

DIGITAL MAGICS UNIVERSITY IS BORN THE MOST IMPORTANT TELEMATIC TRAINING HUB AIMED TOWARDS CREATING INNOVATIVE ENTERPRISES

- *An agreement has been signed between Digital Magics, Universitas Mercatorum and Pegaso Telematic University for training startupper and aspiring young entrepreneurs.*
- *The operation anticipates the entry of Multiversity — the holding company of Danilo Iervolino that controls the telematic universities Pegasus and Universitas Mercatorum in the share capital of Digital Magics (through the subscription of a capital increase) in order to contribute to the further development of the largest platform for the "Digital Made in Italy", to encourage additional investments in innovative startups and scaleups and to promote the digitalisation of leading Italian companies through "Open Innovation" programs*

A CAPITAL INCREASE BY PAYMENT OF UP TO A MAXIMUM OF 4,999,000 EUR TARGETED AT FINANCING DIGITAL MAGICS' INDUSTRIAL PLAN

- *The Board of Directors of Digital Magics submits to the Shareholders' Meeting the proposal of a capital increase by payment, of up to 4,999,00 EUR, including the share premium, also aimed at the entry of Multiversity into the share capital*
- *Today Multiversity undertook to subscribe for a capital increase for 1.9 million EUR through the purchase of option rights from some members who have committed themselves to transferring them*

Milan, December 13, 2016 - **Digital Magics**, business incubator listed on AIM market of Italian Stock Exchange (symbol: DM), has **signed a ten-year agreement with Universitas Mercatorum**, the telematic university of Italian Chambers of Commerce, **and with the Telematic University Pegaso**, the university built on the most modern and effective technological standards in e-learning. The Board of Directors of Digital Magics resolved to convene an Extraordinary General Meeting for January 31 2017, proposing a capital increase.

DIGITAL MAGICS STARTUP UNIVERSITY: PARTNERSHIP WITH UNIVERSITAS MERCATORUM AND PEGASO TELEMATIC UNIVERSITY

The agreement is based on the strategic plan that will lead to building **the most important Italian hub dedicated to telematic training** for all aspiring new entrepreneurs of innovative projects.

The idea behind the partnership with Universitas Mercatorum and Pegaso Telematic University is to give birth to **academic paths characterised by innovation**, supported by Digital Magics, incubator and business accelerator with over 10 years of activity in the sector. **Specific courses in business strategy** will be dedicated to the **world of startups**: how to develop a business idea, strategies for the marketing of products, how to raise funds through crowdfunding, etc ...

Digital Magics Startup University is the new project whose main objective is the contamination of the key areas of education and distance learning courses, with skills which nowadays are needed to create an innovative digital enterprise and which arise from experience in the field.

The project adds another **important element to the strategy "from talent to IPO"**, to nurture talents already present during training and in fact to create a new generation of entrepreneurs, with the tools and the most modern methods, typical of the startups world.

Alberto Fioravanti, Founder and Executive Chairman of Digital Magics, said: *"Digital Magics stands out as the pioneer 'business incubator' in the world of innovation and "doing business", a theme that should become increasingly essential in our country's system, in order to bring it back to the top of the international rankings as relating to productivity. The agreement with the Universitas Mercatorum and the Telematic University Pegaso fits perfectly with our strategy for development of the 'Digital Made in Italy', which sees the ecosystem of startups as at the heart of everything we do and thus will provide an opportunity to all digital entrepreneurs to realize their dream, by learning to set up and manage a startup, from inception to market launch."*

Danilo Iervolino, Founder and President of the Telematic University Pegaso and President of Universitas Mercatorum, declares: *"I am proud and happy to launch the world's first university-level training platform for startupper. A startup is not simply a new source of VAT, but rather represents a philosophy. It's the way the startupper sees the world that they wish to change and conquer through the strength of their idea, which must, however, be supported by a solid ability to deliver results. Our project therefore aims towards the realization of that combination of business/university that forms the basis of the creation of that value which has led in the United States, for example, to the birth of startups such as Facebook, born at Harvard, or Google, born in Stanford"*.

The Telematic University Pegaso carries out - in telematic form - Bachelor Degrees programs, Master's Degrees, PhD programs and additional training activities both at post-secondary level and post-graduate level through the most modern and effective technological standards in e-learning. It currently offers to a network of over 60,000 students, 10 Bachelor Degrees programs and 200 post-graduate and higher training courses.

Universitas Mercatorum is a project created by the agreement signed by Unioncamere with Pegaso Telematic University aimed to develop a new telematic university of the chamber system. This is the first public-private partnership for the governance of a university institution, with the aim to take the leadership in industrial training. The University of Chambers of Commerce therefore intends to take, even in its name, the connotation of a university that was founded by businesses for businesses (in all economic sectors) with the aim to enhance its human capital.

Indeed, as emphasized also by the European Union, entrepreneurship must become a more widespread means of creating jobs as well as to combat social exclusion. It must, however, accentuate training to ensure that education systems provide the basis to stimulate the appearance of new entrepreneurs, and that the startup founders and innovative SMEs acquire the skills necessary to do so. EU member states will have to develop entrepreneurship into curricula to create a critical mass of teachers and to promote European cooperation between universities and research centers in the field of innovation and entrepreneurship.

The link between Digital Magics S.p.A. and Multiversity SpA, the holding company of Danilo Iervolino that controls the telematic universities Pegaso and Universitas Mercatorum, was established today by a subscription agreement that envisages — provided that an option capital increase is approved by the Assembly and that the issue price set by the Board Of Directors does not exceed 4,05 EUR per share — the entry of Multiversity in the share capital of Digital Magics through the subscription of a capital increase that the company will promote in the near future. The subscription of new shares by Multiversity (or by wholly owned subsidiaries of the latter), for a value of the capital increase - including the share premium and nominal value - of up to 1.9 million EUR, will be put in place by exercising options that members Alberto Fioravanti, Marco Gay, Gabriele Ronchini and the heirs of Enrico Gasperini (his wife and two children of full age) have committed to transfer.

Today the Board of Directors of Digital Magics resolved to authorise the President to convene, in accordance with law, the Extraordinary Shareholders' Meeting, for the days January 31 and February 2, 2017, in first and second call, respectively, with the following agenda:

- proposal to increase the share capital, by payment in one or more tranches, for a total amount, including any share premium, of 4.999 million EUR, to be offered as options to shareholders in accordance with art. 2441, first, second and third paragraph of the Civil Code, by issuing ordinary shares having the same characteristics as those in circulation and with the subscription term ending on December 31, 2017.

This capital increase by payment is being proposed to the Assembly to give completeness to the 2015-2018 industrial plan in progress, whose execution is proving particularly effective and in line with regional development objectives and the growth of startups portfolio. The agreement with Universitas Mercatorum and Pegaso Telematic University will make it possible to build a training project aimed at providing expertise and support to new entrepreneurs, by concretely acting on the ecosystem of startups. The goal is to provide additional know-how to the Italian talents eager to do business. Digital Magics therefore adds a very important asset to its current strategy, by creating additional value and acting as the subject leader in the creation of a new training model, which is fundamental for the "digital productivity" of our country.

The transaction involves a share capital increase for a maximum of 4,999,000 EUR, including any share premium, through the issue, against payment in cash, of ordinary shares of Digital Magics, with regular dividend, without expressed nominal value, and with the same characteristics of those currently in circulation, to be offered to those who are shareholders of Digital Magics as at the date of commencement of the subscription period (to be determined in agreement with the Italian Stock Exchange).

The proposal stipulates that the unit issue price of the shares will be determined by the Board of Directors of Digital Magics or by a member called upon to do so in the days immediately preceding the date of initiation of the option offer, with the simultaneous definition of the maximum number of shares being issued based on the resolution, taking into account, inter alia, the market practice for similar transactions, market conditions in general and the share trend as well as the economic, assets/liabilities and financial performance of Digital Magics, with definition of the option allocation ratio.

If the price exceeds what is indicated by the agreement signed with Multiversity, the latter will not be subject to the obligations set out in the agreement itself.

With regard to the capital increase, members Alberto Fioravanti, Marco Gay, Gabriele Ronchini and the heirs of Enrico Gasperini (his wife Patrizia Cavallini and two children of full age Alessio Gasperini and Manuel Gasperini) - who have signed the agreement with Multiversity along with the company - have declared their intention to transfer all their option rights to which they are entitled, in order to open the

share capital of Digital Magics to the Group of Danilo Iervolino and thus to consolidate the relationship for the start of "Digital Magics startup University".

As concerns the possible favourable tax treatment for the capital increase proposed to the Assembly, the Decree Law no. 179 of October 18 2012, converted with amendments by Law no. 221 of December 17 2012, states that ... *20 percent of the amount invested in the share capital of another limited company which invests primarily in innovative startups does not contribute to the income of the persons liable to corporate income tax.*

The Decree of the Ministry of Finance of January 30 2014 clarified that *"other limited companies which invest primarily in innovative startups"* refers to *"companies which - at the end of the tax year in progress at December 31, of the year in which the facilitated investment is carried out - hold shares or shares in innovative startups, classified as financial assets, having a value of at least 70 percent of the total value of financial assets recognized in the financial statements drawn up during the aforementioned tax period."* Since Digital Magics can't offer a reliable estimate about the fulfilment of this criterion at December 2017, it should be noted that the percentage on the date of June 30, 2016 is approximately 48%.

This press release is online on www.digitalmagics.com and can be found in the *Investor Relations - Press Releases* section.

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 62 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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