

PRESS RELEASE

The Board of Directors of Dominion Hosting Holding S.p.A. has examined and approved the consolidated financial statements report for the first half of 2017

- *Double digit growth on all the main financial KPIs (net sales, EBITDA, net profit)*
- *Cashflow from operating activities exceeds EBITDA by 137%*
- *International net sales grow to 70% of the total net sales*
- *3 acquisitions (one in Croatia, one in Italy, one in Switzerland) in the first 6 months of 2017 for a total of 8 acquisitions in the last 24 months*

FINANCIAL HIGHLIGHTS

- **TOTAL CONSOLIDATED NET SALES EQUAL TO EUR 2,4 MILLION VERSUS EUR 1,9 MILLION AS AT 30 JUNE 2016 (+24%)**
- **CONSOLIDATED GROSS OPERATING MARGIN (EBITDA) EQUAL TO EUR 216 THOUSAND VERSUS EUR 184 THOUSAND AS AT 30 JUNE 2016 (+17%)**
- **GROUP'S CONSOLIDATED NET RESULT AMOUNTED TO EUR 85 THOUSAND VERSUS EUR 66 THOUSAND AS OF 30 JUNE 2016 (+27%)**
- **CASHFLOW FROM OPERATING ACTIVITIES AMOUNTED TO EUR 513 THOUSAND VERSUS A GROSS OPERATING MARGIN (EBITDA) EQUAL TO EUR 216 THOUSAND (+137%)**
- **NET FINANCIAL POSITION EQUAL TO EUR 2,3 MILLION VERSUS EUR 160 THOUSAND AS OF 30 JUNE 2016**
- **CONSOLIDATED NET EQUITY EQUAL TO EUR 7,1 MILLION VERSUS EUR 3,2 MILLION AS OF 30 JUNE 2016**

Milan, 28 September 2017. The Board of Directors of Dominion Hosting Holding S.p.A. (“**DHH**”) (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622 | ISIN warrants IT0005203689), a tech company whose mission is to create the “*Internet Platform of the Emerging markets of Europe*”, met today to examine and approve the consolidated financial statements report of DHH Group for the first half of 2017.

PERFORMANCE OF THE GROUP

MAIN RESULTS 2017 (ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2016	DELTA
NET SALES	2.388.868	1.925.415	+24%
GROSS MARGIN	1.063.075	697.440	+52%
EBITDA	215.887	184.297	+17%
EBIT	152.973	131.549	+16%
NET RESULT	84.964	66.694	+27%

During the first half of 2017 the consolidated net sales would amount to **Eur 2,4M** showing an increase of 24% in comparison with those of the previous year.

The overall consolidated revenues recorded a positive delta partly due to inclusion in the consolidation of new companies. The consolidated gross operating margin (EBITDA) was positive and equal to **Eur 216k** with an increase of 17% compared with the consolidated for the first half of 2016.

The net profit of the Group as of 30 June 2017 was equal to **Eur 85k** with an increase of 27% compared with the consolidated for the first half of 2016.

The chart below shows the composition of revenues divided by geographical areas:

NET SALES FROM OPERATIONS BY GEOGRAPHICAL AREA	30.06.2017	DELTA
ITALY	724.877	30%
INTERNATIONAL NET SALES	1.663.991	70%
<i>EU COUNTRIES (SLOVENIA AND CROATIA) 1.456.094</i>		
<i>OUTSIDE EU COUNTRIES (SERBIA AND SWITZERLAND) 207.897</i>		
TOTAL	2.388.868	100%

The consolidated net financial position of the Group as of 30 June 2017 amounted to **EUR 2,3 M** versus **EUR 160K** as of 30 June 2016 and it was made up of the following items: cash equivalents of **EUR 3,1 M**; short-term financial debts of **EUR 189K**; medium/long-term financial debts of **EUR 608K**.

As of 30 June 2017 the net equity was **Eur 7,12M**.

THE GROUP CONSOLIDATED PRO-FORMA* AS OF 30 JUNE 2017

CONSOLIDATED PRO-FORMA (MAIN FIGURES)	PRO-FORMA	CONSOLIDATED	DELTA
(ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2017	
NET SALES	2.861.166	2.388.868	+20%
OPERATING INCOME - EBITDA	370.712	215.887	+72%
EBIT	299.324	152.973	+96%
EARNINGS BEFORE TAXES	259.982	118.133	+120%
NET INCOME (LOSS) FOR THE YEAR	225.585	84.964	+165%

** The consolidated pro-forma is unaudited.*

The consolidated pro-forma p&l includes the full results of the acquisitions made during the year, while the official consolidated p&l includes only the pro-quota results after the acquisition date of the new companies.

Furthermore, all direct and indirect costs related to being a company publicly listed on the Italian Stock Exchange have been deleted in the pro-forma consolidated p&l as at 30.06.2017, together with all direct and indirect costs related to M&A and extraordinary activities.

The consolidated pro-forma is unaudited and has been prepared:

- to have a comparable representation to the consolidated p&l
- to have a representation useful to compare DHH to its private peers, which are not listed and don't afford this kind of costs.

The consolidated gross operating margin (EBITDA), net of the extraordinary and non-recurring income, was positive and equal to **Eur 370k** with an increase of 72% compared with the consolidated as at 30.06.2017.

MAIN EVENTS OCCURRED DURING THE FIRST HALF OF 30 JUNE 2017

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 at the date 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 S.A., a Swiss company involved in the business of web hosting and ii) the Italian reseller of Bee Bee Web S.A. so as to strengthen the Group presence in the Italian market.

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.

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 S.A. and (ii) 100% of the share capital of Hosting Star S.r.l, the Italian reseller of Bee Bee Web S.A..

During the today's meeting, for strategic and economic reasons complied with the need to negotiate certain terms of the deal, the DHH Board of Directors has considered appropriate to postpone the closing date of the second part of said transaction with Mr. Sergio Ravera (*i.e.* the contribution in kind of the remaining shares held by Mr. Ravera in DHH SA into DHH in return for the latter granting a number of newly issued shares in his favour – ref. press release, 10 February 2017) beyond the end of 2017.

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 of the whole participation in DHH.si d.o.o. (the Slovenian subsidiary of DHH S.p.A.) previously held in its subsidiaries, Plus Hosting d.o.o. (the Serbian subsidiary) and DHH d.o.o. (the Croatian one).

SIGNIFICANT EVENTS AFTER THE END OF SEMESTER

5TH JULY 2017: DHH d.o.o. (Croatia) was acquired by DHH S.p.A. The operation was carried out in order to simplify the ownership structure of the group and reduce administrative overhead.

BDO S.p.A. as the statutory auditor of the Group, expressed positive opinion without any remarks on the consolidated half-year financial statement as of 30 June 2017.

The consolidated interim financial report is available on the company's website at www.dominion.it.

Giandomenico Sica, Chairman of the Board of Directors of DHH commented: *“It has been a good first semester for DHH and we are on track with our plans. Our goal is to grow our intrinsic business value year after year, growing double digit all our main KPIs (net sales, EBITDA, net profit), both organically and through acquisitions. We created DHH almost 2 years ago and in 2015, more or less in this period (it was end of October), we were making our first deal. Now, after less than 24 months from our first deal, we executed 8 acquisitions, listed the company on the market, strongly increased the performances of our group, positioning DHH as the main player in the Balkans in the web hosting industry and as one of the emerging players in Southern Europe in the cloud computing landscape. We plan to go on with our journey with the same energy and focus shown in this “start-up phase” of our venture”.*

CONSOLIDATED INCOME STATEMENT (ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2016	DELTA
Net Sales	2.388.868	1.925.415	+24%

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Other Revenues	41.112	10.475	+292%
Internal project	124.354	-	<i>n/a</i>
OPERATING REVENUES	2.554.333	1.935.890	+32%
Material costs	(15.034)	(16.506)	-9%
Services costs and use of third party assets	(1.476.224)	(1.221.944)	+21%
GROSS MARGIN	1.063.075	697.440	+52%
Personnel costs	(758.352)	(430.533)	+76%
Other expenses	(88.836)	(82.610)	+8%
EBITDA	215.887	184.297	+17%
Amortization and impairment	(62.914)	(52.748)	+19%
EBIT	152.973	131.549	+16%
Financial income (expenses)	(33.494)	(20.649)	+62%
Other non-operating income/expense	(1.346)	6.871	-120%
EARNINGS BEFORE TAXES	118.133	117.771	0%
Income taxes	(33.169)	(51.077)	-35%
NET RESULT	84.964	66.694	+27%
relating to the shareholders of the Parent Company	98.429	-	<i>n/a</i>
relating to the third party shareholders	(13.465)	-	<i>n/a</i>

CONSOLIDATED PRO-FORMA INCOME STATEMENT	PRO-FORMA	CONSOLIDATED	DELTA
(ALL AMOUNTS ARE IN EURO)	30.06.2017	30.06.2017	
Net Sales	2.861.166	2.388.868	+20%
Other Revenues	45.550	41.112	+11%
Internal project	118.147	124.354	-5%
OPERATING REVENUES	3.024.863	2.554.333	+18%
Material costs	(25.645)	(15.034)	+71%
Service costs and use of third party assets	(1.447.714)	(1.476.224)	-2%
Personnel costs	(1.071.891)	(758.352)	+41%
Other expenses	(108.902)	(88.836)	+23%
TOTAL OPERATING COSTS	(2.654.151)	(2.338.446)	+14%
OPERATING INCOME - EBITDA	370.712	215.887	+72%
Amortization and impairment	(71.388)	(62.914)	+13%
EBIT	299.324	152.973	+96%
Financial income (expenses)	(39.342)	(33.494)	+17%
Other non-operating income/expense		(1.346)	n/a
EARNINGS BEFORE TAXES	259.982	118.133	+120%
Total current and deferred income taxes	(34.397)	(33.169)	+4%
NET INCOME (LOSS) FOR THE YEAR	225.585	84.964	+165%
OF WHICH:			
relating to the shareholders of the Parent Company	260.842	98.429	
relating to the third party shareholders	(35.257)	(13.465)	

CONSOLIDATED NET FINANCIAL POSITION	30.06.2017	30.06.2016	DELTA
(ALL AMOUNTS ARE IN EURO)			
A. Cash	(1.399)	(281)	+398%
B.Cash equivalents	(3.074.342)	(952.413)	+223%
C. Securities held for trading	-	-	n/a
D. LIQUIDITY (A)+(B)+(C)	(3.075.741)	(952.694)	+223%
E. Current financial Receivables	-	(692)	-100%
F. Short-term bank liabilities	188.008	13.995	+1243%
G. Current part of non-current borrowing	-	76.400	-100%
H. Other current financial liabilities	1.092	-	n/a
I. CURRENT FINANCIAL DEBT (F)+(G)+(H)	189.100	90.395	+109%
J. NET CURRENT FINANCIAL DEBT (I)-(E)-(D)	(2.886.641)	(862.991)	+234%
K. Non-current bank liabilities	565.182	572.535	-1%
L. Bonds issued	-	-	n/a
M. Other non-current liabilities	43.333	130.000	-67%
N. NON-CURRENT FINANCIAL DEBT (K)+(L)+(M)	608.515	702.535	-13%
O. NET FINANCIAL DEBT (J)+(N)	(2.278.126)	(160.456)	+1320%

ASSETS (ALL AMOUNTS ARE IN EURO)	30.06.2017	31.12.2016	DELTA
Goodwill	5.057.146	4.489.877	+13%
Tangible fixed assets	396.142	214.613	+85%
Intangible assets	691.919	99.691	+594%
Non current financial assets	7.511	-	n/a
Other non current assets	2.507	2.457	+2%
Prepaid Tax assets	10.085	9.151	+10%
NON CURRENT ASSETS	6.165.309	4.815.789	+28%
Trade receivables	531.359	110.311	+382%
Current financial assets	-	8.259	-100%
Other current assets	114.317	104.410	+9%
Tax receivables	180.034	150.502	+20%
Cash and cash equivalents	3.075.741	3.917.746	-21%
Prepaid expenses and accrued income	522.973	378.141	+38%
CURRENT ASSETS	4.424.423	4.669.369	-5%
TOTAL ASSETS	10.589.732	9.485.158	+12%

LIABILITIES (ALL AMOUNTS ARE IN EURO)	30.06.2017	31.12.2016	
Share Capital	142.000	142.000	0%
Reserves	6.682.950	6.719.637	-1%
Retained Profit (Loss)	221.269	35.561	+522%
Year's profit (loss) relating to the shareholders of the Parent Company	98.429	155.222	-37%
NET EQUITY PARENT COMPANY	7.144.648	7.052.420	+1%
Capital and Reserves relating to the third party shareholders	(7.822)	-	n/a
Year's Profit/loss relating to the third party shareholders	(13.465)	-	n/a

NET EQUITY TO THE THIRD PARTY SHAREHOLDERS	(21.287)	-	<i>n/a</i>
NET EQUITY	7.123.361	7.052.420	+1%
Non current financial payables	564.094	549.332	+3%
Severance reserves	2.721	1.591	+71%
Other non current liabilities	43.333	104.578	-59%
Liabilities for deferred taxes	12.076	2.268	+432%
NON CURRENT LIABILITIES	622.224	657.769	-5%
Trade payables	548.684	246.242	+123%
Other current liabilities	337.060	273.739	+23%
Current financial liabilities	190.188	87.411	+118%
Tax payables	136.409	80.280	+70%
Accrued liabilities and deferred income	1.631.806	1.087.297	+50%
CURRENT LIABILITIES	2.844.147	1.774.969	+60%
TOTAL LIABILITIES	3.466.371	2.432.738	+42%
TOTAL LIABILITIES AND NET EQUITY	10.589.732	9.485.158	+12%

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

About Dominion Hosting Holding S.p.A.

Set up in July 2015 today DHH is a leader, among SMEs companies, in the business of web hosting services in the European emerging digital markets and has already built an international group with more than 72 employees, 100,000 customers and 70% of sales outside of Italy, divided between Slovenia, Croatia, Serbia and Switzerland.

For more information please visit: www.dominion.it

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