

DIGITAL MAGICS: THE EXTRAORDINARY SHAREHOLDERS' MEETING RESOLVES TO ISSUE WARRANTS FOR NEW INVESTORS IN DIGITAL MAGICS' INVESTEES AND APPROVES A CAPITAL INCREASE IN FAVOUR OF THE INCENTIVE PLAN

THE ORDINARY SHAREHOLDERS' MEETING APPROVES THE 2017 FINANCIAL STATEMENTS, CONFERS THE AUDIT REVIEW MANDATE AND AUTHORIZES THE SALE AND PURCHASE OF TREASURY SHARES

Milan, April 23 2018 - The Ordinary and Extraordinary Shareholders' Meeting of Digital Magics SpA, *business incubator* listed on the AIM Italia market, organised and managed by the Italian Stock Exchange (symbol: DM), met today, at the registered office in Milan, under the chairmanship of Dr. Alberto Fioravanti.

The Meeting, in ordinary session, resolved as follows:

- approval of the Financial Statements for the year ended December 31, 2017 and coverage of the loss for the financial year. The 2017 financial year closed with a production value equal to EUR 2.8 million (EUR 2.9 million at 12/31/2016), a negative EBITDA of EUR 638 thousand (it was positive by EUR 333 thousand in 2016), net loss of EUR 6.8 million (negative for EUR 3.2 million at 31/12/2016) which will be hedged using, for a corresponding amount, the "Share premium reserve";
- conferral of the statutory audit mandate to BDO Italia SpA, for the three-year period 2018-2020;
- renewal of the authorisation to purchase and dispose of treasury shares, within the limits of current legislation, for a maximum of no. 100,000 treasury shares and up to a maximum of EUR 1,000,000; the purchases referred to in this authorisation must be contained within the available reserves and the distributable profits, resulting from the last financial statements approved at the time of the transaction; furthermore, that the required accounting records are made at the time of purchase and sale.

The Meeting, in the Extraordinary session, resolved as follows:

- the issue of maxima no. 600,000 Warrants, each of which will entitle the holder to subscribe a new Digital Magics ordinary share for each assigned Warrants, and the related share capital increase, in cash and in tranches, with the exclusion of option rights, for a total amount, inclusive of any share premium, of maximum EUR 4,990,000 through the issue of maximum no. 600,000 new ordinary shares with regular dividend. The subscription price will be determined on a timely basis by the Board of Directors, on the occasion of each assignment of the Warrants; this subscription price can not be lower than the value determined by referring to the arithmetic average of the official prices of the ordinary share Digital Magics SpA. registered on AIM Italia/ Alternative Capital Market, organised and managed by the Italian Stock Exchange, in the six months prior to the date of assignment of the Warrants and, in any case, can not be less than EUR 8,00, a value determined also referring to the average of the official prices of the ordinary share Digital Magics SpA, recorded on AIM Italia/Alternative Capital Market in the six months preceding the date of approval of the draft Warrant Regulation by the Board of Directors. The Shareholders' Meeting approved the related Regulations that set the final date for subscription of the conversion shares as of December 31, 2022;

- the paid share capital increase, in cash and in one or more tranches, with the exclusion of option rights, for a total amount, inclusive of any share premium, of a maximum of EUR 4,800,000 through the issue of a maximum of no. 600,000 new ordinary shares with regular dividend, to service an equity incentive plan (so-called stock option plan) in favour of employees, directors and/or collaborators, with specific responsibilities, of the Company and/or its investees, with the aim of strengthening their participation in company risk and improving their corporate performance and, therefore, the ability to create value for the benefit of all Shareholders. The unit subscription price of the conversion shares was set at EUR 8.00, a value also determined with reference to the average official price of the ordinary share Digital Magics SpA. recorded on AIM Italia/Alternative Capital Market in the six months prior to the approval date of the Regulation of the "Incentive Plan 2018-2024" by the Board of Directors. The Shareholders' Meeting granted the Board of Directors the necessary powers for the execution of the resolution, also in relation to the identification of the beneficiaries to whom the subscription rights should be assigned, being also able to establish any other condition of the assignment, including, without limitation, the time of subscription within the maximum time limit of December 31, 2024, even in several tranches, the relative quantities, the period from the assignment after which the rights become exercisable.

Deposit of Documents

The documentation relating to the Shareholders' Meeting is published on the Company's website www.digitalmagics.com:

- The Annual Report and the Directors' Report for the year ended December 31, 2017 approved by the Ordinary Shareholders' Meeting is available at the registered office and online in the section *Investors/Financial Reports*.
- The minutes of the Ordinary and Extraordinary Shareholders' Meeting will be published online in the section *Investors/Meetings* in accordance with the law.

This press release is available on the Company's website www.digitalmagics.com under *Investors/Press Releases*.

Digital Magics, listed on AIM Italia (symbol: DM), is a business incubator of digital projects that provides consulting services and acceleration services to startups and enterprises, to facilitate the development of new technological businesses. Digital Magics, Talent Garden and Tamburi Investment Partners, have created the most important national hub for innovation for DIGITAL MADE IN ITALY, by providing support to innovative startups to create successful projects, from conception to IPO. Digital Magics has always been a partner of excellent enterprises, with its Open Innovation services, thus creating a synergetic bridge between companies and digital startups. The incubation and acceleration services offered by Digital Magics are active in the TAG co-working campuses present throughout Italy. Complementary services include investment activities, which have produced over the years a portfolio of 70 investments in digital startups, scaleups and spinoffs with high growth rates. Accelerated companies are flanked by Digital Magics' team, a partner of enormous business and digital experience, and benefit not only from the large network of private and institutional investors that support them through "club deals", but also from the many partner companies that support them on an industrial scale.

Bank Akros S.p.A., acts as a Nomad and Specialist under the AIM Italia Issuers Regulations. For the transmission and storage of regulated information, Digital Magics makes use of the system of dissemination eMarket SDIR and the storage mechanism eMarket STORAGE available at the address www.emarketstorage.com managed by Spafid Connect SpA.

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