

#### Accumulate

Recommendation unchanged

**Share price: EUR 8,37**

closing price as of 01/11/2017

**Target price: EUR 8,10**

Target Price unchanged

**Upside/Downside Potential -3,2%**

Reuters/Bloomberg DMG.MI/DM IM

**Market capitalisation (EURm) 55**

Current N° of shares (m) 7

**Free float 37%**

Daily avg. no. trad. sh. 12 mth 15

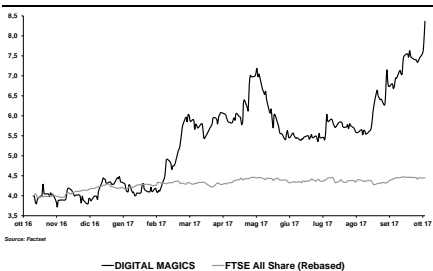
Daily avg. trad. vol. 12 mth (m) 256.37

Price high/low 12 months 3.72 / 8.37

Abs Perfs 1/3/12 mths (%) 24.29/55.05/109.51

#### Shareholders

TIP 18%; Innogest 5%;



#### Analyst(s)

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### Warrant exercise to boost execution

**The facts:** At the end of the first period 738,065 warrants 2017-2022 were exercised into an equal number of new shares. The capital raised is in the range of 4.2 million Euro.

After the exercise the total shareholders capital of Digital Magics is up to EUR 7,311,178.

**Our analysis:** The remaining 905k warrants are entitled to be exercised over the coming years based on an annual progression of the strike price until expiry in 2022.

The above exercise at the same time provides more financial resources to the execution of the strategy and a strong validation to the entire project. We remind that an early exercise was announced by TIP for a cash injection of EUR 2.8m early in October, as a consequence Tip should have increased its stake to above 20% after the exercise period.

**Conclusion & Action:** Positive announcement pretty expected after the material stock price rerating on the market.