**The Digital Box reports record results for the first Quarter 2017**

Gravina, Italy, April 28 2017

The Digital Box, the leading provider of ADA, an AI-based Mobile Engagement Automation Platform, today announced the preliminary financial results for its first quarter 2017. Net Bookings\* were 1.382.993€, 11% above our aggressive plan, an impressive increase of 110% compared to the first Quarter of 2016. Overall costs were 11% below budget with a resulting EBITDA of 215,413€ a 56% growth from the first Quarter 2016. Despite significant investments during the quarter The Digital Box maintains a strong financial position.

"We are extremely pleased by our exceptional Q1 2017 results. They are the result of a nearly perfect execution of our aggressive expansion plan" said Roberto Calculli, the CEO of the Digital Box “This Quarter established new records for The Digital Box in almost all financial categories and comes after a record 2016. We found traction with ADA in all geographies and, as a consequence, recurring revenues rose to a record level while our gross margins held at 62%". The company aggressive strategy designed to expand its unique Reseller-based distribution model, was behind this performance. Among the achievements for the quarter was starting marketing and selling activities in six new countries. The management team feels confident with its projection, that targets top line growth in the 100% range, for the remaining months of 2017.

*"Our investment strategy in both the ADA Platform, that we have significantly strengthened with the inclusion of a Chat-bot Builder developed with the AI technology we obtained with acquisition of QuestIT, and the expansion of the Reseller and Agent network in Europe and Latin America, is working beyond our imagination. Now we need to keep our focus in feeding with adequate resources and nurturing our growth for 2017 and beyond"* said Marco Landi President of The Digital Box Board.

**The Digital Box Group – Profit & Loss for Q1-2017** (All figures in K€)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Q1-2017** | **Q1-2016** | **Delta%** |
| Total Bookings | 1383 | 660 | 110% |
| Subscriptions  |  783 | 360 | 118% |
| Special Project  |  345 |  57 | 505% |
| SMS  |  211 | 210 |  0% |
| Maintenance  |  44 |  33 |  33% |
| Cost of Sales  |  526 | 295 |  78% |
| Gross Margin |  857 | 365 |  135% |
| Operating Costs  |  642 | 227 |  182% |
| **EBITDA**  |  **215** | **138** |  **56%** |

**The Digital Box S.p.A.**

The Digital Box was founded in 2013 in Puglia, Italy by a group of Marketing Visionaries. The Company has developed ADA, an AI Based Digital Marketing Engagement and Automation Platform designed for the Mobile. Propelled by a unique and very comprehensive technology, a highly profitable and scalable sales model based on a network of resellers and the focus of the mobile, The Digital Box has grown very rapidly and expanded its operation in Europe and Latin America. The Digital Box has close to 10.000 Users. With ADA the Digital Box Users can generate more leads, more lead conversions, more revenues at a lower cost and, more intelligence on their client buying patterns to help them secure their loyalty.

The Company has established a solid presence in Italy, Spain, UK, Latin America, Portugal and in 2017 has incorporated in the USA, completed the acquisition of 3 large Resellers in Italy and made a strategic technology acquisition in the AI field. Led by a strong and proven Management team in 2017 and beyond the Company plans to expand sales activities in Northern Europe and eventually start operations in North America.

*\* Bookings*

*In the financial statements above there is no application of monthly revenue recognition policies GAAP for SaaS. SaaS revenues are recognized for the first committed year after the Client signs or renews the contract and the product access is delivered. The Company believes that reporting Bookings gives a better insight on the execution of its growth strategy.*

Some of the statements contained in this press release, including information incorporated by reference, future expectations, or other forward-looking information or forecasts are subject to known and unknown risks. The forward-looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward-looking information contained in this document will in fact be achieved or prove to be accurate.

The Company makes no representation and undertakes no obligation to update the information to reflect actual results or changes in assumptions or other factors that could affect those statements.

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