

## **Bosko Radivojevic on mCloud performance Q3 2019: “We met all the targets in terms of bookings.”**

*Milan, 21 November 2019.* July and August are considered to be the best months for vacations. This coincides with “not that good” time for businesses all around the globe that experience the issue of having fewer workers at hand. With the Q3 being sluggish in terms of growth for companies, Q4 is about to be a bit more stressful in comparison to other times.

Today, we sat down with Bosko Radivojevic, the CEO of mCloud. He told us about his company’s current goals and challenges. We also spoke about mCloud’s marketing activities and the grand plans for the rest of 2019.

### **How did the Q3 of 2019 go for mCloud?**

**Bosko Radivojevic:** “Financially, it was very good and we were pretty good at meeting all the targets in terms of bookings. It is always a special part of the year because we have two months wherein there are a lot of vacations. Historically, August is a problematic month in terms of bookings.

On the other hand, July was very good in terms of bookings being at about 9-10% over our business plan. My biggest personal impression now is that we are rebounding our shared hosting performance. Since May, we have noticed very good performance over what was budgeted for bookings.

We are now preparing a new set of packages and pricing for shared hosting services. We will work on this in the next 7-10 days and we expect to launch by mid-November. Shared hosting is the fruit of our marriage with DHH and we are now trying to create better offerings in terms of pricing to make it more valuable to both the customers and ourselves.

Initially, strategy for shared hosting offering was to grow in terms of number of customers and market share, but now after the merger, we do not see that as a top priority. Our priority now is to drive higher profits with shared hosting. Plus.rs is very powerful in terms of the number of registered domain names, and we see it as a potential to sell other services as well. That is noticeable after having Plus in our portfolio for 2 quarters.”

### **During our last interview, you were getting ready to publish a new offering - cloud services. How did this project develop during the last three months? Is this offering a part of your advanced hosting project?**

**Bosko Radivojevic:** “That is now available to our customers and we have finally finished work on the infrastructure to be able to start provisioning new services. The service line is called Cloud Ready and

we are offering around 10-12 preinstalled templates. We have also started marketing activities tailored to it, so it is now fully in production. It is part of our advanced hosting project - an idea which we have for our more advanced customers, allowing them to choose different templates along with the joint offering of cloud applications. It is something that we plan to develop further together with offerings that we call Cloud Applications.

We rely on our partner companies for Cloud Application offerings such as an ERP solution for small shops, an ERP solution that is very capable in the e-commerce section (probably one of the most used small scale ERP solutions in Serbia) as well as a time tracking project management software.

Furthermore, we have a contact center offering, which is for bigger customers and is slightly more expensive, which, as a result, leads to a longer sales cycle. That being said, this is something we see traction with. All of the mentioned solutions are not easy to sell online because every customer expects to have a certain level of discussion/tailored offering. We, therefore, need to involve our partner companies in the process. They are bringing traffic to our website and we are satisfied with the traction so far. From a performance standpoint, it is yet to be seen, as it requires a lot of business development to see actual results.

We have completed everything in terms of the service launches that we had planned for this year. We also finished our infrastructure work apart from some minor tailing work, which puts us on track wherein we do not need to maintain equipment in 2 datacenters (and we expect this to be over by the end of November).

It was a very busy year with us merging companies, merging service portfolios and people, while onboarding new talent as well. That being said, we have completed what we set out to do and we will devote our efforts towards marketing, sales and picking up performance in the new year.”

### **Please tell me about your marketing initiatives during the third quarter – have you been involved in some new activities?**

**Bosko Radivojevic:** “We have another mDay event scheduled for the last day of November. We also have a very nice agenda for the Developer specific mDay which will be hosted in Belgrade.

In the end, we will have a stand-up show and this is the first time we are doing it. We have 2 famous people that are popular in the stand-up space in Serbia and they will role-play a system administrator and a software developer and the clash between them. These two worlds collide often and I believe that will bring us good feedback from the audience as we will have about 70% of software developers and 30% of DevOps / system administrators. The underlying idea is to facilitate better communication between the two groups that do not understand each other very well.

mDay is now a very established conference and whenever we open up for registration, we are usually booked entirely within a day or two. There will be around 200 people and we will present topics like the

new MySQL server, what the new HTTP protocol brings to the table, big data, serverless and IoT.

We will try and bring in some very interesting people from Oracle, Red Hat, etc. Our friends from the DHH group will join us as well. We will cover topics like serverless, which are important to both developers and system administrators. There will also be a presentation covering infrastructure as a code, which is more for system administrators. We are trying to have an agenda like this so that we have both worlds interested in our event and give them something to think about while entertaining them.

With this conference, we are trying to stay relevant and continue to be seen as someone that is giving back to the community as we do not have any commercial aspect of this event. We will use this opportunity to know our participants better. We will run some surveys to collect as much data as possible, to be able to use it in future campaigns and to tailor our products. People appreciate us giving back to the community and this is why we have a constantly high level of awareness of our brand and we have very good associations within the community.

In the end, we will have a panel discussion and it will cover a currently relevant topic in the Serbian market - change in tax regulation of contractors. The gist is - if you have your own company and you are contracting your services to another company, are you considered to be an employee or not? That is very interesting right now. We are doing this together with an organization called GrowIT. They will be organizing that panel discussion around topics like these. All in all, we are trying to bring in some interesting lecturers, choose interesting topics and put light on the system developer and system administrator roles through the roleplay.”

## **What are the plans of mCloud for the upcoming months?**

**Bosko Radivojevic:** “Next week, we will start a new marketing campaign for the new shared hosting packages and also a campaign for cloud-ready services. This will be done around 10 - 15 days before the conference and will allow us to measure our marketing activities by having the possibility of asking participants about their level of awareness and feedback. Overall, it is business as usual for marketing in terms of everyday industry marketing needs. Currently, no new products will be launched as we have finished everything we wanted to accomplish this year in terms of new product launches. In terms of infrastructure, which was a very important topic, we have almost finished that in principle as well.

We are now preparing new packages for shared hosting and it is important to note that the new servers will be Serbia. This will aid us in our marketing campaigns and is a strong point for mCloud as well, that all the resources are in Serbia. This tackles things like data protection, GDPR and the Serbian version of GDPR as well. We will cover a lot on this in our upcoming marketing activities. We will now put our efforts towards the sales of the products we have been working on. We are on track.”



## About DHH S.p.A.

Established in July 2015 and located in Milan, DHH SpA (“DHH”) is a tech-group that provides the “virtual infrastructure” to run websites, apps, e-commerces and software as a service solutions to 100.000+ customers across Southeast Europe (the so-called “Adriatic Sea area”), a geographic area where expected growth rates are higher thanks to current lower digital penetration.

DHH is listed on AIM Italia, a Multilateral Trading Facility regulated by Borsa Italiana and registered as an SME Growth Market.

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