

Press Release

DIGITAL360: new acquisitions signed in Latam for majority stakes in Impacto Tic (Colombia) and Netmedia (Mexico).

Milan, 17 November 2022 - **DIGITAL360 S.p.A.**, an innovative SME listed on the Euronext Growth Milan market, announces that it has completed two acquisitions, both for a 51% stake, of the companies Impacto Tic S.A.S. ('**Impacto Tic**') in Colombia and Netmedia SA ('**Netmedia**') in Mexico, bringing its total number of acquisitions in the LATAM region to four.

The international expansion path intends to replicate the development model already successfully tested by DIGITAL360 in Italy, consolidating highly fragmented markets. The economic and cultural fabric in LATAM is in some ways very similar to the Italian one, with a widespread presence of SMEs, a strong delay in the use of digital technologies, and the arrival of substantial public funds to relaunch the economy: a very favourable market, therefore, in countries that share a single language (Spanish) with the possibility of exploiting a single shared team and platform.

Below are the details of the two operations.

Impacto Tic

Impacto Tic is the reference portal in **Colombia** on topics related to information and communication technologies and digital innovation, founded in 2018 and directed by one of the best-known journalists in the world of technology and digital transformation in the country, Mauricio Jaramillo Marin.

This acquisition follows that of X3Media, also concluded in Colombia last September: DIGITAL360 thus aims to replicate the Demand Generation model successfully developed in Italy, which involves the combination of digital publishing assets with SalesTech/MarTech technology platforms.

Impacto Tic reported revenues of about EUR 200,000 in the financial year 2021, with EBITDA essentially at breakeven and a NFP credit balance of about EUR 50,000. In 2022, the growth trend is expected to be double-digit and, despite the company's current small numbers, the acquisition is significant considering the strategic importance of the publishing asset in the specific region.

The agreement provides for the sale of 51% of the shares for a consideration of EUR 214,000. An earn-out component may be added based on the achievement of certain economic results in the financial year 2022. The earn out, which will accrue from the achievement of a 2022 revenue threshold of at least €400,000 (twice as high as in 2021) or an EBITDA value of at least €70,000, will assume its maximum value (equal to €152,000) against a 2022 EBITDA target of €120,000 or more.

Among other stipulations, the agreement provides, in accordance with a consolidated acquisition scheme that has been successfully used several times in the past, that the selling shareholders Fernando Muñoz and Mauricio Jaramillo Marin will be appointed as directors - together with three



members appointed by D360 - and, in continuity with the current management situation, will serve as managers for at least three years after the acquisition.

Finally, the agreement allows the possibility for both parties to exercise cross-options (Put & Call) for the purchase or sale of the remaining 49% of Impacto Tic, the price of which will be established on the basis of the EBITDA realised by the company in the financial years 2024 and 2025, in addition to the NFP, as of the approval of the financial statements for the year ending 31/12/2025.

Netmedia

Netmedia is the leading online publisher of content in the area of information and communication technologies and digital transformation in **Mexico**. It is also a well-known company in the entire LATAM region. Founded in 1999 and led by Monica Mistretta, a well-known journalist and entrepreneur both locally and in the entire Latam area, the company boasts a unique team of journalism, communication and digital media professionals, and has built a select community of readers, participative and influential, with whom it maintains a permanent dialogue both through its digital editorial assets (websites and newsletters), and by organising numerous events for the main players in the technology sector.

Netmedia recorded revenues of about EUR 600,000 in the financial year 2021, with an EBITDA margin close to 15 per cent and a substantially break-even NFP.

The agreement provides for the sale of 51% of the shares for a consideration of EUR 400,000 plus EUR 130,000 as a pro-rata share of the NFP at closing. In addition, an earn-out component may be added based on the achievement of certain EBITDA results for the financial year 2022. Specifically, if a 2022 EBITDA of a minimum EUR 150,000 is reached—almost 70% growth over 2021—in the earn-out will amount to an additional EUR 25,000, to be paid in cash.

The agreement between the parties also provides, among other stipulations, for the active involvement of the current partners and managers, Monica Mistretta and Pia Daniela Herrera, in the future management of Netmedia. Monica Mistretta will be appointed CEO of the company. Finally, the agreement permits the possibility for both parties to exercise cross-options (Put & Call) for the purchase or sale of the remaining 49% of Netmedia, the price of which will be established on the basis of the EBITDA realised by the company in the financial years 2024 and 2025, in addition to the NFP, as of the approval of the financial statements for the year ending 31/12/2025.

"I am very pleased with these operations," says **Raffaello Balocco**, CEO of DIGITAL360. "They represent another concrete step towards the Group's international expansion path, which aims to rapidly gain a leading position in the Spanish-language technology market".

"The two companies are reference players in digital innovation in LATAM, with a team of highly competent and well-known professionals in the market," says **Simone Battiferri**, Head of LATAM at DIGITAL360. "I am very happy to welcome Monica, Pia Mauricio and Fernando to the Group".



"In less than five years, Impacto TIC has become the leading independent digital media on technology and digital innovation in Colombia and a reference player in the sector. Joining the DIGITAL360 Group offers us many opportunities, from strengthening our editorial content to consolidating our position in the country and the region," say Mauricio **Jaramillo Marín** and **Fernando Muñoz**, co-founders of the company.

"Netmedia is the leading B2B media and content creation company for the demanding Spanish-speaking information and communication technology sector", says **Monica Mistretta**, General Manager of the company. "Our portfolio of marketing solutions provides a 360-degree information view to our readers. We are confident that with the active participation and support of the DIGITAL360 Group we will increase our capacity to provide services and solutions, both locally and in the rest of Latin America".

This press release is available on the Company's website at www.digital360.it.

DIGITAL360

DIGITAL360, a company listed on the Euronext Growth Milan Market of the Italian Stock Exchange, aims to accompany companies and public administrations in the understanding and implementation of digital transformation and to encourage them to meet the best technology suppliers. DIGITAL360 pursues this objective through two business units: one, called "Demand Generation" supports technology companies (vendors, software houses, system integrators, start-ups, etc.) in communication activities, storytelling, event management, and generation of business opportunities; the other, called "Advisory & Coaching" is aimed at all companies and public administrations wishing to undertake any digital transformation path. NetworkDIGITAL360, transversal to both Business Units, is the largest network of online publications dedicated to all topics of Digital Innovation. DIGITAL360 integrates a multidisciplinary and multicultural mix of professionalism and skills thanks to analysts, journalists, consultants and experts in the digital world, united by a great passion and mission: digital innovation as an engine for the growth and modernisation of our country. For further information: www.digital360.it

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