



DIGITAL MAGICS AND 56CUBE: JOINS CAMBIOMERCI.COM, THE SYSTEM FOR EXCHANGING PRODUCTS AND SERVICES AMONG COMPANIES

Digital Magics' incubator for the south of Italy joins the shareholding structure of the innovative startup, which allows Italian companies to use complementary currency for buying and selling without liquidity

Through the support of 56CUBE and Digital Magics, Cambiomerci.com will renew its technology platform, expand its circuit and will seek to become the first in complementary payment system in Italy, strengthening its leadership

Salerno, 22 July 2014 - 56CUBE – *venture incubator* for digital startups in the southern Italy, set up within **Digital Magics**, certified incubator of innovative startups quoted on AIM Italia on the Italian Stock Exchange (symbol DM) – has **acquired a stake of 12%** in [Cambiomerci.com](http://www.cambiomerci.com), the platform for modern corporate barter, which allows companies to buy and sell products and services among themselves, without cash transactions, but with a complementary currency.

With this operation, Digital Magics and 56CUBE add the innovative startup to their portfolio, and will support Cambiomerci.com with digital business acceleration services for development of the startup. 56CUBE will have the chance of acquiring up to 20% of Cambiomerci.com, depending on the results achieved.

The **web platform** of Cambiomerci.com will **be renewed** from the technological point of view with innovative tools and features, and a **new graphic look** will also be released in the coming weeks. The two incubators will make their network of Italian and international relations available to the startup, with the aim of **expanding the circuit** of Cambiomerci.com **with more than 5,000 companies**. Cambiomerci.com will strengthen its market position and will be seeking to become the first complementary payment system in Italy, integrating itself into the traditional payment system and meeting the need for confronting the current historical economic crisis with the extraordinary growth opportunities offered by digital technology.

Cambiomerci.com is based on the **innovative business model** of the **Barter System (system of exchange)** and gives associated companies the possibility of purchasing raw materials, semi-finished products and services from other companies, and paying with their own products and services. On www.cambiomerci.com, exchange is possible in a logic of **multilateralism**: who sells obtains complementary currencies which can be used for purchases to be made even on a later occasion, and not necessarily with the same company with which the original exchange took place but only with companies that offer what is needed. The mechanism, which is guaranteed by deadlines for credits and debits, makes it possible both to obtain goods in the absence of liquidity and to dispose of stocks by avoiding borrowing.

In July 2014, Cambiomerci.com **was chosen** by the **University of Liverpool** as **the only Italian system** for developing a research project by the Faculty of Business Administration on complementary currency in Italy and its use in corporate business. This year, the startup received a special mention from **Working Capital Accelerator 2014**, a Telecom Italia programme. In January 2014, Cambiomerci.com was selected by **Confindustria** to become a part of **AdottUp**, Confindustria's Small Industry programme for the adoption of startups by SMEs.

Francesca Scarpetta, Founder and Director-General of Cambiomerci.com, said *"We are very proud to be part of the portfolio of Digital Magics and 56CUBE. Thanks to their support we will be able to become the first complementary electronic currency in Italy and to enrich our network of associated companies. With CEO Antonio Leone, we founded the startup three years ago and we*



have already managed to achieve positive results in terms of turnover. Cambiomerci.com represents a unique opportunity for small and medium-sized Italian companies that are required to face crises of liquidity and orders, very high levels of inflation and a decline in the granting of credit by banks".

Gennaro Tesone, CEO of 56CUBE and Partner of Digital Magics said "*In addition to having a 'disruptive' business model, Cambiomerci.com will become a key lever for our incubators, a real infrastructure. For Digital Magics and 56CUBE to have their own integrated complementary payment system means offering innovative digital startups, which lack liquidity in their first years of operation, a very important tool for further accelerating their growth*".

THE BARTER MARKET: 7 BILLION DOLLARS AND 500,000 ENTERPRISES IN THE USA

The business model of the *Barter System* is based on the European system of the Swiss WIR bank, founded in 1934 as a result of the global economic crisis which erupted in 1929. The idea of this economic circle was to counteract the lack of liquidity resulting from overproduction, using a kind of corporate barter and operating without recourse to cash. By 2013, about 80 years since its foundation, more than 50,000 small and medium enterprises had joined the WIR compensation system, and had earned 1.43 billion francs as transactions¹.

Globally, the Barter market is quite divided in the United States, New Zealand, Australia and Europe, and there is no leading operator. According to estimates from IRTA (International Reciprocal Trade Association) – an association that brings together the leading global players in Barter – each year the *Barter System* records between 12 and 14 billion transactions², and the complementary currency sector is estimated at between 1% and 5% of the entire market.

In the United States alone every year, estimates indicate 7 billion dollars in transactions and 500,000 companies involved³.

This press release is online at www.digitalmagics.com in the section on *Investor Relations – Comunicati Stampa*.

Cambiomerci.com – cambiomerci.com

Cambiomerci.com is a trade credit circuit among companies: a modern corporate barter platform that makes it possible for them to sell and buy goods and services among themselves. After 2 years of activity, the innovative startup has 450 associate companies throughout Italy, allowing the exchange, through complementary currency, of products and services in over 50 categories, from food to beverages, from furniture to real estate, from tourism to the automotive sector, from training to counselling, from organising events to advertising, etc.

The underlying principle is that of the "Barter" or "Corporate Barter" or "Barter Trading": a trade practice which gives small and medium-sized enterprises the possibility of multilateral exchange of goods or services in compensation. The English word, literally translated in Italian as "baratto", alludes to the exchange of goods as an economic instrument used in ancient times before the advent of money, but its current innovative character lies in the multilateralism of exchange through the assumption of credits by the seller and debits by the purchaser among companies within a circuit; the credits can be used for other sales and other purchases to be made on later occasions. This mechanism permits the smooth circulation of trade, guaranteed by the deadlines for credits and debits within the circuit.

56CUBE – www.56cube.it

56CUBE is a venture incubator for innovative digital startups. Established in 2012 within the certified incubator of Milano Digital Magics – quoted on the AIM Italia market of the Italian Stock Exchange (symbol: DM) - re-offering the model in southern Italy. 56CUBE supports young entrepreneurs throughout the region, helping them transform their innovative ideas with a high-tech content into successful companies. By supporting innovation in southern Italy, 56CUBE helps to create youth employment and economic growth. The incubator is actively engaged in the search for talent and creators, and for capital and investors to fund startups. The company's headquarters is in Fisciano (SA), a few steps from the University of Salerno, with which it has established a strong synergy and shares research, resources, laboratories and research and development to instill life in the territorial ecosystem of innovation. The first startups incubated within 56CUBE are: YOUng, an independent publishing project funded directly by users with crowdfunding; SkillMe, a digital network of professionals; Buzzoole, which optimises the online influence of users and revolutionises digital PR for brands; Intertwine, a platform for multimedia sharing of publishing products; Eclectic, which develops System Integration solutions and custom software; and Cambiomerci.com, a platform for the exchange of products and services among companies.

Digital Magics – www.digitalmagics.com

Digital Magics is a certified venture incubator of innovative digital startups that offers content and services with a high technological value. Digital Magics is quoted on AIM Italia, the Alternative Capital Market dedicated to small and medium-sized Italian enterprises with

¹ Source: WIRPLUS, official magazine of the WIR Bank, April 2014

² Includes data on Corporate Barter, Barter, trade exchanges, WIR and complementary currency organisations.

³ Source: IRTA Annual Convention, September 2013.



high growth potential, organised and managed by the Italian Stock Exchange. Digital Magics builds and develops internet startups, working alongside their founders, investing equity 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 innovation, the creation and development of digital startups, and it supports them in the search for new Italian or international private and public investors to fund 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 startups with digital business acceleration services for company development. Digital Magics has a portfolio of over 45 investments in startups. It has achieved 6 exits, and only 4 write-offs. To date, the incubator has invested approximately 13 million euro, of which 5 million from exits. Currently, the average investment is around 300,000 euro.

Integrae SIM acts as a Nomad and a Specialist under the AIM Italia Issuers' Regulations. For the transmission of communications, 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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