

**DIGITAL MAGICS APPROVES
THE DRAFT FINANCIAL STATEMENTS FOR 2015
AND RESOLVES TO CALL THE EXTRAORDINARY SHAREHOLDERS'
ASSEMBLY FOR STATUTORY AMENDMENTS**

- *Revenues from incubation services amounted to 2.46 million EUR, in line with what was achieved in 2014 (2.45 million EUR); EBITDA equal to 190 thousand EUR a significant improvement (+ 49%) compared to the previous year (127 thousand EUR in 2014); EBIT negative by 231 thousand EUR compared to -220 thousand EUR in 2014;*
- *Entrance into 11 new digital startups (including 7 innovative ones); portfolio at 31st December 2015 listing 49 participators of which 28 are Innovative Startup;*
- *The combined turnover of the new scope of participators amounted to approximately 32,5 millions EUR¹, an increase of almost 80% compared to the aggregate turnover of the participators held by Digital Magics 31 December 2014;*
- *Net investments of around 2.6 million EUR in the investees, in addition to 7.2 million EUR invested by third parties of Digital Magics Angel Network;*
- *Net capital invested amounted to 17.7 million EUR (14.9 million EUR in 2014). Negative net financial position of 1 million EUR (negative NFP of 2 million EUR in 2014): availability of cash of 2.6 million EUR, short-term borrowings of 1.4 million EUR and financial debt in the medium/long-term equal to 2.2 million EUR*

Milan, March 24, 2016 - The Board of Directors of Digital Magics Spa, *business incubator* listed on AIM Market Italia of the Italian Stock Exchange (symbol: DM), has approved today the draft financial statements for the year ending December 31, 2015 and resolved to call the Ordinary Shareholders' Assembly which convened to approve the Annual Report of 2015 and the renewal of the Board of Directors. It has also resolved to convene an Extraordinary Shareholders' meeting for Statutory amendments.

MAIN RESULTS OF DIGITAL MAGICS AS OF DECEMBER 2015

The course of 2015 was mainly dedicated to the development of the core business of supplying incubation services, acceleration services and the development of startups and digital *scaleups*.

Revenues from incubation services in 2015 amounted to 2.46 million EUR, in line with 2014 (2.45 million EUR). EBITDA increased from 127 thousand EUR to 190 thousand EUR (+ 49% compared to 2014). EBIT for the year was a loss of 231 thousand EUR compared to -220 million EUR in 2014. The operating result, negative for 1.2 million EUR, compared to -922 thousand EUR in 2014, was affected by write-downs of financial assets for 965,000 EUR.

As of December 31st 2014, Digital Magics held (directly or indirectly) 41 investee companies, in the course of 2015 additional investments in 11 new startups took place, considering two transfers (at a symbolic price) and a cessation, **as of December 31, 2015, investee companies of Digital Magics turn out to be 49, of whom 28 are Innovative Startups.**

¹ Some figures are provisional, provided by the management of our equity, pending approval of the financial statements in 2015..

The combined turnover of the new scope of investments amounts to approximately 32.5 million Eur¹ an increase by almost 80% compared to the aggregate turnover of the investments held by Digital Magics as of December 31 2014, which in turn was an increase by almost 80% compared to 2013.

Investments in the investee companies amount to approximately 2.6 million EUR compared to 3.2 million EUR in 2014, in addition to 7.2 million EUR invested by third parties belonging to Digital Magics Angel Network.

Net invested capital amounts to 17.7 million EUR compared to 14.9 million in 2014. This change is mainly due to the increase in value of financial assets for investments. Shareholders' equity amounts to 16.6 million EUR (in 2014 it was 12.9 million EUR).

Net debt is 1 million EUR (2 million EUR at the end of 2014); the medium/long-term debt is 2.2 million EUR (3.36 million in 2014); the short-term financial debt is 1.4 million, including 313 thousand EUR relating to the subscribed and paid share of convertible bonds expiring December 31, 2015, which were fully repaid in January 2016 as the conversion factor turned out not to be convenient for the bondholders. Cash and cash equivalents at 31 December 2015 amounted to 2.6 million EUR.

In November 6, 2015, Digital Magics has been hit by a tremendous loss: the sudden and untimely death of Enrico Gasperini, Founder, President and CEO of the Company. He was one of the pioneers in the construction and dissemination of digital culture and Internet in Italy; his professional career was closely linked to the passion for innovation and enhancement of the digital sector and he had always been actively engaged for the structural growth of the Italian digital economy.

Following the death of Enrico Gasperini, Digital Magics adopted (assembly and board of directors on November 30, 2015) a **new corporate governance**:

- Alberto Fioravanti, Founder of Digital Magics (along with Enrico Gasperini, Gabriele Ronchini and Gabriele Gresta) has been appointed President and Executive Chairman;
- Marco Gay was appointed Vice-president; Marco Gay, who is also President of Confindustria Young Entrepreneurs and Vice President of Confindustria since 2014, has become one of the major shareholders of Digital Magics in January 2016 (with 5% of the share capital);
- Alessandro Malacart has been appointed Managing Director with responsibility and relevant powers to operate within the Corporate & Finance;
- Gabriele Ronchini has been appointed Managing Director with responsibility and relevant powers to operate within the Portfolio Development;
- Layla Pavone è stata nominata Amministratore Delegato con responsabilità e relative deleghe per operare nell'ambito dell'Industry Innovation;
- Layla Pavone has been appointed Managing Director with responsibility and relevant powers to operate within the Industry Innovation;
- Edmondo Sparano was appointed Chief Digital Officer and he's the benchmark for selection and analysis process of new digital initiatives and for *Open Innovation* programs.

The 11 new startups of 2015 are:

ALMADOM.US S.r.l.

Innovative startup that has developed and patented a new home automation system that fits inside the electrical boxes and replaces the switches and control lights, thermostats, plugs, shutters or electrovalves and other objects connected to Internet.

The Italian smart home company offers a technological aftermarket product, which does not require any maintenance or work; an easy to install; all-in-one, a single object with many functions, competitive in terms of costs. The innovative interface of Almadom.us is user friendly and easy to use: via touchscreen, smartphone, tablet, PC or even by voice commands. Its microcomputer controls household appliances and

electronic devices directly connected via electrical cables, it communicates via Wi-Fi with other Almadom.us and through automation technologies with *IoT devices* (Internet of Things) in the house.

The smart software Almadom.us learns from user habits, without changing them, and acts independently, improving the comfort of its users. The digital startup was founded by Marco Zanchi and Alessandro Benedetti, who own about 54%, and Mover Investments (4.7%) whose CEO, Mario Molinari, Sorgenia's co-founder - has twenty years experience in the energy sector. The initiative has already been selected and received awards from various international programs for development of technological innovation.

As of 12/31/2015 Digital Magics holds 13.76% of the share capital and supports the initiative with its acceleration services for the growth, technological and strategic development of the company.

B2G S.r.l.

The innovative startup that has developed and launched, with **WeBeers** brand, the e-commerce and order and discover the best Italian craft beers from the most exclusive and prestigious breweries present in all regions of Italy. The two young brothers and founders, Alberto Maria Gizzi and Giammarco Maria Giammarco, offer to all fans of Italian craft beer not only the chance to buy their own favorite beers with exclusive discounts and delivery within 48 hours (thanks to the use of a packaging designed to ensure maximum safety during transport), but also to learn many tips and advice on how to enjoy the beers offered within the portal and in the world of Italian brewers: professionals and personalities able to reflect in their products the aromas, flavors and scents of their territories. WeBeers also offers subscription packages in order to receive a special selection of Italian craft beers at affordable prices and with free shipping.

As of 12/31/2015 Digital Magics holds 40% of the share capital and supports the initiative with its acceleration services for the growth, technological and strategic development of the company.

FOODQUOTE S.r.l.

The innovative startup that has developed and launched, thanks to **Foodsccovery** brand, the web and mobile platform to learn about and buy iconic products of Italian gastronomy directly from workshops and artisan producers of the territory such as bakeries, pastry shops, butchers, dairies. The business model of Foodsccovery is built on innovation towards the support of small local economies through the creation and development of an automated system for withdrawal and delivery within 24/48 hours, that allows customers to receive and enjoy more than 1,500 delicacies in the catalog. It was founded in 2014 with a 500,000 EUR investment by F.I.R.A. – Finanziaria Regionale Abruzzese – which manages the Fund Starthope, a Seed Capital Fund for investments in startups that have offices in Abruzzo. Foodquote recently completed a round of financing which, in addition to the investment by Digital Magics and an additional investment by FIRA, saw the entry of some business angels into the shareholding structure and the publisher of Il Fatto Quotidiano, with the goal of diversifying and integrating traditional business.

As of 12/31/2015 Digital Magics holds 2.96% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

JUMPSTARTER INC.

It's a California *crowdsourcing* platform, an innovative tool for the selection, financing and implementation of new projects: a global community of tens of thousands of entrepreneurs propose their own idea on the platform; an equally substantial community of creative and entrepreneurial minds discuss, develop and refine the best ideas; again through the web platform, they can find accessions to finance projects and to create a team of professionals distributed worldwide who realize the project getting, in return for their contribution, the initiative stock options. Jumpstarter Inc. has already started several projects with this format, some of them highly ambitious such as the realization of the hyper-fast train Hyperloop.

12/31/2015 Digital Magics holds 8.7% of the share capital and supports the initiative with its acceleration services for the growth and the strategic development of the company.

PNEUSMART B.V.

Founded in 2013 by the entrepreneurial mind of a group of German and Dutch young people with great experience in e-commerce, it offers a "smart" service, designed to buy tires online: the goal is to make the purchase of tires with a click a simple, intuitive, fast and convenient experience. Today Pneusmart is active in the Netherlands, Germany and Italy and will soon be available in other European markets. The offer includes tires of all the best existing brands on the European market, able to satisfy all needs: from those of

the most demanding customers, who want ultra high performance tires and top brands, to those customers who use the car mostly in the city and who are looking for a tire that has a good value for money. Thanks to partnerships with all major distributors of European tires, Pneusmart manages to deliver any tire just 48 hours after order confirmation and free delivery when two or more tires are purchased together. Pneusmart has invested heavily on customer service with the goal of being able to offer a serene shopping experience and to overcome mistrust of those consumers who find information online, but often hesitate to conclude the purchase because of the lack of a direct relationship with the "shopkeeper" in the after-sales activities. As of 12/31/2015 Digital Magics holds 2% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

QUOMI S.r.l.

It's the innovative startup that developed the food delivery service in Italy with the goal of changing the way Italians cook and eat at home. Born from the idea of two guys in their thirties (Andrea Bruno and Daniele Bruttini) who met while working for Zalando and who, when they lived in Berlin, needed Italian quality food to be conveniently delivered to their home.

Quomi deliver free of charge - at home or in the office - high quality Italian ingredients, that are fresh and dosed, ready to be cooked. Every week there's an online menu with 9 easy and delicious recipes, selected by professional chefs, taking into account the seasonality of products and the regional specialties of the Italian cuisine. Once the favorite recipes are chosen, Quomi will shop for the users and the following week it will deliver the ingredients (already dosed) in convenient boxes with the instructions for cooking. Quomi buys fresh products directly from the Italian manufacturers, without intermediaries, in the right doses for recipes at such affordable price, and ships in 24 hours the box with groceries ordered. Freshness is guaranteed by the isothermal container and by cooling gel. Quomi is very careful to respect the environment: waste and surplus food are minimized: the box can be recycled into paper, polystyrene can be recycled into plastic, and the cooling gel can be reused as ice or as a hot water bag, simply by heating in boiling water.

As of 12/31/2015 Digital Magics holds 13.36% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

RELOV S.r.l.

An innovative startup that has pushed the concept of skateboarding to a new dimension through the design and launch of Skate Air, the first fully customizable transparent skateboard that is also interactive and able to communicate wirelessly with a virtual community through a mobile app. Skate Air is more than just a means of transportation, is a "next-generation system" that combines the aesthetic of Italian design with some of the most sophisticated technologies developed in Silicon Valley. Rel'ov ranks the forefront among the new players in the Internet of Things (IoT sector).

As of 12/31/2015 Digital Magics holds 10% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

VIN.CI. S.r.l.

A Startup that has developed and launched **ProfumeriaWeb**, a beauty e-commerce service. and also a leader in Italy for online sales of perfumes, cosmetics, and hair products with discounts of up to 60%. On www.profumeriaweb.com more than 5,000 products are available including many fragrances that are hard to find in stores, at very favorable prices. ProfumeriaWeb records more than 1 million page views every month and very high satisfaction of its customers: 90% assigned a rating of 5 stars to the service. The startup has consequently obtained the NetComm GOLD seal, reserved for the most efficient e-commerce, that are attentive to consumer satisfaction. Vincenzo Cioffi is the Founder and CEO of ProfumeriaWeb: he has spent more than 15 years working in the field of marketing and online advertising in the field of e-commerce. He worked as a Project Manager in the web agency Grey Interactive and later as Sales Manager in TradeDoubler. He was responsible, in the Advertising division of Microsoft, for the performance-based marketing solutions, and in Amazon Italy, he was Head of Marketing.

As of 12/31/2015 Digital Magics holds 13.36% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

VOLUMEET S.r.l.

It is an innovative startup that operates a social network that allows fans to keep track of all the social content from their favorite artists, by receiving real-time notifications with each new post. The platform aggregates all content present on official channels of the artists centralizing them in a single container and connects fans of the same artist, working as well as a real music social network. A fan does not have to follow their favorite artist on different platforms (Facebook, Twitter, Instagram, Youtube, Tumblr, Last.fm, Wikipedia, Musicbrainz, Spotify, Deezer, etc...), but receives all the news through the use of Volumeet, whose contents are updated in real time.

It was founded in Naples and is controlled by Massimo Morgante, 37, an expert in this field and with previous successful entrepreneurial experiences.

31/12/2015 Digital Magics holds 3.75% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

WIKIRE S.r.l.

An innovative startup in the real estate sector, it intends to increase the *matching* of supply and demand through WIKIRE.it platform, the "social system" of *multiple listing service* (MLS) in which the real estate agents can choose with who, among their colleagues, share their assignments and portfolio by creating efficient and profitable collaborations. Thanks to the participation in the project of the networks Gabetti, Professionecasa, Grimaldi and RE/MAX Italy, WIKIRE today exceeded 2,000 agencies.

It also launched WIKICASA.it, the portal of real estate ads that only publishes listings guaranteed by qualified professionals, in order to provide greater transparency and reliability to users looking for a property online.

As of 12/31/2015 Digital Magics holds 4.95% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

WISH LIST S.r.l.

An Innovative startup that offers gift boxes with an original formula: in addition to traditional gift boxes selectable from the rich catalog, the customer can make their own custom box, choosing from thousands of hundreds of brand products; in this way, the gift will be as close as possible to the tastes and interests of the recipient. The company, invested in by the founders and several donors contributing to the development, has very attractive growth rates and is developing a B2B strategy and, also thanks to the partnership with Digital Magics, a sophisticated digital *value proposition*. As of 12/31/2015 Digital Magics holds 7.89% of the share capital and supports the initiative with its acceleration services for growth, technological and strategic development of the company.

In the first half of 2015, Digital Magics sold at a symbolic price, its stake in Digital Magics B.H. Doo, the Bosnian *service company* founded in 2008, which had exhausted its role in the Digital Magics *network*. In the second half (again at nominal price) the participation in Brightzone srl in bankruptcy was sold, whereas the company Goods Games S.r.l. has been discontinued.

Almadom.us, B2G, Foodquote, Rel'ov, Quomi, Volumeet and WIKIRE are recorded in the special section of the Companies' Register reserved for Innovative *Startup* (ex Decree Growth 2.0 - DL n.179/ 2012, converted with amendments into Law no. 221/2012, subsequently amended by Law 99/2013).

MAIN EVENTS OF THE YEAR 2015

In March 2015 Digital Magics announces the launch of the biggest **platform for DIGITAL MADE IN ITALY, thanks to the partnership with Talent Garden (TAG) and Tamburi Investment Partners (TIP)**. In TAG, the digital co-working network that leads the market in Italy and Europe, Digital Magics has increased (in June 2015) its stake from 10% to 28%, with an additional investment of 585 thousand EUR, to support its continued development by focusing on the opening of 50 new campuses in Italy and Europe by 2018.

TIP, a leading independent investment-merchant bank that operates as advisor and invests in medium-sized Italian "excellent" companies has significantly increased its investment in Digital Magics having undertaken to subscribe for at least 2 million EUR (and up to 2.5 million EUR by also signing any remaining quotas left unopted) the increase of the share capital of Digital Magics itself that was deliberated on April 29 2015. The last communication (February 2016) shows a portion of the share capital of Digital Magics held by TIP equal to 18,08 %.

This alliance enables Digital Magics, on the one hand, to offer its incubation and accelerating services to the startups housed in campuses TAG, expanding its geographical horizon throughout the national territory and with access to interesting European entities. On the other hand, the partnership with TIP provides support to the network of Digital Magics and TAG, by encouraging further investment in startups and digital scaleups, as well as the development of *Open Innovation* programs and programs of digitization of excellent enterprises in the country.

At the beginning of June 2015 Digital Magics announces **the full subscription of the capital increase** under option, by issuing 1,008,183 new shares for a total countervalue of 4,990,505.83 EUR. Requests for pre-emptive subscription of the new shares had exceeded by about 20% the value of the offer.

In September 2015, Digital Magics approves the plan for **new business services, which boosts the platform DIGITAL MADE IN ITALY**. In particular, the *Open Innovation* programs of Digital Magics for companies provide:

- information services, strategic consulting and training for the top management, finalized to digital innovation and collaboration with the ecosystem of innovators
- support services to business investment in the digital field, such as scenario analysis, scouting for talent and technology, support to programs of corporate venture capital and acceleration of spinoffs
- consultancy services for the realization of innovative technological applications created by startups.

The incubator' services are supplemented by those offered by Talent Garden.

In October 2015, Digital Magics presents the **White Paper for Startups**: a proposal in eight points to the Italian Government to give new vigor to the innovation system in Italy and to promote a targeted policy action in favor of digital startups and their potential. The White Paper of Digital Magics intends to mark the starting point for a broader debate, involving all the players of the Italian digital supply chain, leaving room for new hints, ideas, observations of all operators who wish to share the same vision and the same ambition. In confirmation of the value of this contribution, on December 17, 2015, as part of the second Annual Report of the Ministry of Economic Development to Parliament on the implementation and impact of legislation in support of startups and innovative SMEs, a round board focused on the contents of Digital Magics' White Paper was held.

Enrico Gasperini designed (and is subsequently dedicated to his memory) **GIOIN** (Gasperini Italian Open Innovation Network), the first exclusive network - reserved to entrepreneurs, to the management of Italian companies, and professionals - which was created to gather Italian companies and startups around the new paradigm of *Open Innovation*, with the aim to offer concrete opportunities for growth in terms of business and development of technological skills

GIOIN was launched in December 2015 and developed starting from 2016 through 6 annual thematic events dedicated to deepen the opportunities offered by the *Open Innovation* paradigm. Thanks to the contribution of study and research, but especially thanks to the sharing of concrete experiences, in addition to industrial and manufacturing "case history", the involvement of entrepreneurs and startupper nationally and internationally renowned who, by following this model, have brought innovation into their fields, with the creation of "disruptive projects".

On November 30 2015, **a strategic agreement for the entry into Digital Magics of Marco Gay** (through his subsidiary Webworking srl) was signed as a shareholder with a major operational involvement. The

agreement provides for a capital increase with exclusion of option rights, for a maximum countervalue of 1,450,000 EUR, to be subscribed partly in cash (500 thousand EUR) and partly by means of contributions. The Extraordinary Assembly was held on January 28 2016 and approved the transaction, after which Marco Gay holds 5% of Digital Magics capital. Marco Gay brings over 15 years of business experience in the digital and innovation sector: he has created and developed new businesses, spanning the frontiers of innovation in communication and media, in advertising and digital projects: from 2014 he's also President of the Young Entrepreneurs of Confindustria and Vice President of Confindustria, and from November 30 is Vice President of Digital Magics.

In December 2015, **Poste Italiane makes an *Open Innovation* agreement with Digital Magics** that constitutes a new piece of the business transformation program that aims at placing the customer at the center of development strategies. The project will provide Poste Italiane with the opportunity to support digital media entrepreneurship in the country, stimulating the creation of new companies and creating jobs, turning Poste Italiane into a digital innovation catalyst. Poste Italiane strategy aims in fact at giving stimulus to the emergence of new ideas, the discovery of talents and the increase of competitiveness and innovation in support of businesses, thanks in part to the contamination with startups.

SHAREHOLDERS' ASSEMBLY

The Board of Directors has resolved to call an Ordinary Shareholders' Assembly to approve the Financial Statements 2015 and the renewal of the administrative bodies, on April 27 2016, and, if necessary, on second call on April 28 2016.

In addition, the Board of Directors has also resolved to call an Extraordinary Shareholders' Assembly to make some amendments and adaptations to the Articles of Association, the most important of which is the review of the administrative body appointment procedures, in order to ensure a more adequate representation of the Council. The Extraordinary Assembly will be convened for April 10 2016 and, if necessary, on second call on April 11 2016.

Below, the data of the Income Statement, Balance Sheet and Cash Flow Statement as of December 31, 2015.

This press release is online on www.digitalmagics.com in the section *Investor Relations - Press Release*.

Digital Magics, listed on AIM Italia (symbol: DM), is an 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 offering services for the digital transformation and "Open Innovation" to excellent enterprises, while providing support to innovative startups to create successful projects, from conception to IPO. 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 51 investments in startups, scaleups and digital spinoffs with high growth rates. Accelerated companies are flanked by Digital Magics LAB, a team of highly experienced business partners, 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.

Integrae SIM acts as a Nomad and Specialist under the AIM Italia Issuers Regulations. For communication transmissions, 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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RECLASSIFIED INCOME STATEMENT

(in Euro)

| | Year 2015 | % | Year 2014 | % | Variation | Variation % |
|--|--------------------|----------------|------------------|----------------|------------------|----------------|
| Revenues from sales and services | 2.458.043 | 95,5% | 2.444.657 | 92,2% | 13.386 | 0,5% |
| Change in inventories of finished products and work in progress | 59.100 | 2,3% | 195.000 | 7,3% | (135.900) | 100,0% |
| Other revenues and increases in fixed assets | 56.023 | 2,2% | 12.876 | 0,5% | 43.147 | 335,1% |
| Value of production | 2.573.166 | 100,0% | 2.652.533 | 100,0% | (79.367) | (3,0%) |
| Cost of raw, ancillary and consumable, materials and goods | (25.426) | (1,0%) | (228.985) | (8,6%) | 203.559 | (88,9%) |
| Cost of external services, use of third parties assets and other costs | (2.105.575) | (81,8%) | (2.006.237) | (75,6%) | (99.338) | 5,0% |
| Added value | 442.165 | 17,2% | 417.311 | 15,9% | 24.854 | 6,0% |
| Payroll cost | (252.547) | (9,8%) | (289.892) | (10,9%) | 37.345 | (12,9%) |
| Gross Operating Margin (EBITDA) | 189.618 | 7,4% | 127.419 | 5,0% | 62.199 | 48,8% |
| Depreciation | (421.052) | (16,4%) | (339.734) | (12,8%) | (81.318) | 23,9% |
| Other valuation adjustments | - | 0,0% | (8.667) | (0,3%) | 8.667 | (100,0%) |
| Operating Result (EBIT) | (231.434) | (9,0%) | (220.982) | (8,1%) | (10.452) | 4,7% |
| Net financial income (charges) | (105.964) | (4,1%) | (75.435) | (2,8%) | (30.529) | 40,5% |
| Value adjustments to financial assets | (965.126) | (37,5%) | (613.306) | (23,1%) | (351.820) | 57,4% |
| Income before extraordinary items and taxes | (1.302.524) | (50,6%) | (909.723) | (34,0%) | (392.801) | 43,2% |
| Extraordinary income (charges) | 76.972 | 3,0% | - | 0,0% | 76.972 | 0,0% |
| Income before taxes | (1.225.552) | (47,6%) | (909.723) | (34,0%) | (315.829) | 34,7% |
| Income taxes for the year | (3.844) | (0,1%) | (12.133) | (0,5%) | 8.289 | (68,3%) |
| Result for the year | (1.229.396) | (47,7%) | (921.856) | (34,5%) | (307.540) | 33,4% |

RECLASSIFIED BALANCE SHEET
(in Euro)

| | 31/12/2015 | 31/12/2014 | Variation |
|--|--------------------|--------------------|--------------------|
| Intangible assets | 416.971 | 412.069 | 4.902 |
| Tangible fixed assets | 51.857 | 37.786 | 14.071 |
| Financial fixed assets | 15.485.888 | 13.037.943 | 2.447.945 |
| Non-current assets | 15.954.716 | 13.487.798 | 2.466.918 |
| Inventories | 254.100 | 195.000 | 59.100 |
| Trade receivables due from subsidiaries and affiliated companies | 2.212.142 | 2.467.695 | (255.553) |
| Other receivables | 788.348 | 650.139 | 138.209 |
| Financial activities that do not constitute assets | 28.865 | 325.865 | (297.000) |
| Accruals and prepaid expenses | 140.733 | 29.506 | 111.227 |
| Short-terms assets | 3.424.188 | 3.668.205 | (244.017) |
| Activities during the year | 19.378.904 | 17.156.003 | 2.222.901 |
| Payables due to subsidiaries and affiliated companies | 1.049.769 | 760.758 | 289.011 |
| Other payables | 590.029 | 1.349.829 | (759.800) |
| Accruals and deferred income | - | 59.909 | (59.909) |
| Provision for risks and charges | 17.018 | 53.482 | (36.464) |
| Short term liabilities | 1.656.816 | 2.223.978 | (567.162) |
| Net working capital | 1.767.372 | 1.444.227 | 323.145 |
| Severance indemnity | 40.604 | 40.556 | 48 |
| NET CAPITAL INVESTED | 17.681.484 | 14.891.469 | 2.790.015 |
| Shareholders' Equity | 16.638.906 | 12.877.795 | 3.761.111 |
| <i>Net short-term financial debt</i> | <i>(1.156.194)</i> | <i>(1.353.064)</i> | <i>196.870</i> |
| <i>Net medium/long-term financial debt</i> | <i>2.198.772</i> | <i>3.366.738</i> | <i>(1.167.966)</i> |
| Total net financial position | 1.042.578 | 2.013.674 | (971.096) |
| NET EQUITY AND NET FINANCIAL DEBT | 17.681.484 | 14.891.469 | 2.790.015 |

CASH FLOW STATEMENT

(in Euro)

| | Year 2015 | Year 2014 |
|---|--------------------|------------------|
| A. Cash flow generated by operating activities | | |
| Net income (loss) for the period | (1.229.396) | (921.856) |
| Income taxes | - | 14.294 |
| Interest income (Interest expenses) | 105.964 | 75.435 |
| Net loss (gains) on disposal of intangible fixed assets | 12.279 | - |
| Taxes related to prior periods | (101.983) | |
| 1. Accounting profit (loss) for the year before taxes, dividends and capital gains/losses from disposals | (1.213.136) | (832.127) |
| <i>Value adjustments for non-monetary assets which do not have an effect on CCN</i> | | |
| Accruals provisions for risks and charges | - | 8.667 |
| Amortization of intangible fixed assets | 397.035 | 323.679 |
| Amortization of tangible fixed assets | 24.017 | 16.055 |
| Write-downs for impairment losses | 965.126 | 602.237 |
| Provisions TFR (severance indemnity) | 14.914 | 16.988 |
| Allocation deferred taxes (pre-paid) | 3.844 | (2.161) |
| Write-downs of intangible assets | - | - |
| Write-down of trade receivables | - | - |
| 2. Cash flow before variations in the CCA | 191.800 | 133.338 |
| <i>Change in the net working capital</i> | | |
| Decrease (increase) in inventories | (59.100) | (195.000) |
| Decrease (increase) receivables from clients | (110.546) | 122.823 |
| Decrease (increase) receivables from subsidiaries | 464.977 | 18.131 |
| Decrease (increase) receivables from associates | (98.878) | (577.710) |
| Decrease (increase) tax receivables | 15.489 | 23.212 |
| Decrease (increase) other net assets | (211.757) | (61.818) |
| Decrease (increase) accruals and prepaid expenses | (111.227) | 87.779 |
| Increase (decrease) payables to suppliers | 318.451 | (251.139) |
| Increase (decrease) payables to subsidiaries | 4.771 | 91.923 |
| Increase (decrease) payables to associates | (34.211) | (492.818) |
| Increase (decrease) in tax payables | 54.378 | (104.631) |
| Increase (decrease) other net liabilities | (712.195) | 692.228 |
| Increase (decrease) financial accrued expenses and deferred income | (59.909) | 59.909 |
| 3. Cash flow after variations in the CCA | (293.742) | (453.766) |
| <i>Other adjustments</i> | | |
| Interests collected (paid) | (105.964) | (75.435) |
| TFR (severance indemnity) paid | (14.866) | (46.063) |
| (Income taxes paid) | | - |
| Dividends collected | | - |
| Use of funds | (36.464) | (51.264) |
| 4. Cash flow after other adjustments | (451.036) | (626.528) |
| Financial flow of operating profitability (A) | (451.036) | (626.528) |
| B. Cash flows arising from investing activities | | |
| <i>Tangible fixed assets</i> | | |
| (Investments) | (38.088) | (16.903) |

| | | |
|--|--------------------|--------------------|
| Proceeds from divestments | | |
| <i>Intangible fixed assets</i> | | |
| (Investments) | (401.937) | (243.350) |
| Proceeds from divestments | - | 195.000 |
| <i>Financial fixed assets</i> | | |
| (Investments) | (3.128.350) | (3.928.017) |
| Proceeds from divestments | | |
| <i>Total uninvested financial assets</i> | | |
| (Investments) | - | (28.865) |
| (Investments) net divestments in participations | - | |
| Cash flow from investment (B) | (3.568.375) | (4.022.135) |
| C. Flussi finanziari derivanti dall'attività di finanziamento | | |
| <i>Mezzi di terzi</i> | | |
| Aumento (decremento) debiti bancari a breve termine | 507.675 | 239.653 |
| Aumento (decremento) debiti bancari a medio termine | (854.466) | 2.411.722 |
| Prestito obbligazionario | | |
| <i>Mezzi propri</i> | | |
| Aumento di capitale a pagamento | 4.990.507 | - |
| Cash flows arising from investing activities | 4.643.716 | 2.651.375 |
| | (C) | |
| Increase(decrease) in cash and cash equivalents (A+B+C) | 624.305 | (1.997.288) |
| Cash and cash equivalents on January 1st | 2.003.769 | 4.001.057 |
| Cash and cash equivalents on December 31st | 2.628.074 | 2.003.769 |