

DIGITAL MAGICS: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED HALF-YEAR REPORT AS AT 30 JUNE 2021

PORTFOLIO VALUE: € 53 MILLION

- The fair value of the portfolio on 30 June 2021 amounted to 53 million euros, an increase of 3 million euros compared to the value of 50 million euros on 31 December 2020, as estimated by management, compared to a financial asset value of about 14 million euros; the appraisal of the valuation methodology and the review of the application of the same to the entire portfolio has been entrusted to **DELOITTE Financial Advisory**;
- The capital increase of up to 8 million euros has been launched to support the Business Plan, to strengthen the leadership of Digital Magics and expand the portfolio of investments in over 200 startups, with a **value target of over 100 million euros by 2025**.
- **79 operating companies in the portfolio** (73 on 31 December 2020), of which 37 Innovative Startups and 19 Innovative SMEs. *2 exits, 2 write-offs, 3 follow-ons* and 10 new investments in startups;
- Total investments in the upper half of the year 800 thousand euros for the portfolio companies; in addition, 1 million euros invested in the acquisition of **The Doers**, to strengthen the strategy on Open Innovation programs;
- The **"Magic Wand Sustainability"** acceleration program has been completed, in partnership with Lazio Innova, and the three-years **"Fin+Tech"** acceleration program has been launched (July 2021), promoted by the CDP National Accelerator Network, which will see the selection and acceleration, in each year, of the best 8 fintech startups and 8 insurtech startups.
- The consolidated half-year financial report was prepared, for the first time, consolidating the 100% subsidiary The Doers S.r.l., acquired on 24 June 2021;
- **Revenues** over EUR 1.3 million with **Ebitda** of EUR -0.2 million and **Net Profit** of EUR -0.8 million;
- **Financial Debt** to approximately EUR 3 million and **Shareholders' Equity** at EUR 16.8 million.

Milan, September 21, 2021

MAIN CONSOLIDATED ECONOMIC AND FINANCIAL DATA

CONSOLIDATED INCOME STATEMENT

(EUR)

	First-half 2021
Revenues from sales and services	1,026,812
Other revenues and increases in fixed assets	227,660
Value of production	1,254,472
Cost of raw and ancillary materials, consumables and goods	(646)
Cost of external services, use of third party assets	(1,178,381)
Added value	75,445
Labour costs	(300,134)
EBITDA	(224,689)
Amortisation and Depreciation	(139,587)
Other adjustment allocations	(113,840)
EBIT	(478,116)
Net financial income (charges)	(51,841)
Value adjustments to financial assets	(239,000)
Earnings before taxes	(768,957)
Income taxes for the year	(29,135)
Net Profit (Loss)	(798,092)

CONSOLIDATED BALANCE SHEET

(EUR)

	June, 30 2021
Intangible fixed assets	2,344,107
Tangible fixed assets	45,399
Financial fixed assets	16,410,989
Fixed assets	18,800,495
Current assets	2,238,402
Assets	21,038,897
Current liabilities	1,109,577
Provisions for risks and charges	17,018
Net working capital	1,128,825
Employee severance indemnity	151,014
NET INVESTED CAPITAL	19,778,306
Shareholders' equity	16,813,207
Cash and cash equivalents	(3,128,581)
Short-term payables to banks	1,673,312
Short-term net financial debt/(position)	(1,455,269)
Medium/long-term payables to banks	4,420,368
Medium/long-term net financial debt/(position)	4,420,368
Total Net financial debt/(Position)	2,965,099
EQUITY AND (RECEIVABLES) - FINANCIAL PAYABLES	19,778,306

CONSOLIDATED CASH FLOW STATEMENT

(EUR)

First-half 2021

A. Cash flows from income management	
Profit (loss) for the year attributable to the Group	(798.092)
Income taxes	29.135
Interest expense/(assets)	43.558
(Capital gains)/Losses arising from the sale of investments	8.283
1. Profit / (loss) for the year before income tax, interest, dividends and capital gains/losses on disposal	(717.116)
Provisions for funds	14.775
Depreciation of fixed assets	139.587
Downs	352.840
Other adjustments up / (down) for non-monetary items	(379)
<i>Total adjustments for non-monetary items which were not compensated for in net working capital</i>	<i>506.823</i>
2. Cash flow before changes in net working capital	(210.293)
Decrease/(Increase) of inventories	(62.100)
Decrease/(Increase) of receivables from customers	1.218
Increase/(Decrease) of payables to suppliers	(189.745)
Decrease/(Increase) accruals and active rebates	(8.927)
Increase/(Decrease) accruals and deferred income	31.581
Other decreases / (Other increases) in net working capital	(82.637)
<i>Total changes in net working capital</i>	<i>(310.610)</i>
3. Cash flow after changes in net working capital	(520.903)
Interest collected/(paid)	(43.558)
<i>Total other corrections</i>	<i>(43.558)</i>
Cash flow of operating activities (A)	(564.461)
B. Cash flows from investment activity	
<i>Tangible fixed assets</i>	
(Investments)	(1.534)
<i>Intangible assets</i>	
(Investments)	(284.826)
<i>Financial fixed assets</i>	
(Investments)	(819.065)
Divestments	242.674
Cash flow of investment activity (B)	(862.751)
C. Cash flows from financing activities	
<i>Third party means</i>	
Increase/(Decrease) short-term debts to banks	226.429
Increase/(Decrease) long-term debts to banks	(454. 656)
(Increase)/Decrease in financial receivables from related parties	(55.691)
<i>Own resources</i>	
Subscription of participatory financial instruments Parent Company	421.498
Financial flow of financing activity (C)	137.580
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(1.289.632)
Effect of the change in the scope of consolidation on cash and cash equivalents	57.256
Bank and postal deposits at the beginning of the period	4.360.696
Money and cash values at the beginning of the period	261
Total cash and cash equivalents at the beginning of the period	4.360.957
Bank and postal deposits at the end of the period	3.127.214
Money and cash values at the end of the period	1.367
Total cash and cash equivalents at the end of the period	3.128.581