

DIGITAL MAGICS *DISRUPTION DAY 2014*

In front of an audience of over 150 partners and investors, the certified venture incubator of innovative digital startups presents its key results and programs:

- *Post-listing activities*
- *Official launch of the “**Digital Magics Angel Network**”, the business angels association supporting startups incubated by Digital Magics*
- *“**Open Innovation**” programs helping large Italian enterprises to boost internal innovation*

Milan, 29 January 2014 - Digital Magics, a certified venture incubator of innovative startups listed since July 2013 on AIM Italia of Borsa Italiana (ticker: DM), has organized an exclusive event for its shareholders and partners: the ***Disruption Day 2014***. The magnificent Liberty Room of the Osteria del Treno, cradle of the Slow Food Lombardia movement, hosted this event with the objective of outlining the **state of the art of Digital Magics activities and results in 2013, new ventures and targets for 2014** as well as **opportunities related to the Italian digital economy market**.

In his letter to shareholders and partners, distributed at the meeting (available online in unabridged version for download at: <http://digitalmagics.com/wp-content/uploads/Letter-to-Shareholders-and-to-Partners-of-Digital-Magics-January-29th-2014.pdf>), **Enrico Gasperini, Founder and Chairman of Digital Magics** said: *“2013 has been an exciting year for Digital Magics. We have successfully completed our stock-exchange listing project while creating a new asset class with a quoted security of a certified venture incubator of innovative startups, thus effectively supporting the development of risk financing in Italy. We have assessed more than 1,000 dossiers; we have selected 100 worthy of evaluation and we have invested in 11 digital startups. As a matter of fact, some of our investee companies have shown a significant growth in value”*.

Moreover, Gasperini said: *“With our “Digital Magics Angel Network” we have also developed an industrial process to systematically manage the co-financing of startups. Presently we are developing “Open Innovation” programs for large industrial groups in Italy and we are creating the right conditions for overcoming the current Italian exit limitations. There is still a lot of work to be done, but we can look forward to 2014 - that is just beginning - with optimism.”*

HIGHLIGHTS OF 2013

- **31 July 2013: Digital Magics gets listed on AIM Italia** - the Alternative Capital Market for small and medium-sized Italian enterprises with high growth potential, organized and managed by Borsa Italiana – with a total fund raising of about 10.5 million euro, resulting from the placing of convertible bonds worth about 4 million euro and about 6.5 million euro new cash
- **Digital Magics achieves the status of certified venture incubator of innovative startups** thus benefitting from tax concessions as envisaged by the Decreto Crescita 2.0 (Decree for Growth 2.0) issued by the Ministero dello Sviluppo Economico (Ministry of the Economic Development).
- **In 2013 Digital Magics has invested in 11 new startups**, directly or through **56CUBE**, the incubator for Southern Italy, controlled by Digital Magics. **The overall investments in 2013 amounted to 3.47 million euro**; they were earmarked for new ventures and addressed to the support and development of **5 startups already existing in the portfolio**. With the investments



made in 2013, the **Digital Magics** portofolio includes **29** shareholdings, **10** of which are **innovative startups**, under the law 221/2012.

- Concurrently with the listing, the **Digital Magics Supporter Network** was set up: an informal network of over 100 investors that support the startups incubated by Digital Magics; early 2014 this network will set itself up as an association with the name of **Digital Magics Angel Network**.
- **The Open Innovation programs are launched**; it is a framework of initiatives that aim at helping large Italian enterprises to boost internal innovation. The first program is addressed to **Gruppo RCS** and targeted to the creation of the **RCS NEST joint incubator**. The second *Open Innovation* program has been recently started with the **Gruppo Uvet**, a leading tourism distribution hub boasting a turnover of 2.2 billion euro.
- **At the end of 2013 the cash on hand of Digital Magics amounted to about 4 million euro, with a positive net financial position of about 2.6 million euro, thus showing an increase of about 6 million euro compared to the end of 2012.**

This Press Release and the Letter to Shareholders and Partners are available online at www.digitalmagics.com in the *Investor Relations* section.

Digital Magics – www.digitalmagics.com

Digital Magics is a certified venture incubator of innovative startups which provide high-tech contents and services. Digital Magics is listed on AIM Italia, Alternative Capital Market of the Italian Stock Exchange for small and medium-sized Italian companies with high growth potential. Digital Magics sets up and launches Internet startups, alongside the founders, investing equity capital and providing acceleration services. It starts from talents and ideas, transforming them into successful, disruptive businesses operating in the Italian and international digital economy. The incubator fosters a culture of entrepreneurship and risk, thus contributing to economic growth and increasing the youth-employment rate. Digital Magics provides services aimed at fostering the establishment and development of innovative startups and supports them in the subsequent stages of fund raising from private and public - both Italian and foreign - investors. The Digital Magics model is unique in Italy and is based on Digital Magics LAB, a team of professionals in charge of identifying, analyzing and launching new initiatives, providing innovative startups with mentorship as well as with Finance, Administration, Strategy, Logistics, Technology, Marketing and Communication services, besides delivering a Business Management support able to speed up the business growth process.

Integrae SIM acts as Nomad and Specialist under AIM Italia Rules for Companies (Regolamento Emittenti AIM Italia). For the transmission of communications Digital Magics uses the SDIR-NIS circuit, managed by Blt Market Services, a company of the London Stock Exchange Group.

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