

PRESS RELEASE

THE DIGITAL MAGICS BOARD OF DIRECTORS APPROVES THE REPORT FOR THE HALF YEAR ENDED 30 JUNE 2014

- *IN THE FIRST HALF OF 2014, ENTRY INTO 4 NEW STARTUPS, OF WHICH 3 ARE "INNOVATIVE STARTUPS", WITH AN END-OF-PERIOD BALANCE OF 35 INVESTMENTS IN THE PORTFOLIO*
- *APPROXIMATELY €1.2 MILLION INVESTED IN COMPANIES, PLUS MORE THAN €1 MILLION INVESTED BY THE "DIGITAL MAGICS ANGEL NETWORK" IN THE FIRST HALF OF THE YEAR*
- *REVENUE FROM INCUBATOR SERVICES OF €1.13 MILLION (+50% COMPARED TO JUNE 2013) WITH EBITDA OF €86,000 (+90% COMPARED TO JUNE 2013) AND NET RESULT OF -€176,000 (WAS -€303,000 IN JUNE 2013)*
- *AFTER THE CLOSE OF THE FIRST HALF OF THE YEAR, 4 ADDITIONAL INVESTMENTS WERE MADE IN NEW INITIATIVES AND A MEDIUM/LONG-TERM BANK LOAN WAS SECURED FOR €2 MILLION*

Milan, 25 September 2014 - **Digital Magics**, certified incubator of innovative startups listed on the AIM Italia market of the Italian Stock Exchange (symbol: DM), has today approved the report for the half year ended 30 June 2014.

In the first half of 2014, investments were made, directly or through 56CUBE - incubator of which Digital Magics owns 80%, specialised in operations in southern Italy - in **four new startups**: Tripitaly S.r.l., NetworkMamas S.r.l., AppMetrics S.r.l. and Cambiomerci.com S.r.l.

Tripitaly - www.tripitaly.it

Tripitaly is an innovative startup, the first "open" portal for incoming tourism in Italy, developed by Digital Magics, **Confturismo** and the **Uvet Group**. The platform will use a single hub to combine information, services and various commercial offers to provide tourists arriving from abroad with a single point of contact, enabling them to plan and purchase their own tailor-made holiday package quickly and simply. Digital Magics owns 50% of the share capital.

NetworkMamas - www.networkmamas.it

This is an innovative startup from **RCS NEST**, an incubator managed by Digital Magics and the **RCS Group**. NetworkMamas is a marketplace dedicated to Italian mums who offer consultancy, lessons and small jobs. The platform enables professional mums to re-enter the world of work, managing their time more freely and at the same time offering useful services in real time to those in need. Digital Magics owns 23% of the share capital.

AppMetrics

AppMetrics - an innovative startup - offers quality meter services on smartphones and automated testing for mobile devices and applications. The technology platform enables companies to know that their proprietary applications are working correctly, that the data is managed securely and especially how, when and how much users actually use the apps. Digital Magics, through 56CUBE, owns 50% of the share capital.

Cambiomerci.com - www.cambiomerci.com

The startup Cambiomerci.com is a trade credit circuit among companies: a platform for modern corporate bartering, making it possible for firms to buy and sell goods and services from/to each other. After two years in business, the *disruptive* startup has 450 associate companies throughout Italy, using a complementary currency to exchange products and services from over 50 categories. Digital Magics, through 56CUBE, has acquired 12% of the share capital.

The **total number of startups in the portfolio** at 30 June 2014 is **35**, of which **15** are currently recorded in the register of **Innovative Startups**.

The **new investments** made in the first half of 2014, directly or indirectly, by Digital Magics in the companies totalled **€1.216 million**, alongside investments of **more than €1 million** from the **Digital Magics Angel Network**.

The *Digital Magics Angel Network* is a network of over 100 private investors, institutional funds and industrial partners, including **Atlante Seed (Intesa Sanpaolo Group)**, **Banca Sella Group**, **Credito Valtellinese Group (Creval)**, **Tamburi Investment Partners**, **RCS Group**, **Gate14 Group**, **Uvet Group**, **UniCredit** and **Nice**. The members of this network work alongside Digital Magics in selecting, mentoring and investing in the ideas proposed and the startups under development and already developed by Digital Magics, making their own skills available in order to accelerate the growth of the new companies, and looking out for new projects.

After 30 June 2014, four new investments were made in Mimesi S.r.l., Xoko S.r.l., Trova La Zampa S.r.l. e Solo S.r.l..

The total investment to date, directly or indirectly, from Digital Magics in its startups amounts to **€14.8 million**, in addition to investments for **more than €4.1 million by the Digital Magics Angel Network**.

The total value of disposals (exits) is about €5 million.

Revenue from incubation services in the first half of 2014 amounted to €1.132 million compared to €753,000 in the same period in 2013 (+50.3%), due to the growth of the portfolio of incubated startups. The margin (EBITDA) improved further, and is positive by €86,000 (+90.4% compared to June 2013).

The result for the period shows a loss of €176,000, an improvement compared to the same period of 2013 when the loss amounted to €303,000. The change is due, in addition to the improvement in the operating margin, to the reduction in financial expenses.

The net financial position goes from -€2.6 million in December 2013 to -€85,000 in June 2014, primarily due to investments in the period and working capital management. At 30 June 2014, Digital Magics had €1.26 million in available funds, in addition, in the month of August, to €2 million secured as a medium/long-term bank loan, assisted by the Guarantee Fund for SMEs.

The Financial Report for the Half Year ending 30 June 2014 is online at www.digitalmagics.com in the *Investor Relations - Financial Reports* section.

Digital Magics - www.digitalmagics.com

Digital Magics is a certified venture incubator of innovative digital startups that offers content and services with a high technological value. Digital Magics is quoted on AIM Italia, the Alternative Capital Market dedicated to small and medium-sized Italian enterprises with high growth potential, organised and managed by the Italian Stock Exchange. Digital Magics builds and develops internet startups, working alongside their founders, investing equity and providing acceleration services. Starting from talents and ideas, it transforms them into successful disruptive businesses in the Italian and international digital economy. The incubator promotes a culture of entrepreneurship and risk, contributing to economic growth and employment for young people. Digital Magics offers services to support the innovation, creation and development of digital startups, and it supports them in the search for new Italian or international private and public investors to fund successive stages of development. The Digital Magics model is unique in Italy and is based on the Digital Magics LAB: the team that identifies, analyses and launches new initiatives, providing innovative startups with digital business acceleration services for company development. Digital Magics has a portfolio of over 39 investments in startups. It has achieved 6



exits, and only 4 write-offs. To date, the incubator has invested approximately €14.8 million, of which €5 million is from exits. Currently, the average investment is around €300,000.

***Integrae SIM** acts as a Nomad and a Specialist under the AIM Italia Issuers' Regulations. For the transmission of communications, Digital Magics makes use of the SDIR-NIS circuit, operated by BIt Market Services, a subsidiary of the London Stock Exchange Group.*

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SINTESI DATI

Conto economico

(migliaia di Euro)	I° semestre 2014	%	I° semestre 2013	%	Variazione	Variazione %
Ricavi delle vendite, delle prestazioni	1.132	99,4%	753	99,5%	379	50,3%
Altri ricavi e incrementi immobilizzazioni	7	0,6%	4	0,5%	3	79,8%
Valore della produzione	1.139	100,0%	757	100,0%	382	50,4%
Costo materie prime, sussidiarie, di consumo e di merci	(6)	(0,5%)	(9)	(1,2%)	3	(37,1%)
Costo dei servizi esterni, godimento dei beni di terzi ed altri oneri	(857)	(75,2%)	(514)	(67,9%)	(343)	66,7%
Valore aggiunto	276	24,3%	234	30,9%	42	18,0%
Costo del lavoro	(190)	(16,6%)	(189)	(25,0%)	(1)	0,3%
Margine operativo lordo (EBITDA)	86	7,6%	45	5,9%	41	90,4%
Ammortamenti	(164)	(14,4%)	(10)	(1,3%)	(154)	1.543,4%
Altri stanziamenti rettificativi	-	0,0%	(91)	(12,0%)	91	(100,0%)
Risultato operativo (EBIT)	(79)	(6,8%)	(56)	(7,4%)	(23)	40,5%
Proventi (oneri) finanziari netti	(19)	(1,7%)	(207)	(27,3%)	188	(90,9%)
Rettifiche di valore di attività finanziarie	(73)	(6,4%)	(7)	(0,9%)	(66)	944,3%
Risultato prima dei componenti straordinari e delle imposte	(171)	(14,9%)	(270)	(35,6%)	99	(37%)
Proventi (oneri) straordinari netti	(0)	0,0%	(1)	(0,1%)	1	(99,9%)
Risultato prima delle imposte	(171)	(14,9%)	(271)	(35,7%)	100	(37%)
Imposte sul reddito dell'esercizio	(5)	(0,5%)	(32)	(4,2%)	27	(83,8%)
Risultato dell'esercizio	(176)	(15,4%)	(303)	(39,9%)	127	(42%)

Stato Patrimoniale

(migliaia di Euro)	30/6/2014	31/12/2013	Variazione
Immobilizzazioni immateriali	533	687	(155)
Immobilizzazioni materiali	39	37	2
Immobilizzazioni finanziarie	11.673	10.009	1.664
Capitale immobilizzato	12.244	10.733	1.511
Crediti commerciali, verso controllate e collegate	2.244	2.031	213
Altri crediti	553	609	(56)
Attività finanziarie che non costituiscono immobilizzazioni	40	-	40
Ratei e risconti attivi	63	117	(54)
Attività di esercizio a breve	2.900	2.758	143
Attività dell'esercizio	15.145	13.491	1.654
Debiti commerciali, verso controllate e collegate	621	1.413	(792)
Altri debiti	801	748	53
Ratei e risconti passivi	30	-	30
Fondi rischi ed oneri	94	96	(2)
Passività di esercizio a breve	1.546	2.257	(711)
Capitale di esercizio netto	1.355	501	854
Trattamento di fine rapporto	60	70	(10)
CAPITALE INVESTITO NETTO	13.540	11.165	2.375
Patrimonio netto	13.624	13.800	(176)
<i>Indebitamento (posizione) finanziario netto a breve termine</i>	<i>(833)</i>	<i>(3.590)</i>	<i>2.757</i>
<i>Indebitamento finanziario netto a medio-lungo termine</i>	<i>748</i>	<i>955</i>	<i>(207)</i>
Totale posizione finanziaria netta	(85)	(2.635)	2.550
MEZZI PROPRI E DEBITI FINANZIARI	13.540	11.165	2.375