



DIGITAL MAGICS

The Business Incubator for the Digital Made in Italy

*"In Digital Magics, we are **startup builders**. We are not a fund, we are not an accelerator. We like to do more: building businesses from scratch along with the talents and the young company founders, identifying ideas and turning them into business. It is an exciting job. We are convinced that it can contribute to the digital re-construction of our Country. "*

Enrico Gasperini, Founder of Digital Magics.

OCTOBER 2017

TIMELINE

2013

2014

2015

2016

2017

Debut on the AIM market of the Italian Stock Exchange
(Symbol: DM)

Industrial alliance with Talent Garden and Tamburi Investment Partners and creates the most important national innovation platform for the «DIGITAL MADE IN ITALY».
Capital increase of over 4,900,000 EUR

Arrival of Marco Gay in the shareholding structure , an entrepreneur of the digital economy

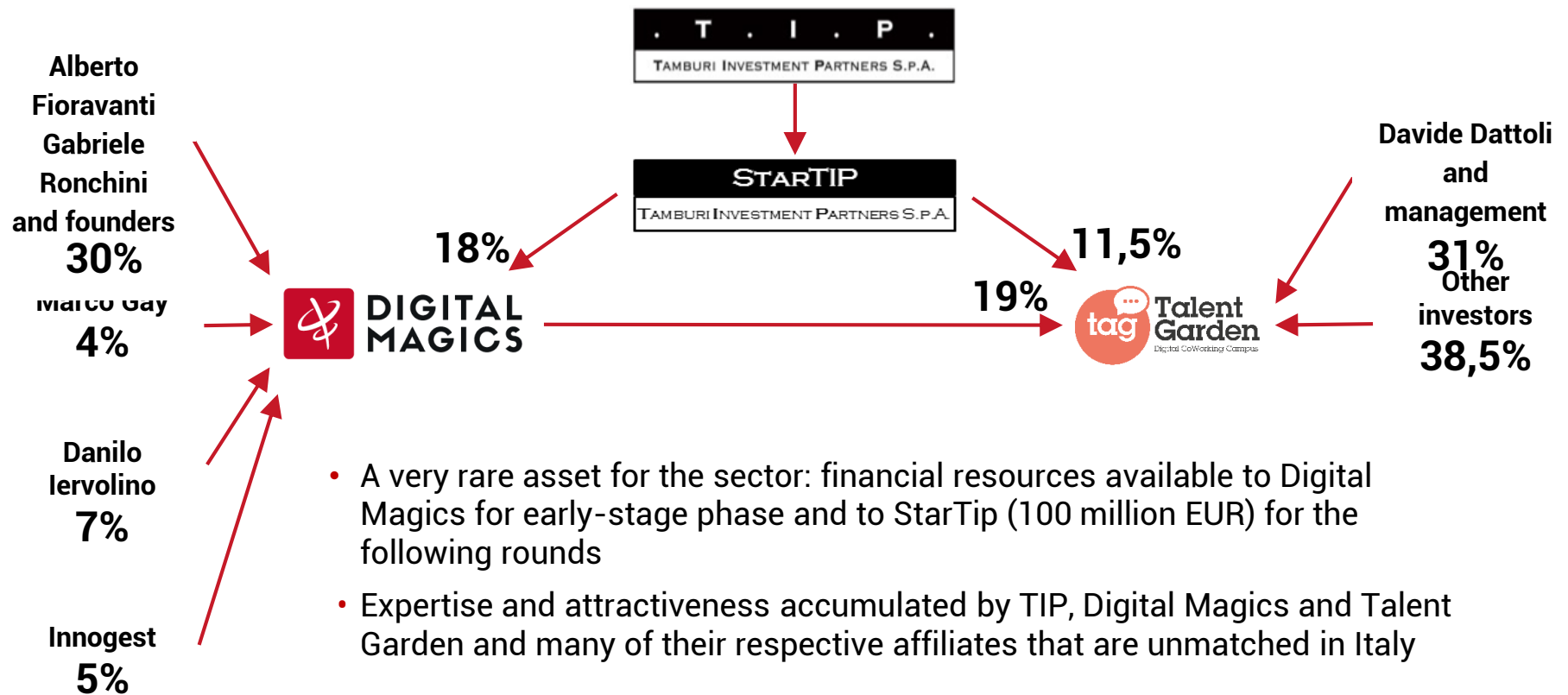
4 new branches in Palermo, Roma, Padova, Bari – in addition to the ones in Milan and in Naples

Capital Increase reserved for Withfounders' shareholders: the venture capital fund Innogest SGR enters the share capital of the incubator and Digital Magics acquires 35% of the seed accelerator Withfounders

Capital Increase of over EUR 4,900,000 and Danilo Iervolino's group (Telematic University Pegaso, Universitas Mercatorum) joins the stakeholders. TIP subscribes a 1.2M€ capital increase.

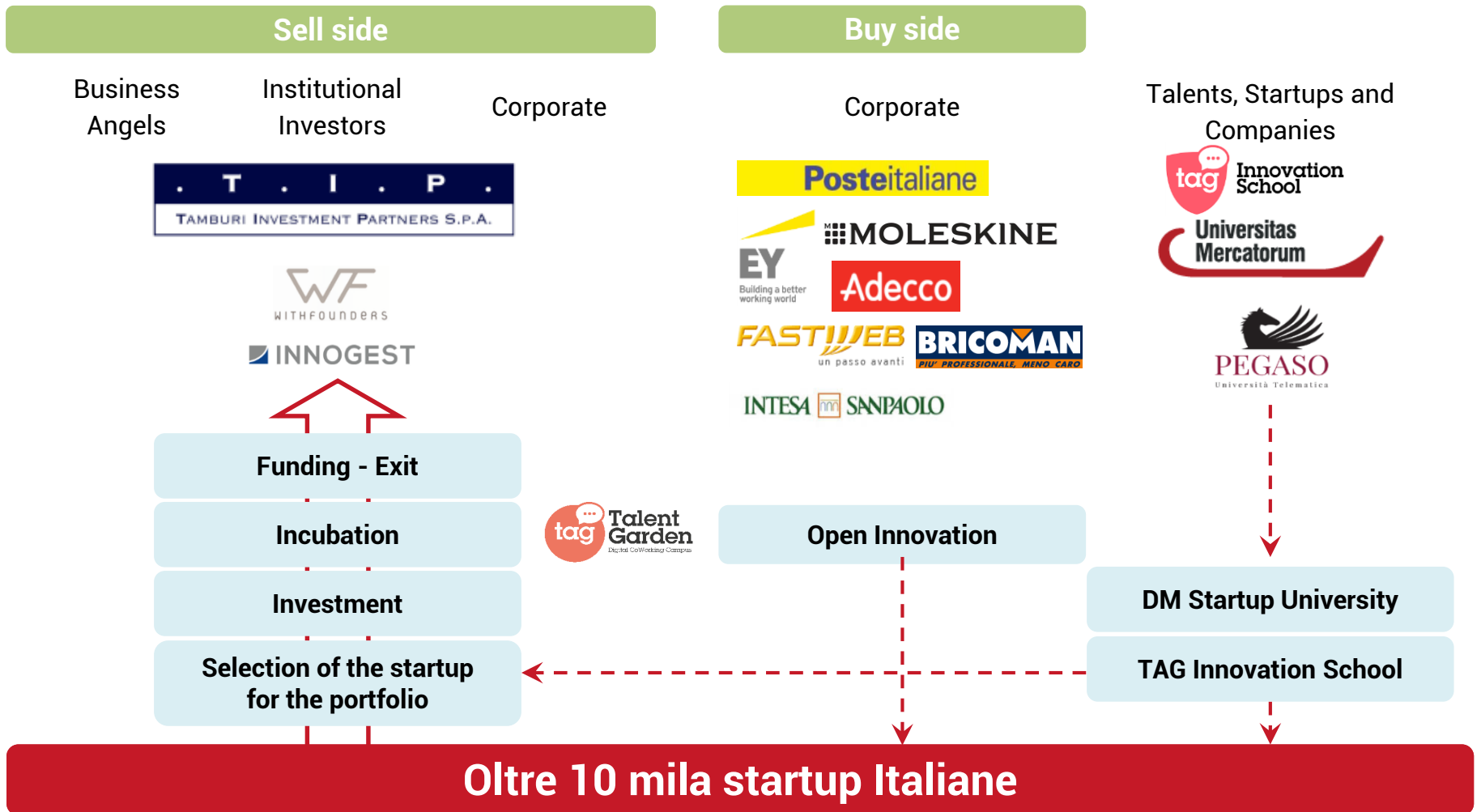
The «DIGITAL MADE IN ITALY» platform – launched by Digital Magics with Talent Garden and Tamburi Investment Partners, expands thanks to agreements with Multiversity, Innogest SGR and Withfounders –

TIP, DM AND TAG: A UNIQUE MIX OF NETWORK, FINANCIAL RESOURCES AND EXPERTISE



- A very rare asset for the sector: financial resources available to Digital Magics for early-stage phase and to StarTip (100 million EUR) for the following rounds
- Expertise and attractiveness accumulated by TIP, Digital Magics and Talent Garden and many of their respective affiliates that are unmatched in Italy

DIGITAL MAGICS IS THE ONLY INCUBATOR WITH A BUSINESS MODEL THAT RELIES ON ESTABLISHED PARTNERSHIPS USEFUL IN SUPPORTING THE STARTUPS THROUGH DIFFERENT STAGES OF LIFE



BUSINESS MODEL AND ECOSYSTEM

Digital Made in Italy



- Relations with companies
- Networking
- Investments



- Coworking
- Digital Hub
- Training



- Dedicated Accelerator



- Venture Capital partner

Training



- **DIGITAL MAGICS STARTUP UNIVERSITY** is born for the telematic training of aspiring startupper



- Training courses on digital topics addressed to students, new graduates, professionals and companies

Open Innovation



- Digital Magics Leader of Open Innovation
- Launch of GIOIN (Gasperini Italian Open Innovation Network)



Territorial Coverage



- Efficient Scouting
- Access for local BAs and institutional investors
- Partnership with industrial districts

DIGITAL MAGICS FOR STARTUPS AND DIGITAL SCALEUPS

Raised over **43 million EUR** from 2011 up to **december 2016** for the startups of Digital Magics

21.8 million + **21.7 million**
invested by Digital Magics invested by third parties

SEED FINANCING (CLUB DEAL)



EXIT

7 Exits with a return on investment greater than 30%.
DM's model envisages the exit after 4 years



MANAGEMENT

Support for business development, possible assistance in successive financing rounds

INCUBATION

Market launch, business support, technology strategy, team building

ACCELERATION

Mentorship, definition of the business model, licenses and patents test metrics, team building, financing assistance



SELECTION AND ENTRANCE

Through universities, dedicated events, presentations by partners and other accelerators, incubators and VC, online self-application, word of mouth. After selecting the company we proceed with in-depth meetings and definition of agreements

DIGITAL MAGICS' SECTORS

9 SECTORS

DIGITAL MEDIA

INTERNET OF THINGS

FINTECH

E-COMMERCE

B2B TECH

DIGITAL MARCOM

TRAVELTECH

HEALTHTECH

ENERGYTECH



**DIGITAL
MAGICS**



THE DIGITAL MARKET

Digital Magics is an investment opportunity in a fertile market, with a tremendous potential for growth

THE DIGITAL MARKET IN ITALY

€ 66 bn

in **2016**

> 15%

growth in innovative sectors
(**Industry 4.0, Internet of Things,
Cloud Big data, Web Services**)

2017

7,866

the growing innovative startups
that as of **10/04/2017**
employ around

36,000 professionals

> € 200 m

private investments
(**Venture Capital + Business Angel**)

2016 (+53% year on year)

but still 7 times lower than the
European average.

Source: Assinform Report – The digital sector in Italy 2017; InfoCamere - startup.registroimprese.it; Venture Capital Monitor Observatory – VeM; IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

PROSPECTS FOR THE DIGITAL MARKET IN ITALY

ACCENTURE'S REPORT 'DIGITAL DISRUPTION: THE GROWTH MULTIPLIER' – WORLD ECONOMIC FORUM IN DAVOS, JANUARY 2016

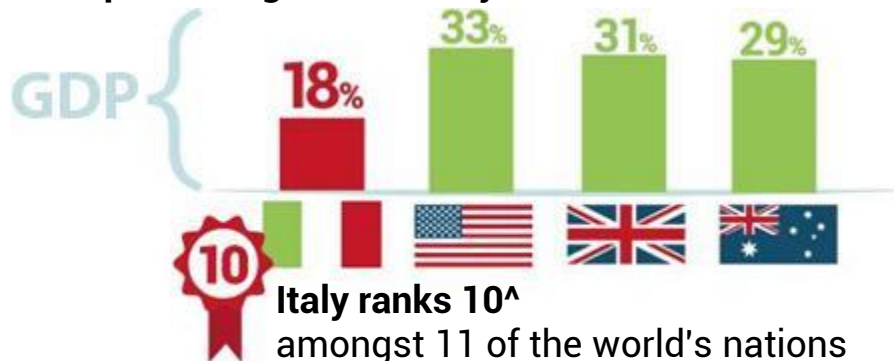
BY 2020

For Italy, a **decisive boost** to the development of the digital economy could lead to a **GDP growth**

+4.2%
GDP **(75 billion euros)**

Worldwide, **by optimizing skills and technologies**, the **digital economy** could provide a boost of **2.000 billion EUR** to GDP

Impact of digital economy on GDP



amongst 11 of the world's nations analysed in Accenture's report as concerns the digital economy weighing on GDP.

Italy should direct

60%
digital development for better technologies application



40%
"accelerators" development or enabling factors

It is precisely this «**digital divide**» waiting to be bridged that offers, in our country, high growth rates and a huge opportunity for operators in the sector.

THE GOVERNMENT'S COMMITMENT TO INNOVATION: INDUSTRY 4.0

**13 bn
EUR**
of investments
(2017-2020)

- **A dedicated fund for industry 4.0 startups**
- **Up to 30% tax deduction** for investments up to 1M in startups and innovative SMEs
- **Loss absorption** for startups by “sponsor” societies for the first 4 years
- **Tax benefits** with capital gain de-taxation on medium/long term investments (PIR - Individual Savings Plans)
- **To reach early stage investments in 2020 equal to 1bn**
- **To mobilise 2.6 billion EUR** for early stage private investments



10 billion EUR estimated on PIR fund in 2017.
14 IPOs ON AIM Italia in the first eight months of 2017.



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DIGITAL MAGICS PORTFOLIO HIGHLIGHTS

TALENT GARDEN SPA



Sector: **Digital Community**

Talent Garden is **the leading European network of coworking spaces** for digital media professionals. It currently has 18 campuses in 5 countries in Europe.

TAG Innovation School (a subsidiary of Talent Garden) is the innovative education formula to train digital professionals.

Main financial results

- 2016 Turnover: **€4,300,000 (+250% vs 2015)**
- Liquid NFP as of 12.31.2016: **€6 BN**

Key investors

- **Tamburi Investment Partners SpA**
- **500 Startups**
- **Endeavor Global**

Last round
of funding

Round

€ 6,000,000

Assessment

€ 18,000,000

Data Round

2016

BUZZOOLE HOLDINGS LTD

Sector: **Digital Marcom**



Buzzoole is an end-to-end **Influencer Marketing platform**, which has its operating holding company in London. Its headquarters is located in Naples with two additional branches in Milan and Rome; besides Italy and the UK, it is launching its business in France, Spain and Russia

Main financial Results

- 2016 Turnover: **€2,500,000 (+134% vs. 2015)**
- Turnover Growth: **+99.18%** (H1 2017 vs H1 2016)

Key investors

- Innes Worldwide Holdings Ltd (convertible)
- R301 Capital SA
- Expert System SpA
- F.G. Invest

**Last round
of funding**

Round

€ 900,000

(Convertible Note)

Assessment

up to

€ 5,580,000

Issue Date

2016

PRESTIAMOCI SPA

Sector: **FinTech – peer-to-peer lending**



Prestiamoci is the **Italian P2P Lending platform**. It has two licenses (a financial one and another as a payment institution) and is supervised by the Bank of Italy. It is currently the eighth platform in Continental Europe ranked by allocated amounts.

Main Financial Results

- 2016 Turnover: **€66,662 (+106% vs 2015)**
- Expected net return of the stock (06/30/2017) **5.59%**
- 2017 strong growth in volume terms:
 - stock **+100%** in 6 months
 - stock **+300%** in 12 months

Key investors

- **Banca Sella Holding**
- **Club Italia Investimenti**
- **Innogest SGR SpA**
- **Giovanni Daprà**
- **Pietro Boroli**
- **Roberto Condulmari**

**Last round
of Funding**

Round

€ 1,600,000

Pre-money valuation

€ 4,500,000

Issue Date

2017

QUOMI S.R.L.

Settore: **FoodTech**



Quomi is an **evolved e-commerce of food**, a personalised service that simplifies groceries shopping. Thanks to Quomi, the customer receives the best ingredients perfectly dosed to achieve extraordinary recipes, directly to their doorstep; thus saving time and money.

Main Financial Results

- 2016 Turnover: **€145,367**
- Turnover Growth: **+600%** (Q1 2017 vs Q1 2016)
- Predicted to **break even: 2018** (monthly basis)

Key investors

- **EuroVentures**
- **Gianfranco Ritucci**

Last round
of investment

Round

€ 600,000

Pre-money valuation

€ 1,350,000

Issue Data

2017



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RESULTS 1H 2017

PORTFOLIO 1H 2017

- As of December 31 2016 the **49** operational **startups** of Digital Magics have an aggregated turnover of **26.4 million EUR**, an increase of **+36.2%**.
- **8 new investments**, including the investment in the vehicle company Withfounders (which has **9** other operational **investments**, as well as a share in a US *seed capital* fund)
- Sale of a stake equal to 5% in Vin.Ci. Srl (ProfumeriaWeb), thus achieving a relevant performance.
- At June 30, 2017 the number of operating companies in the portfolio **increased** to **66**, of which **36 are Innovative Startups** and **7 are Innovative SMEs**.
- The 12 holdings presented in the document «Digital Magics Portfolio Highlights» generated aggregate revenues in 2016 for a total of **14.4 million EUR**, with a 60% increase.

RESULTS 1H 2017

- 10 new Open Innovation programs in the sectors of: Fintech, EnergyTech, Healthtech, FashionTech and Industry 4.0.
- **2.1 million EUR** are the **investments in startups: +80%** compared to the 1st half of 2016
- **15.5 million EUR** total **financial fixed assets** (14 million EUR at 31 December 2016)
- Net equity of 20.3 million EUR showing a strong growth (14.9 million EUR at 12/31/2016) due to the success of the capital increase
- Net financial debt at June 30 2017 equal to 163 million EUR (3.9 million EUR at 31/12/2016) with liquid assets of over 4 million EUR.
- Negative EBITDA of 410 thousand EUR (positive by 153 thousand EUR in H1 2016), mainly due to lower expenses capitalised equal to about 400 thousand EUR
- Negative Net Result of 1.3 million EUR (negative by 230 thousand EUR at 06/30/2016) as a result of (i) a devaluation of a no longer operational participation (528 thousand EUR), (ii) write-down of receivables from investees and (iii) higher amortisation, which offset the financial revenues for the period (+220 million EUR compared to the 1st half 2016)

DIGITAL MAGICS' EQUITY



October 3 2016 3.48€ - October 2 2017 6.8€ +95%

Warrants Digital Magics 2017-2022
allocated free of charge 1,643,004 warrants
capital increase max 14,4 M€

Five windows in October for each year 2017-2022

Exercise price (1 warrant = 1 share) at increasing values:

2017	2018	2019	2020	2021	2022
5.75€	6.35€	6.95€	7.55€	8.15€	8.75€

Tamburi Investment Partners	18,15%
Alberto Fioravanti	12,57%
Danilo Iervolino (Garage Start Up)	7,16%
Patrizia Cavallini	5,19%
Innogest SGR S.p.A.	5,14%
Marco Gay	4,17%
Manuel Gasperini	3,46%
Alessio Gasperini	3,46%
Leonardo Gasperini	3,46%
Gabriele Ronchini	1,53%
MERCATO	35,7%



DIGITAL MAGICS

From Talent to IPO

Thanks for following us! 😊

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