

THE ORDINARY AND EXTRAORDINARY BOARD MEETING OF DIGITAL MAGICS APPROVES 2014 FINANCIAL STATEMENTS, APPOINTS A NEW BOARD OF DIRECTORS, AND APPROVES TWO CAPITAL INCREASES

A paid capital increase for a maximum of Euro 4,999,000 to be executed by 31 December 2015 has been approved, in addition to a second paid capital increase for a maximum of Euro 2,000,000 excluding the right of option reserved to a stock option plan for directors, employees and associates of Digital Magics and its startups.

Milan, April 29, 2015 – The Ordinary and Extraordinary board meeting of Digital Magics Ltd. – the *venture incubator* listed on the AIM market of Italian Stock Exchange (symbol: DM) – was held today in Milan at the registered office.

The ordinary board meeting approved:

- o Approval of the financial statements for the year ending 31 December 2014 and to cover the loss for the year of Euro 921,856.00, together with the residual loss for the year ending 31 December 2013 of Euro 63,544.00, carrying forward, through use, for the corresponding amount of the "Share premium reserve"
- o To appoint eleven members to the Board of Directors for 2015:
 - Enrico Gasperini (Chairman)
 - Luca Giacometti (independent Director)
 - Claudio Berretti
 - Davide Dattoli
 - Alberto Fioravanti
 - Gabriele Gresta
 - Alessandro Malacart
 - Michele Novelli
 - Laila Pavone
 - Gabriele Ronchini
 - Edmondo Sparano
- o To determine the Euro 750,000 annual emolument, inclusive of all taxes and contributions paid by the company, to be paid to the Board of Directors and distributed among its members
- o To appoint BDO Ltd. for carrying out the statutory audit activities of the financial statements and to conduct a limited audit of the interim financial statements for the first half of each of the years from 2015 to 2017.
- o To grant the Board of Directors the authorization to purchase, pursuant to articles 2357 and following of the Civil Code, a maximum of 100,000 shares of Digital Magics, for a maximum value of € 800,000, to be carried out also on a split until the next Shareholders' Meeting is called to approve the financial statements, within the available reserves. Purchases will be made:
 - At a unit price no higher and no lower than the reference price recorded on the market in Italy AIM trading session before the purchase a buyer wants to make, respectively, above or below 10%;

- in the manner prescribed by laws and regulations; the disposal of any treasury shares acquired will take place for the realization of extraordinary operations or to implement initiatives or plans aimed towards the retention of employees and collaborators of the company and its subsidiaries or for purposes of treasury management and financial needs of the company, in compliance, if applicable, of the principle of equal treatment, by sale on the market at current prices at the time of disposal of said treasury shares;

The Extraordinary Assembly resolved:

- o To increase the share capital, in one or more issues, for a maximum of EUR 4,999,000.00, inclusive of any share premium, including in several tranches, a maximum of 1,250,000 new ordinary shares without indication of the par value, as follows:
 - The newly issued shares will enjoy normal dividend rights;
 - the newly issued shares are offered in the form of rights pursuant to art. 2441, paragraph 1 of the Italian Civil Code (with any rounding down to the whole number of options due to each beneficiary), pursuant to a notice to be published in accordance with art. 2441, paragraph 2, of the Italian Civil Code;
 - the issue price of the shares, inclusive of any share premium, and the exact number of shares to be offered will be determined by the Administrative Body and, on its behalf, by the Chairman, closer to the time of the offering, so that the issue price is equal to the average official price of the Digital Magics shares at AIM Italia - in the six months preceding the shareholders' resolution to increase the capital - increased or reduced by an amount not exceeding 20%, ensuring that the total price of all shares issued does not exceed Euro 4,999,000.00;
 - the pre-emptive right on all the shares not taken up may be exercised in the same manner required for the right of option, within the period stipulated in the option;
 - the deadline for subscription was set at December 31, 2015;

and to grant to the administrative body, on its behalf, the Chairman, the broadest powers to take all steps necessary to implement the resolution as above.

- o the increase the share capital, in one or more issues, for a maximum of EUR 2,000,000.00 – inclusive of any share premium – by issuing up to 400,000 new ordinary shares, without indication of the par value, with ordinary rights, excluding the right of option under Article 2441, paragraphs 5 and 8, of the Italian Civic Code, as they are reserved for subscription by the recipients of a stock option plan governed by Regulation which will be approved by the Board of Directors, under the following conditions and the following terms:
 - the newly issued shares will be offered to directors, employees and collaborators of the company and its subsidiaries;
 - the Board of Directors, and on its behalf the Chairman and Managing Directors, severally, is empowered to determine the maximum number of shares to be offered to each beneficiary of the Plan, subject to the maximum number of n. 400,000 shares set out above;
 - the subscription price of the shares will be determined by regulations to be approved by the Board of Directors also considering the applicable tax regulations, but in any case no less than EUR 5.00, of which EUR 1.00 attributable to capital and the excess to be allocated to the share premium reserve
 - the subscription will be made by the deadline of December 31, 2021

and to grant the administrative body, and through it the Chairman and the Managing Directors

jointly and severally, the broadest powers to take all steps necessary to implement the resolution as above.

- o to amend art. 12, second paragraph, third sentence, of the Company Bylaws by replacing the word "third" with the word "seven" for the adjustment of the second paragraph of art. 12 of the Company Bylaws to the current Article 83-sexies of Legislative Decree no. 58/98, concerning the right to attend the meeting on the basis of the so called "record date".

Deposit of Documents

Documents relating to the Meeting are published on the company's website:

www.digitalmagics.com

- The annual financial statements and the management report for the year ended December 31, 2014 approved by the Ordinary Board Meeting is available at Company headquarters and online in the section *Investor Relations/Financial Reports*.
- The profiles of the Directors are available online in the section *Investor Relations/Corporate Governance*.
- The Minutes of the Ordinary and Extraordinary Board Meeting will be published online in the section *Investor Relations/Meetings* in accordance with law.
- This press release is online in the section *Investor Relations/Press Release*.

Digital Magics (www.digitalmagics.com) is a certified venture incubator of innovative digital startups that offer content and services with a high technological value, in addition to scaleups – innovative companies that are experiencing a period of growth and expansion. 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 Digital Magics model is unique in Italy and is based on the Digital Magics LAB: the team that identifies, analyses and launches new initiatives, and on the network of private investors, institutional funds and industrial partners who participate with Digital Magics in selection activities, mentorship and investment in ideas presented, and the startups under development. Digital Magics currently has 41 startups in its portfolio. 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.

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.

For further information:

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