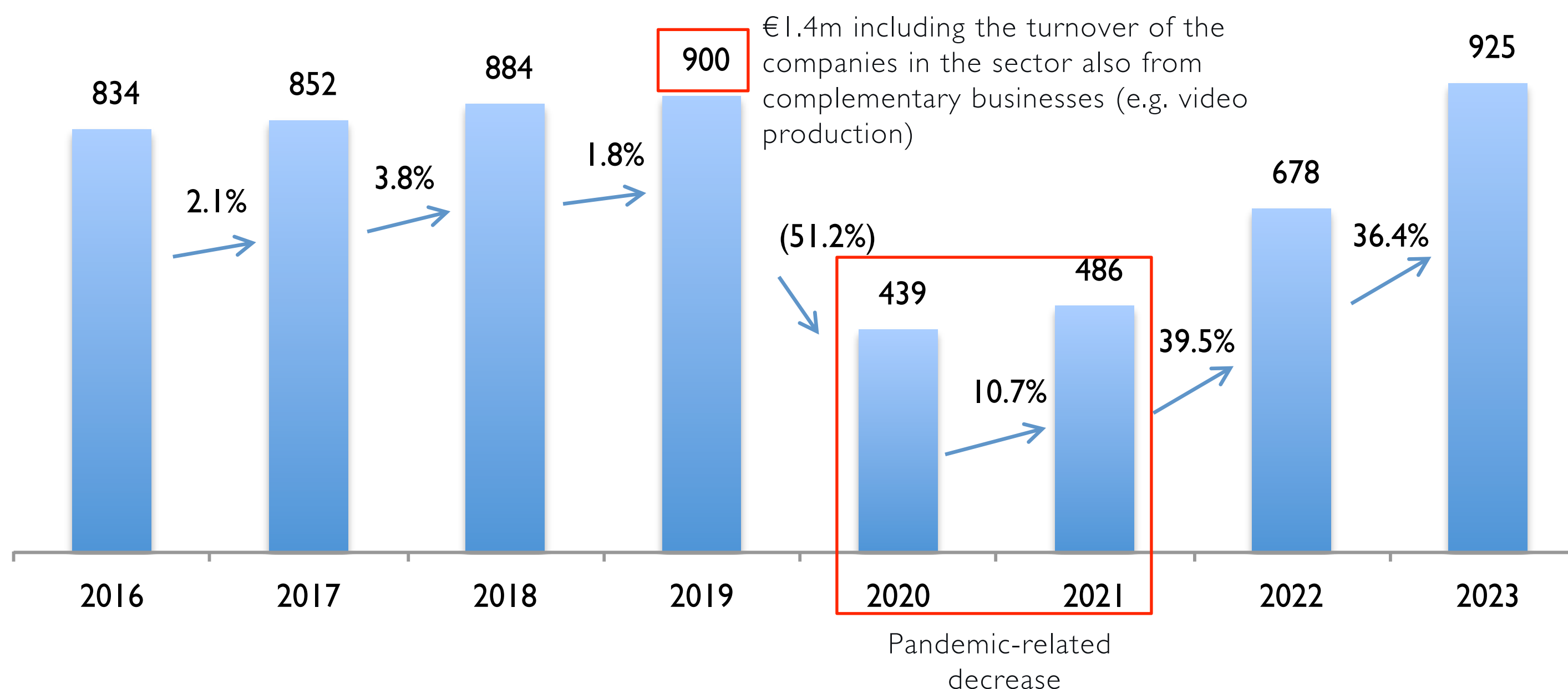
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THE MARKET



## A sector fully recovered from the pandemic, but with structural changes

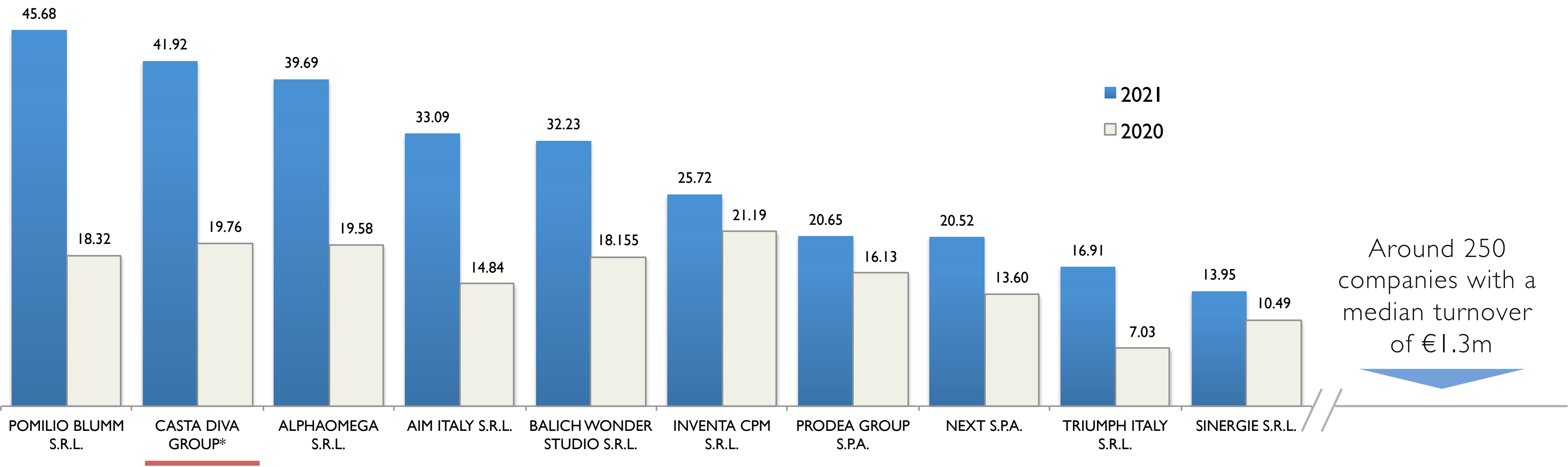
### Size and growth rate in Italy (€m, %)



- The global market is increasing from \$805t in 2017 to \$1,439t in 2025, with 7.6% CAGR
- In 2021, 54% of the market was made by the top 25 companies; this share increased by 4%, indicating a clear trend towards consolidation
- Other ongoing trends: digitalization ("hybrid" events), reduction of mini-events that can be virtualized (e.g. business meetings), safety and sustainability as key factors in customer strategies.

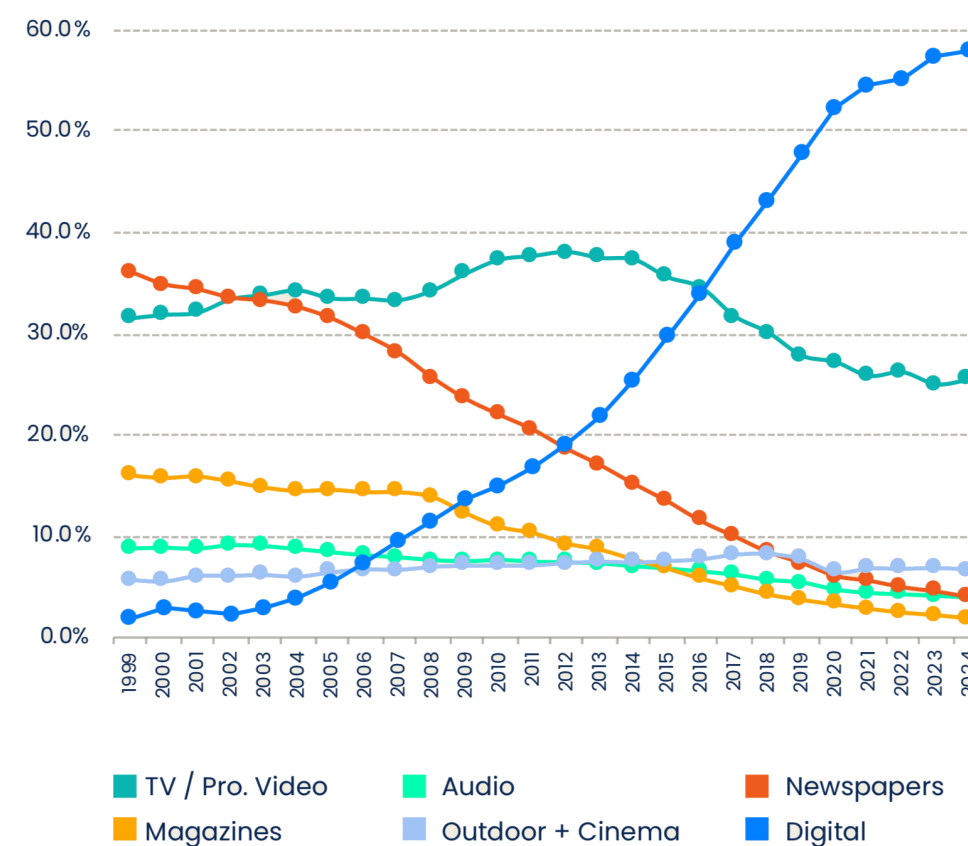
**In 2021 Casta Diva reached the second position among Italian companies in the Live Communication sector and expects to become the market leader in 2022**

**VALUE OF PRODUCTION (2021, €M)**



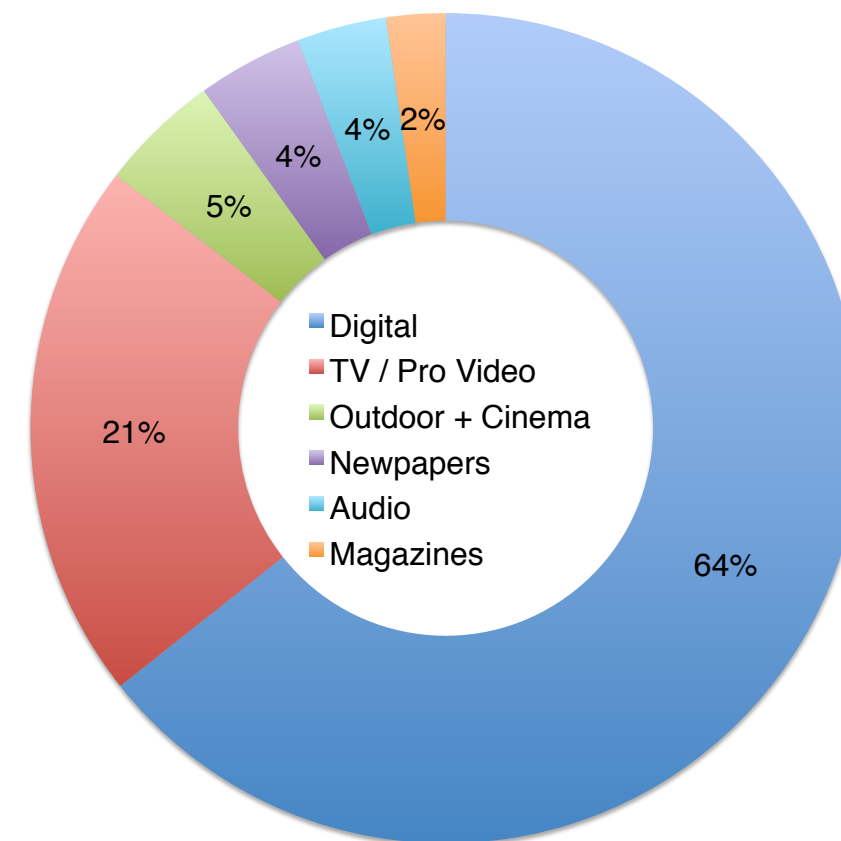
## GLOBAL ADVERTISING SHARES PER MEDIUM

### TREND



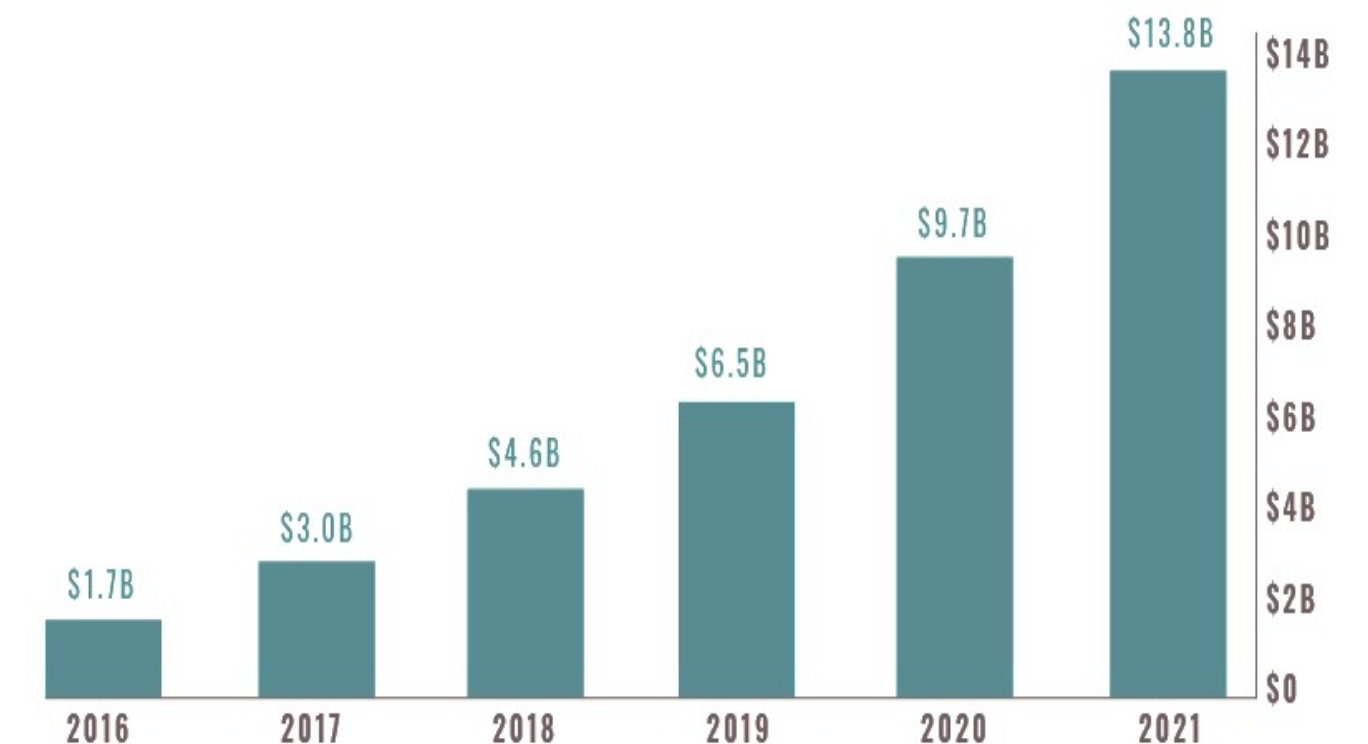
- Leadership of digital channels, TV stability...
- .. with formats in any case linked to video (40% of budgets of the largest brands)

### 2021 DATA



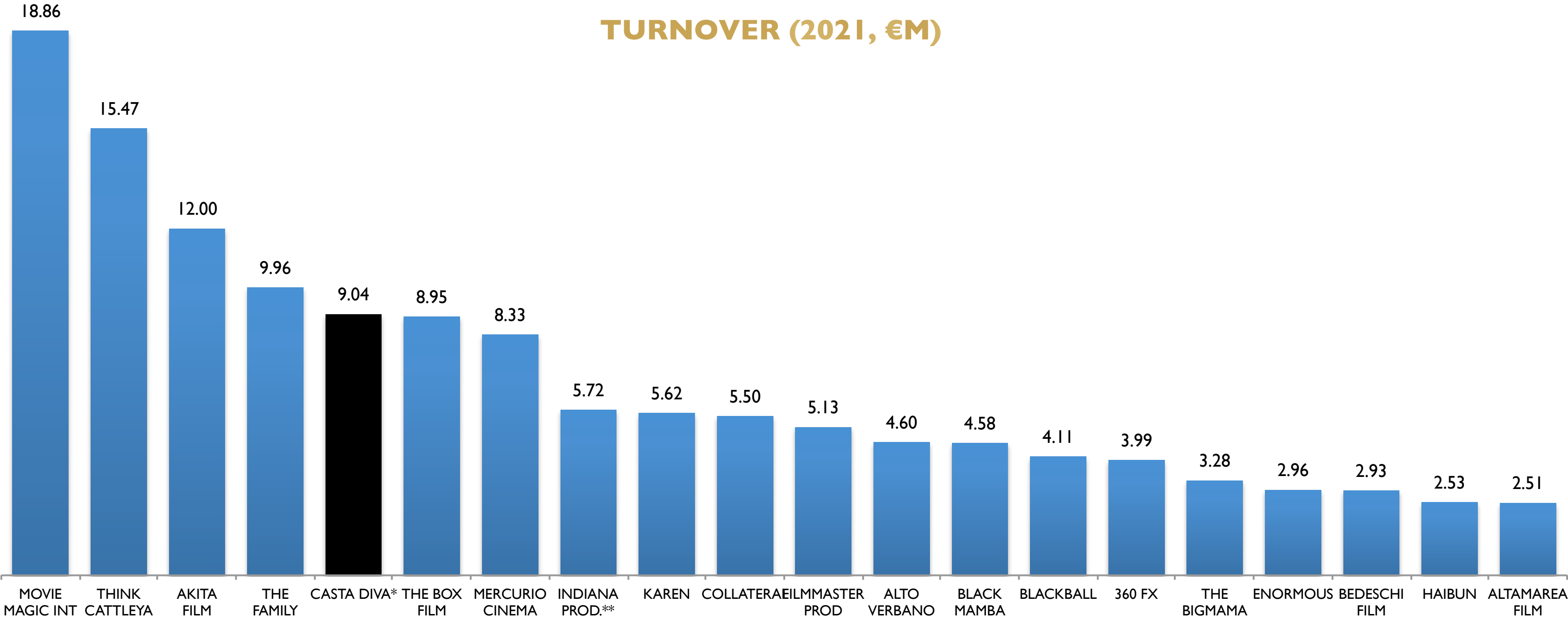
- Investments in integration between digital and traditional means ("digital extensions"), equal to 16% of traditional budgets by 2024

## SPESA GLOBAL EXPENDITURE IN INFLUENCER MKTG (\$B)



- Growing gap between the use of digital vs traditional media
- Opportunity to expand the offering on full-digital channels (e.g. influencer marketing)

Even with no acquisitions, Casta Diva maintains a prominent position among Italian producers of commercials

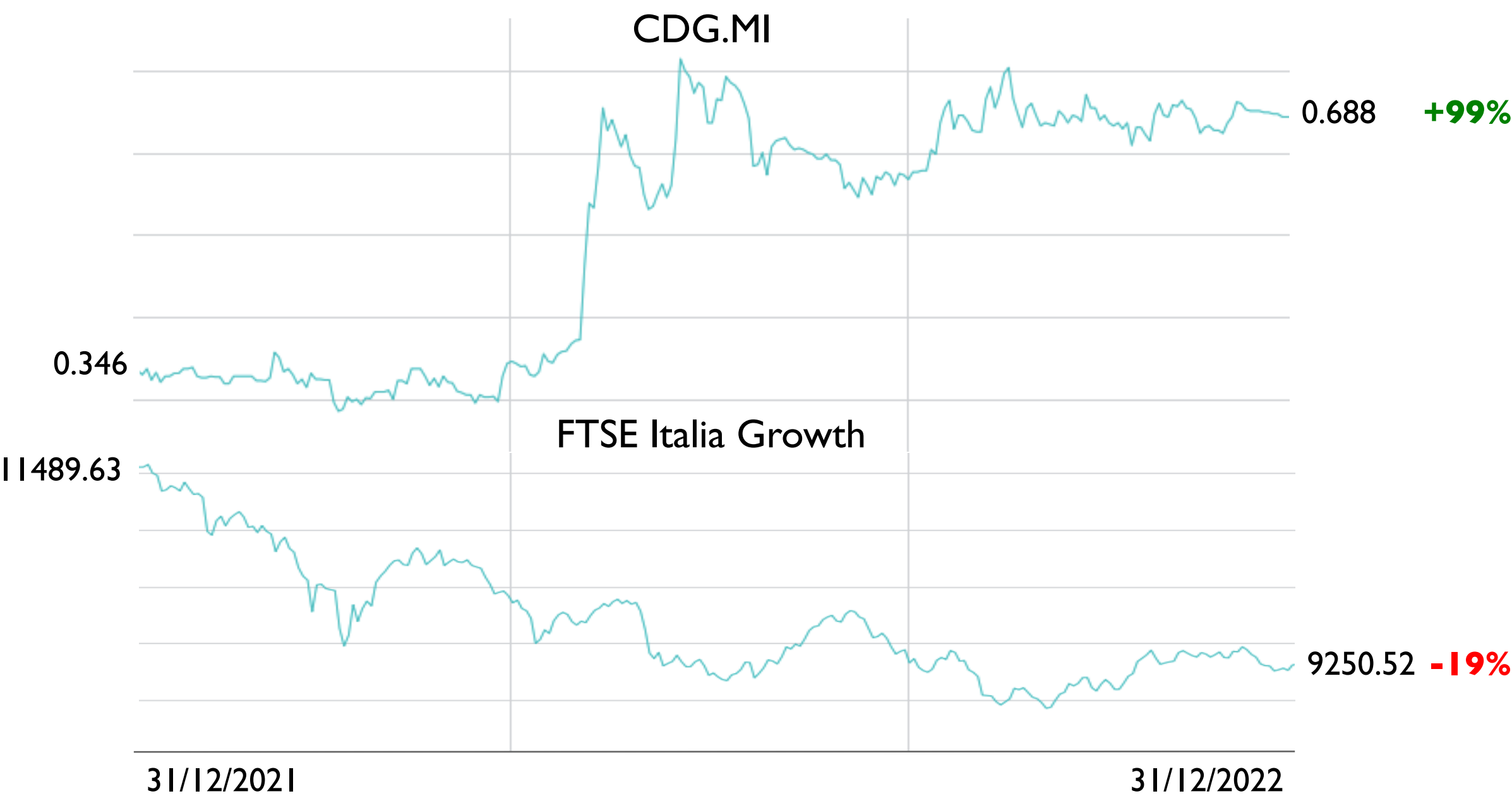


(\*) Global (\*\*) Excluding Feature Films – Source: MediaKey



Casta Diva had the third best performance of the year among the 180+ companies listed on Euronext Growth

**CDG.MI VS FTSE ITALIA GROWTH 2022**







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# GROWTH STRATEGY



**POSITIONING**

- The size reached by the Group, the credibility of its status of listed company and the breadth of the offering allow to address mainly advertising big spenders, customers with whom it is likely to establish loyal relationships and obtain greater stability of revenue flows.
- The relationship with customers needs therefore to switch to a strategic partnership, with framework agreements and loyalty that allow to escape the tender mechanisms generating uncertainty, pressure on price and diminished standing of communication companies.
- The Group's global presence is another key factor in its positioning, both for its ability to address markets with a higher investment capacity and for the attraction of creative and managerial talent.
- Another key element of the value chain integration is represented by proprietary formats, which allow specific market segments to be directly monitored by capturing a very targeted audience on which it is possible to build turnover continuity, cross-selling opportunities and lead generation for the acquisition of new customers.
- Finally, the constant growth in the demand for TV programs fosters partnerships with new streaming platforms

Big spenders	Strategic Partnerships	Global presence	Proprietary formats
72 active clients	31 long-term clients	13 offices worldwide	11 active formats





**Questo lo abbiamo fatto domani.**

**L'intelligenza artificiale cambierà il mondo della comunicazione.**  
Eppure, senza l'esperienza e il lavoro di squadra non può funzionare.  
Questa immagine è stata realizzata inserendo le parole Casta Diva in un software di Open AI capace di generare immagini dalle parole, ma siamo stati noi a perfezionare e selezionare i risultati. Perché questo è quello che facciamo con i nostri clienti: **usiamo la tecnologia, ma non la subiamo, interpretiamo il presente per inventare insieme il futuro.**

**Casta Diva Group**  
Performance 2022 YoY:  
titolo azionario **+98%**,  
valore della produzione **+175%**

**castadivagroup.com**

**CASTADIVAGROUP**  
We Make Things Happen  
DIGITAL AND LIVE COMMUNICATION | COMMERCIALS  
ENTERTAINMENT | BRANDED CONTENTS | TV PROGRAMS  
MUSIC | ART | CULTURE

- Casta Diva monitors, studies and uses new technologies.
- In February 2023 it launched one of the first advertising campaigns created by AI.
- Since June 2022 we have been one of the founders of Web 3 Alliance, the consortium of companies active in Web 3.0 technologies: Artificial Intelligence, Metaverse, VR, AR, Blockchain, NFT. Andrea De Micheli was recently elected Chairman of the Consortium.





## LEADERSHIP IN THE SECTOR'S CONSOLIDATION

- A process of market consolidation is underway. Casta Diva Group is a natural aggregator of dynamic realities, even of medium size.
- The request for financial stability, requested to the suppliers by the most important customers for the largest projects, is generating a Darwinian selection of operators in the sector. Furthermore, there is room for acquiring leading vertical product-companies that can benefit from the central coordination of a larger Group.
- CDG is listed on the EGM market and has access to capital markets. After the acquisition of Genius Progetti and We Are Live, it was contacted by several competitors wishing to join forces with a more solid company.
- On the basis of these discussions, the Group aims to become the undisputed national leader in the Live Communication sector in just a few years and the growth envisaged by this three-year plan will probably be anticipated in the highly foreseeable case of additional acquisition.
- **The strategic path outlined has as its primary objective the creation of value for the shareholders, with reference both to the share price (which must reach an EBITDA multiplier more suited to Casta Diva's size and reference market), and to the distribution of dividends, which in the period of the Plan is envisaged for an amount equal to no less than € 3m.**



## 2023-25 goals

### Digital & Live Communication

- Merge Casta Diva Ideas into G2 Eventi to create a vertical BU in corporate events
- Incorporate We Are Live team in Genius Progetti, setting an office in Milan and offering a specialized vertical in luxury events to customers
- Enter the fashion show segment

### Video Content Production

- Growth through acquisitions (not included in the Plan's financials)
- Increase customer base with additional OTTs and broadcasters
- Enter the scripted content market, i.e. dramas and TV films (the Entertainment division has so far operated in the segment of unscripted content, i.e. factual programmes, reality shows, etc.)

### Holding

- Streamline the chain of command, simplifying Group functions
- Merge the service company Service Zero into Casta Diva Group



• **Main initiatives already implemented:**

- appointment of an ESG manager (Francesca Panigutto);
- campaign on inclusion during Pride in June 2022: Let's make Diversity a DIVA!;
- orientation course for employees and all stakeholders on the LGBTQIA+ world, provided by Florencia Di Stefano-Abichian, journalist and industry expert, on environmental sustainability and fitness;
- opening in 2023 of a psychological help desk managed by a group of psychotherapists available free of charge and confidentially to all employees and regular collaborators below € 100,000 salary; for the same audience: a one-off contribution of € 1,000 gross as an aid to deal with the growth of inflation and bills;
- five out of six independent directors, well above the required minimum of one;
- ISO9001, 14001, 20121 certifications;
- launch of the ESG PACT division.

• **Planned initiatives:**

- environment: internal policies for climate change, energy consumption from renewable sources, use of water sources, waste recycling, means to reduce CO2 impact;
- social: personnel turnover, diversity and inclusion, safety and training, health and social policies;
- governance: certifications, gender diversity in boards, incentives for personnel on ESG objectives.



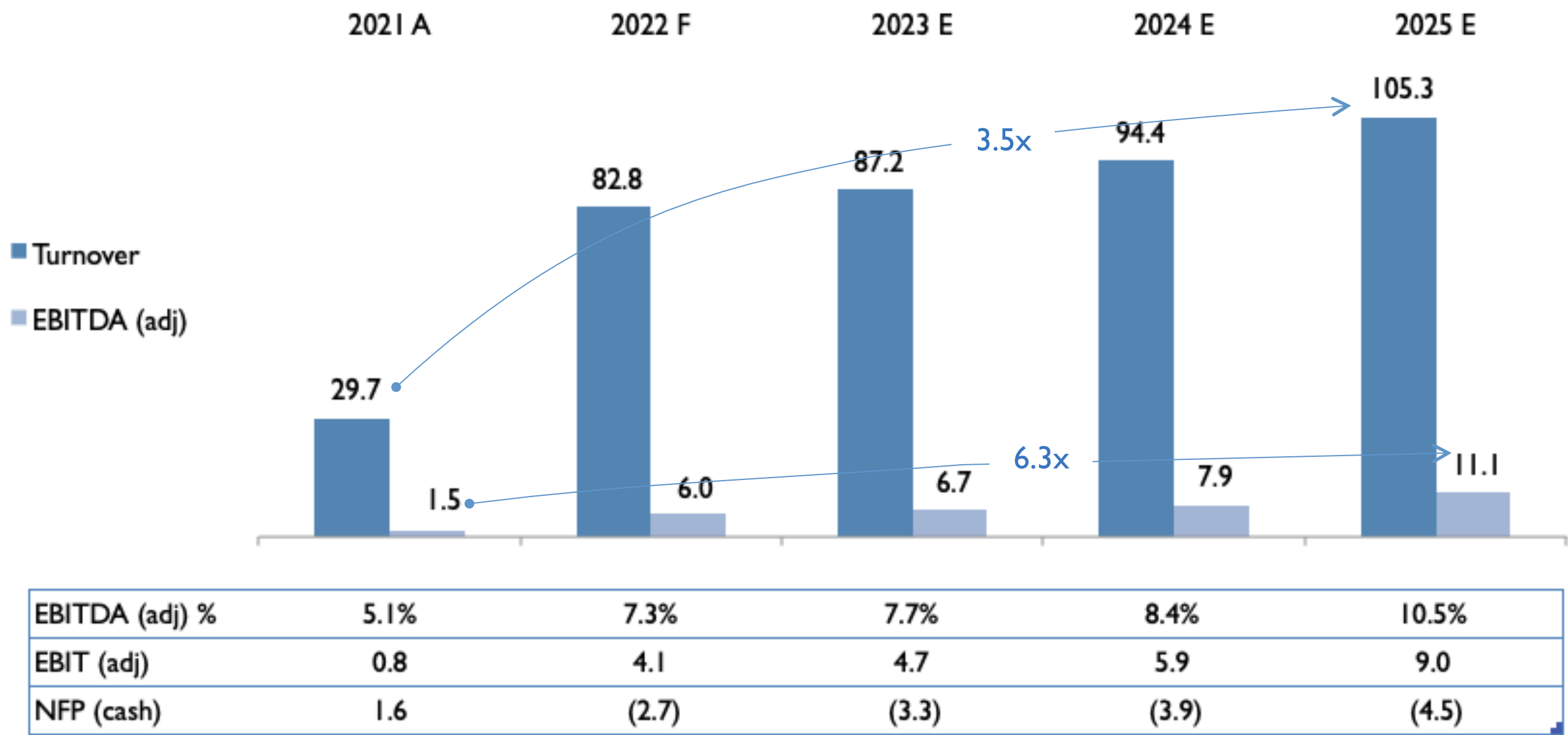
The plan envisages growth in turnover combined with a significant improvement in profitability

2021 A		Change		2025 E	
Turnover	€ 29.7m	Turnover	x3,5	Turnover	€ 105.3m
EBITDA (adj)	€ 1.5m (5.1%)	EBITDA (adj)	x7,4 (+106% on %)	EBITDA (adj)	€ 11.1m (10.5%)
NFP (cash)	€ 1.6m	NFP (cash)	(€ 6.1m)	NFP (cash)	(€ 4.5m)



**CDG aims at 40% CAGR on 2021-2025 turnover**

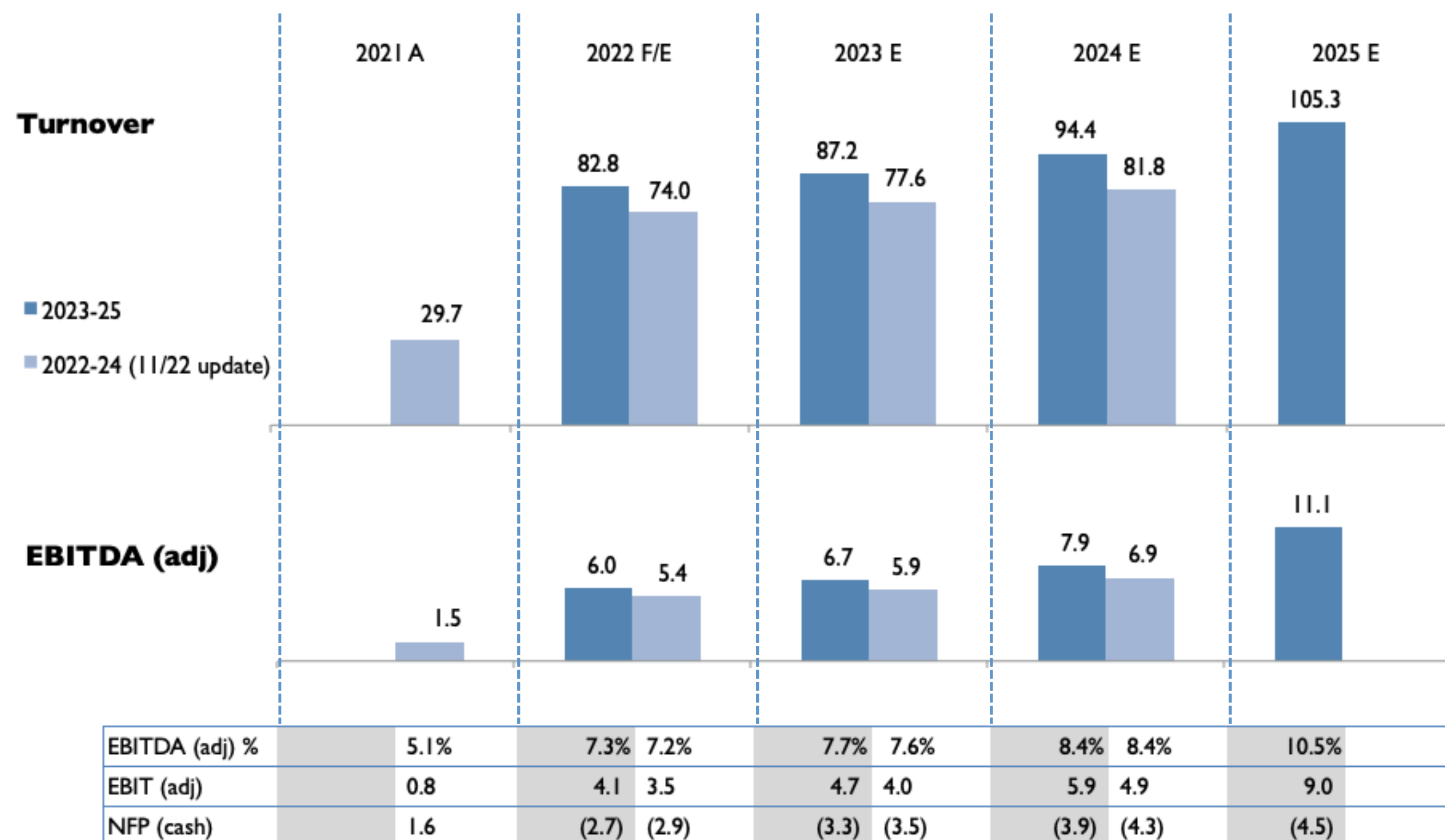
**Key figures (€m, %)**



- Since 2022 Casta Diva by far exceeds pre-pandemic results (2019: €36.8m turnover , €0.8m EBITDA, €1.6m NFP)
- NFP grows up to €4.5m of cash despite a dividend distribution of at least €3m envisaged in the Plan’s timeframe



## Industrial Plan 2023-25 vs 2022-24 Nov 2022 update (€m, %)



- The Group has largely exceeded the short-term goals of the plan presented in November 2022
- Current plan is developed in a conservative perspective, which does not envisage the impact of further acquisitions





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