



CONSOLIDATED INTERIM REPORT AS AT 30 JUNE 2017

Financial Statement prepared in accordance with IAS/IFRS principles*

- All amounts are in Euro -

DHH - Dominion Hosting Holding S.p.A.

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(*) These consolidated financial statements, making use of the option provided by art. 19, Part I, of the Issuers Regulation AIM Italy, 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 notes to the financial statements. Financial statements are the result of consolidation of financial statements of companies detailed in the chapter "Structure of the group" (the "Group") in which Dominion Hosting Holding S.p.A. directly or indirectly controls the majority of voting rights in the ordinary shareholders, at the date.

INTRODUCTION

Established on July 2015 and located in Milan, Italy, Dominion Hosting Holding S.p.A. (DHH) invests in the best hosting providers localized in the emerging digital economies of the Euro-Mediterranean area. Currently, DHH has portfolio companies in Italy, Slovenia, Croatia and Serbia. DHH delivers strategic thinking, technologic solutions and marketing know-how to help hosting companies in emerging European countries to improve their business and maximize their market impact.

OUR MISSION

DHH's mission is to create a network of hosting companies and industrial synergies in the Euro-Mediterranean area. Our company seeks to serve as the benchmark for those emerging digital economies where Internet penetration is still in an embryonic phase, such as Italy, the Balkans (Slovenia, Croatia, Serbia, Bosnia, Albania, Macedonia, Montenegro, Greece) and central-eastern Europe (Bulgaria, Romania, Greece, Slovakia, Hungary). Thereby operating a market conglomeration, in the belief that these "unusual geographies" possess great growth potential.

OUR CUSTOMERS

Our customers are end-users who, thanks to DHH hosting providers, can enjoy the power of the web, discovering their potential to increase their success. The DHH group allows all small businesses to find their ideal solutions to an online presence with a small investment.

Thanks to the market coordination operated by DHH, all end-users of the Euro-Mediterranean area can easily choose their favorite hosting provider in their own countries, contributing to the dissemination and development of the digital world exactly where they live and work.

INDUSTRY OVERVIEW

Web hosting is a service, which provides resources and technologies required for webpages and/or websites to be visible on the Internet. What started as a conventional pairing of dedicated and shared hosting solutions back in the nineties, have already expanded into VPS hosting, WordPress optimized hosting, managed hosting, and today's state-of-the-art cloud hosting service. Undoubtedly the demand for app and web hosting will keep on growing, and the worldwide web hosting service providing industry is expected to reach around \$144 billion by the end of 2020 (IBIS World, 2017). According to 451 Research, an USA based Information Technology advisory and research institution, such growth in the web hosting industry has been triggered by the increasing emphasis on minimizing the total costs of website ownership along with the demands for hedging the unseen expenditures associated with web infrastructure and technology (Duncan, R., 451 Research, 2013). As a result, the web hosting industry has already turned into a mature market with diversified plans and features, making these resources more and more available to the customer day by day.

It should be noted that the service prices in this industry have plummeted significantly over the years, and service providers are coming up with new techniques to offer more specialized services to their existing and potential customers. Furthermore, the advent of new technologies is making the conventional dedicated and shared hosting services a commodity. The USA is still the leading web hosting country in the world with more than 40 percent market share (Web Hosting Media, 2017). And the total contribution of all the European countries (about 30 percent) in this industry is still far away from the grasp of the US

on the entire market (Web Hosting Media, 2017). This scenario shows the possibilities for tremendous growth in the untapped European market, especially in the developing zones of this geography.

The current drivers and trends in the market include the growing popularity of cloud and virtual web hosting spurred by unrestricted scalability and the demand for better flexibility and control. Managed web hosting is still in the spotlight because of website complexities. Additionally, the need for service differentiation is allowing to expand more rapidly End-to-End web hosting services. And finally, the demands for tighter security measures along with 'green web hosting' are also changing the dynamics of this industry to a great extent.

Due to the fast growth in the E-commerce industry, it seems that the web hosting industry will strive to grow like this, and it will not give way to a new technology in the near future. In this regard, Web Hosting Media (2017) reported that in 2010, there were 213.85 million websites worldwide, and this number significantly increased to 993.10 million in 2015. The rapid expansion of E-commerce around the world is making web hosting a must-have service for someone launching an online store, website, or blog. Therefore, the future of the web hosting industry looks very optimistic.

KEY FINANCIAL DATA

Profit & Loss Statement

The reclassified Profit or Loss Statement of the Group as at June 30, 2017 is provided below:

RECLASSIFIED PROFIT AND LOSS STATEMENT	30.06.2017	30.06.2016
(ALL AMOUNTS ARE IN EURO)		
Revenues	2.554.333	1.935.890
Operating costs	(1.580.094)	(1.321.060)
VALUE ADDED	974.239	614.830
Personnel costs	(758.352)	(430.533)
GROSS OPERATING MARGIN	215.887	184.297
Amortization and impairment	(62.914)	(52.748)
EBIT	152.973	131.549
Other non-operating income/expense	(1.346)	6.871
Financial income and expenses	(33.494)	(20.649)
EARNINGS BEFORE TAXES (EBT)	118.133	117.771
Income taxes	(33.169)	(51.077)
NET RESULT	84.964	66.694
OF WHICH		
Relating to the shareholders of the Parent Company	98.429	66.694
Relating to the third party shareholders	(13.465)	

During the financial semester ended 30 June 2017 the total consolidated revenues of the Group are equal to **2,55M EUR**.

In the interim consolidated Profit & Loss statement results related to DHH Italia srl and DHH Switzerland SA are accounted only pro-quota starting from the date of acquisition (May 2017).

The consolidated EBITDA amounts to **215k EUR**.

Comparing consolidated EBITDA as at 30 June 2017 to consolidated EBITDA as at 30 June 2016, there is a positive difference of **31k EUR**, in part due to the inclusion in the consolidation of new companies.

MAIN BALANCE SHEET DATA

The reclassified balance sheet of the Group as at 30 June 2017 is provided below

RECLASSIFIED BALANCE SHEET	30.06.2017	31.12.2016
(ALL AMOUNTS ARE IN EURO)		
Trade Receivables	531.359	110.311
Trade payables	(548.684)	(246.242)
OPERATING NET WORKING CAPITAL	(17.325)	(135.931)
Other current receivables	294.351	254.912
Prepaid expenses and accrued income	522.973	378.141
Other current liabilities	(337.060)	(273.739)
Accrued liabilities and deferred income	(1.631.806)	(1.087.297)
Taxes payables	(136.409)	(80.280)
NET WORKING CAPITAL *	(1.305.277)	(944.194)
Goodwill	5.057.146	4.489.877
Tangible fixed assets	396.142	214.613
Intangible fixed assets	691.919	99.691
Non current financial assets	7.511	-
Other non current assets	2.507	2.457
Deferred tax assets	10.085	9.151
FIXED ASSETS	6.165.309	4.815.789
Employee benefits fund	(2.721)	(1.591)
Liabilities for deferred taxes	(12.076)	(2.268)
NET NON CURRENT LIABILITIES	(14.797)	(3.859)
NET INVESTED CAPITAL **	4.845.235	3.867.736
NET EQUITY	7.123.361	7.052.420
Cash equivalents	(3.075.741)	(3.917.746)
Current financial assets	-	(8.259)
Non current financial liabilities	607.427	653.910
Current financial liabilities	190.188	87.411
NET FINANCIAL POSITION ***	(2.278.126)	(3.184.684)
NET EQUITY AND NET FINANCIAL DEBT	4.845.236	3.867.736

(*) The Net Working Capital is the difference between current assets and liabilities without financial assets and liabilities. The Net Working Capital is not recognized as accounting measure within the accounting standard adopted; it should be noted that such

data has been established in accordance with Recommendation CESR 05-054b of 10 February 2005, as modified on 23 March 2011, "Guidelines for the Consistent Implementation of the European Commission's Regulations on Prospectuses".

(**) The Net Capital Invested is the algebraic sum of the Net Working Capital, assets and long-term liabilities. The Net Capital Invested is not recognized as accounting measure within the accounting standard adopted.

(***) Pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006, it should be noted that the Net Financial Position ("Net Financial Position" or "NFP") is the algebraic sum of cash and cash equivalents, current financial assets and short/long term financial liabilities (current and noncurrent liabilities). The NFP has been determined pursuant to Recommendation CESR 05-054b of 10 February 2005, as modified on 23 March 2011 "Guidelines for the Consistent Implementation of the European Commission's Regulations on Prospectuses".

NET FINANCIAL POSITION

The Net Financial Position of the Group as at June 30, 2017 is provided below:

CONSOLIDATED NET FINANCIAL POSITION	30.06.2017	30.06.2016
(ALL AMOUNTS ARE IN EURO)		
A. Cash	(1.399)	(281)
B. Cash equivalents	(3.074.342)	(952.413)
C. Securities held for trading	-	-
D. LIQUIDITY (A)+(B)+(C)	(3.075.741)	(952.694)
E. Current financial Receivables	-	(692)
F. Short-term bank liabilities	188.008	13.995
G. Current part of non-current borrowing	-	76.400
H. Other current financial liabilities	1.092	-
I. CURRENT FINANCIAL DEBT (F)+(G)+(H)	189.100	90.395
J. NET CURRENT FINANCIAL DEBT (I)-(E)-(D)	(2.886.641)	(862.991)
K. Non-current bank liabilities	565.182	572.535
L. Bonds issued	-	-
M. Other non-current liabilities	43.333	130.000
N. NON-CURRENT FINANCIAL DEBT (K)+(L)+(M)	608.515	702.535
O. NET FINANCIAL DEBT (J)+(N)	(2.278.126)	(160.456)

Pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006, it should be noted that the Net Financial Position ("Net Financial Position" or "NFP") is the algebraic sum of cash and cash equivalents, current financial assets and short/long term financial liabilities (current and noncurrent liabilities). The net financial position is determined pursuant to paragraph 127 of the recommendation set out in the document prepared by ESMA, no. 319 of 2013.

TABLE OF CONTENTS

CORPORATE BODIES	pag.8
------------------------	-------

STRUCTURE OF THE GROUP	pag.9
------------------------------	-------

BOARD OF DIRECTORS REPORT	pag.11
---------------------------------	--------

Section A: Significant Events during the semester	pag.11
---------------------------------------------------------	--------

Section B: Principal risks	pag.13
----------------------------------	--------

Section C: Important related party transactions	pag.16
-------------------------------------------------------	--------

Section D: Labour & Environment	pag.17
---------------------------------------	--------

Section E: Evolution, performance and position of the Company and Group	pag.18
-------------------------------------------------------------------------------	--------

Section F: Significant events between end of semester and publishing of this report	pag.19
-------------------------------------------------------------------------------------------	--------

Section G: Corporate governance	pag.20
---------------------------------------	--------

GROUP CONSOLIDATED INTERIM REPORT AS AT 30. 06. 2017

Interim consolidated Financial statements	pag.24
-------------------------------------------------	--------

Notes to Financial statements	pag.30
-------------------------------------	--------

Cost sharing	pag.30
--------------------	--------

Basis of presentation of financial statements	pag.30
-----------------------------------------------------	--------

Consolidation principles	pag.32
--------------------------------	--------

Evaluation Criteria	pag.33
---------------------------	--------

Other information	pag.39
-------------------------	--------

Scope of Consolidation	pag.41
------------------------------	--------

Group segment information	pag.43
---------------------------------	--------

Notes to the interim consolidated Financial statements	pag.45
--------------------------------------------------------------	--------

DOMINION HOSTING HOLDING S.P.A.

PARENT COMPANY INTERIM REPORT AS AT 30. 06. 2017

Interim Financial statements	pag.55
------------------------------------	--------

Notes to financial statements	pag.61
-------------------------------------	--------

Notes to the interim financial statement.....	pag.66
-----------------------------------------------	--------

CORPORATE BODIES

BOARD OF DIRECTORS*

Executive Chairman: **GIANDOMENICO SICA**

Managing Director: **MATIJA JEKOVEC**

Managing Director: **UROS ČIMŽAR**

Director: **ANTONIO DOMENICO BALDASSARRA**

Independent Director: **GUIDO BUSATO****

BOARD OF AUDITORS***

Chairman: **UMBERTO LOMBARDI**

Statutory Auditors: **PIERLUIGI PIPOLO, STEFANO PIZZUTELLI**

INDEPENDENT AUDITING FIRM****

Auditing firm: **BDO ITALIA S.P.A**

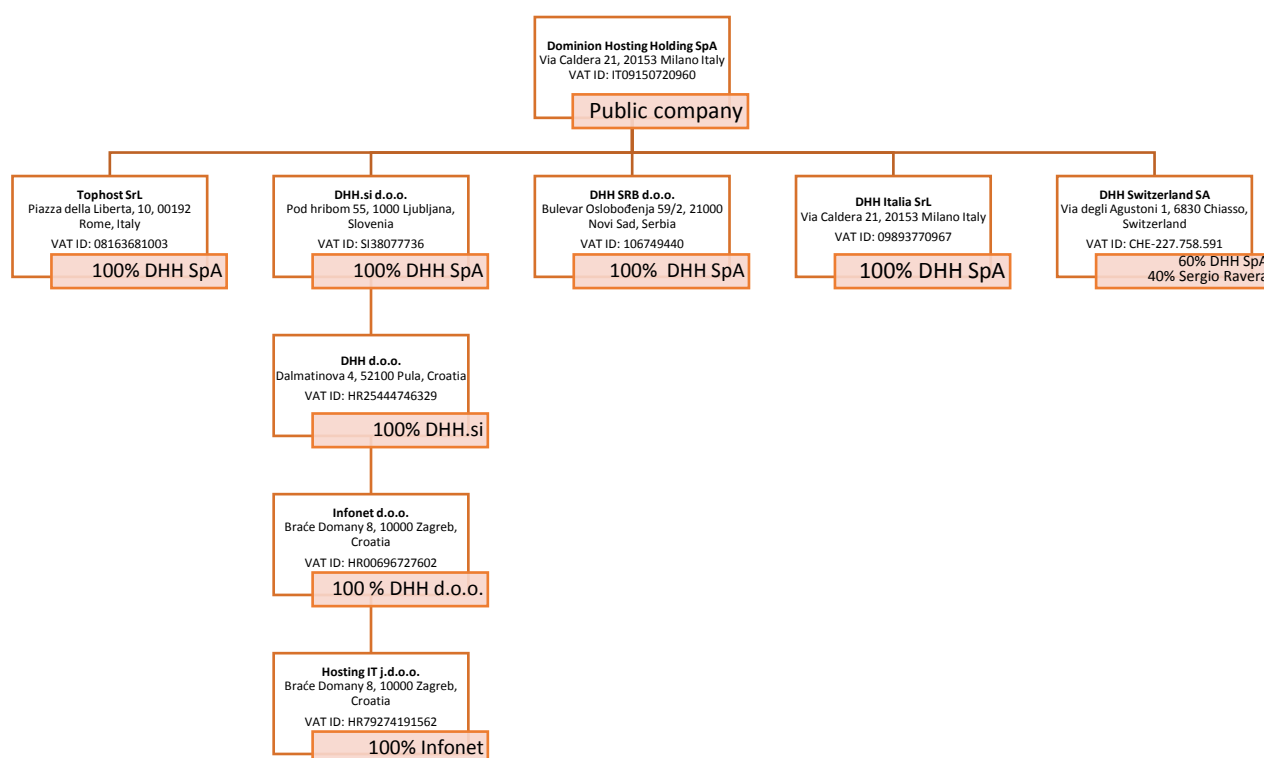
(*) The Board of Directors was appointed on 15/04/2016 and will remain in office for three years;

(**) The Ordinary Shareholders' Meeting of Dominion Hosting Holding S.p.A. on 26/04/2017 has appointed Dr. Guido Busato as independent director of the Company and will remain in office until the expiration of the board of directors;

(***) The Board of Auditors was appointed on 15/04/2016 and will remain in office for three years;

(****) The Independent Auditing Firm was appointed on 15/04/2016 and will remain in office for three years.

STRUCTURE OF THE GROUP



DOMINION HOSTING HOLDING S.P.A. (ITALY)

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. (ITALY)

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.

DHH.SI D.O.O. (SLOVENIA)

100% controlled by D.H.H. S.p.A. was established as a web development and later web agency company. After focusing on the hosting market and acquiring and merging the biggest competitor in Slovenia, DHH.si d.o.o. became Slovenia's largest hosting provider. Today the company is an important Slovenian provider of web hosting services and its market share is growing steadily.

DHH D.O.O. (CROATIA)

100% controlled by DHH.si d.o.o. - was established in 2001 as IT Plus d.o.o. and later renamed to Plus hosting d.o.o. Through organic growth and after some successful small acquisitions of competitors, Plus

quickly became key player in Croatian hosting area. The company is recognised on the market for its technical expertise and high quality of its customer service.

DHH SRB D.O.O. (PLUS HOSTING D.O.O. AT 30.06.2017 - SERBIA)

100% controlled by DHH.si d.o.o. – established by the same founders as DHH d.o.o. in Croatia, it is a budget provider in Serbia with a small but the fastest growing presence in the Group. It currently operates around 5.000 domain names and 2.500 customers.

INFONET D.O.O. (CROATIA)

100% controlled by DHH d.o.o. – acquired in September 2016, this is the latest addition to the Group. A mid-market provider with services ranging from housing and dedicated servers to shared hosting and domain reselling. Situated in Zagreb, it operates around 5.000 customers.

HOSTING IT D.O.O. (CROATIA)

100% controlled by Infonet d.o.o. – a small spin-off of Infonet established as a budget provider in Croatian space.

DHH SWITZERLAND SA (BEEBEEWEB SA AT 30.06.2017 – SWITZERLAND)

60% controlled by DHH S.p.A. acquired in May 2017 – a swiss company engaged in the business of web hosting. Under the brand Artera, DHH Switzerland produces premium hosting and cloud services designed to meet the needs of companies and web professionals, major portals and e-commerce projects. Artera's mission is to have the best performance ever.

DHH ITALIA S.R.L. (ITALY)

100% controlled by DHH S.p.A., a new company acquired in May 2017 - engaged in the business of web hosting. DHH Italia is mainly a reseller of DHH Switzerland.

BOARD OF DIRECTORS REPORT

SECTION A: SIGNIFICANT EVENTS DURING THE SEMESTER AND AT A LATER DATE

As a general remark in the first half of 2017 the Group focused on developing its business strengthening its market position and improving its corporate governance increasing the number of qualified persons.

More specifically, the following material events took place on the dates indicated below:

10TH FEBRUARY 2017

In order to develop its business, DHH entered into a framework agreement with Mr. Sergio Ravera aimed at acquiring from the latter: i) Bee Bee Web SA, a Swiss company involved in the business of web hosting and ii) the Italian reseller of Bee Bee Web so as to strengthen the group presence in the Italian market.

In particular, under the above framework agreement the consideration included a payment in cash of Euro 900.000,00 (calculated on a debt free basis) and the issuance in favour of Mr. Ravera of no. 40.000 DHH's newly issued shares arising from a capital increase and paid for by a contribution in kind of a part of Mr. Ravera's participation into Bee Bee Web.

20TH MARCH 2017

DHH purchased from Studio4Web a branch of business dedicated to web hosting. The acquisition was carried out by DHH d.o.o., a Croatian subsidiary. The purchase price was equal to HKR 2.100.000,00 (approx. EUR 280.000,00) plus available cash (less debt).

26th APRIL 2017

DHH appointed Dr. Guido Busato as independent director of the Company.

12TH MAY 2017

DHH completed the first part of the transaction with Mr. Sergio Ravera. In particular, DHH acquired from Mr. Ravera (i) 60% of the share capital of Bee Bee Web SA and (ii) 100% of the share capital of Hosting Star S.r.l (previously Artera S.r.l.), the Italian reseller of Bee Bee Web.

After due diligence the final consideration agreed by the parties for the abovementioned deals was set at Euro 593,322.17, on a debt-free basis and after having taken into account both a) the agreement originally signed by DHH and Mr. Ravera on 10 February 2017 and b) the updated situation of both companies as at May 9 2017. DHH paid Euro 526.322,17 as consideration for the abovementioned deals.

As a result of the above transaction DHH acquired 60% of Bee Bee Web SA and became the sole quotaholder of DHH Italia S.r.l. (previously Hosting Star S.r.l.). Mr. Sergio Ravera maintained his position as CEO of Bee Bee Web SA and became CEO of DHH Italia S.r.l.

30TH MAY 2017

In the context of the reorganization of the structure of its Group and with a purpose of simplification DHH:

- (i) approved the merger of Hosting IT j.d.o.o./Infonet d.o.o. (two subsidiaries of DHH) and thereafter, the merger of Infonet d.o.o. into DHH d.o.o;
- (ii) approved the acquisition by DHH SpA of the whole participation DHH.si d.o.o. (the Slovenian subsidiary of DHH S.p.A.) holds in both its subsidiaries, Plus Hosting d.o.o. (the Serbian one) and DHH d.o.o. (the Croatian subsidiary).

30TH JUNE 2017

Plus Hosting d.o.o. (Serbia) was acquired by DHH S.p.A. from DHH.si d.o.o. (Slovenia). The agreed price was 0 EUR which was also book value of the investment in DHH.si. The company was renamed from Plus Hosting d.o.o. to DHH SRB d.o.o. in accordance with the group naming policy. The operation was carried out in order to simplify the ownership structure of the group and reduce administrative overhead.

SECTION B: PRINCIPAL RISKS

Disclosure relative to risks and uncertainties pursuant to the article 2428, paragraph 2, no. 6-bis, of the Italian Civil Code.

The company is potentially exposed to the following relevant risks:

INTERNAL RISKS

RISK LINKED TO THE COMPANY BEING ONLY RECENTLY INCORPORATED

The Company was established on 9 July 2015 and does not have previous experience in the management and direction of subsidiaries. Following its establishment, the Company focused mainly on its organizational structure and on the listing process of its shares. Instead the subsidiaries, which have an operational background, have been subject to extraordinary transactions in order to achieve a step-by-step integration.

Although the key persons of the Company have a multi-year professional experience in the IT field and all subsidiaries have recorded a steady and intense development in recent years, there is no guarantee that the future growth goals of the Company can be achieved or that the Company, as a holding company, will be able to record the growth rates which the individual subsidiaries have recorded in previous years, also in the light of the fact that the Company will have to face typical risks and difficulties of companies with recent operational history which might cause adverse effects on its economic, equity and financial situation.

RISK LINKED TO CERTAIN KEY PERSONS

The success of the Group depends on some of its key managers who, thanks to a solid experience and their skills, have played over time a key role in the management of the Group, contributing significantly to the development of the Group's activities. It should be noted that the key persons of the Group continue to work within the Company.

Although the Group has an operating and managerial structure capable of ensuring continuity in the management of the Group's business, a termination of the professional contribution brought by one or more key persons could have negative effects on the development of the business and the timeframe for the implementation of the Group's growth strategy.

EXTERNAL RISKS

RISK RELATED TO THE GENERAL ECONOMIC SITUATION

The persistent crisis affecting the banking system and the financial markets, as well as the subsequent worsening of the macro-economic conditions, which resulted in a contraction in consumption and industrial world-wide production, have in the last years caused the restriction on access to the credit and a low level of liquidity in the financial markets of countries in the Eurozone. The crisis of the banking system and financial markets led, along with other factors, to a scenario of economic recession in the countries where the Group operates. Considering the business model features that the Group adopted, the Group's business is mainly funded through the re-use of cash resources generated by the business itself. However, the demand for the Group's products is to some extent related to the general economic situation of the

Countries where the companies of the Group operate. In this difficult macro-economic situation the Group has successfully grown and achieved positive results. However it cannot be excluded that such crisis might continue in the Eurozone countries. In such case there might be negative effects on the Group's economic, equity and financial position.

RISKS RELATING TO THE COMPETITION IN THE MAIN MARKET

The Company operates in a competitive and dynamic area. The domain registration and hosting market is characterized by high competition which is caused by, among others, the significant growth margins recorded in recent years. In particular, in Italy the market is characterized not only by a high level of competition, but also by the presence of operators holding higher market shares than the Company. Furthermore, legal and natural persons with seat or place of residence in Croatia may record for free a domain name identifying such legal/natural person. Although the Group companies operating in Croatia will continue to provide additional services to domain registration, maintaining an adequate marginality, it cannot be excluded that, due to competition, Group companies will be forced to lower their prices of domain registration.

In addition, there is a risk that the Company will not be able to properly address the strategies and offers of competitors or the entry of new national or international operators on the market losing progressively their customers and/or market shares. Such situation could generally have a negative effect on the market position of the Group and on its economic, equity and financial position.

RISK RELATING TO TECHNOLOGICAL PROGRESS

The main sector in which the Company operates is characterized by a rapid technological development, high competition as well as by a rapid obsolescence of existing products. Therefore, the success of the Company in the future will depend, among others, on the capacity to innovate and strengthen its technologies, in order to respond to the technological and emerging progress in the field in which it operates and to satisfy the clients' needs, through the development of new services and products.

In order to maintain its competitiveness on the market and to respond to the rapid technological changes, the Group will invest in research and development.

Should the Group be unable to innovate its services and, therefore, adjust to the needs of clients, negative effects may affect the company's economic, equity and financial position.

FINANCIAL RISKS

The main financial risks of the Group depend on fund raising in the market (liquidity risk) and customer's capacity to face their obligations (credit risk).

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.

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

CREDIT RISK

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

Most of the services of the Group are available with an annual or multi-year subscription. Therefore, clients (especially companies) may not fulfil their obligations.

MARKET RISKS

INTEREST RATES

As for the Group's financial liabilities, the subsidiary DHH.si d.o.o. (former Klaro) holds a mortgage contract by UniCredit. The applied interest rate includes a floating rate referred to the Euribor six months rate; the Group does not hold hedge contracts.

EXCHANGE RATE RISK

The Group operates in countries that use currencies other than Euro. In every country they operate, the Group companies offer the price lists of their services in local currencies. However, these price lists are often based on the purchase of services in various currencies and, mainly, on the US dollar from third parties.

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

DHH d.o.o. (formerly Plus Hosting d.o.o., Croatia) has received two separate loans from DHH S.p.A. (265,000 EUR and 50,000 EUR, term 10 years) which are still outstanding. DHH d.o.o. is operating in Croatian Kuna therefore it is subject to exchange rate risks between HRK and EUR.

SECTION C: RELATED PARTY TRANSACTIONS

The transactions carried out with Group companies and other related parties mainly involve the provision of services, obtaining and using 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.

The following is a breakdown of relations with related parties as at June 30, 2017 taken from the year's financial statements:

PARTY	RECEIVABLES	PAYABLES	COSTS	REVENUES
1 Seeweb s.r.l.		183.212	420.467	
2 Antonio Domenico Baldassarra		500	500	
3 Giandomenico Sica		9.464	52.157	
4 Uros Čimžar		3.534	36.671	
5 Matija Jekovec		3.903	35.393	
6 Petra Kotlušek		1.143	10.682	
TOTAL		201.756	555.870	

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 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 Slovenija D.D., all in the interest of subsidiary DHH.si d.o.o.; 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. In July 2017 DHH.si closed the loan with Unicredit Banka Slovenija and therefore will be followed by the cancellation of the international cross-border guarantee.

Cost and payables relating Board of Directors (Mr.Sica, Mr.Baldassarra, Mr. Čimžar and Mr. Jekovec) are of Euro 500,00 for each Board meeting in which each director will take part in 2017.

Costs and payables relating to counterparts Mr.Sica, relate to the contract signed with Grafoventures by Giandomenico Sica are related for professional strategic services; The total amount for the first semester is agreed for Euro 45.000,00 plus VAT and any legal charges.

SECTION D: LABOUR & ENVIRONMENT

The Group employed 72 people as of 30.06.2017 compared to 44 employed at 30.06.2016. The rest of employments were made to cover the needs of Customer Service and System Administration. There were no on the job fatalities or work related accidents in the period covered by this report. During the period there were no claims regarding occupational diseases of employees or former employees and causes of mobbing, for which the companies of the Group were declared liable.

The basic principle governing the Group operation is the continuous training and education of its personnel with the goal of providing the best service to the company's' customers and to provide a positive work environment for all employees.

The Group recognizes the need for continuous improvement of its environmental performance based on the principles of sustainable development and in compliance with legislation and international standards aiming to achieve a balanced economic development in harmonization with the natural environment. Following the above mentioned principles, the Group carries out its activities in a manner that ensures both the protection of the environment and preservation of the health and safety of its personnel.

During the period of this report there were no environmental issues for which one or more companies were liable, nor there were any penalties awarded by the local authorities.

SECTION E: EVOLUTION, PERFORMANCE AND POSITION OF THE COMPANY AND GROUP

This section includes a proper and concise representation of the development, performance activity and position of the whole business included in consolidation. This display has been created in such a way as to provide a balanced and comprehensive analysis of the above categories of issues, which corresponds to the size and complexity of these companies' activities. Furthermore, at the end of this display some indicators are being provided which the Board of Directors evaluates as useful.

GROUP FINANCIAL INDICATORS

The main financial numbers for the Group are as follows:

KEY FINANCIALS (ALL AMOUNTS ARE IN EURO)	CONSOLIDATED 30.06.2017	CONSOLIDATED 30.06.2016	VAR	%
Total Assets	10.589.732	5.862.609	4.727.123	81%
Total Equity	7.123.361	3.228.615	3.894.746	121%
Net sales	2.388.868	1.925.415	463.453	24%
Gross Margin	1.063.075	697.444	365.631	52%
EBT	118.133	117.771	362	0,3%
NET PROFIT	84.964	66.694	18.270	27%

GROUP PERFORMANCE INDICATORS

Below are listed several ratios related to the essential performance, position and economic situation of both the Group and the Company:

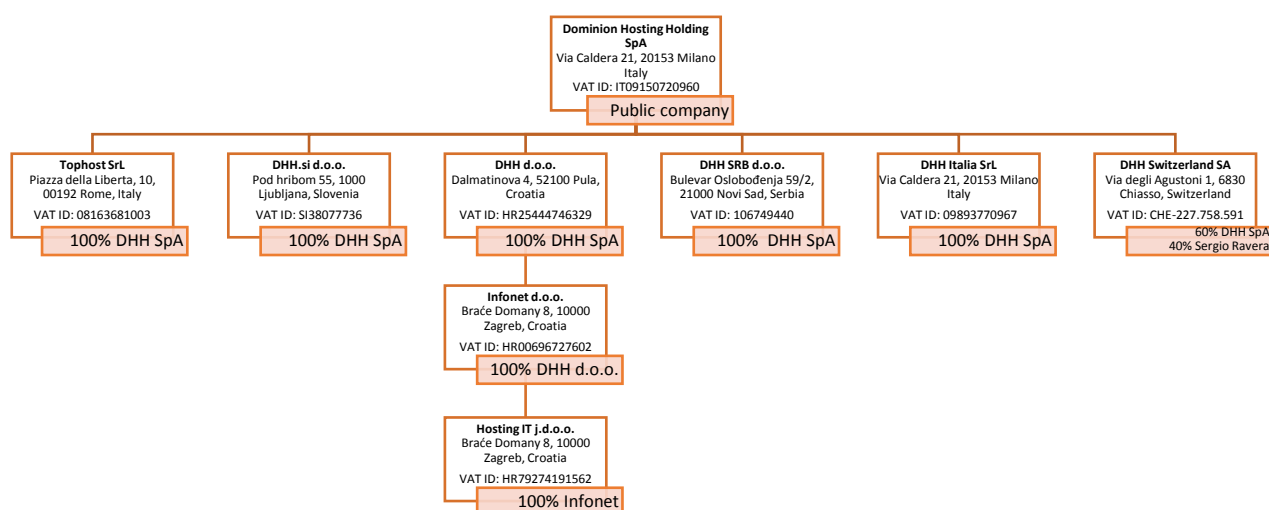
KEY INDICATORS (ALL AMOUNTS ARE IN EURO)	CONSOLIDATED 30.06.2017	CONSOLIDATED 30.06.2016	
Fixed Assets Ratio	58%	73%	This ratio shows the ratio of fixed assets to total assets
Total Fixed Assets to Equity Ratio	87%	133%	This ratio shows the capital structure of the Group
Total Liabilities to Liabilities and equity ratio	33%	45%	Debt percentage ratio

Total equity to total liabilities and equity	67%	55%	Debt percentage ratio
Debt to Equity ratio	11%	22%	The percentage of debt to equity
Working Capital ratio	1,56	0,81	This ratio shows how many times the current assets cover the current liabilities of the Group

SECTION F: SIGNIFICANT EVENTS BETWEEN END OF SEMESTER AND PUBLISHING OF THIS REPORT

5TH JULY 2017:

DHH d.o.o. (Croatia) was acquired by DHH S.p.A. The agreed purchase price was 1.666.998 EUR. The amount will be paid in multiple installment. The operation was carried out in order to simplify the ownership structure of the group and reduce administrative overhead. Below are reported the new structure of the group:



SECTION G: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE MODEL

The corporate governance structure adopted by Dominion Hosting Holding S.p.A. is articulated according to the traditional system that features:

- the shareholders' meeting;
- the board of directors entrusted with the management of the Company;
- the board of statutory auditors.

BOARD OF DIRECTORS

The Board of Directors of the Company, appointed by the Shareholder's meeting held on 15th April 2016, is entrusted with the management of the Company and is made of four members plus an independent director who has to be appointed. The current board of directors' term will expire when the financial statements for 2018 will be approved.

The members of the Board of Directors (with a brief professional profile of each of them) are the following:

GIANDOMENICO SICA – CHAIRMAN OF THE BOARD OF DIRECTORS

Giandomenico is an entrepreneur with a passion for technology and technologic-enabled services businesses. At present he is involving as a “co-entrepreneur” in Dominion Hosting Holding and in MailUp, an industrial group of Email Service Providers focused on the non-English speaking markets and listed on the Italian Stock Exchange (IPO 2014).

He is also a former partner of Digital Magics (www.digitalmagics.com), a venture incubator of digital startups listed on the Italian Stock Exchange (IPO 2013).

His background is in Philosophy (BA hons 2003 at the University of Milan).

MATIJA JEKOVEC – MANAGING DIRECTOR

Matija co-founded the Klaro group in 2003 and worked as a developer and later R&D manager. Through his technical career he acquired an intimate knowledge of development, software architecture, implementation of development processes (agile development, test driven development continuous integration) and system administration. As the company shifted focus to hosting and acquired some of its competitors, Matija managed the operations for the group and had an active role in building the largest hosting group in Slovenia.

His background is in Computer Science and he is still actively involved in the developer community in Slovenia.

UROŠ ČIMŽAR – MANAGING DIRECTOR

Uroš Čimžar has over 15 years of experience in the web and hosting industry. While he was still at university, he co-founded Klaro where he worked as CEO. Klaro was one of the top 10 Slovenian web agencies, but the team also worked on its own internal projects like Domovanje.com. Over the years, Uroš has accumulated extensive entrepreneurial experience, mostly in the fields of finance, marketing and business development. He also shares his knowledge with the Slovenian business community as guest

speaker at various events. He is particularly passionate about promoting entrepreneurial thinking, especially among young people.

ANTONIO BALDASSARRA – DIRECTOR

With over 25 years of experience in Electronics, Telecommunication and Computer Science, Antonio is the founder and CEO of Seeweb, a leading Italian company in the field of IT services, cloud computing and data centers.

Antonio is currently president of the Hosters and Registrars Association, member of the Technical Committee and of the Board of Directors at Rome Nautilus Mediterranean Exchange (NameX), and formerly he was a member of the ccTLD Steering Committee (CIR) of .IT registry at IIT-CNR in Pisa.

Antonio is also committed to creation and enhancement of businesses, and he has a great passion for the development of start-ups and nascent companies operating in the world of Internet and cloud computing through business angel activities and industrial relationships.

GUIDO BUSATO - INDEPENDENT DIRECTOR

Born in 1963, Mr. Guido Busato is an entrepreneur and managing director with over 25 years of working experience in finance, environmental and energy markets. Specialized in new business start-up with excellent track-record in banking and asset management.

Since 2003 he is the founder, owner and manager of EcoWay S.p.A., the first Italian trading and advisory firm on environmental markets and finance, leader in CO2 trading for Italy and from 2014 active also on power markets with a focus on renewable energy.

From 2015, through the family Holding BREG, he is managing a small Family Office with equity investments in Italian SMEs.

His professional career started in the early '90s in Mediocredito Lombardo S.p.A. then in Credito Italiano.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is the governance body charged with ensuring that the Company is operating in compliance with the law and the By-laws and performs a management oversight function.

Pursuant to Article 40 of By-laws, the Board of Statutory Auditors performs all the functions provided for Italian law. It has been appointed by the Shareholders' meeting held on 15th April 2016 and is made of three Standing Auditors and two Alternate Auditors.

The Board of Statutory Auditors will remain in office for three fiscal years from the date of appointment (so, until the approval of financial statements for 2018).

The current Auditors are listed below:

NAME	ROLE
Umberto Lombardi	Chairman
Stefano Pizzutelli	Standing Auditor

Pierluigi Pipolo	Standing Auditor
Umberto Capogna	Alternate Auditor
Cesare Cinelli	Alternate Auditor

PROCEDURES

In order to establish and maintain good standards of corporate governance, Dominion Hosting Holding S.p.A. has adopted the following procedures:

1. **INTERNAL PROCEDURE FOR THE MANAGEMENT AND HANDLING OF CONFIDENTIAL INFORMATION AND FOR THE EXTERNAL COMMUNICATION OF DOCUMENTS AND INFORMATION:** this procedure regulates the management and handling of confidential information about the Company, with a special reference to the inside information (as defined pursuant to article 7 of the M.A.R.), bearing in mind the current laws and regulations concerning the prevention and the repression of any form of market abuse. This procedure has been approved pursuant to articles 17, 24, 25 and 31 of AIM Italia Issuers' regulations – Mercato Alternativo del Capitale, as well as in compliance with applicable law and regulations such as the Regulations (EU) No. 596 of 2014 on market abuse ("**M.A.R.**").
2. **INTERNAL DEALING PROCEDURE:** this procedure, deals with the practice of internal dealing, i.e. the transparency of all transactions performed by Relevant Persons and Close Associates of Relevant Persons (both as defined in such procedure) that involves shares, as well as financial instruments linked to shares issued by Dominion Hosting Holding S.p.A.; such procedure aims at regulating all disclosure requirements and conditions to which the Relevant Persons, the Close Associates of Relevant Persons and the Company itself are subject, with the goal to ensure a timely, correct and proportional disclosure to the public.
3. **NOMAD COMMUNICATION OBLIGATIONS PROCEDURE:** this procedure regulates the process through which the Company provides the Nomad with any information which may be necessary, opportune or reasonably requested by the latter to fulfil its duties according to the AIM Italia Issuers' Regulations and according to the AIM Italia – Alternative Capital Market Nominated Advisers Regulations, as amended and integrated from time to time.
4. **TRANSACTIONS WITH RELATED PARTIES PROCEDURE:** this procedure relating to the governance of transactions with related parties is aimed at identifying the rules which govern the approval and execution of transactions with Related Parties (as defined in such procedure) put in place by Dominion Hosting Holding S.p.A. directly or through Subsidiary (as defined in such procedure), in order to ensure the transparency and the substantial and procedural correctness of such transactions following the trading of the Company's shares on AIM Italia – Mercato Alternativo del Capitale ("AIM Italia"), a multi-lateral trading facility organized and managed by Borsa Italiana.
5. **PROCEDURE FOR SETTING UP AND KEEPING A REGISTER OF PERSONS WITH ACCESS TO INSIDE INFORMATION:** this procedure regulates the institution and the keeping of the register of persons with access to inside information which, pursuant to article 7 of the M.A.R., means any information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or one or more of its financial instruments listed on AIM Italia and which, if it were made public, would be likely to have a significant effect on the prices of such financial instruments or on the price of related derivative financial instruments prices.



GROUP CONSOLIDATED INTERIM REPORT AS AT 30.06.2017

Financial Statement prepared in accordance with IAS/IFRS principles*

- All amounts are in Euro -

(*) These consolidated financial statements, making use of the option provided by art. 19, Part I, of the Issuers Regulation AIM Italy, 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 notes to the financial statements. Financial statements are the result of consolidation of financial statements of companies detailed in the chapter "Structure of the group" (the "Group") in which Dominion Hosting Holding S.p.A. directly or indirectly controls the majority of voting rights in the ordinary shareholders, at the above date.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

ASSETS (ALL AMOUNTS ARE IN EURO)	NOTE	30.06.2017	OF WHICH RELATED PARTIES	31.12.2016
Goodwill	1	5.057.146		4.489.877
Tangible fixed assets	2	396.142		214.613
Intangible assets	3	691.919		99.691
Non current financial assets	4	7.511		0
Other non current assets	5	2.507		2.457
Prepaid Tax assets	6	10.085		9.151
NON CURRENT ASSETS		6.165.309		4.815.789
Trade receivables	7	531.359		110.311
Current financial assets	8	-		8.259
Other current assets	9	114.317		104.410
Tax receivables	10	180.034		150.502
Cash and cash equivalents	11	3.075.741		3.917.746
Prepaid expenses and accrued income	12	522.973		378.141
CURRENT ASSETS		4.424.423		4.669.369
TOTAL ASSETS		10.589.732		9.485.158

LIABILITIES (ALL AMOUNTS ARE IN EURO)	NOTE	30.06.2017	31.12.2016
Share Capital		142.000	142.000
Reserves		6.682.950	6.719.637
Retained Profit (Loss)		221.269	35.561
Year's profit (loss) relating to the shareholders of the Parent Company		98.429	155.222
NET EQUITY PARENT COMPANY		7.144.648	7.052.420
Capital and Reserves relating to the third party shareholders		(7.822)	
Year's Profit/loss relating to the third party shareholders		(13.465)	

**NET EQUITY TO THE THIRD PARTY
SHAREHOLDERS**

(21.287)

NET EQUITY	13	7.123.361		7.052.420
Non current financial payables	14	564.094		549.332
Severance reserves	15	2.721		1.591
Other non current liabilities	16	43.333		104.578
Liabilities for deferred taxes	17	12.076		2.268
NON CURRENT LIABILITIES		622.224		657.769
Trade payables	18	548.684	191.168	246.242
Other current liabilities	19	337.060	10.588	273.739
Current financial liabilities	20	190.188		87.411
Tax payables	21	136.409		80.280
Accrued liabilities and deferred income	22	1.631.806		1.087.297
CURRENT LIABILITIES		2.844.147		1.774.969
TOTAL LIABILITIES		3.466.371		2.432.738
TOTAL LIABILITIES AND NET EQUITY		10.589.732		9.485.158

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2017

CONSOLIDATED INCOME STATEMENT	NOTE	30.06.2017	OF WHICH RELATED PARTIES	30.06.2016
(ALL AMOUNTS ARE IN EURO)				
Net Sales	23	2.388.868		1.925.415
Other Revenues	24	41.112		10.475
Internal project	25	124.354		
OPERATING REVENUES		2.554.333		1.935.890
Material costs	26	(15.034)		(16.506)
Service costs and use of third party assets	27	(1.476.224)	(467.375)	(1.221.944)
Personnel costs	28	(758.352)	(88.495)	(430.533)
Other expenses	29	(88.836)		(82.610)
TOTAL OPERATING COSTS		(2.338.446)		(1.751.593)
OPERATING INCOME - EBITDA*		215.887		184.297

Amortization and impairment	30	(62.914)	(52.748)
EBIT**		152.973	131.549
Financial income (expenses)	31	(33.494)	(20.649)
Other non-operating income/expense	32	(1.346)	6.871
EARNINGS BEFORE TAXES		118.133	117.771
Total current and deferred income taxes	33	(33.169)	(51.077)
NET INCOME (LOSS) FOR THE YEAR		84.964	66.694
OF WHICH:			
relating to the shareholders of the Parent Company		98.429	66.694
relating to the third party shareholders		(13.465)	
EARNINGS PER SHARE (IN EURO)	34	0,069	0,067
DILUTED EARNINGS PER SHARE (IN EURO)	34	0,035	0,043

OVERALL CONSOLIDATED INCOME STATEMENT		30.06.2017	30.06.2016
(ALL AMOUNTS ARE IN EURO)			
PROFIT (LOSS) FOR PERIOD (A)		84.964	66.694
Components which should be subsequently classified in the Income Statement			
Components which should not be classified in the Income statement			
Profit/(losses) arising from the translation of the consolidated companies' financial statements in currencies other than Euro		(5.622)	
TOTAL OTHER INCOME (LOSS), NET OF FISCAL EFFECT (B)		(5.622)	
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR PERIOD (A+B)		79.342	66.694

(*) EBITDA indicates earnings before interest, taxes, depreciation and amortization or fixed assets and write-down of receivables. Therefore EBITDA represents the operating margin before choices in amortisation policy and assessing trade receivables. EBITA, as defined above, represents the index used by the Company's directors to monitor and assess business trends. EBITDA is not identified as an accounting measure under national accounting standard, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBITDA is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

(**) EBIT indicates earnings before interest and taxes. Therefore EBIT represents the year's results before third party and treasury share dividend distribution. EBIT, as defined above, represents the index used by the directors of the Company to monitor and assess business trends. EBIT is not identified as an accounting measure under national accounting standard, consequently it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBIT is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

	31.12.2015 (PRO-FORMA)	PRO-FORMA DIFFERENCIES	SHARE CAPITAL INCREASE IPO	EARNINGS/LOSSES REPORTED IN OCI	NET RESULT 2016	31.12.2016
Share capital	100.000		42.000			142.000
Share premium reserve	3.081.168		3.629.598			6.710.766
Bonus Share Reserve			8.400			8.400
OCI Reserve				471		471
Retained earnings (Accumulated losses)	(1.435)	36.996				35.561
Net result	235.855	(235.855)			155.222	155.222
TOTAL NET EQUITY	3.415.588	(198.859)	3.679.998	471	155.222	7.052.420

	31.12.2016	RESULT ALLOCATION	OTHER VARIATIONS INCREASE DECREASE	EARNINGS/LOSSES REPORTED IN OCI	NET RESULT 30.06.2017	30.06.2017
Share capital	142.000					142.000
Share premium reserve	6.710.766	(31.122)				6.679.644
Bonus Share Reserve	8.400					8.400
OCI Reserve	471			(5.565)		(5.094)
Retained earnings (Accumulated losses)	35.561	186.344		(636)		221.269
NET RESULT OF PARENT COMPANY	155.222	(155.222)			98.429	98.429
Capital and Reserves relating to the third party shareholders			(8.401)*	579		(7.822)
NET RESULT relating to the third party shareholders					(13.465)	(13.465)
TOTAL NET EQUITY	7.052.420	-	(8.401)	(5.622)	84.964	7.123.361

*The other variations is related to inclusion the new companies DHH Switzerland

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017*

CASH FLOW STATEMENT		CONSOLIDATED 30.06.2017
(ALL AMOUNTS ARE IN EURO)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for period		84.964
Income taxes		33.492
Interest payables/(receivables)		33.494
(Capital losses)/gains from sales of assets		-
1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES		151.950
Adjustments for non-cash items that are		
not accounted for in net working capital change:		59.445
- Allocation to reserves		1.130
- Amortization and depreciation of assets		62.041
- Permanent loss write-down		873
- Other adjustments on non-monetary items		(4.599)
2. CASH FLOW BEFORE NWC CHANGES		211.396
Changes in NWC:		359.543
- Decrease (increase) in inventories		-
- Decrease (increase) in customer receivables		(16.825)
- Increase (decrease) in supplier payables		186.120
- Decrease (increase) in prepaid expenses and accrued income		(118.924)
- Increase (decrease) in accrued expenses and deferred income		274.264
- Other changes to the NWC		34.907
3. CASH FLOW AFTER NWC CHANGES		570.938
Other changes:		(57.789)
- Interests collected/(paid)		(33.494)
- (income taxes paid)		(24.295)
- Dividends received		-
- (Use of reserves)		-
CASH FLOW FROM OPERATING ACTIVITIES [A]		513.149

B. CASH FLOW FROM INVESTING ACTIVITIES

(Investments) disinvestment in tangible assets	(107.232)
(Investments) disinvestment in intangible assets	(594.732)
(Investments) disinvestment in financial assets	(549.147)
(Investments) disinvestment in non-capitalized financial assets	14.425
CASH FLOW FROM INVESTING ACTIVITIES [B]	(1.236.686)
C. CASH FLOW FROM FINANCING ACTIVITIES [C]	
Increase (decrease) current payables to banks	(9.766)
New loans (Loan repayments)	(117.335)
Paid capital increase	-
Treasury share sale (purchase)	-
(Dividends paid)	-
CASH FLOW FROM FINANCING ACTIVITIES [C]	(127.101)
INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]	(850.637)
LIQUID FUNDS AT THE BEGINNING OF THE PERIOD	3.926.378
LIQUID FUNDS AT THE END OF THE PERIOD	3.075.741

*The consolidated statement does not expose the comparison with the previous year because at 30.06.2016 the company was exonerated from the cash flow statement.

NOTES TO FINANCIAL STATEMENTS

COST SHARING

The main activities of DHH are delivering strategic thinking, technology solutions analysis, financial and marketing know-how to the Group companies with the goal of expansion and optimization of the business. DHH also provides best practice, management control system and expertise on processes, quality of delivery and operations.

Under these assumptions, revenues of DHH are strictly related to these kind of activities and, in great part, related to corresponding costs. Regular costs of DHH are due to governance, compliance and operating of group control system procedures.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

DHH S.p.A., availing itself of the option set out under article 19, First Part, of the AIM Regulations for Issuers elected to adopt the international accounting principles (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Gazzetta Ufficiale della Comunità Europea (G.U.C.E.) for the preparation of its own financial statements.

The central body of IFRS encompasses all IFRS, up-to-date accounting principles and the interpretations drawn-up by the International Financial Reporting Interpretations Committee (IFRIC) formerly known as Standing Interpretations Committee ("SIC"). It should be noted that the accounting principles applied for the preparation of the financial statements as at June 30, 2017 are those in force at such date.

FINANCIAL STATEMENTS FORMATS

The DHH Group consolidated financial statement as at June 30, 2017 is approved by the Board of Directors on 28.09.2017

This half-yearly report is prepared in order to comply with disclosure requirements pursuant to the Article 18, First Part, of the AIM Italia Issuers Rules.

The Consolidated Interim Financial Statement as at June 30, 2017 is prepared in accordance with IAS 34 on interim financial reporting. IAS 34 allows for the preparation of financial statements in form that is based on a minimum level of information significantly lower than that is required by the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union.

The Consolidated Interim Financial Statement, with Euro units, is made up of mandatory accounting principles (the statement of financial position, the statement of comprehensive income the statement of changes in equity, the statement of cash flow) and relevant explanatory notes. The prospect of the balance sheet and financial report has been drawn up on the basis of the classification criteria of assets and liabilities "current/not current". An asset/liability is classified as "current" depending on the following criteria:

- It is expected it will be collected/paid or will be assigned or utilized in the normal operating cycle or when it is held mainly for negotiation purposes;

- Or it is expected it will be collected/paid within twelve months from the end of the financial year.

As to the prospect of the overall economic results, the revenues and costs are classified according to their nature. The gross margin is calculated as the difference between net revenues and operating costs, excluding the non-monetary costs relevant to amortizations and devaluations, net of any value-restoration. The operating result is calculated as the difference between net revenues and operational costs including non-monetary costs relevant to amortizations and devaluations of current assets, net of any value-restoration. The criterion adopted for the accounting of assets and liabilities is the historical cost.

The drawing up of the financial statements and explanatory notes required certain estimates and assumptions both in the determination of assets and liabilities and the evaluation of contingent assets and liabilities.

The Consolidated Interim Financial Statement have been drawn-up pursuant to the general principle of presenting a reliable and true balance sheet, financial balance sheet, economic result and financial flow of consolidated companies, in accordance with the general principles of going concern, accrual principle, materiality and aggregation, offsetting prohibition and comparative information.

The Consolidated Interim Financial Statement for DHH (the “Group”) as at 30 June, 2017 has been drawn up on the basis of the financial statements of the holding company and of the companies in which D.H.H. S.p.A. (the “Consolidating Company”) holds -directly or indirectly- the majority of votes exercisable in the Ordinary Shareholders’ Meeting, with reference to the same date, as detailed below:

CONTROLLED COMPANIES IN THE CONSOLIDATED AREA	OFFICE	SHARE CAPITAL (in Euro)	SHARE
Tophost Srl	Italy	10.000	100%
DHH.si d.o.o.	Slovenia	13.813	100%
DHH d.o.o.	Croatia	2.618	100%
Infonet d.o.o.	Croatia	66.947	100%
Hosting IT j.d.o.o.	Croatia	10	100%
DHH SRB d.o.o.	Serbia	431	100%
DHH Switzerland SA	Switzerland	92.327	60%
DHH Italia Srl	Italy	3.000	100%

The preparation of the financial statements in accordance with the applicable accounting principles requires the use by the management of estimates, which may have a material effect on the amounts set out in the financial statements. Estimates and the relevant assumptions are based on the historical experience and other factors which are deemed reasonable with reference to the current circumstances

and knowledge at the reference date for the financial statements. The actual results may differ from estimates. The estimates and relevant assumptions are reviewed on an ongoing basis. The effects of the estimate reviews are recorded in the period in which such estimates have been reviewed. Decisions by management, having significant effects on the balance sheet and estimates and showing a significant risk of material review to the accounting value of assets and liabilities affected in the following financial years are discussed in the comments to the relevant financial statement items.

The main estimates are utilized to track the provisions for risks on receivables, amortizations, devaluations, lasting reduction of the value of non-financial assets ("impairment"), benefits for employees, recovery of anticipated taxes, taxes and other provisions, fair value determination of financial instruments.

With reference to the financial statement presentation the Group made the following choices:

1. the consolidated profit or loss statement has been drawn up according to the format with cost allocation by nature, highlighting the intermediate result as to operational result and result before taxes. The operational result is determined as the difference between the net income and operational costs (including non-monetary costs relevant to amortization and devaluation of current and non-current assets, net of any restoration of value). In order to allow a better measurement of normal operation management cost and revenue items arising of events or transactions non-recurrent by nature and value materiality are indicated separately.
2. The consolidated aggregated profit or loss statement shows cost and revenue items, net of the fiscal effect which, as requested or allowed by various international accounting principles are directly recorded within money reserves.
3. The consolidated statement of financial position has been drawn up according to the format evidencing the split of assets and liabilities between current and non current. An asset/liability is classified as "current" according to one of the following criteria:
 - It is expected it will be collected/paid or will be assigned or utilized in the normal operating cycle or when it is held mainly for negotiation purposes;
 - Or it is expected it will be collected/paid within twelve months from the end of the financial year.

CONSOLIDATION PRINCIPLES

PARTICIPATIONS IN CONTROLLED COMPANIES

Companies, in which the Group has the power to exert, directly or indirectly, the control determining the financial and management choices and obtaining the relevant benefits, are consolidated with the global integration method.

According to such method assets and liabilities, income and expenses of controlled companies are fully assumed in the consolidated financial statements; the accounting value of participations is deleted in exchange for a corresponding fraction of the net worth, grating the relevant assets and liabilities the current value at the time of the control acquisition.

Any difference, if positive, is registered in the assets as "goodwill" if not depending on the increased value of other assets or, if negative, to the profit and loss statement.

EVALUATION CRITERIA

The main criteria for drawing up the interim financial statements are set out below.

INTANGIBLE ASSETS

Intangible assets are assets without a physical substance, they are recognised only if they are identifiable, controllable and they can be predicted to generate future economic benefits and their cost can be determined in an accurate way. Intangible assets with a defined life are evaluated at their purchase or production cost net of amortization and accumulated losses of value.

Amortization is variable, depending on the expected residual life and it starts when the activity is available for use. Useful life is re-examined yearly and any changes are made with prospective application.

Intangible assets with residual undefined life are not amortized but are subject annually or more often, if necessary, to checks to identify any value reduction (impairment test) even in the absence of value-loss indicators. Such check is run at the level of cash generating unit, to which the same immaterial asset is attributed.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE - GOODWILL

The goodwill, arising from the acquisition of a controlled company or other merger transactions, represents the positive excess of the acquisition cost compared to the percentage due to the Group of current values, fair value, assets, liabilities and potential liabilities identifiable at the acquisition date.

The goodwill is accounted for assets with residual indefinite life and is not amortized but annually subject – even in the absence of value-loss indicators or even more frequently if necessary- to checks to identify any value reduction (impairment test), as well as to verify the indefinite duration requirement. Value-losses are immediately recognised in the profit and loss statement and are not subsequently restored. After the initial recording the goodwill is evaluated at the cost net of any accumulated losses. In case of transfer of a controlled company the net value of the goodwill attributable to it is included in the determination of capital gain or capital loss arising from the transfer. For purposes of running the impairment test the goodwill is attributed to the cash generating units or CGU or CGU groups which are expected to benefit from the aggregation.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – DEVELOPMENT COSTS

Development costs, essentially relevant to the development of new products are capitalized if and to the extent such costs may be determined in an accurate way, the generated activity is clearly identifiable and there is evidence their bearing will give rise to future economic benefits. In particular, for purpose of capitalization what matter is (i) the technical feasibility and (ii) the intention to complete the activity so as to make it sustainable for use or sale, (iii) the existence of adequate technical and financial resources to complete the development and (iv) the sale and reliability of cost evaluation with reference to activity during the development. Upon checking these conditions, costs are recognised within the assets of the balance sheet and amortized, at constant rates, since the beginning of commercial production of the product. Useful life is determined with reference to a prudent estimate of the relevant economic benefits and it is initially estimated at five years, depending on the features of the relevant product.

The development costs for which the above conditions are not met are recognised in the profit or loss statement when they are accrued and may not be capitalized in subsequent years.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – OTHER IMMATERIAL ACTIVITIES

Other immaterial activities are recorded in the statement of financial position only to the extent it is likely the use of the activity will give rise to future economic benefits and the cost of the activity can be recorded in an accurate way. If such conditions are met immaterial activities are recorded at their purchase cost, corresponding to the price paid increased by side costs and, for goods contributed in kind, the values ascertained in the relevant deeds. Other immaterial activities due to the purchase of going concerns are recorded separately from the goodwill, if their fair value can be determined in a reliable way. The gross accounting value of other intangible activities with defined useful life is regularly spread across the financial years in which they are being used through the provision of constant amortization costs, with reference to the estimated useful life. Amortization starts when the activity is ready for use. For contributed activities amortization is determined on the basis of the useful residual life.

TANGIBLE ASSETS

Tangible assets are registered at their purchase or production or contribution cost, including any additional expenses necessary to make the asset ready for use. In case an extended time is necessary to make the asset ready for use, the purchase or production cost includes the financial cost which theoretically could be avoided without an investment.

No revaluation has been made, including pursuant to specific laws. The above said activities are specifically amortized on the basis of certain economical-technical parameters determined with reference to the theoretical usability of the goods. In case a tangible asset includes more than a significant element with a different useful life amortization is done for each component.

The amortizable value is represented by deducting book value from the net value of its residual life, if significant and if it can be reasonably ascertained. The amortization ratio applied to any unit is reviewed at least at closing of any financial year and, if there are significant changes in the expected consumption of the future economic benefits generated by an asset the ratio is modified to reflect this change as contemplated under IAS 8.

Gains and losses arising from transfers or dismissals of assets are determined as difference between the sale revenue and the net book value of the asset and recognised in the profit and loss statement. The costs relevant to renewals, changes and transformation which extend the useful life of an asset are capitalized. If there are events leading to a presumed reduction of the accounting value of material assets their recovery is controlled by comparing the book value with the recoverable value, represented by the higher between (i) fair value less disposal costs and (ii) current value.

PARTICIPATIONS

Participations in controlled companies are valued with the cost method. By applying such method, they are subject to impairment test with the rules set out under IAS 36 to the extent there is objective evidence of a loss of value of the participation due to one or more events occurred after the initial recognition having an impact on future cash flows of the participated company and dividends which it may distribute. Such objective evidence arises if there is a persistent negative trend. In such cases devaluation is determined as difference between the book value of the participation and its recoverable value, normally determined on the basis of the higher between use value, determined discounting future cash flows and fair value net of sale costs.

NON-CURRENT FINANCIAL ASSETS

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

- Loans and receivables (L&R);
- Investments held to maturity (HTM)
- Financial assets at fair value recorded in the profit and loss statement and valued using the fair value method (FVTPL).

Fair value generally corresponds to the market value. If there is no active market value fair value is determined utilizing evaluation techniques e.g. the actualized future cash flow method at a market interest rate. Differences arising from such evaluations are recorded in a specific net worth reserve. The suspended evaluation effects of such reserve are recognised in the profit or loss statement at the time of disposal of the financial transaction leading to such disposal, realization of sale thereof. In case the loss of value is durable, such amount is reclassified from equity to profit or loss.

CURRENT ASSETS

The drafting of the statement of cash flow, the statement of financial position and the profit or loss statement requires estimates and assumptions having an effect on the value of assets and liabilities and relevant report, as well as on contingent assets and liabilities at the reference date. Estimates and relevant assumptions are based on the preceding experiences of the Company and other factors deemed reasonable in the circumstances and have been adopted to determine the accounting value of assets and liabilities the value of which may not be easily discerned from other objective sources. The final results may therefore differ from such estimates. Estimates and assumptions are reviewed periodically and the effects of the relevant variations reflected in the profit or loss statement.

TRADE RECEIVABLES

Trade receivables are recorded at their fair value, corresponding generally to their nominal value, net of value-loss referred to sums which may not be collected, recorded in specific provisions for doubtful receivables. Receivables, with an expiry date that falls within the normal commercial terms, are not actualized. Receivables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

CASH AND EQUIVALENT INSTRUMENTS

Cash and equivalent instruments are recorded at their nominal value and include the nominal value, i.e. those values having availability on demand and short term requirements, good outcome and absence of expenses for their collection.

TRADE PAYABLES

Trade payables are recorded at their nominal value which is normally approximated at the amortized cost. Payables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

FINANCIAL LIABILITIES

Financial liabilities, other than derivative financial instruments, are recorded at the settlement date measured at fair value of liabilities, net of directly related transaction costs.

EMPLOYEES BENEFITS

Severance Indemnity Reserve (TFR), which is mandatory for Italian companies pursuant to art. 2120 of the Civil Code, is considered as deferred remuneration and is based on the years of service and on the

salary earned by the employee during his service period. For benefits subject to actuarial valuation, liabilities relating to TFR must be calculated by projecting on a forward basis the amount already accrued at the time when the relationship between employer and employee is terminated and by subsequently proceeding with its time-discounting on the date of financial statement under the actuarial method "Projected Unit Credit Method". Such actuarial method is based on demographic and financial assumptions to reasonably estimate of the amount of benefits that each employee has already accrued as result of his employee service.

Through actuarial valuation the current service cost, which represents the amount of rights matured by employee at reporting date, is recorded in the profit or loss statements. Among financial (Gain)/Losses is also recorded the interest cost which represents the figurative expenditure that the company would bear by securing a market loan for an amount corresponding to TFR. The actuarial gain and losses resulting from changes in the actuarial assumptions adopted are directly recorded in the balance sheet.

RECOGNITION OF REVENUES

Revenues are recorded - according to territorial competence principle - when the Group is likely to benefit from future economic benefits and such benefits may be reliably determined. In particular, revenues from sales and services are recorded when the transfer of all the risks and benefits arising from the passage of title takes place or upon execution of a service. Revenues are recorded net of discounts, allowances, settlement discounts and rebates.

EXPENSES

Expenses are recorded when they are incurred, in accordance with the principle of matching expenses and revenues that directly and jointly derive from the same transactions or events. Expenses which may not be associated with revenues are immediately recorded in the profit or loss statement. Value losses are recorded in the profit or loss statement of the financial year in which such value losses occurred.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are considered on an accrual basis, recorded interest matured on the net value of the relevant financial assets and liabilities using the effective interest rate.

TAXES

Current and deferred taxes are recognised in the profit or loss statement if not related to the transactions directly recorded in the net equity. Income taxes are determined on the basis of taxable income for the period in accordance with laws. The "deferred tax liabilities" and the "receivables for advanced taxes" are calculated – in accordance with IAS 12 – on the temporary differences between the fiscal value of an asset or liability and its balance sheet value, to the extent likely that – in the foreseeable future – such differences will disappear. The amount of the "deferred tax liabilities" as well as the "receivables for deferred tax" is determined on the basis of the tax rate which – according to the tax regulations in force on the accounting entry reference date – will apply at the time when the tax asset will be realized or the tax liabilities will be due. The recognition of deferred tax assets is made when their recovery is probable. Receivables for advanced taxes and deferred tax liabilities are offset whenever such compensation is allowed by law.

ESTIMATES AND VALUATIONS

The preparation of the consolidated financial statement and related notes require estimates and assumptions affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period. The final results may differ from such estimates.

In particular, estimates are used to made the impairment tests, as well as to record the amortization and depreciation, the impairment of assets, the provisions for risks. Estimates and assumptions are periodically reviewed and the effects of any variation are periodically recognised in the profit or loss statement.

CHANGES IN THE ACCOUNTING PRINCIPLES

The main changes in the relevant accounting principles are described below:

A. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE BEEN RATIFIED BUT ARE NOT YET APPLICABLE/HAVE NOT BEEN ADOPTED BY THE GROUP IN ADVANCE

IFRS 9 – Financial Instruments (applicable from 1 January 2018)

The new document represents the first part of the process intended to wholly replace IAS 39. IFRS 9 introduces new criteria for the classification and measurement of financial assets and liabilities and for the derecognition of financial assets. Specifically, the recognition and measurement criteria for financial assets and their related classification in the financial statements have been modified. The new provisions establish a classification and measurement model for financial assets, based exclusively on the following categories: assets measured at amortised cost or assets measured at fair value. The new provisions also establish that investments other than those in subsidiaries, associates and joint ventures are measured at fair value and recognised in the income statement. Where such investments are not held for trading purposes, changes to fair value may be reported in the statement of comprehensive income, with only the effects of paying out dividends recognised in profit or loss. When the investment is sold, the amounts recorded in the statement of comprehensive income should not be recognised in profit or loss. On 28 October 2010, the IASB included in the provisions of IFRS 9 the recognition and measurement criteria for financial liabilities. Specifically, the new provisions require that, when a financial liability is measured at fair value and recognised in profit or loss, changes in fair value relating to changes in the issuer's own credit risk are recorded in the statement of comprehensive income; this component is allocated directly to the income statement to ensure symmetry with other accounting items related to the liability, avoiding an accounting mismatch.

The principle will not have significant impact on Group figures

IFRS 15 – Revenue from Contracts with Customers (applicable from 1 January 2018)

The aim of the new standard is to improve the quality and uniformity of revenue recognition and of the comparability of financial statements prepared in accordance with IFRS and US accounting principles. Under the new standard, revenue recognition may no longer be based on the earnings method but on the asset-liability method, which focuses on the date that control of the sold asset was transferred. The Group is finalizing the assessment of the net sales valuation model, as required by the new reporting standard IFRS 15. In particular, no differences in the revenue recognition cut-off have been identified. Subsequently, no impact on economic results is expected from the application of the new standard.

B. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT ENDORSED YET

IFRS 16 – Leases (applicable from 1 January 2019 with the option for early application, waiting for European Union homologation)

On 13 January 2016, the IASB published the new accounting standard IFRS 16 – Leases. The new standard replaces IAS 17 and provides methods of accounting presentation that more appropriately reflect the nature of leases in the balance sheet.

The new IFRS 16 is applicable from 1 January 2019, but early adoption is permitted for companies that also apply IFRS 15 – Revenues from Contracts with Customers. In particular, the Standard introduces a univocal method for financial statement leases classification. The lessee will account for an additional asset representing the right of use on the underlying asset in the contract, and a liability that represents the obligation to pay leasing expenses. Furthermore, leasing expense accounting will also change because, rather than fixed operating expenses, the lessee will have to account for amortization and financial expenses. The Group is completing the analysis of contracts in scope for the application of the new standard. For the identification of the scope, the Group decided to manage separately leases on low value assets (i.e. assets with a unitary value lower than USD 5000) and lease assets pertinent to short-term contracts (i.e. with a leasing period lower than 12 months). Costs related to these typologies of contracts will continue to be accounted as separate operating expenses. The most representative asset class exempted by the application comprises some of the Group's IT Equipment.

The Group will not have significant impact.

IFRS 17 – Insurance contracts (applicable from 1 January 2021)

This standard governs accounting for insurance contracts (previously known as IFRS 4 Phase II). The accounting model stipulated is the Building Block Approach (BBA), based on discounted expected cash flows, which includes the creation of a 'risk adjustment' and 'contractual service margin', which are released via amortisation over subsequent periods. The new accounting standard is not applicable to the consolidated financial statements.

Amendment to IAS 12 – Income Tax (applicable from 1 January 2017 with the option for early application)

On 19 January 2016, the IASB published some amendments to IAS 12. These amendments are intended to clarify how to account for deferred financial assets relating to debt instruments measured at fair value. The Group estimates no significant impacts of the amendment on its financial assets and liabilities.

Amendment to IAS 7 – Statement of Cash Flows (applicable from 1 January 2017, not yet ratified by the European Union)

On 29 January 2016, the IASB issued the amendments to IAS 7 – Statement of Cash Flows: The amendment requires that information relating to the changes in financial liabilities is reported, with the aim of improving the information provided to investors to help them better understand the changes to such payables. This amendment relates purely to the presentation of the financial statements and will not therefore have any effect on the Group's financial position or profitability.

IFRS 14 – Regulatory Deferral Accounts (applicable from 1 January 2016)

Under the new standard, only first-time adopters of IFRS are allowed to continue to recognise amounts relating to the rate regulation according to the previous accounting principles adopted. In order to improve comparability with entities that already apply IFRS and hence do not recognise such amounts, the standard requires the rate regulation effect to be presented separately from the other items. The European Commission has decided not to start the approval process for this interim standard and to wait for the definitive standard. The new standard is not applicable to the consolidated financial statements.

Amendment to IFRS 10-IAS 28 – Sales or Contributions of Assets between an Investor and its Associate/Joint Venture (applicable from 1 January 2016)

The amendment, published in September 2014, is intended to resolve a conflict between the requirements of IFRS 10 and IAS 28 in the event that an investor sells or contributes a business to an associate or joint venture. The main change introduced by the amendment is that the gain or loss resulting from the loss of control must be recognised in full at the time of the sale or contribution of the business. A partial gain or loss is only recorded in the event of a sale or contribution involving individual assets only. The IASB has suspended publication and approval of this amendment until a date that is still to be determined.

Amendment to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (issued on 29 June 2016)

This includes clarifications on the accounting treatment of stock options that are subject to performance-linked vesting conditions. The Group estimates no significant impacts of the amendment on its consolidated financial statements.

Amendment to IFRS 4: Application of IFRS 9 – Financial Instruments, to IFRS 4 – Insurance Contracts (issued on 12 September 2016)

The amendment introduces different methods of accounting treatment for insurance contracts that fall within the scope of application of IFRS 4. The new standard is not applicable to the Group's consolidated financial statements.

Clarifications to IFRS 15 – Revenue from Contracts with Customers (issued on 12 April 2016)

The IASB has provided practical information on some of the issues covered by IFRS 15 (identification of performance obligations, principal versus agent considerations and licensing). The potential impact of this amendment will be analysed together with IFRS 15 described above.

OTHER INFORMATION

MATERIAL NON-RECURRING EVENTS AND TRANSACTIONS – ATYPICAL AND/OR UNUSUAL TRANSACTIONS

When material non-recurring events and transactions and atypical and/or unusual transactions occur, the notes to the financial statement disclose the impact of these events on the statement of financial position and on the statement of comprehensive income. Atypical or unusual transactions mean transactions whose significance/relevance, nature of the counterparts, subject matter of the transaction, transfer pricing method and timing of the event (near the end of the financial year) can give rise to doubts as to:

correctness/completeness of information recorded, conflicts of interests, protection of the company equity, protection of minority interests.

COMPENSATION OF THE STATUTORY AUDITOR AND AUDITOR FIRM

The overall compensation paid by the Group to the auditor firm is equal to 11.656 EURO for auditing activities and 14.380 EURO for other activities. The compensation for statutory auditor is equal to 8122 EURO.

RELATED PARTIES

The Explanatory Notes provide the information on the effect that operations with related parties have on the economic and financial situation.

TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

Exchange rates used to translate in Euros the financial statements prepared in currencies other than Euro are set out below (source National Bank of Serbia and National Bank of Croatia):

CURRENCY	EXCHANGE RATE AS AT 30.06.2017	AVERAGE EXCHANGE 1 SEM. 2017
Croatian Kuna (HRK)	7,4103	7,4416
Serbian Dinar (RSD)	120,578	123,1047
Switzerland Franc (CHF)	1,093	1,091*

* The average exchange Swiss rate refers to the only consolidation period May and June.

SCOPE OF CONSOLIDATION

The subsidiaries included in the scope of consolidation are listed below.

PARENT COMPANY

NAME

DOMINION HOSTING HOLDING S.P.A.

REGISTERED OFFICE

MILANO – VIA CALDERA,21 - ITALIA

Direct subsidiaries which are consolidated with the “integral method”:

NAME	REGISTERED OFFICE	SHARE CAPITAL (in EURO)	% SHARE
Tophost S.r.l.	Italy	10.000	100%
DHH.si d.o.o.	Slovenia	13.813	100%
DHH SRB d.o.o.	Serbia	431	100%
DHH Switzerland SA	Switzerland	92.327	60%
DHH Italia S.r.l.	Italy	3.000	100%

Indirect subsidiaries which are consolidated with the “integral method”:

NAME	REGISTERED OFFICE	SHARE CAPITAL (IN EURO)	% SHARE
DHH d.o.o.	Croatia	2.618	100%
Infonet d.o.o.	Croatia	66.947	100%
Hosting IT j d.o.o.	Croatia	10	100%

CHANGE IN THE SCOPE OF CONSOLIDATION

With regard to the changes in the scope of consolidation, compared to the consolidated interim report as at 30/06/2016, it should be noted the inclusion in the consolidation of the companies InfoNet d.o.o. and Hosting IT j.o.o., the acquisition of which occurred in September 2016 by the subsidiary Klaro d.o.o. and its subsidiaries Domovanje d.o.o. and Domenca d.o.o, with subsequent change of name to DHH d.o.o and the companies DHH Switzerland SA. and DHH Italia S.r.l. The effect for the last companies occurred in May 2017.

INTRA-GROUP TRANSACTIONS

All balances and transactions between the companies which were consolidated with integral method as well as any unrealized gains on intercompany transactions have been deleted.

GROUP SEGMENT INFORMATION

In 2014 the number of EU individuals using Internet at least once per week increased by 14% on previous year, reaching the 75% EU target set for 2014. Slovenia, Croatia and Italy haven't reached the EU target yet. Around 70% of enterprises with at least 10 employees had a website in 2014 (+8% vs 2010). Looking at the percentage of companies having a website or homepage, Italy and Croatia are below the European average, while Slovenia is among the leading countries. While the number of companies with a website has increased over the period 2010-2014, growth is slower considering services offered in conjunction with the website, for example the access to catalogues and brochures with prices. This is one of the reasons, the issuer expects growth in all business lines.

DOMAINS

Domain is a mnemonic address of a website on the Internet. Top level domains (TLDs) are regulated by ICANN and given into management to companies called registries. Registries are wholesalers and sell through companies called registrars. Subsidiaries of DHH purchase domains directly from registries (mostly so called country TLDs or ccTLDs: .eu, .si, .hr, rs ...) or through registrars (.com, .net, .org, .it ...). Domains are sold to end customers as registrations (first purchase of domain) or renewals (repeat purchase of domain). Domains can also be transferred to different registrars. As DHH we offer registration of over 500 different top level domains.

According to Verisign, the Registry Operator for the .com gTLD, the third quarter of 2015 closed with around 299 million domain name registrations across all TLDs, +1.1% over Q2 2015. Registrations have grown by 14.8 million, +5.2% yoy. The .com and .net TLDs experienced aggregate growth, reaching a combined total of approximately 135.2 million domain in Q3 2015, +3.4% yoy.

Customers in this service lines are small business or individuals that purchase domains for themselves. They are larger companies that manage their portfolio of domains (usually for their brands/companies) in one place. They are resellers with a large number of domains that need to manage them from one place and that may not have any hosting subscription with us. They are SEO specialists that need a large number of registered domains.

SHARED HOSTING

Shared hosting business line includes all products for hosting web sites in a shared environment. This means, that a single server hosts anywhere from a few hundred web sites (Domovanje, Domenca, Plus, Infonet, HostingIT) to ten thousand web sites (Tophost). Customers are limited by disk space, allowed number of connections from visitors of the site and other limitation. They have access to a control panel (cPanel or Plesk) where they can manage their subscription themselves. Customers of this business line are end customers who wish to host their personal website or blog or their company's web site. Other customers are resellers (individual or companies that make web sites and need a hosting partner) and developers (who make web applications and need a hosting provider). E-commerce is becoming a vital channel in corporate strategy. In 2014 ecommerce has made continuous progress, up more than 14% to 50% of EU individuals, advancing in a close parallel with Internet use. In Europe 35% of large companies sell online (+6% over the last five years), while only 14.5% of SMEs sell online (+3.5% over the last five years). The gap between SMEs and large companies has increased over last years. European SMEs continue to miss out on the opportunities of online sales. The best performing countries include the Czech Republic, Denmark and Croatia, but they are far from reaching the 2015 EU target of 33%. Most of e-

commerce sites are currently hosted on shared hosting platform, which is why the issuers believes in high potential for growth in this service line.

DEDICATED HOSTING

This business line includes physical dedicated servers (physical computers connected to a quality network in a secured datacenter), virtual servers (many isolated servers on a single physical computers) and different levels of managed services. This business line is most hardware intensive because each physical dedicated server requires us to order, setup, install and deploy a new machine in the data center. Contrary to shared hosting, only a single (dedicated physical server) or a few (up to 20 or 30 in case of virtual machine) customers can be put a physical machine. Customers include companies with mission critical applications, resellers, developers. These customers include the biggest customers of DHH with revenues up to 30.000 € yearly.

COMPLEMENTARY SERVICES

This business line includes all products that are complementary to main business lines (domains, shared and dedicated hosting) but are currently too small to deserve their own business line. These include: web site builder, e-mail marketing software, SSLs, Business class email. Web site builder is a tool for building web sites. It is targeted at lame users that can build them with very small investment. E-mail marketing software is used to setup newsletter, send them to a list of addresses and monitor feedback from receivers (did they receive the email, did they look at it, on which links they clicked ...). SSLs are used to secure communication between visitor of customer's site and the server. They are interesting for e-commerce sites or any other sites that require exchange of sensitive data (passwords) but have lately been used even by ordinary web sites. Business class email expands normal e-mail service by collaboration tools like shared calendars and contacts. These business lines will expand in the future and some of the products may be moved into separate business lines.

OTHER

Business line "other" includes all revenue generated by services not included into other categories. They include discontinued or deprecated products. In DHH.si d.o.o. it includes all revenue from a proprietary in-house developed CMS and large customers of web agency. This revenue is only expected to fall in the future and needs to be maintained in the best way to slow down churn without much investment.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GOODWILL

The item “goodwill” is equal to 5.057.146 EURO, with an increase of 567.269 EURO compared to the same value recorded in the consolidated as at 31.12.2016. The increase is related to inclusion the new companies (DHH Switzerland SA and DHH Italia srl).

As mentioned in the section related to the accounting principles, goodwill is not amortized, but subject to impairment test and written-off for impairment losses. The DHH Group yearly verifies the recoverability of goodwill and the other assets with an indefinite useful life by specific evaluations (impairment test) on each cash generating unit (Cash Generating Units or “CGU”). Impairment test has been executed according with latest economic and financial forecasts for future financial years. The recoverability of the assets recorded in each CGU is verified by comparing the net book value attributed to the single CGU with the recoverable value that is determined as usage value (recoverable amount). Such value is represented by the current value of the future cash flows which may result from the continuous use of the CGU.

In light of the evaluations carried out, any write-down of the accounting values of goodwill was made.

NOTE 2: TANGIBLE ASSETS

Tangible assets are equal to 396.142 EURO. The increase in the value of tangible fixed assets is mainly related to the acquisition by Croatian companies of new electronic equipment and by the inclusion in the consolidation of the new companies.

The details of movement in tangible assets during the financial year 2017 are provided below (values in EURO):

NOTE 2: TANGIBLE ASSETS	COMPUTERS AND ELECTRONIC EQUIPMENT	VEHICLES	OTHER ASSETS
VALUE AT 1.1.2017	544.911	14.059	70.019
Investments	199.698	6.137	29.643
Impairments and other movements	-	-	-
COST AT 30.06.2017	744.609	20.196	99.662
ACCUMULATED DEPRECIATION AT 1.1.2017	362.259	14.059	38.059
Depreciation 2017	50.088	277	3.414
Impairments and other movements	-	-	170
ACCUMULATED DEPRECIATION AT 30.06.2017	412.347	14.336	41.643

NET BOOK VALUE			
At 1.1.2017	182.653	-	31.960
At 30.06.2017	332.262	5.860	58.019

NOTE 3: INTANGIBLE ASSETS

Intangible assets are equal to 691.919 EURO as at 30 June 2017. The increase in the value of intangible assets is related to the recognition of goodwill due to the acquisition of company branches by the Croatian and Italian companies.

The details of movement in intangible assets during the financial year 2017 are provided below:

NOTE 3: INTANGIBLE ASSETS			SOFTWARE LICENSES	INTERNALLY DEVELOPED SOFTWARE	OTHER ASSETS	GOODWILL
VALUE AT 1.1.2017			33.011	106.597	20.984	-
Investments			10.932	142.400	-	447.521
Impairments and other movements			-	-	-	-
COST AT 30.06.2017			43.943	248.997	20.984	447.521
ACCUMULATED 1.1.2017	DEPRECIATION	AT	17.897	38.949	4.055	
Depreciation 2017			2.631	3.755	1.876	
Impairments and other movements			-	-	362	
ACCUMULATED 30.06.2017	DEPRECIATION	AT	20.528	42.704	6.293	-
NET BOOK VALUE						
At 1.1.2017			15.113	67.648	16.930	-
At 30.06.2017			23.414	206.293	14.691	447.521

NOTE 4: NON-CURRENT FINANCIAL ASSETS

Such item, equal to 7.511 EURO as at 30 June 2017 was referred to security deposit paid. The balance on 31.12.2016 is equal to zero.

NOTE 5: OTHER NON-CURRENT ASSETS

The item equal to 2.507 EURO records the part due beyond the operation of current long-term loan.

NOTE 6: DEFERRED TAX ASSETS

Deferred tax assets are equal 10.085 EURO and records only advanced taxes calculated based on:

- the temporary differences arising between assets and losses recorded for the purpose of drawing up of this balance sheet according with international accounting standards and corresponding values relevant for tax purposes;
- the deductible temporary differences relating to directors' fees, posted on an accrual basis but not paid at the date of 30/06/2017.

NOTE 7: TRADE RECEIVABLES

Trade receivables are equal to 531.359 EURO as at 30.06.2017 with an increase of 421.048 EURO compared to the same item recorded on 31.12.2016.

The distribution of receivables by geographical area is as follow:

TRADE RECEIVABLES	30.06.2017	31.12.2016
Italy	365.973	29.388
EU countries	79.135	98.340
Other countries	103.717	8.602
TOTAL GROSS TRADE RECEIVABLES	548.826	136.330
Fund for bad debt	(17.467)	(26.019)
TOTAL NET TRADE RECEIVABLES	531.359	110.311

NOTE 8: CURRENT FINANCIAL ASSETS

Current financial assets are equal to zero as at 30 June 2017.

NOTE 9: OTHER CURRENT ASSETS

Other current assets are equal to 114.317 EURO, with an increase of 9.907 EURO compared to 31.12.2016.

NOTE 10: TAX RECEIVABLES

Tax receivables are equal to 180.034 EURO as at 30 June 2017 with an increase of 29.532 EURO compared to 2016 and are composed as follows:

TAX RECEIVABLES	AMOUNT AS AT 30.06.2017	AMOUNT AS AT 31.12.2016
VAT	136.274	117.625

Other tax receivables	43.760	32.877
TOTAL	180.034	150.502

NOTE 11: CASH AND CASH EQUIVALENTS

The total amount of this item is equal to 3.075.741 EURO, with a decrease of 842.005 EURO compared to 31.12.2016. The balance, expressed in Euro, represents cash equivalents and existence of ready cash and value on closure of the financial periods. This decrease is largely due to investments made during the reference period.

NOTE 12: PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses and accrued income are equal to 522.973 EURO as at 30 June 2017, with an increase of 144.832 EURO compared to 31.12.2016 consolidated. Such item is mainly linked to costs for wholesale services incurred in the financial year, but attributable to subsequent financial year.

NOTE 13: NET EQUITY

SHARE CAPITAL

On 30 June 2017 fully paid-up share capital is divided in 1.420.000 ordinary shares without nominal value and with an accounting nominal value of Euro 0,10 each.

RESERVES

Reserves is equal to 6.682.950 EURO. In particular, the amount is divided into:

- Share Premium Reserves 6.679.644 EURO
- Bonus Share Reserve 8.400 EURO
- OCI Resrves (5.094) EURO

NET EQUITY	31.12.2016	RESULT ALLOCATION	OTHER VARIATIONS INCREASE DECREASE	EARNINGS/LOSSES REPORTED IN OCI	NET RESULT 30.06.2017	30.06.2017
Share premium reserve	6.710.766		(31.122)			6.679.644
Bonus Share Reserve	8.400					8.400
OCI Reserve	471			(5.565)		(5.094)

NOTE 14 NON-CURRENT FINANCIAL LIABILITIES

Non-current liabilities to banks and other lenders are equal to 564.093 EURO, of which 260.000 EURO longer than five years. Comparing to 2016, there is an increase of 14.762 EURO.

NOTE 15 SEVERANCE RESERVES

This item records TFR related to employees of the companies of Group, pursuant to art. 2120 of the Civil Code. On 30 June 2017 the amount of this item is equal to 2.721 EURO and is solely linked to employee recruited by Italian subsidiary Tophost S.r.l..

Due to not relevance of the amount entity has no adopt IAS19 principle.

NOTE 16 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are equal to 43.333 EURO, with a decrease of 61.245 EURO and are mainly linked to payment the long-term debt of Slovenian subsidiary DHH.si d.o.o. which has been incurred for purchasing its Croatian subsidiary DHH d.o.o..

NOTE 17 LIABILITIES FOR DEFERRED TAXES

This item is equal to 12.076 EUR and records the tax effect arising from the elimination of shareholding for the purpose of the consolidation by integral method and the temporary differences arising between assets and losses recorded for the purpose of drawing up of this balance sheet according with international accounting standards and corresponding values relevant for tax purposes;

NOTE 18 TRADE PAYABLES

On 30.06.2017 trade payables are equal to 548.684 EURO, with an increase of 302.442 EURO compared to the same item recorded on 31.12.2016. The distribution of payables by geographical area is as follow:

TRADE PAYABLES	30.06.2017	31.12.2016
Italy	380.770	135.145
EU Countries	114.858	109.679
Other countries	53.056	1.418
TOTAL PAYABLES	548.684	246.242

NOTE 19 OTHER CURRENT LIABILITIES

Other current liabilities are equal to 337.060 EURO on 30.06.2017, with an increase of 63.321 EURO compared to 2016; this amount increases in part by the inclusion in the consolidation of new companies.

NOTE 20 CURRENT FINANCIAL LIABILITIES

Current liabilities to bank and other lenders are equal to 190.188 EUR on 30.06.2017, with an increase of 102.747 EURO compared to 2016. This amount increases in part by the inclusion in the consolidation of new companies.

NOTE 21 TAX PAYABLES

Tax payables are equal to 136.409 EURO on 30.06.2017, with an increase of 56.129 EURO compared to 31.12.2016 and its composition is as follows:

TAX PAYABLES	30.06.2017	31.12.2016
VAT	92.890	42.524
Income tax	23.291	23.987
Withheld	20.228	13.769
TOTAL TAX PAYABLES	136.409	80.280

NOTE 22 ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income are equal to 1.631.806 EURO at 30 June 2017, mainly linked to advanced revenues for hosting service but partially attributable to the period after 31 December 2016.

NOTE 23 REVENUES

On 30 June 2017 net income from sales and services of the Group are equal to 2.388.868 EURO, with an increase of 463.453 EURO compared to 30.06.2016. This amount increases in part by the inclusion in the consolidation of new companies.

NOTE 24 OTHER REVENUES

Other revenues are equal to 41.112 EURO as at 30.06.2017 with an increase of 30.637 EURO compared to 30.06.2016.

NOTE 25 INTERNAL PROJECT

This item is determined by the capitalization of the internal project accomplished in-house, it is equal to 124.354 EURO; the project is subdivided in Development of an internal IT system in Slovenia and Development of a cPanel based shared hosting platform in Croatia.

NOTE 26 MATERIAL COSTS

Costs for materials and consumables are equal to 15.034 EURO on 30 June 2017 and related to a hardware other than server, with a decrease of 1.472 EURO compared to 30.06.2016

NOTE 27 SERVICE COSTS AND USE OF THIRD PARTY ASSETS

Service costs are equal to 1.476.224 EURO on 30 June 2017, with an increase of 254.280 EURO compared to 30.06.2016 consolidated and are composed as follows:

SERVICE COSTS	30.06.2017	30.06.2016
Datacenter Service	146.421	88.584

Wholesale Costs	969.335	845.557
Commercial and marketing expenses	21.180	25.445
Professional services	333.767	259.375
Other costs for services	5.521	2.983
TOTAL	1.476.224	1.221.944

NOTE 28 PERSONNEL COSTS

Personnel cost is equal to 758.352 EURO on 30 June 2017, with an increase of 327.819 EURO compared to 2016 consolidated and is divided among the Group as follows:

PERSONNEL COSTS	30.06.2017	30.06.2016
DHH S.p.A.	-	-
Tophost Srl	46.514	17.028
DHH.SI doo	291.763	206.630
DHH doo	250.622	200.664
DHH SRB doo	14.094	6.211
Infonet d.o.o.	21.238	-
Hosting IT j.d.o.o.	-	-
DHH Switzerland SA	134.120	-
DHH Italia Srl	-	-
TOTAL	758.352	430.533

The increase of Group's overall cost is, on one hand, related to the inclusion new employees in the Group. On 30 June 2017 the staff of DHH Group is the following

NUMBER OF EMPLOYEES BY CATEGORY	MANAGERS	EMPLOYEES
DHH S.p.A.	-	-
Tophost Srl	-	2
DHH.SI doo	2	21
DHH doo	2	28
DHH SRB doo	2	4
Infonet doo	1	1

Hosting IT j.d.o.o.	1	-
DHH Switzerland SA	1	16
DHH Italia Srl	-	-
TOTAL	9	72

NOTE 29 OTHER EXPENSES

Other expenses are equal to 88.836 EURO on 30 June 2017, with an increase of 6.226 EURO compared to 30.06.2016 and such expenses are structural costs.

NOTE 30 AMORTIZATIONS AND IMPAIRMENTS

Amortizations and depreciations are equal to 62.914 EURO on 30 June 2017, with an increase of 10.166 EURO compared to 30.06.2016. The value of amortizations and depreciations is provided below:

AMORTIZATIONS AND IMPAIRMENTS	30.06.2017	30.06.2016
Depreciations	53.779	42.845
Amortizations	8.262	9.056
Impairment	873	847
Total	62.914	52.748

NOTE 31 FINANCIAL INCOME (EXPENSES)

On 30 June 2017 net financial expenses are equal to 33.494 EURO, with an increase of 12.845 EURO compared to 30.06.2016.

The details of financial income and expenses are provided in the table below:

FINANCIAL INCOME	30.06.2017	30.06.2016
Bank and postal interests income	9	63
Interests on loans	244	7976
Other interests	3.061	3.232
TOTAL	3.315	11.271
FINANCIAL EXPENSES	30.06.2017	30.06.2016
Bank and postal interests expenses	15.885	18.820
Other financial expenses	20.924	13.100

TOTAL	36.809	31.920
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NOTE 32 OTHER NON-OPERATING INCOME/EXPENSE

This item, which is equal to 1.346 EURO records the cost resulting from the elimination of shareholding DHH SRB d.o.o.

NOTE 33 TOTAL CURRENT AND DEFERRED INCOME TAXES

As at 30 June 2017 total current and deferred income taxes of the Group are equal to 33.169 EURO.

NOTE 34 EARNINGS PER SHARE

BASIS

The earnings/(losses) per share are calculated as the ratio between the Group's profit multiplied by the weighted average number of outstanding shares, net of any own shares.

DILUTED

The diluted earnings/(losses) per share are calculated as the ratio between the Group's profit multiplied by the weighted average number of outstanding shares, net of any own shares. For the purposes of calculating the diluted earnings per share, the weighted average of outstanding shares is adjusted assuming the conversion of all the potential shares having a dilutive effect, particularly warrants.

CATEGORY	AMONUNT AS AT 30/06/2017	AMOUNT AS AT 30/06/2016
Consolidated net income attributable to the parent company's shareholders	98.429	66.694
Number of ordinary share on 30.06.2017	1.420.000	1.000.000
Average weighted number of outstanding shares	1.420.000	1.420.000
BASE EARNINGS PER SHARE - EPS (EARNING PER SHARE)	0,069	0,067
Average weighted number of outstanding warrants	1.420.000	-
Average weighted number of outstanding shares plus warrants	2.840.000	1.420.000
DILUTED EPS	0,035	0,043



DOMINION HOSTING HOLDING S.P.A.

PARENT COMPANY INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2017

Financial Statement prepared in accordance with IAS/IFRS principles

- All amounts are in Euro -

INTERIM FINANCIAL STATEMENTS

Here below the Interim Financial Statement of the Parent Company Dominion Hosting Holding S.p.A. as at 30 JUNE 2017

INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

ASSETS	NOTE	30.06.2017	OF WHICH RELATED PARTIES	31.12.2016
(ALL AMOUNTS ARE IN EURO)				
Investments	1	3.644.847		3.085.834
Intangible assets	2	3.873		1.237
Non-current financial assets	3	901.390		600.000
Deferred tax assets	4	8.466		9.152
NON-CURRENT ASSETS		4.558.576		3.696.223
Trade receivables	5	232.228		143.703
Other current financial assets	6	4.930		2.490
Tax receivables	7	135.580		114.440
Cash and cash equivalents	8	2.230.439		3.149.732
Prepaid expenses and accrued income	9	2.744		17.016
CURRENT ASSETS		2.605.920		3.427.381
TOTAL ASSETS		7.164.496		7.123.604

LIABILITIES	NOTE	30.06.2017		31.12.2016
(ALL AMOUNTS ARE IN EURO)				
Share Capital	10	142.000		142.000
Reserves	11	6.688.044		6.699.919
Year's result		872		(11.875)
NET EQUITY	12	6.830.916		6.830.044
Non-current financial liabilities	13	250.000		250.000
Severance reserves		-		-
NON-CURRENT LIABILITIES		250.000		250.000
Trade payables	14	53.293	24.026	21.412
Other current liabilities	15	14.069	2.000	14.967

Current financial liabilities	16	3.384	3.218
Tax payables	17	10.571	3.963
Accrued liabilities and deferred income	18	2.262	-
CURRENT LIABILITIES		83.580	43.560
TOTAL LIABILITIES		333.580	293.560
TOTAL LIABILITIES AND NET EQUITY		7.164.496	7.123.604

INTERIM STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2017

PROFIT AND LOSS STATEMENT	NOTE	30.06.2017	OF WHICH RELATED PARTIES	30.06.2016
(ALL AMOUNTS ARE IN EURO)				
Net income	19	165.209		43.889
Other revenue		-		100
TOTAL REVENUE		165.209		43.989
Service costs and use of third party assets	20	(163.527)	(66.257)	(70.959)
Personnel costs		-		-
Other operating costs	21	(1.205)		(1.230)
TOTAL OPERATING COSTS		164.732		72.189
OPERATING RESULT – EBITDA*		477		(28.200)
Amortizations and impairment	22	(465)		(75)
EBIT**		13		(28.275)
Financial income (expenses)	23	1545		-
EARNINGS BEFORE TAXES		1.558		(28.275)
Total current and deferred income taxes	24	(686)		(400)
YEAR'S PROFIT (LOSS)		872		(28.675)
OF WHICH:				
attributable to equity holders of the parent		872		(28.675)
Attributable to minority interests		-		-
EARNINGS PER SHARE	25	0,00		0,00
DILUITED EARNINGS PER SHARE	25	0,00		

OVERALL PROFIT AND LOSS STATEMENT OF DHH (ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2016
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YEAR'S PROFIT (LOSS) (A)	872	(28.675)
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Components which should be classified in the Profit and loss statement

Components which should not be classified in the Profit and loss statement

TOTAL OTHER PROFIT (LOSS) NET TO FISCAL EFFECT (B)	-	-
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Total year's overall profit (loss) (A+B)	872	(28.675)
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(*)EBITDA indicates earnings before interest, taxes, depreciation and amortization or fixed assets and write-down of receivables. Therefore EBITDA represents the operating margin before choices in amortisation policy and assessing trade receivables. EBITA, as defined above, represents the index used by the Company's directors to monitor and assess business trends. EBITDA is not identified as an accounting measure under national accounting standard, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBITDA is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

(**) EBIT indicates earnings before interest and taxes. Therefore EBIT represents the year's results before third party and treasury share dividend distribution. EBIT, as defined above, represents the index used by the directors of the Company to monitor and assess business trends. EBIT is not identified as an accounting measure under national accounting standard, consequently it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBIT is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

INTERIM STATEMENT OF CASH FLOW AS AT 30 JUNE 2017

CASH FLOW STATEMENT (ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2016
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A. CASH FLOW FROM OPERATING ACTIVITIES

Profit for period	872	(28.675)
Income taxes	686	400
Interest payables/ (receivables)	(1545)	-
(Capital losses)/gains from sales assets	-	-

1. EARNING BEFORE INCOME TAX, INTEREST, DIVIDENDS

AND CAPITAL GAIN/LOSSES	13	(28.275)
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Adjustments for non-cash items that are not accounted for		
In net working capital change:	465	75
- Allocation to reserve	-	-

- Amortization and depreciation of assets	465	75
- Permanent loss write-downs	-	-
- Other adjustments on non-monetary items	-	-
2. CASH FLOW BEFORE NWC CHANGES	477	(28.200)
Changes in NWC:	(55.540)	73.926
- Decrease (increase) in inventories	-	-
- Decrease (increase) in customer receivables	(88.526)	(44.635)
- Increase (decrease) in supplier payables	31.881	98.640
- Decrease (increase) in prepaid expenses and accrued income	14.272	3.138
- Increase (decrease) in accrued expenses and deferred income	2.262	-
- Other changes to the NWC	(15.430)	16.783
3. CASH FLOW AFTER NWC CHANGES	(55.063)	45.726
Other changes:	1545	(400)
- Interest collected/ (paid)	1.545	-
- (Income tax paid)	-	(400)
- Dividends received	-	-
- (Use of reserves)	-	-
CASH FLOW FROM OPERATING ACTIVITIES [A]	(53.518)	45.326
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Investments) in tangible assets	-	-
(Investments) in intangible assets	(3.100)	(94.222)
(Investments) in financial assets	(860.404)	(2.331.168)
(Investments) in non-capitalized financial assets	(2.439)	-
CASH FLOW FROM INVESTING ACTIVITIES [B]	(865.943)	(2.425.390)
C. CASH FLOW FROM FINANCING ACTIVITIES [C]		
Third party resources	-	-
Increase (decrease) current payables to bank	167	-
New loans	-	-
Loan repayments	-	-
Own resources	-	-
Paid capital increase	-	-
Treasury share sale (purchase)	-	2.331.168
(Dividends paid)	-	-
CASH FLOW FROM FINANCING ACTIVITIES [C]	167	2.331.168

INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]	(919.293)	(48.896)
LIQUID FUNDS AT THE BEGINNING OF THE PERIOD	3.149.732	65.732
LIQUID FUNDS AT THE END OF THE PERIOD	2.230.439	16.836

NET FINANCIAL POSITION AS AT 30 JUNE 2017

NET FINANCIAL POSITION OF DHH	30.06.2017	30.06.2016
(ALL AMOUNTS ARE IN EURO)		
A. Cash	-	-
B. Cash equivalents	(2.230.439)	(16.836)
C. Securities held for trading	-	-
D. LIQUIDITY (A)+(B)+(C)	(2.230.439)	(16.836)
E. Current financial receivables	(4.930)	-
F. Short-term bank liabilities	-	-
G. Current part of non-current borrowing	3.384	-
H. Other current financial liabilities	-	-
I. CURRENT FINANCIAL DEBT (F)+(G)+(H)	3.384	-
J. NET CURRENT FINANCIAL DEBT (I)-(E)-(D)	(2.231.984)	(16.836)
K. Non-current bank liabilities	-	-
L. Bond issued	-	-
M. Other non-current liabilities	250.000	-
N. NON-CURRENT FINANCIAL DEBT (K)+(L)+(M)	250.000	-
O. NET FINANCIAL DEBT (J)+(N)	(1.981.984)	(16.836)

INTERIM STATEMENT OF CHANGES IN NET EQUITY

	VALUE AS AT 01.01.2016	OTHER VARIATIONS - INCREASE	OTHER VARIATIONS - DECREASE	FINANCIAL RESULT	VALUE AS AT 31.12.2016
Share Capital	10.000	132.000			142.000
Share premium reserves	840.000	5.870.766	(19.247)		6.691.519
Bonus Share		8.400			8.400
Year's profit (loss)	(19.247)		19.247	(11.875)	(1.875)
TOTAL	830.753	6.011.166		(11.585)	6.830.044

	VALUE AS AT 01.01.2017	OTHER VARIATIONS - INCREASE	OTHER VARIATIONS - DECREASE	FINANCIAL RESULT	VALUE AS AT 30.06.2017
Share Capital	142.000				142.000
Share premium reserves	6.691.519	(11.875)			6.679.644
Bonus share	8.400				8.400
Retained earnings (accumulated losses)					
Year's profit (loss)	(11.875)	11.875		872	872
TOTAL	6.830.044	-		872	6.830.916

NOTE TO THE FINANCIAL STATEMENTS

EVALUATION CRITERIA

The main criteria for drawing up the interim financial statements are set out below.

INTANGIBLE ASSETS

Intangible assets are assets without a physical substance, they are recognised only if they are identifiable, controllable and they can be predicted to generate future economic benefits and their cost can be determined in an accurate way. Intangible assets with a defined life are evaluated at their purchase or production cost net of amortization and accumulated losses of value.

Amortization is variable, depending on the expected residual life and it starts when the activity is available for use. Useful life is re-examined yearly and any changes are made with prospective application.

Intangible assets with residual undefined life are not amortized but are subject annually or more often, if necessary, to checks to identify any value reduction (impairment test) even in the absence of value-loss indicators. Such check is run at the level of cash generating unit, to which the same immaterial asset is attributed.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE - GOODWILL

The goodwill, arising from the acquisition of a controlled company or other merger transactions, represents the positive excess of the acquisition cost compared to the percentage due to the Group of current values, fair value, assets, liabilities and potential liabilities identifiable at the acquisition date.

The goodwill is accounted for assets with residual indefinite life and is not amortized but annually subject – even in the absence of value-loss indicators or even more frequently if necessary- to checks to identify any value reduction (impairment test), as well as to verify the indefinite duration requirement. Value-losses are immediately recognised in the profit and loss statement and are not subsequently restored. After the initial recording the goodwill is evaluated at the cost net of any accumulated losses. In case of transfer of a controlled company the net value of the goodwill attributable to it is included in the determination of capital gain or capital loss arising from the transfer. For purposes of running the impairment test the goodwill is attributed to the cash generating units or CGU or CGU groups which are expected to benefit from the aggregation.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – DEVELOPMENT COSTS

Development costs, essentially relevant to the development of new products are capitalized if and to the extent such costs may be determined in an accurate way, the generated activity is clearly identifiable and there is evidence their bearing will give rise to future economic benefits. In particular, for purpose of capitalization what matter is (i) the technical feasibility and (ii) the intention to complete the activity so as to make it sustainable for use or sale, (iii) the existence of adequate technical and financial resources to complete the development and (iv) the sale and reliability of cost evaluation with reference to activity during the development. Upon checking these conditions, costs are recognised within the assets of the balance sheet and amortized, at constant rates, since the beginning of commercial production of the product. Useful life is determined with reference to a prudent estimate of the relevant economic benefits and it is initially estimated at five years, depending on the features of the relevant product.

The development costs for which the above conditions are not met are recognised in the profit or loss statement when they are accrued and may not be capitalized in subsequent years.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – OTHER IMMATERIAL ACTIVITIES

Other immaterial activities are recorded in the statement of financial position only to the extent it is likely the use of the activity will give rise to future economic benefits and the cost of the activity can be recorded in an accurate way. If such conditions are met immaterial activities are recorded at their purchase cost, corresponding to the price paid increased by side costs and, for goods contributed in kind, the values ascertained in the relevant deeds. Other immaterial activities due to the purchase of going concerns are recorded separately from the goodwill, if their fair value can be determined in a reliable way. The gross accounting value of other intangible activities with defined useful life is regularly spread across the financial years in which they are being used through the provision of constant amortization costs, with reference to the estimated useful life. Amortization starts when the activity is ready for use. For contributed activities amortization is determined on the basis of the useful residual life.

TANGIBLE ASSETS

Tangible assets are registered at their purchase or production or contribution cost, including any additional expenses necessary to make the asset ready for use. In case an extended time is necessary to make the asset ready for use the purchase or production cost includes the financial cost which theoretically could be avoided without an investment.

No revaluation has been made, including pursuant to specific laws. Said activities are specifically amortized on the basis of certain economical-technical parameters determined with reference to the theoretical usability of the goods. In case a tangible asset includes more than a significant element with a different useful life amortization is done for each component.

The amortizable value is represented by deducting book value from the net value of its residual life, if significant and if it can be reasonably ascertained. The amortization ratio applied to any unit is reviewed at least at closing of any financial year and, if there are significant changes in the expected consumption of the future economic benefits generated by an asset the ratio is modified to reflect this change as contemplated under IAS 8.

Gains and losses arising from transfers or dismissals of assets are determined as difference between the sale revenue and the net book value of the asset and recognised in the profit and loss statement. The costs relevant to renewals, changes and transformation which extend the useful life of an asset are capitalized. If there are events leading to a presumed reduction of the accounting value of material assets their recovery is controlled by comparing the book value with the recoverable value, represented by the higher between (i) fair value less disposal costs and (ii) current value.

PARTICIPATIONS

Participations in controlled companies are valued with the cost method. By applying such method, they are subject to impairment test with the rules set out under IAS 36 to the extent there is objective evidence of a loss of value of the participation due to one or more events occurred after the initial recognition having an impact on future cash flows of the participated company and dividends which it may distribute. Such objective evidence arises if there is a persistent negative trend. In such cases devaluation is determined as difference between the book value of the participation and its recoverable value, normally determined on the basis of the higher between use value, determined discounting future cash flows and fair value net of sale costs.

NON-CURRENT FINANCIAL ASSETS

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

- Loans and receivables (L&R);
- Investments held to maturity (HTM)
- Financial assets at fair value recorded in the profit and loss statement and valued using the fair value method (FVTPL).

Fair value generally corresponds to the market value. If there is no active market value fair value is determined utilizing evaluation techniques e.g. the actualized future cash flow method at a market interest rate. Differences arising from such evaluations are recorded in a specific net worth reserve. The suspended evaluation effects of such reserve are recognised in the profit or loss statement at the time of disposal of the financial transaction leading to such disposal, realization of sale thereof. In case the loss of value is durable such amount is reclassified from equity to profit or loss.

CURRENT ASSETS

The drafting of the statement of cash flow, the statement of financial position and the profit or loss statement requires estimates and assumptions having an effect on the value of assets and liabilities and relevant report, as well as on contingent assets and liabilities at the reference date. Estimates and relevant assumptions are based on the preceding experiences of the Company and other factors deemed reasonable in the circumstances and have been adopted to determine the accounting value of assets and liabilities the value of which may not be easily discerned from other objective sources. The final results may therefore differ from such estimates. Estimates and assumptions are reviewed periodically and the effects of the relevant variations reflected in the profit or loss statement.

TRADE RECEIVABLES

Trade receivables are recorded at their fair value, corresponding generally to their nominal value, net of value-loss referred to sums which may not be collected, recorded in specific provisions for doubtful receivables. Receivables, with an expiry date that falls within the normal commercial terms, are not actualized. Receivables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

CASH AND EQUIVALENT INSTRUMENTS

Cash and equivalent instruments are recorded at their nominal value and include the nominal value, i.e. those values having availability on demand and short term requirements, good outcome and absence of expenses for their collection.

TRADE PAYABLES

Trade payables are recorded at their nominal value which is normally approximated at the amortized cost. Payables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

FINANCIAL LIABILITIES

Financial liabilities, other than derivative financial instruments, are recorded at the settlement date measured at fair value of liabilities, net of directly related transaction costs.

EMPLOYEES BENEFITS

Severance Indemnity Reserve (TFR), which is mandatory for Italian companies pursuant to art. 2120 of the Civil Code, is considered as deferred remuneration and is based on the years of service and on the salary earned by the employee during his service period. For benefits subject to actuarial valuation, liabilities relating to TFR must be calculated by projecting on a forward basis the amount already accrued at the time when the relationship between employer and employee is terminated and by subsequently proceeding with its time-discounting on the date of financial statement under the actuarial method "Projected Unit Credit Method". Such actuarial method is based on demographic and financial assumptions to reasonably estimate of the amount of benefits that each employee has already accrued as result of his employee service.

Through actuarial valuation the current service cost, which represents the amount of rights matured by employee at reporting date, is recorded in the profit or loss statements. Among financial (Gain)/Losses is also recorded the interest cost which represents the figurative expenditure that the company would bear by securing a market loan for an amount corresponding to TFR. The actuarial gain and losses resulting from changes in the actuarial assumptions adopted are directly recorded in the balance sheet.

RECOGNITION OF REVENUES

Revenues are recorded - according to territorial competence principle - when the Group is likely to benefit from future economic benefits and such benefits may be reliably determined. In particular, revenues from sales and services are recorded when the transfer of all the risks and benefits arising from the passage of title takes place or upon execution of a service. Revenues are recorded net of discounts, allowances, settlement discounts and rebates.

EXPENSES

Expenses are recorded when they are incurred, in accordance with the principle of matching expenses and revenues that directly and jointly derive from the same transactions or events. Expenses which may not be associated with revenues are immediately recorded in the profit or loss statement. Value losses are recorded in the profit or loss statement of the financial year in which such value losses occurred.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are considered on an accrual basis, recorded interest matured on the net value of the relevant financial assets and liabilities using the effective interest rate.

TAXES

Current and deferred taxes are recognised in the profit or loss statement if not related to the transactions directly recorded in the net equity. Income taxes are determined on the basis of taxable income for the period in accordance with laws. The "deferred tax liabilities" and the "receivables for advanced taxes" are calculated – in accordance with IAS 12 – on the temporary differences between the fiscal value of an asset or liability and its balance sheet value, to the extent likely that – in the foreseeable future – such differences will disappear. The amount of the "deferred tax liabilities" as well as the "receivables for deferred tax" is determined on the basis of the tax rate which – according to the tax regulations in force on the accounting entry reference date – will apply at the time when the tax asset will be realized or the tax liabilities will be due. The recognition of deferred tax assets is made when their recovery is probable. Receivables for advanced taxes and deferred tax liabilities are offset whenever such compensation is allowed by law.

ESTIMATES AND VALUATIONS

The preparation of the consolidated financial statement and related notes require estimates and assumptions affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period. The final results may differ from such estimates.

In particular, estimates are used to made the impairment tests, as well as to record the amortization and depreciation, the impairment of assets, the provisions for risks. Estimates and assumptions are periodically reviewed and the effects of any variation are periodically recognised in the profit or loss statement.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1 INVESTMENTS

This item amounts to 3.644.847 EURO, with an increase of 559.013 EURO as compared to the value as at 31.12.2016, and it is made up as follows:

SHAREHOLDINGS IN SUBSIDIARIES	VALUES IN EURO
TOPHOST S.r.l.	1.232.929
DHH. SI d.o.o. (previously KLARO d.o.o.)	1.852.904
DHH Switzerland (previously Bee Bee Web SA)	545.442
DHH Italia S.r.l.	12.224
DHH SRB d.o.o. (previously Plus Hosting d.o.o)	1.346
TOTAL	3.644.846

The shareholdings in subsidiaries are valued at cost. By applying this method, they are subjected to impairment testing following the IAS 36 rules if, and only if, there is an objective evidence of the shareholding's value loss due to one or more events occurred after its initial subscription that impact on the subsidiary's future cash flows and on the dividends that the same subsidiary may distribute. Such objective evidence exists in case of a persistent negative performance of the subsidiary. In these cases, the write-down is equal to the difference between the shareholding's carrying value and its recoverable amount, which is normally determined on the basis of the value in use quantified by discounting future cash flows and the fair value net of selling costs, whichever is the higher. The impairment test has been carried out considering the most recent economic-financial forecasts for future financial years, as resulting from the budget data developed by the Group's Management, and making projections of such data.

The evaluations made revealed no need for a write-down of the carrying amounts of the goodwill.

NOTE 2 INTANGIBLE FIXED ASSETS

Intangible fixed assets have a budgetary position equal to 3.873 EURO as at 30.06.2017. The increase is related to the upgrading of TMP software through the inclusion of some new modules.

The following table provides a breakdown of movements regarding intangible fixed assets occurred in the 2017 financial year:

INTANGIBLE ASSETS	SOFTWARE LICENSES
VALUE AT 31.12.2016	1.547
Investments	3.100
Disinvestments and other movements	0

COST AT 30.06.2017	4.647
ACCUMULATED AMORTIZATION AT 31.12.2016	309
Amortization 2017	465
Disinvestments and other movements	0
ACCUMULATED AMORTIZATION AT 30.06.2017	774
NET BOOK VALUE	
At December 31, 2016	1.237
At June 30, 2017	3.873

NOTE 3 NON-CURRENT FINANCIAL ASSETS

This item is equal to 901.390 EURO as at June 30, 2017 and it is made up as follows:

MEDIUM-LONG TERM LOANS	AMOUNT
Loan in favour of the subsidiary DHH.SI d.o.o.	335.000,00
Loan in favour of DHH d.o.o. – Croatia (controlled by DHH.si)	315.000,00
Loan in favour of DHH Italia	250.000,00
TOTAL	900.000,00

The amount 1.390 EURO, as difference between the book value and the total loans' value, is related to the interests associated to the loan in favour of DHH d.o.o..

NOTE 4 DEFERRED-TAX ASSETS

Deferred-tax assets are equal to 8.466 EURO and refer exclusively to deferred taxes calculated with regard to temporary differences between the value of assets and liabilities used for the drafting of the financial statements according to international accounting principles and the respective values relevant for tax purposes.

NOTE 5 TRADE RECEIVABLES

Trade receivables are equal to 232.228 EURO as at 30.06.2017, with an increase of 88.525 EURO compared to 31.12.2016. The increase is in most part referred to the amount of cost sharing. The table below includes the breakdown by geographic region of trade receivables:

GEOGRAPHY	AMOUNT AS AT 30.06.2017	AMOUNT AS AT 31.12.2016
Italy	48.661	50.374

EU countries	181.122	93.329
Non-EU countries	2.445	-
TOTAL GROSS TRADE RECEIVABLES	232.228	143.703

NOTE 6 CURRENT FINANCIAL ASSETS

Current financial assets amount to 4.929 EURO as at 30.06.2017, with an increase compared to 2016. They are made up solely of the interests accrued during the financial year and payable in the subsequent financial year, over the loans granted in favour of DHH.SI d.o.o., DHH d.o.o. Croatia and DHH Italia Srl.

NOTE 7 TAX RECEIVABLES

Tax receivables are equal to 135.580 EURO as at June 30, 2017, with an increase of 21.139 EURO as compared to 2016, and are made up as follows:

CATEGORY	AMOUNT AS AT 30.06.2017	AMOUNT AS AT 31.12.2016
Value Added Tax	135.578	114438
Deductions on active interests	2	2
TOTAL	135.580	114.440

The increase is mainly attributable to the VAT receivable accrued during the 2017 financial year.

NOTE 8 CASH AND CASH EQUIVALENTS

This item is equal to 2.230.439 EURO, with a decrease of 919.294 EURO as compared to 2016, and it is made up exclusively of cash equivalents available as at 30.06.2017 on bank deposits in the name of the company.

The decrease occurred during the financial year is essentially attributable to new investments and new loans in favour of the subsidiary.

NOTE 9 PREPAID AND ACCRUED EXPENSES

Prepaid and accrued expenses are equal to 2.744 EURO as at 30.06.2017

NOTE 10-11-12 NET EQUITY

The Net equity as at June 30, 2017 is made up as follows:

SHARE CAPITAL

The share capital is fully paid and – as at June 30, 2017 – is made up of 1.420.000 ordinary shares without nominal value, with an accounting par value of Euro 0,10 each.

RESERVES

Reserves is equal to 6.688.044 EURO. In particular, the amount is subdivided in:

- Share Premium Reserves 6.679.644 EURO
- Bonus Share Reserve 8.400 EURO

In particular, the changes occurred can be summarized as follows:

	VALUE AS AT 01.01.2017	OTHER VARIATIONS - INCREASE	OTHER VARIATIONS - DECREASE	FINANCIAL RESULT	VALUE AS AT 30.06.2017
Share Capital	142.000				142.000
Share premium reserves	6.691.519	(11.875)			6.679.644
Bonus share	8.400				8.400
Retained earnings (accumulated losses)					
Year's profit (loss)	(11.875)	11.875		872	872
TOTAL	6.830.044	-		872	6.830.916

NOTE 13 NON-CURRENT FINANCIAL PAYABLES

They are equal to Euro 250.000 and refer exclusively to the loan granted by the subsidiary Tophost Srl (interest rate of 6 months Euribor).

NOTE 14 TRADE PAYABLES

Trade payables are equal to 53.293 EURO as at 30.06.2017, with an increase of 31.881 EURO as compared to 31.12.2016. The table below includes the breakdown by geographic region of trade payables:

TRADE PAYABLES	30.06.2017	31.12.2016
Italy	50.209	21.412
EU countries	2.804	-
Non-EU countries	280	-
TOTAL PAYABLES	53.293	21.412

NOTE 15 OTHER CURRENT LIABILITIES

Other current liabilities are equal to 14.069 EURO as at 30.06.2017, with a decrease of 898 EURO. This item records the Payables towards directors and auditors for the remunerations accrued by them and not cleared during the financial year and other current liabilities as payroll and social security contributions.

NOTE 16 CURRENT FINANCIAL LIABILITIES

Current financial payables are equal to 3.384 EURO and records only payable towards the subsidiary Tophost S.r.l. for loan interests, as said above.

NOTE 17 TAX PAYABLES

Tax payables are equal to 10.571 EURO as at 30.06.2017, with an increase of 6.607 EURO compared to 31.12.2016. Such item only records payable towards the tax authorities for withholding taxes made.

NOTE 18 ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income are equal to 2.262 EURO at 30 June 2017.

NOTE 19 NET INCOME

Net income deriving from sell and performance is equal to 165.209 EUR as at 30 June 2017, with an increase of 121.320 EUR compared to 30 June 2016. The increase is functional to the recharge of costs for services rendered by the parent company to subsidiaries.

NOTE 20 SERVICE COSTS AND USE OF THIRD PARTY ASSETS

Service costs are equal to 163.527 EURO as at 30 June 2017, with an increase of 92.568 EURO compared to 30 June 2016 and they are made up as follows:

SERVICE COSTS	30.06.2017	30.06.2016
Wholesale costs	11.878	91
Commercial and marketing expenses	2.856	10.900
Professional services	148.793	59.968
TOTAL	163.527	70.959

NOTE 21 OTHER OPERATING COSTS

Other operating costs are equal to 1.205 EUR as at 30 June 2017, with a decrease of 25 EURO compared to 30 June 2016.

NOTE 22 AMORTIZATIONS AND IMPAIRMENT

Amortizations and impairment are equal to 465 EURO as at 30 June 2017, with an increase of 389 EURO compared to 30 June 2016, and only records the amortization rate for the period relating to software.

NOTE 23 FINANCIAL INCOMES (EXPENSES)

On 30 June 2017 net financial incomes are equal to 1.545 EURO. Financial income and expense are accrued on the loan agreement between direct company and indirect company.

The financial incomes (expenses) are specified below:

FINANCIAL INCOMES	30.06.2017	30.06.2016
Bank and postal interests income	-	-
Loan's interests income	4.929	-
TOTAL	4.929	-

FINANCIAL EXPENSES	30.06.2017	30.06.2016
Loan's interests expense	3.385	-
Other financial expenses	-	-
TOTAL	3.385	-

NOTE 24 INCOME TAXES

Income taxes are equal to 686 EURO and only records advanced taxes calculated in connection with the temporary differences arising between the values of the assets and liabilities recorded for the purpose of drawing up the financial statement according to international accounting principles and corresponding tax value reported in the tax returns.

In particular, the same result from the difference between the development costs in 2015 and 2016, expensed under IAS and recoverable in five years for tax purposes and according to statutory financial statements prepared in accordance with Italian GAAP.

No recording of deferred tax assets for tax losses carried forward was carried out, since at the moment there DHH separate provide holding services and there is no reasonable certainty of generating taxable incomes over the following financial years.

NOTE 25 EARNINGS PER SHARE

The number of share for calculation are the same described in note 33 of Consolidated Interim Financial Statement.

RECONCILIATION BETWEEN NET EQUITY AND THE RESULTS FOR THE PERIOD:

A statement of reconciliation between the individual financial statement drawn up according to national accounting principles and financial statement drawn up according to IAS principles for the purpose of consolidation is illustrated below:

	SHARE CAPITAL	RESERVES	YEAR'S RESULTS	TOTAL OF NET EQUITY
NET EQUITY ITALIAN GAAP	142.000	6.717.025	(3.200)	6.855.825
Removal of intangible assets		(38.133)	5.358	(32.775)
Advanced taxes IAS		9.152	(1.286)	7.866
NET EQUITY IAS	142.000	6.688.044	872	6.830.916

COMPENSATION OF THE STATUTORY AUDITOR AND AUDITOR FIRM

The compensation paid for the auditor firm is equal to 7.900 EURO for auditing activities and 14.380 EURO for other activities. The compensation for statutory auditor is equal to 8122 EURO.

RELATED PARTIES' TRANSACTIONS

	RELATED PARTIES	RECEIVABLES	PAYABLES	COSTS	REVENUES
1	Seeweb s.r.l.		15.062	12.600	
2	Antonio Domenico Baldassarra		500	500	
3	Giandomenico Sica		9.464	52.157	
4	Uros Čimžar		500	500	
5	Matija Jekovec		500	500	
	TOTAL		26.026	66.257	

Cost and payables relating Board of Directors (Mr.Sica, Mr.Baldassarra, Mr. Čimžar and Mr. Jekovec) are of Euro 500,00 for each Board meeting in which each director will take part in 2017.

Costs and payables relating to counterparts Mr.Sica, relate to the contract signed with Grafoventures by Giandomenico Sica are related for professional strategic services; The total amount for the first semester is agreed for Euro 45.000,00 plus VAT and any legal charges.

Milan, 28 september 2017

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, 2017

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, 2017 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, 2017. 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, 2017 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.

Milan, September 28, 2017

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.