

DIGITAL MAGICS PRESENTS THE MAIN FINANCIAL RESULTS OF 2014 DURING THE DIGITAL INVESTOR DAY

- Invested over €3.2 million in 2014, €16.53 million as of today
- The 'Angel Network' invests over €2 million in the subsidiaries of Digital Magics
 - Organized the sale of the startup Dotadv to Subito.it
- Started the exit of Prestiamoci to TrustBuddy worth over €5.3 million

Milan, February 5, 2015 - On the occasion of the DIGITAL INVESTOR DAY organized by IR Top, **Digital Magics** – certified incubator of innovative digital startup and digital *scaleups*, listed on the AIM market of the Italian Stock Exchange (symbol: DM) – **presented the main results** of the company up to **December 31 2014** to an audience of over 100 qualified institutional investors and Italian entrepreneurs.

Enrico Gasperini, Founder, Chairman and CEO of Digital Magics declared: "We are very pleased with the results accomplished in 2014. Our portfolio of startups and digital 'scaleups' grew a lot both in terms of numbers, having reached over 40 investments, and also in terms of value. We strengthened the activities of the incubator – which provides vast acceleration and development services, – and we continued our sales cycle. With Prestiamoci, we started the process of one of the most important Italian exits, involving an international group such as TrustBuddy, while with the sale of Dotadv, we confirmed the crucial role that an incubator as Digital Magics plays within this ecosystem, as regards scouting and support of Italian talents. Digital Magics has significantly strengthened relations with entrepreneurs, specialised and qualified professional investors and the companies that are part of the 'Digital Magics Angel Network', co-investing with them in innovative startups 'disruptive', such as Tripitaly and EDICOLA ITALIANA, through our platform, and with numerous 'Open Innovation' agreements. The next step for the realization of our business plan will be a strong geographic expansion to export our successful model in the territories."

MAIN EVENTS OF 2014

- In 2014 Digital Magics has **invested in 10 new startups**, of which 8 are innovative ex lege 221/2012, directly or through 56CUBE, the incubator for Southern Italy controlled by Digital Magics. Thanks to investments made in 2014, Digital Magics **portfolio** now includes **41 holdings, of which 21 innovative startups** ex lege 221/2012.
- **Total investments in 2014 amounted to over €3.2 million**, earmarked for new initiatives and the support and development of startups and *scaleups* already previously held. The incubator has invested **€16.53 million** up to date.
- The co-investment made by the incubator partners, who joined the **Digital Magics Angel Network**, in 2014 amounted to **over €2 million**. During the year, investment transactions have been realized in the following companies: Plannify, Premium Store - EDICOLA ITALIANA, Prestiamoci and Growish. Until now, the network of subjects within *Digital Magics Angel Network* have invested **over €4.7 million**.
- In August 2014, Digital Magics signed an **agreement** with **Gruppo Creval** for the medium-term loan of **€2 million**, and in December 2014, the incubator signed a new **agreement** with Gruppo Banca Sella for the medium-term loan of **€1 million**, both assisted by the Guarantee Fund for SMEs.
- Digital Magics structured the transaction for **the sale of Dotadv to Subito.it**, the digital platform n. 1 in Italy for the secondhand market with over 8.8 million unique users per month. Dotadv is the Italian startup that automates the direct sale of online advertising spaces. The process – that was initiated and completed for Dotadv very quickly – is in line with the incubation and

acceleration high-profile services, that Digital Magics offers to startups and *scaleups* of its portfolio, and with the Open Innovation programs.

- Digital Magics began the **exit** process of **Prestiamoci**, the only Italian startup approved as a finance company by the Bank of Italy for the management of a private lending platform on the Internet. It is planned that Prestiamoci will merge with **TrustBuddy**: the first social lending company in the world to have been listed on the Stock Exchange. **The value of the transaction**, whose implementation is expected in the first half of 2015, amounts to **€5.3 million** overall: **€1.5 million will be paid in cash and €3.8 million in shares of TrustBuddy**. Digital Magics currently owns about 22.4% of Agata S.p.A. – the company that owns and manages the brand Prestiamoci – taking into account also the dilution caused by the stock option reserved for top management, with a purchase value of about €300,000. At the end of the transaction, the capital gain of the transfer will be about 300%, just a little more than a year after the first investment.
- **Strategic partnership** agreement with Epic SIM, private investment community that has developed a new and qualified digital platform of financing for enterprises, to **structure the activities of the lenders** of the subsidiary companies from the incubator. Digital Magics was equipped with an innovative tool to facilitate the co-financing in the startups incubated and the development of the **Digital Magics Angel Network**, which also **opens to new professional investors** enrolled in Epic and which is **further enhanced**. The aim is to increase the liquidity of the ecosystem of Digital Magics and accelerate the development of the startups and the *scaleups* in view of their exit and / or their IPOs.

Digital Magics Angel Network is the informal network of over 100 stakeholders interested in co-investing with Digital Magics in innovative startups and digital *scaleups*, including: **Gruppo RCS, Gruppo Uvet, Nice, Tamburi Investment Partners, Gruppo Banca Sella, Gruppo Bancario Credito Valtellinese (Creval) Atlante Seed (Gruppo Intesa Sanpaolo), Gate14 Group and UniCredit**.

- In 2014 Digital Magics launched new **Open Innovation programs** to support Italian companies in their process of internal innovation, applying the model of *Corporate Venture Capital*. After the first ones with **Gruppo RCS**, for the creation of the joint incubator RCS NEST, and with Gruppo Uvet, for the field of TravelTech, the incubator has structured an *Open Innovation* program with **Nice** (to develop joint investment activities for startups in the **Internet of Things** range), and with **Confartigianato Imprese** (to support the Italian craftsmen in the **internationalization** and **digitization**, through the incubated startup **ulaola**, a platform for Made in Italy products).
- During the year, a few projects of Italian and international importance were launched, including: **Tripitaly**
Digital Magics, **Gruppo Uvet** and **Confturismo** founded the first "open" portal for incoming tourism in Italy. The innovative startup platform brings together in one **hub** 41,000 hotels, 4,000 flights, 9,000 trains and 2,000 between tour and offers on the territory, information and services to provide tourists a unique reference point that allows for quick and easy way to plan and buy their own custom and tailored vacation package.

EDICOLA ITALIANA

In May 2014 Digital Magics and important Italian investors **subscribed a capital increase of €1 million in Premium Store**, the innovative startup chosen exclusively by the Consorzio Edicola Italiana – founded by **Caltagirone Editore, Gruppo 24 ORE, Gruppo Editoriale L'Espresso, La Stampa-ITEDI, Gruppo Mondadori and RCS MediaGroup** – for the development and management of EDICOLA ITALIANA: the platform for the sale of digital newspapers and magazines. In January 2015, the website www.edicolaitaliana.it was officially launched.



The net financial position, at the end of 2014, is positive for about €2 million, net of cash on hand of approximately €2 million.

This press release is online at www.digitalmagics.com under *Investor Relations - Press Release*.

Digital Magics – www.digitalmagics.com

Digital Magics is a certified venture incubator of innovative digital start-ups that offer content and services with a high technological value. Digital Magics is listed 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 start-ups, working alongside their founders, investing its capital 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 start-ups, and it supports them in the search for new Italian and international private and public investors to fund the 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 start-ups with digital business acceleration services for company development. Digital Magics has a track record of over 40 investments in start-ups. It has achieved 6 exits, and only 4 write-offs. To date, the incubator has invested approximately €14.8 million, of which 5 million comes from exits. Currently, the average investment is around €300,000.

Integrae SIM acts as a Nomad and Specialist under the AIM Italia Issuers Regulations. For communication transmissions, 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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