DOMINION HOSTING HOLDING

CONDENSED CONSOLIDATED INTERIM REPORT AS AT 30 JUNE 2016

DHH - Dominion Hosting Holding S.p.A.
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Summary

Corporate Bodies

BOARD OF DIRECTORS

Chairman: **Giandomenico Sica**

Managing Director: **Matija Jecovec**

Managing Director: **Uros Čimžar**

Director: **Antonio Domenico Baldassarra**

BOARD OF AUDITORS

Chairman: **Umberto Lombardi**

Statutory Auditors: **Pierluigi Pipolo, Stefano Pizzutelli**

INDEPENDENT AUDITOR

Auditing firm: **BDO Italia S.p.A.**

Condensed Consolidated Report and Management Report as at 30 June 2016

NOTES ON THE GROUP AND ITS ACTIVITIES

These consolidated financial statements, resorting to the right set forth in art. 19, First Part, of the AIM Italia Issuers' Regulation, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Union (OJEU), as specified in the explanatory notes.

Such statements originate from the consolidation of the Company's financial statements listed below (the "Group) in which Dominion Hosting Holding S.p.A. directly or indirectly controls the majority of voting rights in the ordinary assembly, with reference to the same date, namely:

- **Dominion Hosting Holding S.p.A.** - parent company or consolidation parent - which stands as a point of reference in the field of hosting and software services for SMEs in emerging digital economies of Europe and provides, through the Group companies, domain name registration services, web hosting services and accessory and related services.
- **Tophost S.r.l.** - 100% controlled by D.H.H. S.p.A. - established in 2004 with the goal of becoming a major Italian player in the "mass" web hosting service industry, in a short period of time, the company has gained an important position in providing entry level web hosting services, offering comprehensive and innovative solutions at a lower price than competitors.
- **Klaro spletne storitve d.o.o. (Slovenia) – "Klaro"** - 100% controlled by D.H.H. S.p.A. - whose core business is the supply of online services ranging from consulting for the creation of Web sites, provided either directly by Klaro D.O.O., to services such as providers through its subsidiaries: Domovanje d.o.o. - Slovenia ; Domenca d.o.o. - Slovenia; Plus Hosting d.o.o. - Croatia and Hosting Plus d.o.o. - Serbia.
- **Domovanje spletne storitve d.o.o. - Domavanje.com – "Domovanje"** - 100% controlled by Klaro d.o.o. - was established as an internal project to the Klaro web agency , but its potential was quickly recognised and in 2005 the business was spun off, becoming an autonomous and independent company. After having established itself as a major domestic player, Domovanje.com has successfully bought out one of its competitors, Domenca.com. Today the company is an important Slovenian provider of web hosting services and its market share is growing steadily.

- **Domenca prijazne internet rešitved.o.o. – Domenca.com – “Domenca”** - 100% controlled by Klaro d.o.o. - was one of the first companies to offer domain name registration for Slovenian customers in their language. Since its establishment in 1999, the company has grown along with the market and has become a major provider of domain registration in the country, and provides ccTLD domain registration. The company also offers domain portfolio management services to some of the largest Slovenian companies.
- **Plus hosting d.o.o. (Croatia) – “Plus HR”** - 100% controlled by Klaro d.o.o. - was established in 2001. Through personnel growth and after some successful small acquisitions of competitors, Plus has quickly become a key player as a hosting provider in Croatia. The company is recognised on the market for its technical expertise and the high quality of its customer service.
- **Plus hosting d.o.o. (Serbia) – “Plus RS**” – 100% controlled by Klaro d.o.o. – manages approximately 5.000 domain names and 2.000 customers

NOTES ON THE GENERAL ECONOMIC TREND: ASPECTS AND INFLUENCES ON THE GROUP'S OVERALL SITUATION

The Group operates in a competitive and dynamic industry. The hosting and domain name registration market is currently characterised by a high rate of competition which effects the ease with which a start-up can be established in this area, but also due to the significant growth margins posted by that sector in recent years. In particular, in Italy, in addition to a high level of competition, the market is characterised the presence of operators that have higher market shares than the Group.

KEY ECONOMIC DATA

The following table shows the Group's reclassified income statement as at 30 June 2016:

RECLASSIFIED INCOME STATEMENT	VALUES IN EURO AT 30/06/2016	
Net income	1,935,890	(a)
External operating costs	(1,321,060)	(b)
Added value (a+b)	**614,831**	(c)
Personnel costs	(430,533)	(d)
Gross operating margin (c+d)	**184,298**	(e)
Depreciation and allocations	(52,748)	(f)
Year's results (e+f)	**131,550**	(g)
Accessory area results	6,871	(h)
Financial income and charges	(20,649)	(i)
Earnings before taxes (g+h+i)	**117,772**	(j)
Income tax	(51,077)	(k)
Net Results (i+k)	**66,694**	(l)

KEY BALANCE SHEET DATA

The following table shows the Group's reclassified balance sheet as at 30 June 2016

RECLASSIFIED BALANCE SHEET	VALUES IN EURO AT 30/06/2016	
Trade receivables	159,882	(a)
Trade payables	(423,097)	(b)
Operative CCN (a+b)	**(263,215)**	(c)
Other current receivables	30,223	(d)
Prepaid expenses and accrued income	428,776	(e)
Other current payables	(213,333)	(f)
Accrued liabilities and deferred income	(1,089,637)	(g)
Tax payables	(114,481)	(h)
Net working capital[1] (c+d+e+f+g+h)	**(1,221,667)**	(i)
Goodwill	3,909,463	(j)
Tangible fixed assets	178,272	(k)
Intangible assets	187,007	(l)
Non-current financial assets	8,353	(m)
Tax advances	7,247	(n)
Fixed assets (j+k+l+m+n)	**4,290,342**	(o)
Employee benefit fund	(515)	(p)
Liabilities for deferred taxes	-	(q)
Net non-current liabilities (p+q)	**(515)**	(r)
Net Invested Capital[2] (i+o+r)	**3,068,159**	(s)
Net Equity	**3,228,615**	(t)
Liquid funds	(952,694)	(u)
Current financial assets	(692)	(v)
Non-current financial liabilities	702,532	(w)
Current financial liabilities	90,395	(x)
Net Financial Position[3] (u+v+w+x)	**(160,456)**	(y)

[1] Net Working Capital corresponds to the difference between current assets and current liabilities with the exclusion of financial assets and liabilities. Net Working Capital is not identified as an accounting measure under the reference accounting principles; please note that this data was determined according to that set forth by CESR recommendation 05-05b dated February 10, 2005, reviewed on March 23, 2001 “Recommendations for the standard implementation of the European Commission regulation on information sheets”.

[2] Net Invested Capital corresponds to the algebraic sum of Net Working Capital, capitalised assets and long-term liabilities. Net Invested Capital is not identified as an accounting measure under the reference accounting principles.

[3] Pursuant to that set forth in CONSOB communication no. DEM/6064293 dated July 28,2006, please note that the Net Financial Position (“Net Financial Position” or “NFP”) is obtained through the algebraic sum of liquid funds and cash equivalents, current financial assets and short-term and long-term financial liabilities (current and non-current liabilities). The NFP was determined according to that set forth in CESR recommendation dated February 10, 2005, reviewed on March 23 2001 “Recommendations for the standard implementation of the European Commission regulation on information sheets”.

NET FINANCIAL POSITION

The following table shows the Group's net financial position as at 30 June 2016:

CONSOLIDATED NET FINANCIAL POSITION	VALUES IN EURO AT 30/06/2016	
Cash	281	(a)
Other liquid funds	952,413	(b)
Securities held for trading	-	(c)
Liquidity (a+b+c)	**952,694**	(d)
Current financial receivables	**692**	(e)
Short-term bank payables	13,995	(f)
Current part of non-current borrowing	76,400	(g)
Other current financial payables	-	(h)
Current financial indebtedness (f+g+h)	**90,395**	(i)
Net current financial indebtedness (i-e-d)	**(862,991)**	(j)
Non-current bank payables	572,535	(k)
Bonds issued	-	(l)
Other non-current payables	130,000	(m)
Non-current financial indebtedness (k+l+m)	**(702,535)**	(n)
Net financial indebtedness (j+n)	**(160,456)**	(o)

Pursuant to that set forth in CONSOB communication no. DEM/6064293 dated July 28,2006, please note that the Net Financial Position is obtained through the algebraic sum of liquid funds and cash equivalents, current financial assets and short-term and long-term financial liabilities (current and non-current liabilities). The net financial position was determined according to that set forth in paragraph 127 of the recommendations contained in the document issued by ESMA, no. 319 dated 2013.

INFORMATION CONCERNING STAFF AND THE ENVIRONMENT

PERSONNEL

During the semester, no on the job fatalities were registered for Group staff on payroll.

During the year there were no serious accidents at work that resulted in serious or very serious injuries to personnel on the payroll.

During the semester there were no claims regarding occupational diseases of employees or former employees and causes of mobbing, for which one or more Group companies was declared liable.

THE ENVIRONMENT

During the semester there were no environmental issues for which one or more Group companies were declared guilty.

Fines or penalties for environmental crimes or damages were not attributed to Group companies during the semester.

SIGNIFICANT EVENTS DURING THE SEMESTER AND AT A LATER DATE

In the first half of 2016, DHH focused on preparing the group for stock listing on AIM Italia, a multilateral trading facility, organised and managed by Borsa Italian S.p.A.

This preparation process has been marked by the following significant events:

APRIL 15, 2016 – ("EXTRAORDINARY OPERATION")

On 15 April 2016, the DHH Assembly, with the entire share capital represented, gave rise to the following Extraordinary Operation:

(i) cover the loss of Euro 330,00 by using the corresponding amount of "Share premium reserves";

(ii) increase the share capital without consideration from Euro 10,000.00 to Euro 49,000.00 through allocation to share capital, for the corresponding amount of Euro 39.000,00 in available reserves. The capital increase so resolved was fully subscribed by the shareholders and the newly issued shares were allocated disproportionately among them;

(iii) to increase the share capital by payment from Euro 49,000.00 to Euro 71.000,00 by contribution in kind, for the corresponding amount of Euro 22,000.00 as follows:

   a. for a par value of Euro 7,000.00, with share premium of Euro 980,452.80 by the shareholder Seeweb S.r.l. by contribution in kind of Euro 8,000.00 par shares in Tophost;
   b. for a par value of Euro 3,694.00, with share premium of Euro 327,206.56, from Mr. Matjaž Jazbec, by contribution in kind of the Euro 2,000.00 par shares in Klaro;
   c. for a par value of Euro 3,694.00, with share premium of Euro 327,206.56, from Mr. Martin Romih, by contribution in kind of Euro 2.000,00 par shares in Klaro;
   d. for a par value of Euro 3,694.00, with share premium of Euro 327,206.56, from Mr. Uroš Čimžar, by contribution in kind of Euro 2.000,00 par shares in Klaro;
   e. for a par value of Euro 3,694.00, with share premium of Euro 327,206.56, from Mr. Matija Jekovec, by contribution in kind of the Euro 2,000.00 par shares in Klaro;
   f. for a par value of Euro 224,00, with share premium of Euro 19,888.82, from Mr. Koštial Tomaž, by contribution in kind of the Euro 121.56 par shares in Klaro;

The capital increase thus resolved was fully subscribed in kind;

(iv) to increase the share capital without consideration from Euro 71.000,00 Euro 100,000.00 through allocation to share capital, for the corresponding amount of Euro 29,000.00 in available reserves with allocation of newly issued shares disproportionate to the shares already held interest by shareholders (including the new members as a result of the subscriptions by contribution in kind of the increase in capital described in the previous paragraph (iii)). The capital increase thus resolved was fully subscribed by the shareholders;

(v) to transform the company Dominion Hosting Holding S.r.l. into the joint stock company legal format and to acknowledge that the share capital of Euro 100,000.00 represented by no. 1,000,000.00 common shares without indicating par value;

(vi) to approve new articles of association, in relation to which, see Section One, Chapter 16, Paragraph 16.2.

(vii) to appoint a new board of directors, a board or auditors and a statutory auditor.

At the outcome of the Extraordinary Operation, DHH share capital was broken down as follows:

- Seeweb S.r.l. 360,000 common shares (equal to 36%)
- Giandomenico Sica 200,000 common shares (equal to 20%)
- Matjaž Jazbec 108,350 common shares (equal to 10.835%)
- Martin Romih 108,350 common shares (equal to 10.835%)
- Uroš Čimžar 108,350 common shares (equal to 10.835%)
- Matija Jekovec 108,350 common shares (equal to 10.835%)
- Koštial Tomaž 6,600 common shares (0.66%)
- Total: 1,000,000 common shares (100%)

JUNE 9, 2016 - ASSEMBLY WHICH APPROVED ADMISSION THE AIM ITALIA MARKET

On June 9, 2016 (Notary Marco Ferrari of Sesto San Giovanni deed, Rep. No. 267, Rec. No. 149), the DHH Assembly, both in ordinary session and in extraordinary session, in the presence of the entire share capital, with a series of associated and related resolutions, unanimously passed the following resolutions:

(i) to take note of the presentation of reports on the pro forma consolidated statement of assets and liabilities - financial position as at 31 December 2014 and as at 31 December 2015, together with the relevant explanatory notes.

(ii) to approve:

- the submission to Borsa Italiana of the application for admission to list company shares and warrants on AIM Italia and, in general, the list plan;
- the granting to the Board of Directors, and the President pro tempore in office, on its behalf, with the right to sub-delegate, within legal limits, of all the powers necessary to give effect to any action, procedure, arrangement and performance needed to execute the company share and warrant listing admission plan on AIM Italia.

(iii) to authorise, pursuant to and by effect of art. 2357 Civil Code, the purchase and regulation of company treasury stock, according to the purposes, terms and conditions set out below:

- the maximum number of shares purchased may not have a total par value, including any shares owned by subsidiaries, exceeding 20% (twenty percent) of the share capital pro tempore (in any case, in compliance with the applicable regulations on AIM Italia, with particular reference to the minimum free float requirements and equal treatment of shareholders);
- the purchase operations and regulation of treasury shares will be carried out to pursue the interests of the Company, in compliance with the principles of equal treatment of shareholders and current applicable regulations, in particular those which aim to: (i) take action through authorised brokers to support the liquidity of the shares on the market so as to facilitate the operation of the market under prevailing market practices identified by the Regulatory Authority; (Ii) constitute a so-called share "warehouse" pursuant to market practices from time to time in force identified by the Regulatory Authority; (Iii) to purchase treasury shares from beneficiaries of any stock options plans approved by the pertinent corporate bodies; (Iv) permit the use of treasury shares in transactions related to the operations or projects in line with the strategies that the Company intends to pursue, in relation to which swap opportunities materialise; (V) other purposes specified by community and national law and regulations from time to time applicable;
- treasury shares must be purchased in compliance with Articles 2357 and following of the Civil Code, the AIM Italia Issuers Regulations and any other provision of EU and national law and regulation from time to time applicable, as well as in line with market practices allowed by Consob pursuant to art. 180, paragraph 1, letter. c) Consolidation Act, at a price that will not be higher and lower than 20% (twenty percent) compared to the reference price recorded by the share in the stock exchange session preceding each individual transaction;
- the dispositions, and sales in particular, of treasury shares purchased under the shareholders' authorisation may be made: (i) through cash transactions, and in this case, the sales will have to be made in the stock exchange and/or off the market, at a price no higher and lower than 20% (twenty percent) compared to the reference price recorded by the share in the stock exchange session preceding each individual transaction; or (ii) by swap, exchange, transfer or other disposition not in money, in which case without price limits;
- the purchase, also in several tranches, will have to be made within the limits of distributable profit and/or available reserves resulting from the last financial statements, even mid-year, duly approved at the time of the transaction;

- the maximum number of treasury shares that can be purchased daily may not exceed 25% (twenty-five per cent) of the average daily number of shares traded on the market in the previous 20 days, subject to the requirements and the exceptional cases provided for in Regulation 2273/2003/CE, and where applicable, Annex 1 of the CONSOB resolution 16839/2009 ("Admission of market practices provided by art. 180, paragraph 1, letter c), Consolidation Act inherent in market liquidity support") or however, in the possible different amount set by subsequent laws and regulations from time to time applicable;
- to grant the Board of Directors the broadest powers to give complete and integral execution to the above resolutions, including complying with any requests from the pertinent authorities;
- to establish that the purchase authorisation is valid until otherwise decided and, anyway, for a period not exceeding 18 (eighteen) months;
- to establish that the authorisation to dispose of any treasury shares purchased has no time limits;

(iv) to grant the Board of Directors - contingent to the success of the company's financial instrument admission project to trading on AIM Italia - a gross total compensation for the year 2016 of Euro 57,000 (fifty-seven thousand), to be divided among members of the Board of Directors to the extent that will be identified by the same, even in relation to the particular office eventually held by each director;

(v) to increase the share capital, for a total equivalent value- including the share premium - of maximum Euro 4,989,960, through the issue, in two tranche, as infra better indicated by a maximum number of 597,600.00 common shares, without indication of par value, with the exclusion of option rights pursuant to article 2441, paragraph 5, Civil Code, divisible, servicing the offer aimed to admit company share trading on AIM Italia, at the following terms and conditions:

- the increase will have to be released by cash payment without prejudice for that foreseen previously for bonus share tranches ;
- the newly issued shares will have regular dividend;
- to provide that the effectiveness of the subscriptions received under the placement as well as the relevant offers is conditional on the achievement of so many subscriptions that allow for the establishment of minimum free float of 10% required for the trading start provision by Borsa Italiana;
- the capital increase will be divided into two different tranches, and precisely:
    - a first tranche, divisible, for a maximum par value of Euro 49,800 (forty nine thousand eight hundred), plus a premium, through the issue of maximum no. 498,000 (four hundred ninety eight thousand) common shares, without indicating par value, at an issue price of not less than Euro 10.00 with

emission accounting par value set at Euro 0.10 to be reserved for the subscription of:

- qualified investors, as defined by Articles 100 of the Consolidation Act, 34-ter of Regulation 11971 and 26 of Consob Regulation no. 16190 of 29 October 2007 as well as to other parties in the European Economic Area (EEA) other than Italy, who are "qualified/institutional investors" pursuant to Article 2 (1) (e) of Directive 2003/71/CE (with the exception of institutional investors in Australia, Canada, Japan and the United States and any other foreign country in which placement is not possible without authorisation by the pertinent authorities);
- possibly other categories of investors, benefiting from the exemption under Article 34-ter, paragraph 1, letter c) of the Regulation 11971;
- the subscription of the capital increase may take place even after the start of trading of company financial instruments on AIM Italia, and then even several times;
- the final date for the signing of the first tranche of the increase, according to art. 2439, second paragraph, Civil Code, is set at 31 December 2016, hereto providing that if, within that period, the increase is not fully subscribed, the capital will be increased by an amount equal to the subscriptions collected and as of the date of the same, provided subsequent to the date the resolution is recorded in the Register of Companies, given that provided as to reaching the necessary float;

❖ a second tranche for a maximum par amount of Euro 9,960, without premium, by issuing a maximum of 99,600 common shares, through the attribution of Bonus Shares, will be reserved for those who subscribe company shares under the Placement within the Share Trading Start Date on AIM Italia; more precisely, for the allocation of bonus shares, the following conditions must be met: (i) the holding of New Shares subscribed under the Placement for an uninterrupted period of 36 months from the Share Trading Start Date on AIM Italia ("Loyalty Term") and (ii) the exercise of the right by notice to the company within the following 30 days from the expiry of the Loyalty Term, of the will to take advantage of the incentive in question ("Conditions"). With regard to this second increase tranche:

- the funds necessary to pay the newly issued shares of the second tranche will be derived from a reduction in the price paid under the first tranche by the subscribers of the shares who have taken advantage of the incentive;

    - when the Conditions are met, the price paid by its subscribers under the first tranche will be reduced by an amount corresponding to the price of the new share issue they are entitled to it, with maturity of the related receivable for the subscriber, credit that will be immediately extinguished by compensation through the attribution of Bonus Shares. The release of the tranche subscription regarding the capital increase will be completed by compensating this receivable due the Company;
    - on completion of the subscription of the first tranche, the par amount of the increase will be allocated to the share capital, while the difference between the total amount paid by the subscribers and the par amount of the increase will be allocated as follows: (i) an amount equal to the total value of the Bonus Shares attributable to share subscribers, to a constrained component; (Ii) the remainder, to premium reserve. When the capital increase tranche for Bonus Shares is executed, the amount referred to in paragraph (i) will be used - where necessary - to release the new share issue; any surplus (i.e. the entire component in the event of failure to subscribe the aforementioned tranche) will instead be permanently allocated to share premium reserves;
    - the deadline for the second tranche subscription, pursuant to art. 2439, second paragraph, Civil Code, is set at the end of the thirtieth day following the Loyalty Term, but no later than October 31, 2019, hereto providing that if, within that period, the second tranche is not fully placed, the capital will be increased by an amount equal to the subscriptions collected as of that date, provided after the resolution is recorded in the Register of Companies;
- to establish that those who subscribe the first tranche of the capital increase after the company financial instrument trade start date on AIM Italia will not be entitled to the allocation of Bonus Shares.
- to determine the ratio of entitlement in no. 1 Bonus Share for every 5 New common shares resulting from subscribing the first tranche of the capital increase and held until the Loyalty Term.

(vi) to grant the Board of Directors, and on its behalf, within legal limits, the Chairman of the Board of Directors, with the authority to sub-delegate, within legal limits, all powers necessary to realise the resolved capital increase and issue servicing the attribution of Bonus Shares;

(vii) to issue a maximum of. 1,498,000 warrants called "WARRANT DOMINION HOSTING HOLDING S.p.A. 2016-2021", namely: (i) no. 1,000,000 (one million) warrants to be allocated free of charge and automatically to all holders of shares already in circulation before the date of the Placement; (Ii) maximum no. 498,000 warrants to be allocated free of charge and automatically to all subscribers of the shares resulting from the capital increase intended for placement on AIM Italia;

- to establish that these allocations will take place according to the following ratio: no. 1 Warrant for every no. 1 share held;
- to approve the regulation of warrants called "WARRANTS DOMINION HOSTING HOLDING S.p.A. 2016-2021" in its entirety, in the appendix to the Admission Document (the "Warrant Regulation"), according to which, in particular:
    - the Warrants will be entered into the centralised management system at Monte Titoli S.p.A., in dematerialised form;
    - warrant holders can request to subscribe shares on bank business days during each calendar month following the month in which the price of the average monthly price of the company shares is greater than the strike price (as defined in the Warrant Regulations);
    - Warrant holders are entitled to subscribe the converted shares according to the exercise ratio, as determined on the basis of the provisions in the Warrant Regulations;
    - Warrants not submitted for exercise by the deadline which falls on the fifth anniversary of the date of the Placement will lose all rights, becoming void for all purposes;
    - to grant the Board of Directors and the Chairman of the Board of Directors on its behalf, with the power to sub-delegate, within legal limits, the broadest powers in order to give effect to the resolved issuance of warrants and complete all declarations and formalities necessary to obtain admission for their trading on AIM Italia.

(viii) to increase the share capital against payment, divisible, with limitation of the option right pursuant to art. 2441, paragraph five, Civil Code, for maximum par value Euro 63,979.50 sixty three thousand nine hundred seventy nine/50), servicing the exercise of maximum no. 1,498,000 "Warrant DOMINION HOSTING HOLDING S.p.A. 2016-2021", by issuing up to no. 639,795 Conversion Shares without indication of par value, with regular rights, to be exclusively reserved for subscription to the holders of such warrants pursuant to the exercise ratio calculated according to the formula thoroughly described in the Warrant Regulation;

- the subscription price of each share is equal to the implicit par value of the shares set at Euro 0.10 (zero point ten);
- to establish that the increase will maintain effectiveness even if partially subscribed, and, for the part subscribed, in the terms of effectiveness established by the Warrant Regulation;

- pursuant to art. 2439 Civil Code, the final deadline for the execution of the increase is 31 October 2021.

SIGNIFICANT EVENTS AFTER 30/06/2016 AND OUTLOOK

In the second semester, DHH has completed its listing plan on the Stock Exchange on AIM Italia.

The listing process was marked by the following significant events:

July 19, 2016 - Board of Directors in favour of Admission

On 19 July 2016, the DHH Board of Directors resolved as follows:

- to approve the consolidated Business Plan for the years 2016 - 2018 which is filed at the Company in order to release the statement on working capital required by the AIM Italia Issuers Regulation, sheet two, Annex III;
- to approve the cancellation of the pledge provided by Klaro in favour of the company on October 29, 2015 and regarding the entire share capital of Plus HR, conferring with express powers to delegate to third parties for individual deeds or categories of deed, the broadest powers, without any exception, to Chairman Giandomenico Sica, in order to give full and complete execution of the approved resolution;
- to approve the subscription offer characterised by the issue of maximum 498,000 new shares, without par value, and the achievement of a maximum of 35% of the floating capital and, in particular, to set the subscription price of the new shares at Euro 10,00 (ten/00) each, including the premium;
- to approve the final version of the Warrant Regulation;
- to grant the Chairman Giandomenico Sica all powers to carry out the admission to AIM, without exception, including, without limitation, that of determining the number of new shares without par value to be issued in the implementation of the Capital increase approved by the Shareholders' Meeting of June 9, 2016 up to a maximum of no. 498,000 new shares and to amend, where necessary, the Warrant Regulation, all hereto with promise of full ratification and approval;
- to approve the purchase activation of treasury shares as resolved by the Assembly on June 9, 2016, conferring with express powers to delegate to third parties for individual deeds or categories of deeds, the Chairman Giandomenico Sica the broadest powers, none excluded, in order to give full and complete execution of the approved resolution;
- to approve the corporate timetable for the final phase of the process of admission to company share and warrant trading on AIM Italia/MAC;
- to approve the Admission Document, the application form and related claims for the purpose of Admission to AIM, granting the Chairman Giandomenico Sica, all powers to carry out the admission to AIM, without exception , including the powers to sign documents of any kind with Borsa Italiana, the Nomad, the Global Coordinator and/or

any other entity involved in the listing, negotiating the content and making any amendments deemed necessary and/or appropriate, to file the application for admission to AIM with all its annexes, making any changes deemed necessary and/or appropriate for the success of the listing to the documents already approved by the Board, with promise hereto of full ratification and approval.

On **June 29** DHH started placing its common stock and warrants in preparation for marking listing on AIM Italia/MAC, setting the stock price at 10 Euro.

The placement was successfully concluded on **July 22, 2016.**

Borsa Italiana S.p.A. issued the admission to trading on AIM Italia/MAC on **July 25, 2016**. DHH share and warrant trading began on **July 27, 2016.**

Following the placement, the total number of DHH shares is 1,420,000, with a float of 29.58% (420,000 shares).

The DHH marketcap on the date of admission to trading was € 14.2M.

To date, DHH is engaged in the execution of their development project and is looking for new target companies to be acquired according to the agreed strategy with the market and reported in the admission document.

Dominion Hosting Holding S.p.A. recently consolidated its position of advantage in the Croatian market by purchase all InfoNET d.o.o. share capital on September 23, 2016.

InfoNET d.o.o. is one of the main operators on the Croatian web hosting markets, with revenues for HKR 2,670,100 (about Euro 352,000.00), EBITDA for HKR 958,989 (about Euro 126,091) and net profits for HKR 729,548 (about Euro 96,000.00) equal to 27% of sales), no financial debt and cash at closing for HKR 739,833 (about Euro 98,644.00) earned during the last financial year (2015). In 2014, sales were HKR 2,328,645 (about Euro 307,000.00) while net profits were posted for HKR 610,127 (about Euro 80,000.00 equal to 26% of sales).

InfoNET d.o.o. also fully owns HostingITj.d.o.o., a young Croatian web hosting provider with estimated sales for about Euro 25,000.00 – 30,000.00 (2016).

The take over – completed by DHH's Croatian subsidiary Plus Hosting d.o.o. - concerned 100% of InfoNET d.o.o. share capital. The purchase price was HKR 3,426,'44 (about Euro 451,833.00) plus cash. 85% of the purchase price was fully paid in during closing, on September 23, 2016, while 15% will be paid over 12 months through instalments. Damir Maračić, InfoNET owner and director, will remain employed by the company after the takeover.

The future goals are to improve the company's growth rate, thanks to DHH in-house team work and leveraging the InfoNET and HostingIT businesses and brands.

ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2016

Drafted in application of the international ias/ifrs accounting standards.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2016

ASSETS	NOTES	VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Goodwill	1	3,909,463	
Tangible fixed assets	2	178,272	
Intangible assets	3	187,007	
Non-current financial assets	4	8,353	
Prepaid tax assets	5	7,247	
NON-CURRENT ASSETS		**4,290,342**	
Trade receivables	6	159,882	
Current financial assets	7	692	
Other current assets	8	2,310	
Tax receivables	9	27,913	
Cash and cash equivalents	10	952,694	
Prepaid expenses and accrued income	11	428,776	
CURRENT ASSETS		**1,572,267**	
TOTAL ASSETS		**5,862,609**	

LIABILITIES	NOTES	VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Share capital		100,000	
Reserves		3,061,921	
Year's profits (loss)		66,694	
Net Equity	12	**3,228,615**	
Non-current financial payables	13	702,535	
Severance reserves	14	515	
Non-Current Liabilities		**703,050**	
Trade payables	15	423,097	150,412
Other current payables	16	213,333	38,340
Current financial payables	13	90,395	
Tax payables	17	114,481	
Accrued liabilities and deferred income	18	1,089,638	
Current Liabilities		**1,930,944**	
Total Liabilities		**2,633,994**	
Total Liabilities And Net Equity		**5,862,609**	

OVERALL CONSOLIDATED INCOME STATEMENT FOR THE PERIOD CLOSED AS AT JUNE 30, 2016

CONSOLIDATED INCOME STATEMENT	NOTES	VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Revenues	19	1,925,415	
Other revenue	20	10,475	
Total Revenues		**1,935,890**	
Raw material costs	21	(16,506)	
Service costs and use of third party assets	22	(1,221,944)	(530,471)
Payroll and related costs	23	(430,533)	(4,372)
Other operating costs	24	(82,610)	
Total Operating Costs		**(1,751,593)**	
Year's results EBITDA[4]		**184,298**	
Amortisation and impairment	25	(52,748)	
EBIT[5]		**131,550**	
Financial income (expenses)	26	(20,649)	
Share premium income and (charges)	27	6,871	
Pre-tax results		**117,772**	
Total current and deferred income taxes	28	(51,077)	
Net income (loss) for the year		**66,694**	
of which: for parent company shareholders		66,694	
for third party shareholders		-	
Profits (loss) per share (in Euro)	29	0.067	

[4] EBITDA indicates earnings before financial charges, taxes, asset depreciation and impairment. EBITDA thus represents the operating results before choosing depreciation policies and assessing trade receivables. EBITDA thus defined represents the index used by company directors to monitor and assess business trends. Since EBITDA is not identified as an accounting measure under national accounting principles, it should not be considered as an alternative way to assess the company's operating results. Since the breakdown of EBITDA is not regulated by reference accounting principles, the determination criteria applied by the company may not reflect the one adopted by other companies and, therefore, is not comparable.

[5] EBIT indicates earnings before financial charges and taxes. EBIT thus represents the year's results before third party and treasury share dividend distribution. EBIT thus defined represents the index used by company directors to monitor and assess business trends. Since EBIT is not identified as an accounting measure under national accounting principles, it should not be considered as an alternative way to assess the company's operating results. Since the breakdown of EBIT is not regulated by reference accounting principles, the determination criteria applied by the company may not reflect the one adopted by other companies and, therefore, is not comparable.

OVERALL CONSOLIDATED INCOME STATEMENT	VALUES IN EURO AT 30/06/2016	
Profit (loss) for period	**66,694**	(a)
Components that could be later restated in the Income statement		
Profits (loss) from financial assets available for sale	**-**	
Components not to be later restated in the income statement		
Defined employee benefit plan payments (IAS 19)	-	
Tax effect on other profits (losses)	-	
Total other profits (losses) net of tax effect	**-**	(b)
Total profits (losses) (a+b)	**66,694**	

CORPORATE INFORMATION

Dominion Hosting Holding S.p.A. is a company that operates in the field of hosting and software services for SMEs in emerging digital economies of Europe, with registered office in Milan, Via Caldera 21.

The company, incorporated on July 9, 2015 with the legal form of a limited liability company, was transformed on April 15, 2016 into a joint-stock company, becoming Dominion Hosting Holding S.p.A. (acronym D.H.H. S.p.A.).

The company's purpose is the following activities:

- the provision, directly or through affiliates and/or subsidiaries, as core business, of innovative services with high technological value and, in particular, by way of example but not limited to, electronic and computer services of any kind and nature, the creation of operational structures for the supply of hardware and software services including web-hosting services, third party assistance for electronic and computer services;
- subscription, both in Italy and abroad, directly or indirectly, of shares, interest in other companies or entities, Italian and foreign, public and private operating in electronic and computer sectors and, therefore, the purchase, holding and management in own account of participatory rights, whether or not represented by securities, on the share capital of such companies or entities, with an absolute ban that such subscription of interests or shares is exerted with the public and that the holding and management of rights could be used as fiduciary activities.

The company may also provide entities and/or subsidiaries, affiliates or parent companies, however directly and indirectly invested in, and to other companies, analytical services, preparation, assistance and coordination on finding financial, marketing, advertising and public relations solutions in Italy and abroad, management, data processing, short, medium and long-term strategy planning, human resource training.

The company may also carry out all the necessary acts to implement its business purpose at the board of directors' sole discretion and thus among others:

- security, real estate, commercial, industrial, financial, banking and mortgage transactions, including the purchase, the sale and the swap of fixed assets, also recorded, real estate and titles, as well as all those other activities that will be considered instrumental, accessory, connected, necessary or useful for the realization of the activities that constitute the corporate purpose by the board of directors;
- resort to any form of financing with credit institutes, banks, companies and private citizens, granting the suitable real and personal collateral;
- participate in consortia and associations.

The company, lastly, in a non-prevalent manner, can:

- grant sureties, guarantees and real guarantees for obligations assumed by third parties, provided that the guarantee corresponds to an interest, even if not directly to the company's assets; all as long as not offered to the public and provided that such activities are not carried out to an extent prevalent over those that constitute the corporate purpose.

The activities that constitute the corporate purpose or related to it should be carried out within the limits and in compliance with the rules governing the exercise, with expressed exclusion of activities not permitted by law; in particular the exercise of activities that require registration in the boards, rolls or professional registers, the exercise of financial activities pursuant to art. 113 of Legislative Decree 1 September 1993, no. 385 are excluded and, in any case, those financial activities with the public, the activities reserved for brokerage companies referred to in art. 106 of Legislative Decree no. 385/1993, those reserved to real-estate brokers under Legislative Decree February 24, 1998, no. 58 and those of brokering in general referred to in art. 5 of Law 3 February 1989 no. 39, as amended by Article 18 of Law 5 March 2001, no. 57, as well as the collection and solicitation of savings from the public, including those of consumer credit and the activities referred to in Legislative Decree July 23, 1996, no. 415, with all subsequent amendments, additions and substitutions.

However, shareholders' non-interest bearing loans, both as grants and capital contributions, do not constitute subscription of savings, in compliance with applicable laws and resolutions of the C.I.C.R.

DHH, as parent company, provides its subsidiaries typical holding company, control and management services, against which Group companies pay a fee at market conditions.

DHH provides, through Group companies, domain name registration services, web hosting services and services accessory and related to these.

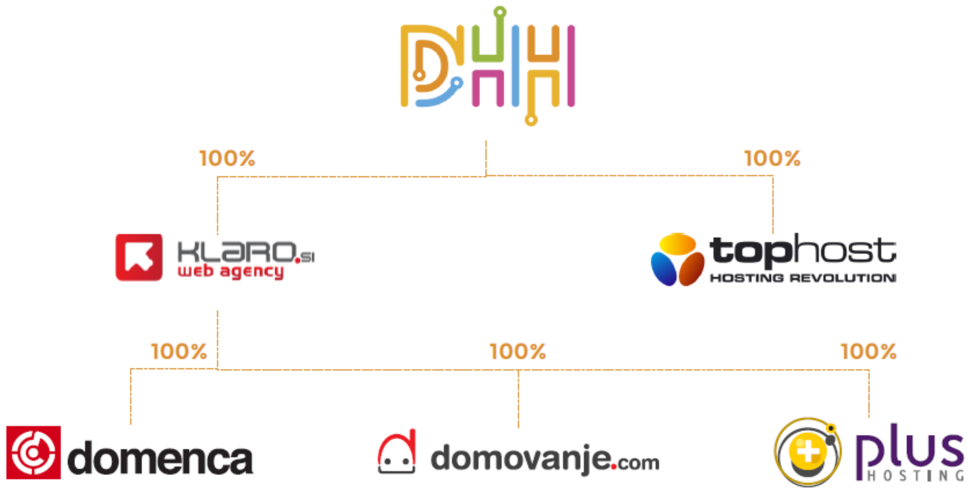
DHH is a point of reference in the field of hosting and software services for SMEs in emerging digital economies of Europe, where the "internet economy" is still in an immature stage and development, such as Italy, the Balkans (Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Albania, Macedonia, Montenegro, Greece) and the Central and Eastern Europe (Bulgaria, Romania, Slovakia, Hungary). These geographical and economic areas are also defined as "unusual geographies", thus meaning the digital markets not yet mature, and thus less frequently the subject to investment by entities normally operating in markets considered mature.

DHH is thus operating a market concentration in these geographic areas, believing that such "unusual geographies" have great growth potential. DHH therefore intends to take advantage of the momentary digital delay of these countries, in order to acquire an important position in the market, through mergers, which benefit from the organic growth trend already beginning to emerge. The goal of DHH is indeed to bridge the digital gap between the "unusual geographies" and now mature markets.

In addition to the above, DHH will invest in those emerging digital economies of Europe since they constitute experimental markets where internet companies with global perspective can be successfully tested and launched. In particular, the concentration of talent present in these places and the low labour costs make them competitive compared to the US market.

To date DHH operates through Tophost brand in Italy, Domenca/Domovanje in Slovenia, Plus Hosting in Croatia and Serbia.

GROUP STRUCTURE



ADOPTED ACCOUNTING STANDARDS

The DHH Group condensed consolidated financial statements as at June 30, 2016 were approved by the Board of Directors on 28.09.2016.

This mid-year report was prepared in order to comply with the disclosure requirements of article 18, First Part, of the AIM Italia Issuers Rules.

The Condensed Consolidated Interim Financial Statements as at June 30, 2016 were prepared in accordance with IAS 34 on interim financial reporting. IAS 34 allows for the preparation of financial statements in "condensed" form that is based on a minimum level of information significantly lower than that required by the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union.

INTRODUCTORY NOTES

For the preparation of the condensed consolidated financial statements, D.H.H. S.p.A. opted, exercising the right set forth in art. 19, First Part, of the AIM Italia Issuers' Regulation, for the international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Union (OJEU). The IFRS corpus includes all IFRSs, all the updated IAS and all interpretations prepared by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee ("SIC"). The financial statements and information included in these financial statements have been prepared in accordance with IAS 1, Presentation of Financial Statements, updated and published by the IASB in 2007, with a date of application of 1 January 2009, as amended and supplemented. The financial statements, presented in Euro, consists of the required financial statements (income statement, statement of assets and liabilities, statement of changes in equity and cash flow statement) with explanatory notes.

The statement of assets and liabilities and financial position is prepared according to the criterion of classification of "current/non-current" assets and liabilities. An asset/liability is classified as "current" when it satisfies one of the following criteria:

- it is expected to be collected/paid or will be sold or used in the normal operating cycle or when it is held primarily for trading purposes;
- or it is expected to be collected/paid within twelve months from the end of the year.

As for the comprehensive income statement, the revenues and expenses are classified according to their nature. Gross margin is calculated as the difference between net revenues and operating expenses, excluding non-cash expenses related to depreciation and amortization, net of any reversals.

Operating income is calculated as the difference between net revenues and operating expenses including non-cash costs for depreciation and impairment of current and non-current assets, net of any reversals.

The consolidated cash flow statement

The statement of changes in equity

The generally adopted criterion for the recognition of assets and liabilities is historical cost.

The preparation of financial statements and related notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities, and the valuation of contingent assets and liabilities.

BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with the true and fair presentation of the general criterion of the statement of assets and liabilities, financial statement, income statement and cash flows of the consolidated companies, while respecting the general principles of continuity, accrual accounting, consistency of presentation , materiality and aggregation, prohibition of compensation and comparability of information.

The DHH Group ("Group") condensed consolidated financial statements as at 30 June 2016 have been prepared on the basis of the parent company's financial statements and the one in which D.H.H. S.p.A. ("consolidation parent") directly or indirectly holds the majority of voting rights in the Ordinary Meeting, with reference to the same date, as shown in the following table:

INCLUDED SUBSIDIARIES IN THE SCOPE OF CONSOLIDATION	OFFICES	SHARE CAPITAL	PERCENT SHARES
Tophost Srl	Italy	10,000	100%
Klaro spletne storitve d.o.o.	Slovenia	13,813	100%
Domenca prijazne internet rešitve d.o.o.	Slovenia	14,731	100%
Domovanje spletne storitve d.o.o.	Slovenia	12,057	100%
Plus Hosting d.o.o.	Croatia	2,618	100%
Plus Hosting d.o.o. Novi Sad	Serbia	434	100%

Preparing financial statements in accordance with applicable accounting principles requires that management make estimates that may have a significant effect on the amounts recognised in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and given the information available at the balance sheet date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. The effects of revisions of estimates are recognised in the period in which the estimates are revised. The decisions made by company management, that have significant effects on the financial statements and estimates with a significant risk of material adjustment to the carrying value of assets and liabilities affected in future periods, are discussed in the notes to the individual balance sheet items.

The main estimates are used to recognise provisions for doubtful accounts, depreciation, amortization, depreciation, impairment of assets ("impairment" value), non-financial, employee benefits, the recoverability of deferred tax assets, income taxes and other provisions and in determining the fair value of financial instruments.

In relation to **the presentation of the financial statements** The Group has made the following choices:

- The **Consolidated income statement** is prepared according to the schedule with allocation of expenses by nature, illustrating the interim results relevant to the operating profit and profit before tax.

  Operating income is calculated as the difference between net revenues and operating costs (the latter including non-cash costs related to depreciation, amortization and impairment losses on current and non-current assets, net of any reversals). In order to allow a better assessment of the normal operational management, the cost and revenue items resulting from events or operations that by nature and significance of amount are considered non-recurring shall be disclosed separately.

- The **Consolidated Comprehensive Income Statement** shows the cost and revenue items, net of tax, which, as required or allowed by international accounting standards, are charged directly to equity reserves.
- The **Consolidated Statement of Assets and Liabilities - financial situation** is prepared according to the distinction of assets and liabilities between current and non-current ". An asset/liability is classified as "current" when it satisfies one of the following criteria:
  - It is expected to be collected/paid or will be sold or used in the normal operating cycle or when it is held primarily for trading purposes;
  - or it is expected to be collected/paid within twelve months from the end of the year.

The consolidated cash flow statement and changes to net equity are not provided since this is the first consolidated group report. Consolidated net equity items are described in the relevant explanatory notes.

Since this is the Group's first consolidated situation, the statement of assets and liabilities as at 31/15/2015 and income statements as at 30/06/2015 are not provided for comparative purposes. The consolidated cash flow statement and changes to net equity are not provided for the same reason. Consolidated net equity items are described in the relevant explanatory notes.

FOREIGN COMPANY FINANCIAL STATEMENT CONVERSION

Following are the exchange rates used to convert values for companies outside the Euro area: (source National Bank of Serbia and National Bank of Croatia):

CURRENCY	EXCHANGE RATE AS OF 30/06/2016	AVERAGE RATE 1 SEM. 2016
Croatian Ku	7,5425	7,585
Serbian Dinar	123,215	122,5644

CONSOLIDATION CRITERIA

Shareholdings in subsidiaries

They companies in which the Group has the power to exercise, directly or indirectly, control, makings financial and management decisions and obtaining the related benefits are consolidated using the global integration method.

According to the global integration method, the assets and liabilities, income and expenses of the subsidiaries are fully included in the consolidated financial statements; shareholding book value is eliminated against the corresponding portion of shareholders' equity, allocating it to the individual assets and liabilities at fair value at the date control was obtained.

Any residual difference, if positive, is recognised as an asset in "Goodwill" if not referable to a higher other asset value or, if negative, in the income statement.

Scope of consolidation

These consolidated financial statements include the scope of consolidation, in addition to, of course, the consolidation parent DHH S.p.A., 100% directly held subsidiaries Tophost S.r.l. and Klaro spletne storitved.o.o. (Slovenia) and companies controlled indirectly (through Klaro spletne storitved.o.o.) Domenca prijazne internet rešitved.o.o. (Slovenia), Domovanje spletne storitved.o.o. (Slovenia), Plus Hosting d.o.o. (Croatia) and Plus Hosting d.o.o. Novi Sad (Serbia).

Intra-group transactions

Balances and transactions between consolidated companies using the full consolidation method, as well as unrealized gains on any transactions are eliminated between them.

ACCOUNTING CRITERIA

The most significant accounting policies used in the preparation of the aforementioned financial statements are set forth below.

Non-current assets

Tangible fixed assets

Equipment and other tangible assets are generally stated at acquisition or production or contribution cost , including any ancillary charges that can be directly attributed to them, as required to render the produced asset for use. In case extended time is needed to render the asset ready for use, the purchase or production cost includes financing costs incurred, which theoretically would have been avoided if the investment had not been claimed.

No revaluations, even in compliance with specific laws were made.

These assets are systematically depreciated based on economic-technical rates that reflect the residual useful life of assets. When the asset includes more than one significant element with different useful lives, depreciation is calculated for each component. The depreciable amount is the book value minus the net realisable value of its useful life, if significant and if it can be reasonably determined. The depreciation method applied to an asset is reviewed at least at the end of each financial year and, if there have been significant changes in the expected pattern of consumption of future economic benefits generated by the asset, the criteria is changed to reflect the changed pattern as per IAS 8. Profits and losses arising from asset alienations or disposals are determined as the difference between the sales revenue and the net carrying amount of the asset and are posted in the income statement.

The costs of renovations, improvements and transformations that extend the useful life of the asset are capitalised.

When events occur that lead to a presumed reduction in the carrying value of tangible assets, its recoverability is controlled by comparing the carrying value with the recoverable amount, being the higher amount between the fair value less costs of disposal and the value in use.

Intangible fixed assets

Intangible assets are assets that lack physical substance, controlled by the company and able to produce future economic benefits. An asset is identifiable if it can be clearly distinguished from goodwill. This condition is usually true when the asset is intangible and can be traced back to the existence of a contract.

They are recorded at purchase or production or contribution cost, including any ancillary costs, according to the same criteria used for tangible assets. No revaluations, even in compliance with specific laws were made.

Profits and losses arising from asset alienations or disposals are determined as the difference between the sales revenue and the net carrying amount of the asset and are posted in the income statement.

Shareholdings

Shareholdings in subsidiaries are accounted for using the cost method. In applying this method, they are subject to an impairment test with the rules set forth in IAS 36 if, and only if, there is objective evidence of impairment of the shareholding as a result of one or more events that occurred after its initial registration that have an impact on future cash flows of the shareholding and on the dividends which they could distribute. This objective evidence is in the presence of persistent negative operating performance. In these cases, the impairment is determined as the difference between the carrying value of the shareholding and its recoverable value, normally determined based on the higher of value in use, calculated by discounting the future cash flows and fair value less sales costs.

Non-current financial assets

Non-current financial assets are those non-derivative financial assets that are classified as:

a. loans and receivables;
b. held-to-maturity investments;
c. financial assets at fair value posted in the income statement and measured using the fair value method.

The fair value generally corresponds to the market value. If there is no active market value, the fair value is determined using valuation techniques, such as the future cash flow method at a market interest rate.

The differences arising from these evaluations are recorded in a separate net equity reserve. The valuation effects suspended in this reserve are recognised in the income statement when the financial asset is realised following the alienation, disposal or sale of the asset. In the event that the loss of value is permanent, that amount is eliminated from net equity and posted in the income statement.

Current assets

The preparation of the consolidated Statement of assets and liabilities-financial position and income statement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures, as well as on contingent assets and liabilities at the balance sheet date. The estimates and associated assumptions are based on past experience accumulated by the company and other factors considered reasonable in the circumstances and have been adopted to estimate the book value of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and assumptions are reviewed periodically and the effects of any changes are recognised in the income statement.

Trade receivables

Receivables are stated at their fair value, which generally corresponds to face value, less any impairment losses relating to sums considered non recoverable, posted in specific provision for bad debts. Receivables, which mature within the normal commercial terms, are not discounted. Receivables in foreign currencies are valued at the exchange rate at the end of the period by the European Central Bank.

Cash and Cash Equivalents

Cash and cash equivalents are stated at face value and include cash values, i.e. values that are available on demand at short notice, certain in nature and with no collection expenses.

Trade payables

Trade payables are stated at face value, which usually approximates the amortized cost. Receivables in foreign currencies are valued at the exchange rate at the end of the period by the European Central Bank.

Financial Liabilities

Financial liabilities, other than derivative financial instruments, are initially recognised at the "settlement date" represented by the fair value of the liabilities, net of directly attributable transaction costs.

Employee Benefits

Severance (TFR), mandatory for Italian companies pursuant to Art. 2120 of the Civil Code, it is deferred compensation and is based on the duration of working life of employees and the salary received. For benefits subject to actuarial valuation, the liability for severance pay is to be calculated by projecting the amount already accrued to the future employment termination date and actualising, then, the amount at the balance sheet date using the “Projected Unit Credit Method” actuarial method. This actuarial method is based on demographic and financial assumptions to make a reasonable estimate of the benefits that each employee has matured in relation to the time worked. The current service cost that defines the amount of rights accrued by employees is posted in the income statement, under personnel costs, through actuarial valuation. Interest cost is included among financial (charges)/income which constitutes the figurative charge that the company would incur requesting a loan on the market equivalent to severance due. The actuarial gains and losses that reflect the effects of changes in actuarial assumptions are posted directly in the statement of assets and liabilities.

Recognition of income

Revenues from sales and services are recognised upon the actual transfer of risks and significant benefits from the sale of the property or when the service is rendered.

Revenues are reported net of returns, discounts, allowances and rebates.

Costs

Costs are recognized when they are incurred in compliance with the criteria of matching revenues and expenses that result directly and jointly from the same transactions or events. Costs that cannot be associated with revenues are immediately recognised in the income statement. Impairment losses are recognised in comprehensive income in the year they are recognised.

Financial income and expenses

The financial income and expenses are recognised on an accruals basis on the interest matured on the net value of the related financial assets and liabilities using the effective interest rate.

Taxes

Current income taxes are determined based on the estimated taxable income; the estimated liability is posted under "Tax payables". Current tax receivables and payables are measured as the amount expected to be paid (or to obtain reimbursement) to/from tax authorities, using tax rates (and tax regulations) in force.

The other non-income taxes, such as property and capital taxes, are included under other operating expenses. Prepaid and deferred taxes are calculated on temporary differences between the value attributed to assets and liabilities and the corresponding amounts recognised for tax purposes, using the tax rates that are expected to apply when the temporary differences reverse.

COMMENT ON THE MAIN ITEMS OF THE COMPREHENSIVE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES - FINANCIAL POSITION AND INCOME STATEMENT

Goodwill (1)

Goodwill was posted in the financial statements at Euro 3,909,463 as at June 30, 2016 and is due to the difference generated during the first consolidation of subsidiary shares.

Tangible assets (2)

Tangible assets were posted at 178.272 Euro as at 30 June 2016 and are broken down as follow:

TANGIBLE ASSETS	IN EURO
Electronic office machines	145,191
Other tangible fixed assets	33,081
Total	**178,272**

Intangible Assets (3)

Intangible assets were posted in the financial statements for 187,007 as at June 30, 2016 and are broken down as follows:

INTANGIBLE ASSETS	VALUES IN EURO AT 30/06/2016
Software licenses	6,938
In-house software	74,492
Other intangible assets	105,577
Total	**187,007**

Non-current financial assets (4)

The item, totalling Euro 8,353, refers to deposits paid.

Advanced tax assets (5)

Deferred taxes totalled Euro 7,247 and are broken down as follows:

TAX ASSETS	VALUES IN EURO AT 30/06/2016
D.H.H. SpA individual tax advances	7,838
TophotSrl subsidiary tax advances	1,544
Plus Hosting d.o.o subsidiary tax advances - Croatia	22
Effect due to elimination (Note 27)	(2,157)

Tax advances are almost fully related to deductible temporary differences relating to directors' fees, posted on an accrual basis but not paid at the date of 30/06/2016.

Trade receivables (6)

Trade receivables amounted to 159,882 Euro as at 30 June 2016

Current financial assets (7)

Current financial assets amounted to Euro 692 as at 30 June 2016,

Other current assets (8)

Other current assets totalled Euro 2,310 as at June 30, 2016

Tax receivables (9)

Tax receivables amounted to Euro 27,913 as at 30 June 2016 and are broken down as follows:

TAX RECEIVABLES	VALUES IN EURO AT 30/06/2016
Value added tax	27,420
Other tax receivables	493
Total	**27,913**

Cash and liquid funds (10)

Liquid funs and cash equivalents are represented by:

a. bank and postal accounts for 952,413 Euro as at June 30, 2016:
b. Cash values for 281 Euro as at June 30, 2016.

The balance, fully denominated in Euro, represents the liquid assets and the existence of cash and cash equivalents on the closing date of the period.

Accrued income and prepaid expenses (11)

Accrued income and prepaid expenses totalled Euro 428,776 as at June 30, 2016 and mainly concern costs for wholesale services, incurred during the year but referred to next year.

Net equity (12)

NET EQUITY	VALUE IN EURO AT 30/06/2016
Share capital	100,000
Share premium reserves	3,061,921
Profit (loss) for period	66,694
Total	**3,228,615**

Consolidated net equity is broken down as follows as at June 30, 2016

Share capital

Share capital is fully paid-in and represented by 1,000,000 common shares without par value as at June 30, 2016 whose equivalent book value is Euro 0.10 Euro each.

Share premium reserve

This reserve totalled Euro 3,061,921

Non-current and current bank and other lender payables (13)

Non-current payables to banks and other lenders amount to 702,535 Euro of which Euro 308,000 over five years.

Current payables to banks and other lenders amounted to Euro 90,395

The following table shows the net financial debt determined as of 30 June 2016, drafted according to CONSOB communication no. DEM/6064293 dated July 28, 2006:

NET FINANCIAL POSITION	VALUES IN EURO AT 30/06/2016	
Cash	281	(a)
Other cash equivalents	952,413	(b)
Securities held for trading	-	(c)
Cash and cash equivalents (a+b+c)	**952,694**	(d)
Current financial receivables	692	(e)
Short-term bank payables	13,995	(f)
Current amount of non-current debt	76,400	(g)
Other current financial payables	-	(h)
Current financial debt (f+g+h)	**90,395**	(i)
Net current financial debt (i-e-d)	**(862,991)**	(j)
Non-current bank payables	572,535	(k)
Bonds issued	-	(l)
Other non-current payables	130,000	(m)
Non-current financial debt (k+l+m)	**(702,535)**	(n)
Net financial debt (j-n)	**(160,456)**	(o)

Personnel reserves (14)

The item includes the recognition of severance for Group company employees, provided for in Article. 2120 of the Civil Code. The value as at June 30, 2016 totalled 515 Euro.

Trade payables (15)

Trade payables amounted to 423,097 Euro as at 30 June 2016 and are posted at face value.

Other current liabilities (16)

Other current liabilities amounted to 213,333 Euro.

Tax payables (17)

Tax payables amounted to 114,481 Euro and are broken down as follows:

TAX PAYABLES	VALUES IN EURO AT 30/06/2016
Value added tax	31,966
Income tax (IRES/IRAP)	74,126
Withholdings	8,389
Total	**114,481**

Accrued expenses and deferred income (18)

Accrued expenses and deferred income totalled Euro 1,089,637 as at June 30, 2016, mainly concerning income from hosting collected in advance by accrued after June 30, 2016.

Revenue (19)

Revenues from sales and services amounted to 1,925,415 Euro as at 30 June 2016.

Other revenue (20)

Other revenue totalled 10,475 Euro as at June 30, 2016.

Cost of raw materials (21)

The purchase costs for raw materials and consumables concern hardware other than servers and amounted to Euro 16,506

Cost of services and leased assets (22)

The cost of services in the first half of 2016 amounted to 1,221,944 Euro and are broken down as follows:

SERVICES AND LEASED ASSETS	VALUES IN EURO AT 30/06/2016
Datacenter Services	88,584
Wholesale Services & Licenses	845,557
Marketing & Sales Services	25,445
Professional Services	259,375
Other Service costs	2,983
Total	**1,221,944**

Personnel costs (23)

Personnel costs amounted to 430,530 Euro as at 30 June 2016.

Personnel costs are broken down by group in the following table:

PERSONNEL COSTS	VALUES IN EURO AT 30/06/2016
D.H.H. SpA	-
Tophost Srl	17,028
Klaro spletne storitve d.o.o.	39,723
Domenca prijazne internet rešitve d.o.o.	69,814
Domovanje spletne storitved.o.o.	97,093
Plus Hosting d.o.o. – Croatia	200,664
Plus Hosting d.o.o. Novi Sad – Serbia	6,211
Total	**430,533**

DHH group staff as at June 30, 2016 is represented by the following table:

White-collar workers	44
Directors	3
Total	47

Other operating costs (24)

Other operating costs totalled Euro 82,610 as at June 30, 2016 and concerned overhead.

Amortization and depreciation (25)

Amortization and depreciation are broken down as follows:

AMORTIZATION AND DEPRECIATION	VALUES IN EURO AT 30/06/2016
Depreciation	42,845
Amortisation	9,056
Impairment	847
Total	**52,748**

Financial income (charges) (26)

The following table provides details on financial income (charges):

FINANCIAL INCOME	VALUES IN EURO AT 30/06/2016
Interest income on bank and post office accounts	63
Interest income on loans	7,976
Other financial income	3,232
Total	**11,271**

FINANCIAL EXPENSE	VALUES IN EURO AT 30/06/2016
Interest expense on bank and post office accounts	18,820
Other financial charges	13,100
Total	**31,920**

Share premium income and (charges) (27)

This item concerns income due to the elimination of shares in "Plus Hosting RS".

Income taxes (28)

Total taxes on estimated income for the first half of 2016 totalled Euro 51,077.

Profit/(loss) per share (29)

Basic earnings per share is calculated by dividing the net income attributable to the parent company's ordinary shareholders by the number of ordinary shares outstanding as at 30/06/2016 and totalled no. 1,000,000.

The following table shows the result and the information on the shares used in the calculation of basic and diluted earnings per share:

DESCRIPTION	VALUES IN EURO AT 30/06/2016
Consolidated net earnings attributable to parent company shareholders	66,694
Number of common shares as at 30/06/2016	1,000,000
Earnings per share (EPS)	0.067
Number of common shares at the beginning of the year	-
Reduction of share capital	-
Transformation in S.p.A.	100,000
Share capital increase	1,320,000
Number of common shares as at 30/06/2016	1,420,000
Average weighted number of outstanding shares	1,420,000
Basic earnings per share	0.04365

OTHER INFORMATION

Related-party transactions

The transactions carried out with Group companies and other related parties mainly involve the provision of services, obtaining and use of financial resources; they are part of normal operations and are regulated at market conditions, meaning the conditions that would be applied between two independent parties.

Following is a breakdown of relations with related parties as at June 30, 2016 taken from the year's financial statements:

COUNTER PARTY	RECEIVABLES	PAYABLES	COSTS	REVENUES
Sica Giandomenico	-	27,004.67	27,004.67	-
Baldassarra Antonio Domenico	-	6,000.00	6,000.00	-
Seeweb srl	-	150,412.25	463,029.56	-
Uros Cimzar	-	1,840.07	18,470.20	-
Matija Jekovec	-	2,279.97	15,966.43	-
Kotlusek Petra	-	1,215.57	4,372.37	-
Total	**-**	**188,752.53**	**534,843.23**	**-**

Additional relationships with associated parties are entertained with subsidiary Tophost srl and Seeweb srl (shareholder).

Relations with Seeweb srl mainly refer to trade relations for the purchase of wholesale hosting services with associated registration of domain names and, for a lesser amount of Euro 6,000,000, for outsourced accounting and treasury services.

Please note that there is a performance bond for the amount of Euro 600,000.00 granted in favour of Unicredit S.p.A., which activated an cross-border type international surety in favour of Unicredit Banka Slovena D.D., all in the interest of subsidiary Klaro d.o.o.

Subsidiary Klaro d.o.o. put up a pledge on Plus company shares in favour of the company against this operation; this pledge is being cancelled.

Please also note that Seeweb S.r.l., in turn, granted a performance bond for Euro 600,000.00 in favour of Unicredit S.p.a. in the company's interest support the above operation.

Financial risk management policy

In accordance with IFRS 7, please note that the group is potentially exposed to the following financial risks during its normal business operations:

- “Liquidity risk” due to the lack of adequate financial resources to meet operating activities and reimburse liabilities.
- “Credit risk” regarding trade receivables from third parties. These risks are broken down below;

“Market risk” mainly due to exposure to interest rate fluctuations and change in exchange rates.

The company's objective is to maximise the return on net invested capital, while maintaining the ability to operate over time and ensuring adequate returns for shareholders and benefits for other stakeholders with a sustainable financial structure.

Liquidity risk

Liquidity risk refers to the potential inability to raise sufficient financial means to support investments expected for the development of the business and the company's ongoing business and for the development of operational activities.

Credit risk

Credit risk is the exposure to potential losses arising from non-fulfilment of obligations undertaken by trade counterparties.

Market risk

Interest rates

As for the group's financial liabilities, the subsidiary Klaro holds a mortgage contract granted by Unicredit. The applied interest rate includes a floating rate referred to the Euribor six month rate; to date, the Group does not hold hedge contracts.

Foreign Exchange Risk

With regard to exchange rate risk, it is emphasised that the Group operates in countries that use currencies other than the Euro. In every country where they operate, Group companies offer the price lists for its services in local currencies. These price lists are, however, often based on the purchase of services in various currencies and, mainly, the US dollar from third parties by the Group.

The exchange risk is the risk of incurring losses due to adverse changes in foreign exchange rates on profitability. Group companies, in fact, supply and buy products and services both in Euro and in other currencies (mainly US Dollars, Croatian Kuna and Serbian Dinar). Therefore, many of the transactions carried out by Group companies may be subject to foreign exchange risks due to money market fluctuations.

Contingent liabilities

There are no pending legal and tax proceedings with the Group.

Dominion Hosting Holding S.p.A. Parent Company Financial Statements as at 30 June 2016

DHH STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE

ASSETS	VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Shareholdings	3,085,834	
Intangible assets	94,147	
Prepaid tax assets	7,838	
Non Current Assets	**3,187,819**	
Trade receivables	51,635	
Tax receivables	27,274	
Cash and cash equivalents	16,836	
Prepaid expenses and accrued income	1,819	
Current Assets	**97,564**	
Total Assets	**3,285,383**	

LIABILITIES	VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Share capital	100,000	
Reserves	3,061,921	
Year's profits (loss)	-28,675	
Net Equity	**3,133,246**	
Non-current financial payables	-	
Severance reserves	-	
Non Current Liabilities	**-**	
Trade payables	104,570	366
Other current payables	36,869	33,005
Current financial payables	-	
Tax payables	10,698	
Accrued liabilities and deferred income	-	
Current Liabilities	**152,137**	
Total Liabilities	**152,137**	
Total Liabilities and Net Equity	**3,285,383**	

OVERALL INCOME STATEMENT FOR THE PERIOD CLOSED AS AT JUNE 30, 2016

OVERALL INCOME STATEMENT		VALUES IN EURO AT 30/06/2016	OF WHICH FROM ASSOCIATED COMPANIES
Revenues	(a)	43,889	
Other revenue	(b)	100	
Total revenues (a+b)	(c)	**43,989**	
Raw material costs	(d)	-	
Service costs and use of third party assets	(e)	(70,959)	(33,605)
Payroll and related costs	(f)	-	
Other operating costs	(g)	(1,230)	
Total operating costs (d+e+f+g)	(h)	**(72,189)**	
Year's results EBITDA[6] (c+h)	(i)	**(28,200)**	
Amortisation and impairment	(j)	(75)	
EBIT[7] (i+j)	(k)	(28,275)	
Financial income (expenses)	(l)	-	
Value adjustments to financial assets available for sale	(m)	-	
Share premium income and (charges)	(n)	-	
Pre-tax results (k+l+m+n)	(o)	**(28,275)**	
Total current and deferred income taxes	(p)	(400)	
Net income (loss) for the year (o+p)	(q)	**(28,675)**	
of which: for parent company shareholders	(r)	(28,675)	
for third party shareholders	(s)	-	
Profits (loss) per share (in Euro)	(t)	0.029	

[6] EBITDA indicates earnings before financial charges, taxes, asset depreciation and impairment. EBITDA thus represents the operating results before choosing depreciation policies and assessing trade receivables. EBITDA thus defined represents the index used by company directors to monitor and assess business trends. Since EBITDA is not identified as an accounting measure under national accounting principles, it should not be considered as an alternative way to assess the company's operating results. Since the breakdown of EBITDA is not regulated by reference accounting principles, the determination criteria applied by the company may not reflect the one adopted by other companies and, therefore, is not comparable.

[7] EBIT indicates earnings before financial charges and taxes. EBIT thus represents the year's results before third party and treasury share dividend distribution. EBIT thus defined represents the index used by company directors to monitor and assess business trends. Since EBIT is not identified as an accounting measure under national accounting principles, it should not be considered as an alternative way to assess the company's operating results. Since the breakdown of EBIT is not regulated by reference accounting principles, the determination criteria applied by the company may not reflect the one adopted by other companies and, therefore, is not comparable.

DHH OVERALL INCOME STATEMENT AS AT JUNE 30, 2016

DHH OVERALL INCOME STATEMENT	VALUES IN EURO AT 30/06/2016	
Profit (loss) for period	(28,675)	(a)
Components that could be later restated in the Income statement	-	(b)
Profits (loss) from financial assets available for sale	-	(c)
Components not to be later restated in the income statement	-	(d)
Defined employee benefit plan payments (IAS 19)	-	(e)
Tax effect on other profits (losses)	-	(f)
Total other profits (losses) net of tax effect	-	(g)

CASH FLOW STATEMENT AS AT JUNE 30, 2016

CASH FLOW STATEMENT		VALUES IN EURO	
Cash flows from income management			
Profit for period		(28,675)	(a)
Income taxes		400	(b)
Interest payable /(receivable)		-	(c)
Capital gains/(losses) due to business sales			(d)
Earnings before income tax, interest, dividends and capital gains/losses (a+b+c+d)		**(28,275)**	(e)
Allocations to reserves			(f)
Amortisation and depreciation of assets		75	(g)
Permanent loss write-downs			(h)
Other adjustments on non-monetary items			(i)
Adjustments for non-monetary elements without offset posts in net working capital (f+g+h+i)		**75**	(j)
Cash flow before ccn changes (e+l)		**(28,200)**	(k)
Decrease (increase) in inventories		-	(l)
Decrease (increase) in customer receivables		(44,635)	(m)
Increase (decrease) in supplier payables		98,640	(n)
Decrease (increase) in prepaid expenses and accrued income		3,138	(o)
Increase (decrease) in accrued expenses and deferred income		-	(p)
Other changes to net working capital		16,783	(q)
Changes to net working capital (l+m+n+o+p+q)		**73,926**	(r)
Cash flow after ccn changes (k+r)		**45,726**	(s)
Interest collected/(paid)		-	(t)
(Income taxes paid)		(400)	(u)
Dividends received		-	(v)
(Use of reserves)		-	(w)
Other adjustements (t+u+v+w)		**(400)**	(x)
Income management cash flow (s+x)		**45,326**	(y)
Cash flow due to investment activities			
(Investments) in tangible assets		-	(z)
Tangible asset alienation realisable price		-	(A)
(Investments) in intangible assets		(94,222)	(B)
Intangible asset alienation realisable price		-	(C)
(Investments) in financial assets:		(2,331,168)	(D)
Financial asset alienation realisable price		-	(E)
(Investments) in non capitalised financial assets		-	(F)
Non capitalised financial asset alienation realisable price		-	(G)
Investment cash flows (z+A+B+C+D+E+F+G)		**(2,425,390)**	(H)
Cash flows from financing activities			
Third party resources:	Increase (decrease) in short-term payables to banks		(J)
	New loans		(K)
	Loan repayments		(L)
Treasury shares:	Paid capital increase		(M)
	Treasury share sale (purchase)	2,331,168	(N)
	(Dividends paid)		(O)
Financing activity cash flows (J+K+L+M+N+O)		**2,331,168**	(P)
Increase (decrease) in liquid funds (y+H+P)		**(48,896)**	(Q)
Liquid funds at beginning of the year		**65,732**	(R)
Liquid funds at as 30 June 2016 (Q+R)		**16,836**	(S)

NET FINANCIAL POSITION AS AT JUNE 30, 2016

NET FINANCIAL POSITION	VALUES IN EURO AT 30/06/2016	
Cash	16,836	(a)
Other liquid funds	-	(b)
Securities held for trading	-	(c)
Liquidity (a+b+c)	**16,836**	(d)
Current financial receivables	**-**	(e)
Short-term bank payables	-	(f)
Current part of non-current borrowing	-	(g)
Other current financial payables	-	(h)
Current financial indebtedness (f+g+h)	**-**	(i)
Net current financial indebtedness (i-e-d)	**(16,836)**	(j)
Non-current bank payables	-	(k)
Bonds issued	-	(l)
Other non-current payables	-	(m)
Non-current financial indebtedness (k+l+m)	**-**	(n)
Net financial indebtedness **(j+n)**	**(16,836)**	(o)

	OPENING BALANCE	OTHER CHANGES INCREASES	OTHER CHANGES DECREASES	YEAR RESULT	CLOSING BALANCE
Share capital	10,000	90,000	-	-	100,000
Share premium reserves	840,000	2,241,168	-19,247	-	3,061,921
Net income (loss) for the year	-19,247	-	19,247	-28,675	-28,675
Total	**830,753**	**2,331,168**	**-**	**-28,675**	**3,133,246**

COMMENTS ON THE STATEMENT OF ASSETS AND LIABILITIES AND FINANCIAL POSITION

Preliminarily, please note that the increases in balance sheet items, compared to 31/12/2015, are essentially attributable to investments aimed at obtaining listing on the AIM Italia/MAC market, already referred to. In particular:

Non-current assets: increases in intangible assets are represented by the purchase (by the subsidiary Tophost S.r.l.) of the computer program TMP - TOPHOST MERCHANT PROCESSOR, registered at SIAE dated 18/05/2016, as well as investments aimed at obtaining listing on the AIM Italia/MAC market.

Shareholdings: the increase in the value of subsidiaries is due to the acquisition of 100% of the Tophost Srl and Klaro d.o.o. shares, as a result of contributions in kind consequent to the capital increase approved on 15.04.2016, which has been already reported.

Current assets: the increase in receivables was mainly due to the receivables from subsidiaries for recharged costs for intra-group services (cost sharing).

Current liabilities: the increase in trade payables is related to the costs in preparation for and instrument to listing on the AIM market, as well as legal and notary fees for capital increase operations.

COMMENTS TO THE ECONOMIC SITUATION

As already mentioned, the increase in service costs is related to the expenses incurred for share capital increase transactions and for admission to trading on the AIM market, not capitalised in accordance with international accounting standards.

The increase in revenues is functional to the recharge of costs for services rendered by the parent company to subsidiaries.

COMMENTS TO THE CASH FLOW STATEMENT

The cash flow statement was prepared applying the indirect method by which the year's result is adjusted by the effects of non-monetary operations, any reference or allocation of previous or future operating income or payments and income and cost items associated with cash flows from investment activities.

TRANSACTIONS WITH RELATED PARTIES AS AT JUNE 30, 2016

DHH Spa mainly entertained relations of service nature during the first semester 2016 with related parties. These have been concluded under normal market conditions.

Following is a breakdown of relations with related parties as at June 30, 2016 taken from the year’s financial statements:

COUNTER PARTY	RECEIVABLES	PAYABLES	COSTS	REVENUES
Sica Giandomenico	0,00	27.004,67	27.004,67	0,00
Baldassarra Antonio Domenico	0,00	6.000,00	6.000,00	0,00
Seeweb srl	0,00	366,00	600,00	0,00
Total	**0,00**	**33.370,67**	**33.604,67**	**0,00**

Costs and payables referred to counter parties Sica and Baldassara are associated with fees due to the company's board of directors.

Costs incorrect for services rendered by Seeweb srl mainly refer to the registration, maintenance and management of the dominion.it website in addition to accounting services for Euro 600.00.

Milan, 28/09/2016

The Chairman
Of the Board of Directors
Giandomenico Sica

DOMINION HOSTING HOLDING S.p.A.

Independent Auditors' review report on interim condensed consolidated financial statement as of June 30, 2016

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Independent Auditors' review report on interim condensed consolidated financial statements

To the Board of Directors of
Dominion Hosting Holding S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet as of June 30, 2016 and the related statement of comprehensive income, profit and loss account and related explanatory notes of Dominion Hosting Holding S.p.A. (hereby the "Entity") and its subsidiaries (the "DHH Group") as of June 30, 2016. Management of Dominion Hosting Holding S.p.A. is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed consolidated financial reporting based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *International Standards on Auditing* and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of DHH Group as of June 30, 2016 are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Other matters

The interim condensed consolidated financial statements for the period ended as of June 30, 2016 is the first Group consolidated financial statements and consequently do not include any comparative information.

Milan, September 28, 2016

BDO Italia S.p.A.

Signed by Manuel Coppola

This report has been translated into English from the Italian original solely for the convenience of international readers.

DOMINION HOSTING HOLDING S.p.A.

Relazione della società di revisione indipendente
sul bilancio consolidato semestrale abbreviato al 30 giugno 2016

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Relazione di revisione contabile limitata sul bilancio consolidato semestrale abbreviato

Al Consiglio di Amministrazione della
Dominion Hosting Holding S.p.A.

Introduzione

Abbiamo svolto la revisione contabile limitata dell'allegato bilancio consolidato semestrale abbreviato, costituito dalla situazione patrimoniale-finanziaria consolidata, dal conto economico complessivo e dalle relative note illustrative della Dominion Hosting Holding S.p.A. (di seguito anche la "Società") e delle sue controllate (il "Gruppo DHH") al 30 giugno 2016. Gli Amministratori della Dominion Hosting Holding S.p.A. sono responsabili per la redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea. E' nostra la responsabilità di esprimere una conclusione sul bilancio consolidato semestrale abbreviato sulla base della revisione contabile limitata svolta.

Portata della revisione contabile limitata

Il nostro lavoro è stato svolto in conformità all'International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. La revisione contabile limitata del bilancio consolidato semestrale abbreviato consiste nell'effettuare colloqui, prevalentemente con il personale della Società responsabile degli aspetti finanziari e contabili, analisi di bilancio ed altre procedure di revisione contabile limitata. La portata di una revisione contabile limitata è sostanzialmente inferiore rispetto a quella di una revisione contabile completa svolta in conformità agli *International Standards on Auditing* e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti significativi che potrebbero essere identificati con lo svolgimento di una revisione contabile completa. Pertanto, non esprimiamo un giudizio sul bilancio consolidato semestrale abbreviato.

Conclusioni

Sulla base della revisione contabile limitata svolta, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo DHH al 30 giugno 2016, non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

Altri aspetti

Il bilancio consolidato semestrale abbreviato al 30 giugno 2016 rappresenta il primo bilancio di Gruppo e pertanto non espone dati comparativi.

Milano, 28 settembre 2016

BDO Italia S.p.A.

Manuel Coppola
Socio