

DIGITAL MAGICS TRANSFERS ABOUT HALF OF THE SHARES OF TALENT GARDEN SPA

A TURNOVER OF 3.6 MILLION EURO WITH A CAPITAL GAIN OF OVER 3.2 MILLION EURO

Milan, October 12 2018

Digital Magics SpA, *business incubator* listed on the AIM Italia market (symbol: DM), organised and managed by the Italian Stock Exchange, today signed an agreement for the sale of no. 20,330 ordinary shares of Talent Garden SpA, corresponding to about 9% of the investee's share capital. Following the sale, Digital Magics holds no. 21,794 shares of Talent Garden, corresponding to about 10% of the capital.

The purchase was completed today by Heroes Srl, Talent Garden's controlling shareholder, controlled by Talent Garden management itself, including the co-founder and CEO Davide Dattoli.

The price of the sale is equal to Euro 3,600,000. Digital Magics, a Talent Garden shareholder since the end of 2014, with this sale realises a capital gain of Euro 3,204,250 (equal to over 9 times the cost of the transferred share capital), with an IRR of 80% .

Talent Garden SpA, founded in Brescia in 2011, is one of the main European platforms for digital talents; on its campuses across Europe, more than 3,500 talents work, are trained and constantly have networking opportunities. Present in 8 European countries with 23 campuses, Talent Garden is today the most widespread co-working network for the digital world. Talent Garden Innovation School provides courses, masters and workshops to train young digital and executive professionals and also promotes digital literacy programs for children. In 2017 Talent Garden achieved consolidated revenues of 8.9 million Euro (more than a doubling compared to the previous year) with a positive operating margin.

Gabriele Ronchini, Founder and Managing Director of Digital Magics, commented: *"The transaction, which allows Talent Garden management to strengthen its share, represents a step of strategic value for Digital Magics' business model. Moreover, with a stake of around 10%, Digital Magics remains one of the main shareholders of Talent Garden and confirms the fundamental role that the investee, together with Tamburi Investment Partners SpA (which is in turn, a member of Digital Magics and Talent Garden), has in the value chain designed by Digital Magics in favour of the development of the startups ecosystem and innovation in Italy".*

This press release is online in the section *Investors/Press Releases* at www.digitalmagics.com.

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. Thanks to the partnership with Talent Garden and Tamburi Investment Partners, Digital Magics has created the most important national platform for innovation for DIGITAL MADE IN ITALY, by providing support to innovative startups to create successful projects, from conception to IPO, while offering services for the digital transformation and "Open Innovation" to excellent enterprises. 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 startups, scaleups and digital 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.

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