

DHH S.p.A.

Sector: Cloud Computing / Internet Infrastructure

Growth Is Working, Margins To Be Restored

DHH S.p.A. aims to position itself as a relevant player in the evolution of global internet infrastructure through the integration of next-generation technology and artificial intelligence. Based in Europe, the company leverages open-source technologies to enhance digital connectivity across various industries and regions.

1H26 Results: +13% VoP, -4% EBITDA, Net Cash at €2.9mn

1H26 results showed a Top Line broadly in line with our est., EBITDA / Net Profit slightly below on continued investment in Cloud Computing and AI infrastructure, and an NFP ahead of expectations. We flag:

- VoP reached €22.8mn (+13.1% YoY; +10% ex-BLS, consolidated from April 2026, with the comparison also benefiting from Teknonet's full 6M contribution vs. 3M in 1H25), led by Cloud Hosting (+14%), Business Connectivity (+13%) and Managed IT Services (+74%), while Cloud Computing was broadly flat (-2%) despite GPU revenues roughly doubling;
- EBITDA was €6.4mn (-3.8% YoY; Adj. €6.7mn), with the Margin at 28.1% (~500bps YoY), impacted by: 1) M&A perimeter (BLS / Teknonet) margin dilution; 2) the mix shift towards lower-margin GPU services; 3) higher staff costs (+22% YoY) linked to Regolo.ai and the new commercial team; and 4) €300k increase in holding-company costs, related to the expansion of corporate activities;
- OpFCF b.t. exceeded €4.2mn (>65% of EBITDA) after €3.5mn capex (incl. RoU), helped by a ~€1.3mn NWC release. Net Cash improved to €2.9mn (vs. €1.3mn at FY25) despite the €1.2mn BLS outlay, pre the €4.2mn cash-funded Perimeter B.1 acquisition closed in July.

2026E–28E Estimates Cut on Lower Margins

Following 1H26 results, we are revising downwards our FY26E–28E estimates, mainly at the margin level, to reflect the ongoing investment phase in Cloud Computing and AI ramp up and more prudent profitability assumptions on Teknonet and BLS Consulting, while leaving Perimeter B.1 unchanged. We now expect: i) Top Line to grow from €51.5mn to €76.8mn (~4% vs. previous), supported by the enlarged perimeter, high single-digit organic growth and one bolt-on per year from FY27E; ii) EBITDA to rise from €14.0mn to €20.6mn (-7/-12%), with EBITDA and EBIT Margins at 26.8% and 14.5% by FY28E; and iii) Net Cash of €2.7mn by FY28E, as cumulative EBITDA of €51.3mn comfortably funds ~€28mn of capex and ~€13.9mn of M&A.

Fair Equity Value Fine Tuned to €32.3 p/s (from €34.0)

We slightly cut our Fair Equity Value to €32.3 p/s, from €34.0 at the end of July, implying a fair market cap of > €180mn. The 5% decrease mainly reflects our downward revision to earnings estimates, partially offset by an increase in sector market multiples. At our FV, DHH would trade at 12.8x and 10.7x EV/EBITDA on FY26E and FY27E, respectively.

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FAIR VALUE (€) **32.3**

MARKET PRICE (€) **26.2**

MARKET CAP.(€m) **147.3**

KEY FINANCIALS	FY25A	FY26E	FY27E
VALUE OF PRODUCTION	41.8	51.5	66.8
EBITDA	13.8	14.0	16.7
EBIT	7.8	7.3	8.4
ADJ. NET PROFIT	4.3	3.8	4.5
EQUITY	41.7	45.6	50.2
NET DEBT (-) / CASH (+)	1.3	0.0	0.3
EPS	0.8	0.7	0.8
DPS	0.0	0.0	0.0

Source: DHH, ValueTrack Analysis

KEY RATIOS	FY25A	FY26E	FY27E
EBITDA MARGIN (%)	33.0	27.1	25.0
EBIT MARGIN (%)	18.6	14.2	12.6
NET MARGIN (%)	10.3	7.3	6.7
NET DEBT / EBITDA (x)	nm	nm	nm
ROE (%)	11.8	9.1	9.7
EV/SALES (x)	3.0	2.8	2.2
EV/EBITDA (x)	9.0	10.3	8.6
EV/EBIT (x)	16.0	19.8	17.1
P/E (x)	28.8	38.9	33.0

Source: DHH, ValueTrack Analysis

STOCK DATA	
SHS.OUT (m)	5.6
MARKET CAP. (m)	147.3
ENTERPRISE VALUE FY26E (m)	144.6
FREE FLOAT (%)	33.1
AVG. 20D VOL	687
RIC/BBG	DHH.MI / DHH IM
52 WK MIN	19.55
52-WK MAX	29.00

Source: DHH, ValueTrack Analysis

Description

DHH S.p.A. is dedicated to reshaping internet infrastructure through the integration of next-generation technology and artificial intelligence.

Based in Europe, the company leverages open-source technologies to enhance digital connectivity across various industries and regions.

With a commitment to continuous research and open innovation, DHH aligns technological progress with stringent data privacy standards. This approach promotes technological excellence while safeguarding individual privacy, aiming to position the company as a relevant player in the evolution of global internet infrastructure.

Financial Highlights

€mn	FY25A	FY26E	FY27E	FY28E
Value of Production	41.8	51.5	66.8	76.8
YoY (%)	12.7%	23.2%	29.6%	14.9%
EBITDA	13.8	14.0	16.7	20.6
EBITDA Margin (% of VoP)	33.0%	27.1%	25.0%	26.8%
EBIT	7.8	7.3	8.4	11.2
EBIT Margin (% of VoP)	18.6%	14.2%	12.6%	14.5%
Net Profit	4.5	3.8	4.5	6.3
YoY (%)	23.6%	-15.2%	18.2%	40.7%
Net Fin.Position [Net Debt (-)/Cash(+)]	1.3	0.0	0.3	2.7
Net.Fin.Pos./EBITDA (x)	nm	nm	nm	nm
Capex	-7.8	-7.7	-10.0	-10.3
OpFCF b.t.	6.5	7.6	8.3	11.3
OpFCF b.t.as % of EBITDA	47.0%	54.5%	49.4%	54.9%

Source: DHH, Value Track Analysis

Investment case

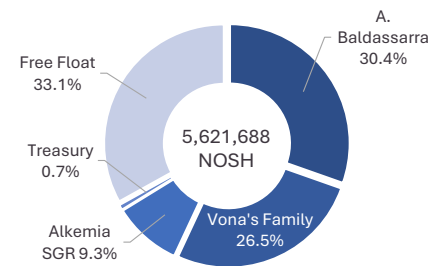
Strengths / Opportunities

- Excellent geographic footprint, market leader in Croatia and Slovenia
- Exposed to macro-trends such as AI hype and European Digital Reshoring
- Outstanding track record in digital business and M&A activities
- High profitability ratios, sound Free Cash Flow generation deriving from subscription-based recurring revenues business model

Weaknesses / Risks

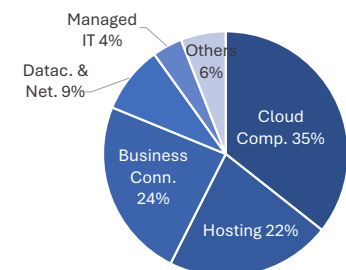
- Much lower size if compared to US tech giants
- Highly competitive market with several players

SHAREHOLDER STRUCTURE



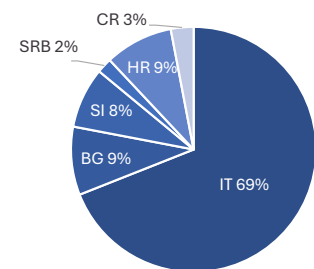
Source: DHH

SALES BREAKDOWN BY SERVICE



Source: DHH, FY25

SALES BREAKDOWN BY COUNTRY



Source: DHH, FY25

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	3.5	2.7
EV / EBITDA (x)	12.8	10.7
EV / EBIT (x)	24.5	21.2
EV / CAP.EMP. (x)	3.9	3.6
OpFCF Yield (%)	6.2	5.8
P / E Adj.(x)	48.0	40.6
P / BV (x)	4.4	3.9
Div. Yield.(%)	0.0	0.0

Source: Value Track

1H26 Financials

On 22 September, DHH reported solid **1H26 results**, with Top Line almost in line with our estimates, EBITDA and Net Profit a touch below on continued investment in Cloud Computing and AI infrastructure, and NFP beating expectations on strong cash generation — we expect 2H momentum to build further as BLS reaches full consolidation and the Perimeter B.1 acquisition, closed at end-July, starts contributing. Overall, the performance highlights several structural strengths:

- **High share of recurring revenues** – 92% of turnover derives from subscription-based solutions (vs 92% in 1Q26 and 91% in FY25) with automatic renewals, ensuring visibility and predictability of cash flows;
- **Very strong client retention** – churn remains extremely low, supporting a customer retention rate of around 90% and revenue relationships that extend well beyond the initial contract term;
- **Scalable business model** – cloud and related services are delivered on a one-to-many basis, enabling revenue expansion with limited incremental operating costs and with subs generally billed upfront;
- **Healthy cash flow generation** – the As-a-Service model, with advance payments and high recurring content, translates directly into robust cash conversion.

1H26 Results

As far as **1H26 financials**, we flag:

- **Value of Production reached €22.8mn**, up 13% YoY, with the increase driven predominantly by organic growth and a smaller contribution from the BLS acquisition, consolidated from April 2026. The result was supported by DHH's diversified and highly recurring revenue base (92% of total revenues), while the strongest contribution to growth came from Cloud Hosting, Business Connectivity and especially Managed IT Services, which also benefited from BLS's inclusion
- **Reported EBITDA down 4% YoY to €6.4mn**, with EBITDA Margin down 500bps YoY at 28.1% on VoP, reflecting investment in the Cloud Computing and AI/GPU business, a shift in revenue mix, higher holding-company costs related to the expansion of corporate activities, and the consolidation of BLS / Teknonet, at a margin we estimate below the group average;
- **Reported EBIT down 14% YoY to €3.3mn**, reflecting the EBITDA decline alongside a higher D&A base linked to the group's investment cycle and perimeter expansion;
- **OpFCF b.t. came in at >65% of EBITDA**, pointing to a solid cash-generative profile despite an investment-heavy first half; notably, 1H26 capex (including RoU) amounted to €3.5mn, o/w €2.1mn tangible capex, €1.1mn RoU/right-of-use investment and €350k intangible capex, with a further €1.2mn related to the BLS transaction;
- As far as the NFP is concerned, it strengthened further to **Net Cash of €2.9mn** (vs. €1.3mn at FY25), driven by strong operating cash generation, net of the cash outflow related to the BLS acquisition; this position remains pre-M&A, as it does not yet reflect the €4.2mn Perimeter B.1 acquisition, closed on 29 July 2026 and fully cash-funded.

DHH Group: Key Financials 1H22 to 1H26

(€mn)	1H22	1H23	1H24	1H25	1H26	Chg. (%)
Value of Production	12.4	17.1	18.4	20.1	22.8	13.1%
EBITDA	3.7	4.3	6.0	6.7	6.4	-3.8%
EBITDA Margin (as a % of VoP)	30.2%	25.1%	32.6%	33.1%	28.1%	-495bps
EBIT	1.8	1.5	3.5	3.8	3.3	-13.7%
EBIT Margin (as a % of VoP)	15.0%	8.7%	18.9%	19.1%	14.5%	-451bps
Net Profit	1.2	0.3	2.0	2.1	1.6	-25.4%
NFP [i.e. Net Debt (-) Cash (+)]	0.9	-5.6	-3.6	-4.6	2.9	7.5

Source: DHH, Value Track Analysis

DHH Group: Key Financials by Quarter (FY24)

(€mn)	1Q24	2Q24	3Q24	4Q24	1H24	FY24
Value of Production	8.9	9.5	9.0	9.7	18.4	37.1
EBITDA	3.2	2.8	2.7	3.3	6.0	12.0
EBITDA Margin (as a % of VoP)	36%	29%	30%	34%	33%	32%
Net Profit	1.2	0.8	1.0	0.6	2.0	3.6
Net Margin (as a % of VoP)	13%	8%	11%	6%	11%	10%
NFP [i.e. Net Debt (-) Cash (+)]	-6.0	-3.6	-2.9	-3.1	-3.6	-3.1

Source: DHH, Value Track Analysis

DHH Group: Key Financials by Quarter (FY25-FY26)

(€mn)	1Q25	2Q25	3Q25	4Q25	1H25	FY25	1Q26	2Q26	1H26
Value of Production	9.6	10.5	10.6	11.1	20.1	41.8	11.0	11.8	22.8
EBITDA	3.4	3.3	3.7	3.4	6.7	13.8	3.3	3.1	6.4
EBITDA Margin (as a % of VoP)	35%	31%	35%	30%	33%	33%	30%	26%	28%
Net Profit	1.3	0.8	1.7	0.7	2.1	4.5	1.0	0.6	1.6
Net Margin (as a % of VoP)	14%	10%	14%	6%	11%	11%	9%	5%	7%
NFP [i.e. Net Debt (-) Cash (+)]	-2.5	-4.6	-7.2	1.3	-4.6	1.3	1.5	2.9	2.9

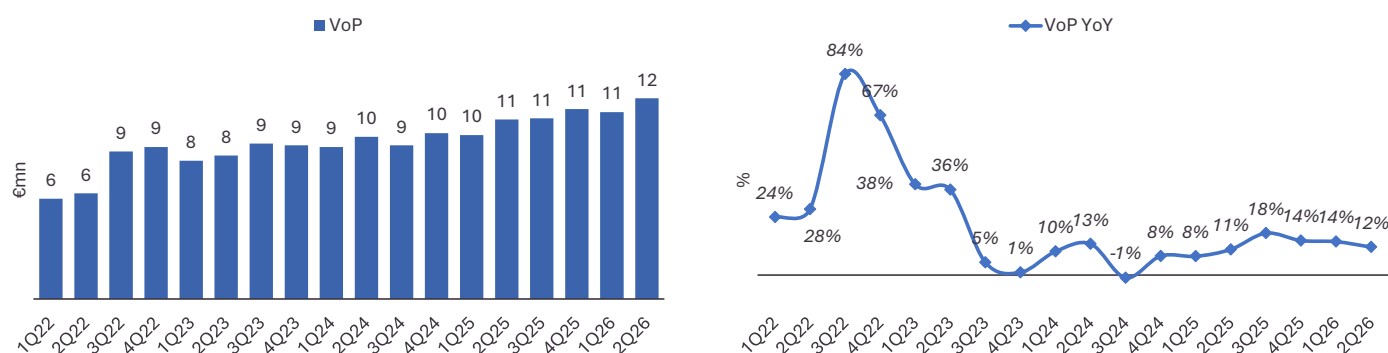
Source: DHH, Value Track Analysis

DHH Group: Key Financials YoY (%)

(€mn)	FY24 vs FY25						FY25 vs FY26		
	1Q	2Q	3Q	4Q	1H	FY	1Q	2Q	1H
Value of Production	8%	11%	18%	14%	9%	13%	14%	12%	13%
EBITDA	6%	16%	39%	2%	11%	15%	-3%	-5%	-4%
EBITDA Margin (as a % of VoP)	-54bps	150bps	537bps	-359bps	48bps	70bps	-528bps	-469bps	-495bps
Net Profit	8%	25%	50%	8%	15%	24%	-23%	-29%	-25%
Net Margin (as a % of VoP)	6bps	108bps	307bps	-34bps	56bps	94bps	-441bps	-293bps	-362bps
NFP [i.e. Net Debt (-) Cash (+)]	3.5	-1.0	-4.3	4.4	-1.0	4.4	4.0	7.5	7.5

Source: DHH, Value Track Analysis

DHH Group: Quarterly VoP evolution and YoY growth (incl. M&A)



Source: DHH, Value Track Analysis

VoP +13% YoY, driven largely by organic growth with a smaller contribution from BLS

1H26 consolidated Revenue from Sales reached €22.2mn (+13% YoY), with Value of Production at €22.8mn. Excluding the contribution of BLS — consolidated from April 2026 — revenue growth was 10%, implying an M&A contribution of roughly 3 percentage points, with the remaining growth organic. However, it is worth noting that Teknonet, consolidated since April 2025, was only included for three months (April–June) within the 1H25 comparison base, whereas it contributed for the full six months of 1H26.

By mix: i) Cloud Computing remained the largest segment at €7.1mn (>30% of total, -2% YoY), showing early signs of recovery supported mainly by the expansion of AI infrastructure offerings; ii) Cloud Hosting was €5.2mn (+14% YoY); iii) Business Connectivity reached €5.1mn (+13% YoY); iv) Datacenter & Networking declined 11% YoY to €1.6mn; and v) Managed IT Services increased sharply to €1.1mn (+74% YoY).

Within the AI service portfolio, GPU-based infrastructure revenues roughly doubled YoY (with an utilization rate slightly below 90%), surpassing 5% of Cloud Computing segment sales. Within this, AI-as-a-Service (AIaaS) generated around €350k of revenue in 1H26, with an ARR of ~€1mn, signaling early but accelerating monetization of the AI infrastructure build-out. Also, Regolo.ai, the group's internal AI platform launched this year, has started generating revenue, though at this stage the amount is negligible/immaterial to group results, and is reported to be gaining early commercial traction.

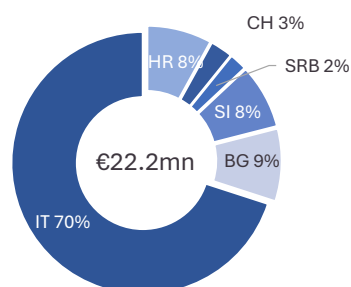
DHH Group: Revenue from Sales by Business Segments (1H25-1H26)

(€mn)	1H25	1H26	YoY
Cloud Computing	7.2	7.1	-2%
As a % of Total Revenues	37%	32%	//
Cloud Hosting	4.6	5.2	14%
As a % of Total Revenues	24%	24%	//
Business Connectivity	4.5	5.1	13%
As a % of Total Revenues	23%	23%	//
Datacenter & Networking	1.8	1.6	-11%
As a % of Total Revenues	9%	7%	//
Managed IT Services	0.6	1.1	74%
As a % of Total Revenues	3%	5%	//
Others	0.8	2.1	152%
As a % of Total Revenues	4%	9%	//
Total Revenues from Sales	19.6	22.2	13%

Source: DHH, Value Track Analysis

Geographically, **growth was well spread across the group's footprint**, with Italy remaining the core market at around 70% of sales revenues (+16% YoY, organic + BLS + Teknonet); Bulgaria accounted for 9% (+7% YoY); Slovenia and Croatia each represented around 8%, growing 10% and 1% respectively – Croatia's slower growth reflects the wind-down of low-margin third-party infrastructure resale activity; Switzerland contributed 3% (+29% YoY); and Serbia accounted for 2% (+7% YoY).

DHH Group: 1H26 Net Sales by Geography (%)



Source: Factset, Value Track Analysis

EBITDA down 4% YoY as the group invests ahead of growth

1H26 EBITDA stood at €6.4mn, down 4% YoY, with **EBITDA Margin at 28.1% of VoP** vs 33.1% in 1H25 — a contraction of around 500bps. The decline mainly reflects a less favorable revenue mix within Cloud Computing, as GPU-based infrastructure currently runs at lower margins while the offering scales up, the consolidation of BLS / Teknonet at a margin below the group average, and higher costs at holding-company level related to the expansion of corporate activities.

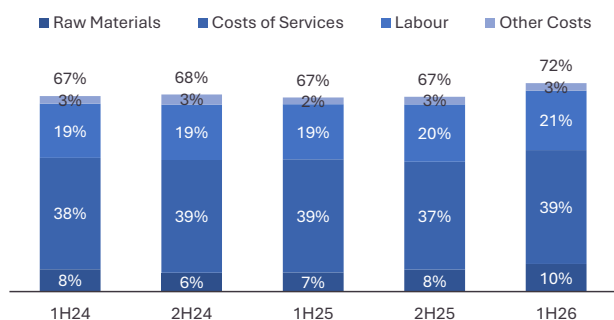
Looking at the cost base:

- **raw materials and consumables** increased to €2.2mn (+64% YoY), with the increase largely reflecting the broader consolidation perimeter (BLS and the full 6-month contribution of Teknonet vs. 3 months in 1H25), rather than a material deterioration in the underlying cost base;
- **costs for services** and use of third-party assets increased to €8.9mn (+14% YoY), also reflecting €300k of higher costs at holding-company level, related to the expansion of corporate activities;
- **personnel costs** climbed to €4.7mn (+22% YoY); the increase was concentrated within Seeweb (>€190k YoY), while personnel costs at the other group companies grew broadly in line with historical trends. Within Seeweb, the step-up reflects (i) new hires tied to the Regolo.ai investment, and (ii) the build-out of a commercial support team based in Frosinone, dedicated to selling Cloud infrastructure solutions;
- other operating charges came in at €593k (+26% YoY).

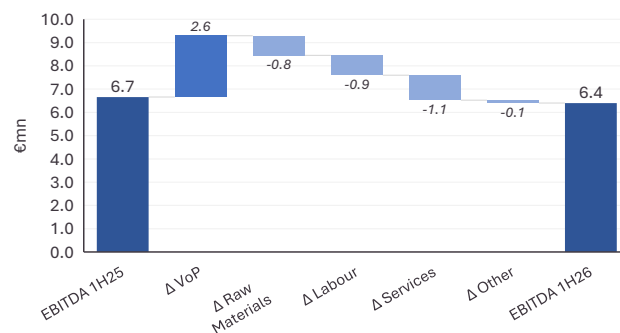
Further down the P&L, profitability also softened: **EBIT fell 14% YoY to €3.3mn**, while **Group Net Profit came in at €1.6mn**, down 25% YoY, for a Net Margin of roughly 7%.

On an adjusted basis, stripping out €251k of non-recurring items in the period (M&A-related), Adj. EBITDA stands at €6.7mn, Adj. EBIT at €3.6mn, and Adj. Net Profit (group share) at €1.8mn.

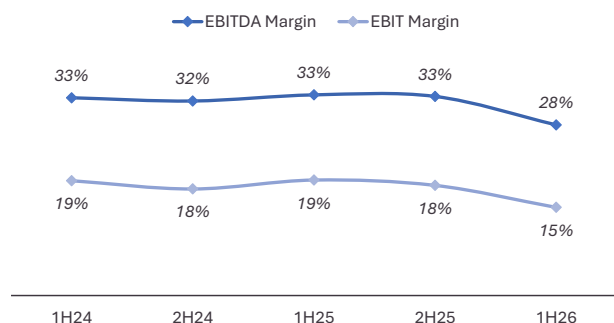
DHH Group: Costs Structure and Reported EBITDA Bridge 1H25-1H26



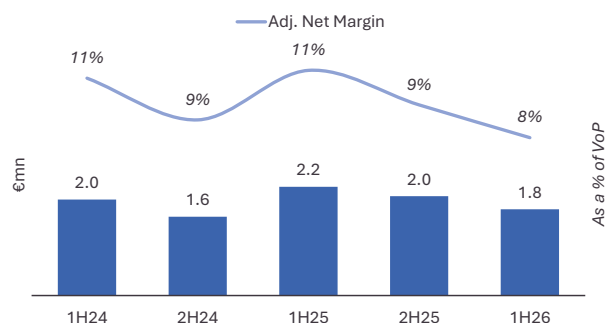
Source: Factset, Value Track Analysis



DHH Group: EBITDA / EBIT Margin and Adj. Net Profit Evolution



Source: Factset, Value Track Analysis



DHH Group: P&L 1H22 to 1H26

(€mn)	1H22	1H23	1H24	1H25	1H26	YoY
Revenues from Sales	12.1	16.5	18.0	19.6	22.2	13.3%
Other Revenues	0.3	0.6	0.4	0.5	0.6	4.4%
Value of Production	12.4	17.1	18.4	20.1	22.8	13.1%
COGS	-6.0	-9.1	-8.5	-9.2	-11.1	20.8%
Gross Profit	6.3	8.0	9.9	10.9	11.7	6.6%
<i>Gross Margin (%)</i>	<i>51.2%</i>	<i>47.0%</i>	<i>53.9%</i>	<i>54.4%</i>	<i>51.2%</i>	<i>-313bps</i>
Labour Costs	-2.4	-3.3	-3.4	-3.8	-4.7	22.4%
Other OpEx	-0.2	-0.4	-0.5	-0.5	-0.6	26.0%
EBITDA	3.7	4.3	6.0	6.7	6.4	-3.8%
<i>EBITDA Margin (%)</i>	<i>30.2%</i>	<i>25.1%</i>	<i>32.6%</i>	<i>33.1%</i>	<i>28.1%</i>	<i>-495bps</i>
D&A	-1.9	-2.8	-2.5	-2.8	-3.1	9.5%
EBIT	1.8	1.5	3.5	3.8	3.3	-13.7%
<i>EBIT Margin (%)</i>	<i>15.0%</i>	<i>8.7%</i>	<i>18.9%</i>	<i>19.1%</i>	<i>14.5%</i>	<i>-451bps</i>
Net Financial Charges	-0.1	-0.4	-0.4	-0.4	-0.5	6.6%
Taxes	-0.6	-0.8	-1.1	-1.1	-1.1	-3.7%
Minorities	0.0	0.0	0.0	-0.1	-0.2	24.9%
Net Profit	1.2	0.3	2.0	2.1	1.6	-25.4%
Adj. EBITDA	3.7	5.4	6.0	6.8	6.7	-1.6%
Adj. EBIT	1.8	2.6	3.5	3.9	3.6	-9.6%
Adj Net Profit	1.2	1.4	2.0	2.2	1.8	-17.6%

Source: DHH, Value Track Analysis

Despite M&A, NFP strengthens further to €2.9mn – supported by cash generation

On the 1H26 Balance Sheet / Cash Flow side, we highlight:

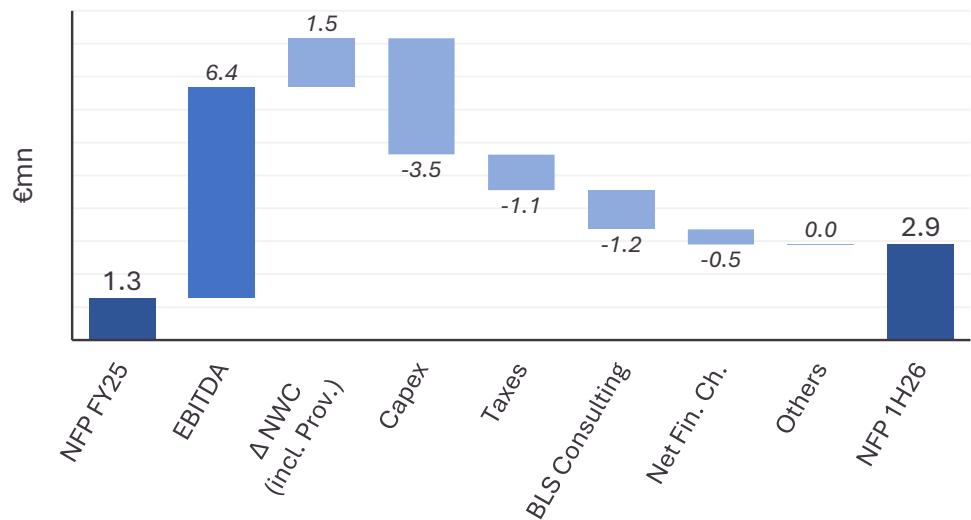
- **Tangible and intangible investments (including RoU) at €3.5mn**, o/w €2.1mn tangible capex, €1.1mn RoU/right-of-use investment, and €350k intangible capex; a further €1.2mn was invested in non-capitalised financial assets, related to the BLS Consulting deal. The investment effort remained focused on infrastructure and network assets, consistent with the group's recurring-revenue business model, alongside targeted GPU infrastructure build-out to support the AI offering;
- **Net Working Capital at €-5.1mn** (-11.2% of VoP, annualised), with an increase in Trade Receivables (from €5.3mn at FY25 to €6.5mn at 1H26) more than offset by favourable movements in other working capital items, including accrued/deferred liabilities (from €5.5mn to €6.9mn);

As a result, **OpFCF b.t. came in at >65% of EBITDA** (calculated as EBITDA - Capex excl. financial investments - ΔNWC & Provisions), evidence of the business' solid underlying cash generation even in an investment-heavy first half.

As far as the Net Financial Position is concerned, it strengthened further to **Net Cash of €2.9mn** (vs. €1.3mn at FY25), despite the cash absorption from M&A activity in the period (BLS), driven by strong operating cash generation, only partly offset by investment and financing outflows.

Importantly, **available liquidity stood at €23.2mn at period-end** (30 June 2026), up from €21.6mn at FY25 — pre-M&A, as it does not yet reflect the €4.2mn Perimeter B.1 acquisition closed on 29 July 2026, fully cash-funded and consolidated from 1 August 2026. However, it leaves DHH with significant firepower to pursue additional external growth opportunities.

DHH Group: Cash Flow Bridge 1H26



Source: DHH, Value Track Analysis

DHH Group: Balance Sheet from 1H22 to 1H26

(€mn)	1H22	1H23	1H24	1H25	FY25	1H26
Net Working Capital	-1.2	-4.1	-4.0	-4.8	-3.8	-5.1
As % of VoP	-4.8%	-12.0%	-10.9%	-11.9%	-8.7%	-11.2%
Goodwill	9.6	11.1	10.4	17.4	17.2	19.0
Tangibles & Intangibles (ex Goodwill)	10.8	22.4	23.3	25.4	26.2	26.9
Financial Assets	0.8	2.0	1.7	1.7	1.6	1.5
Other Net Assets	1.5	1.5	1.5	1.6	1.7	1.7
Net Fixed Assets	22.7	37.0	37.0	46.1	46.7	49.1
Provisions	1.5	2.4	2.5	2.5	2.5	2.7
Total Capital Employed	20.0	30.5	30.5	38.8	40.4	41.3
Group Net Equity	20.9	24.9	26.9	34.2	41.7	44.2
NFP [i.e. Net Debt (-) Cash (+)]	0.9	-5.6	-3.6	-4.6	1.3	2.9

Source: DHH, Value Track Analysis

DHH Group: Structure of Net Fin. Position from 1H22 to 1H26

(€mn)	1H22	1H23	1H24	1H25	FY25	1H26
Cash and Deposits (+)	10.0	10.9	13.2	16.3	21.6	23.2
Debt to Banks within 12 months (-)	-5.0	-4.7	-5.1	-6.0	-6.4	-6.0
Current Net Financial Position	5.0	6.1	8.0	10.3	15.2	17.2
Long-term financial credits	0.0	0.0	0.5	0.2	0.2	0.2
Debt to Banks over 12 months (-)	-4.0	-11.7	-12.1	-15.2	-14.2	-14.5
Non-Current Financial Position	-4.0	-11.7	-11.7	-15.0	-14.0	-14.3
Net Fin. Pos. [Net debt (-) / Cash (+)]	0.9	-5.6	-3.6	-4.6	1.3	2.9

Source: DHH, Value Track Analysis

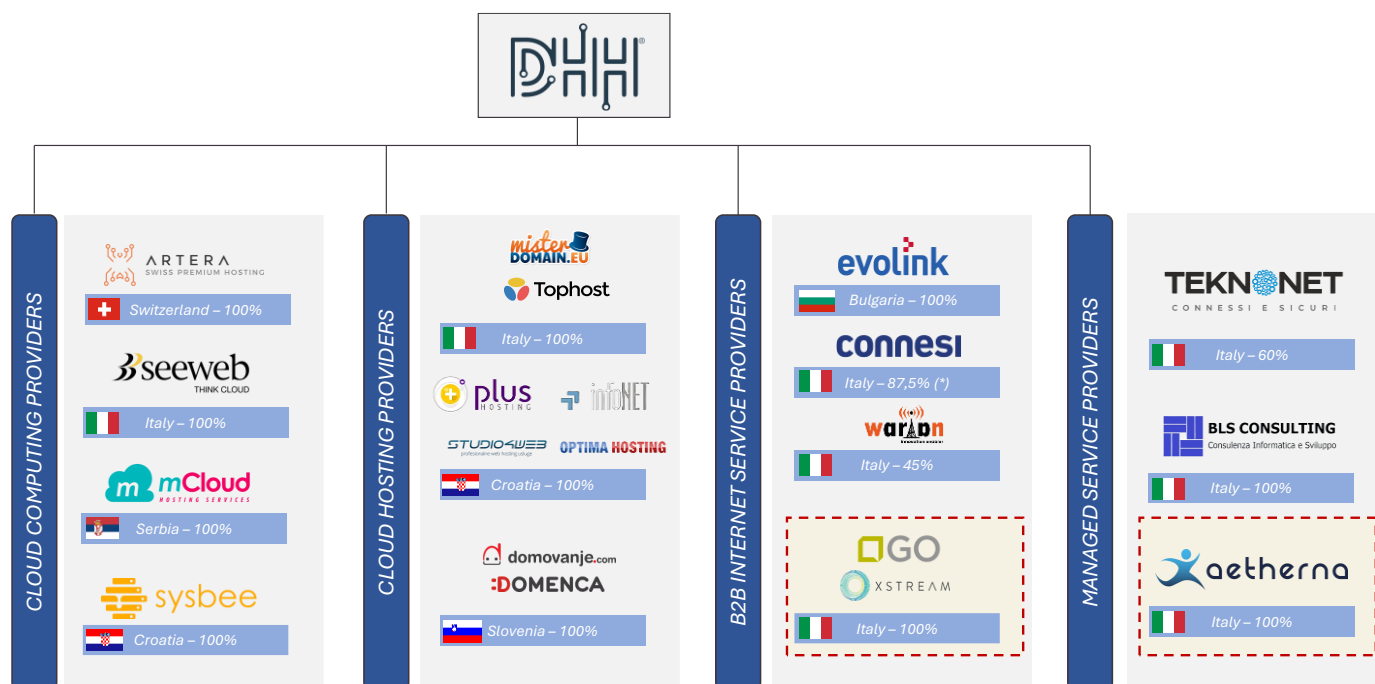
Recap of Tessellis' B2B ICT Perimeter Deal

At a Glance

On 29 July 2026, DHH completed the acquisition of **Tessellis Group's B2B ICT operations** ("Perimeter B.1"), following the irrevocable offer submitted on 20 May 2026 and accepted by Tessellis, Tiscali Italia and GO Internet on 22 May 2026.

Closing followed the authorization granted by the Court of Cagliari on 13 July 2026 and the fulfilment of all remaining conditions precedent. The transaction was completed for a **fixed consideration of €4.2mn**, fully funded through DHH's existing cash resources, with financial consolidation starting from 1 August 2026.

DHH: New Group Structure



Source: Value Track Analysis

Key Deal Terms

We highlight the following key aspects of the transaction:

- **Attractive Valuation:** DHH acquired Perimeter B.1 for a fixed consideration of €4.2mn, implying an attractive ~0.3x FY25 EV/Sales multiple. Worth noting, DHH is exempt from liabilities relating to pre-transfer debts of the acquired business unit.
- **Quality of the Acquired Business:** Perimeter B.1 generated FY25 Top Line of €12.7mn, with > 80% recurring revenues, positive EBITDA and a customer base of 3,000+ B2B clients. According to management, the acquired perimeter has remained broadly stable over the last three years, posting an aggregate revenue CAGR of around 1%;
- **Industrial scope:** The transaction includes (i) GO Internet's B2B business unit, active in business connectivity and telecom services; (ii) GO Internet's stake in X-Stream S.r.l., a B2B telco operator specializing in internet access, VPN and unified communications; and (iii) Tiscali Italia's stake in Aetherna S.r.l., a specialized hospitality ICT operator offering managed connectivity, Wi-Fi, cybersecurity, cloud PBX and smart digital services for accommodation facilities. At closing, GO Internet's B2B business has been integrated into X-Stream, while Aetherna will be progressively

repositioned as a hospitality-focused Managed Service Provider, leveraging DHH's established integration model;

- **Integration Roadmap:** Management expects the operational restructuring and efficiency programme to extend throughout FY27E, with commercial and cost synergies progressively supporting profitability. The medium-term target of ~25% EBITDA Margin is expected to be achieved primarily through operational improvements, without requiring material incremental capex.

Our Take

The completion of Perimeter B.1 represents **another demonstration of DHH's disciplined M&A strategy**: acquiring resilient B2B ICT businesses with high recurring revenues at attractive valuations, integrating them within the Group and progressively improving profitability through operational execution. At an implied EV/Sales multiple of around 0.3x, we view the acquisition as highly value-accretive, offering a compelling entry valuation for a business generating €12.7mn of Top Line, positive EBITDA and a sticky customer base of more than 3,000 business clients.

Strategically, the deal materially strengthens DHH's positioning in Italian B2B connectivity and managed ICT services, while expanding its presence in the hospitality vertical through Aetherna. Together with the recent acquisition of a 65% stake in B.L.S. Consulting and the integration of Teknonet, Perimeter B.1 further reinforces DHH's strategy of building an increasingly diversified, recurring and higher-value ICT infrastructure platform.

Financial Impact: Perimeter B.1's Margin Build-Up

We model Perimeter B.1's contribution to the Group starting from August 2026, implying a **5-month consolidation window in FY26E**. On this basis, we expect the perimeter to contribute Top Line of €5.3mn in FY26E, rising to €13.7mn in FY27E on a full 12-month basis — the step-up mostly reflects this base effect, with prudent organic growth assumptions normalizing at around 8% p.a. from FY27E onwards.

Profitability is expected to follow a gradual recovery path, consistent with DHH's philosophy of progressively restructuring acquired companies to bring profitability in line with Group standards.

Particularly, we flag:

- **FY26E:** barely profitable at the EBITDA level, still EBIT-negative, reflecting the initial restructuring phase and the partial-year consolidation effect;
- **FY27E:** EBITDA Margin expanding to around 10%, as restructuring actions take hold;
- **FY28E:** turning EBIT-positive, with EBITDA Margin reaching 17%;
- **FY30E:** EBITDA Margin seen at 25%, broadly approaching group-level profitability.

Impact of Perimeter B.1 on DHH's 2026E-30E Financials

(€'000)	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues	5,292	13,716	14,813	15,998	17,278
Revenues Growth (%)	<i>nm</i>	<i>nm</i>	8%	8%	8%
EBITDA	265	1,372	2,518	3,200	4,320
<i>EBITDA Margin (%)</i>	5%	10%	17%	20%	25%
EBIT	-265	0	1,037	1,600	2,592
<i>Cash Generation on EBITDA (%)</i>	0%	15%	35%	45%	50%
Cash Generated	0	206	881	1,440	2,160
NFP [i.e. Net Debt (-) Cash (+)]	-4,200	-3,994	-3,113	-1,673	487

Source: Value Track Analysis

2026E-onwards Estimates Cut on Margins

When referring to DHH ex M&A, we consider the Company's 2024 organic perimeter, i.e. excluding the contribution from Teknonet and subsequent acquisitions.

Following 1H26 results, we revise our **FY26E-onwards estimates downward**, with the cut concentrated at the profitability level and only a modest trim to the Top Line. At Group level, we lower VoP by ~4% and EBITDA by 12%, 10% and 7% in FY26E, FY27E and FY28E respectively, with EBITDA Margin down ~250bps, 170bps and 110bps. Specifically:

- **DHH ex M&A:** we cut EBITDA by 9–12% and EBITDA Margin by 110–250bps. This reflects the ongoing investment phase in Cloud Computing and AI infrastructure, which weighs on margins through a less favourable mix, as GPU-based services currently run at lower profitability while the offering scales up. It also reflects a higher personnel cost base linked to the Regolo.ai initiative and the new commercial team in Frosinone;
- **M&A perimeter:** consolidation assumptions are unchanged. Teknonet contributes the full year in FY26E, B.L.S. Consulting 9 months (from April 2026) and Perimeter B.1 5 months (from August 2026), with its full-year impact visible from FY27E onwards. The Top Line is therefore unchanged, while we trim our profitability assumptions for Teknonet and B.L.S. Consulting, the latter consolidated at a margin below the group average, lowering EBITDA by 4–14%. We leave Perimeter B.1 unchanged, pending greater visibility on FY26 results. It initially dilutes the Group's EBITDA Margin, but we expect profitability to improve progressively over the medium term, in line with DHH's integration track record.

DHH Group: New vs. Old estimates – Total

DHH with M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Value of Production	53.7	51.5	-4.0%	69.5	66.8	-3.9%	79.5	76.8	-3.5%
EBITDA	15.9	14.0	-12.1%	18.6	16.7	-10.1%	22.2	20.6	-7.4%
EBITDA Margin (as a % of VoP)	29.6%	27.1%	-249bps	26.7%	25.0%	-170bps	28.0%	26.8%	-113bps
EBIT	9.1	7.3	-19.3%	10.1	8.4	-16.2%	12.6	11.2	-11.2%
EBIT Margin (as a % of VoP)	16.9%	14.2%	-270bps	14.5%	12.6%	-185bps	15.8%	14.5%	-127bps
Net Profit	4.9	3.8	-22.6%	5.5	4.5	-18.7%	7.2	6.3	-12.4%
NFP [i.e. Net Debt (-) Cash (+)]	0.6	0.0	-0.5	1.5	0.3	-1.2	4.4	2.7	-1.7
DHH ex M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	42.6	40.5	-5.0%	46.8	44.1	-5.9%	50.8	48.0	-5.4%
EBITDA	14.6	12.9	-11.9%	15.5	13.9	-10.7%	16.8	15.4	-8.6%
EBITDA Margin (as a % of VoP)	34.3%	31.8%	-250bps	33.2%	31.5%	-170bps	33.1%	32.0%	-110bps
EBIT	8.9	7.3	-17.8%	9.2	7.8	-15.4%	10.0	8.7	-12.2%
EBIT Margin (as a % of VoP)	20.8%	18.0%	-280bps	19.7%	17.7%	-200bps	19.6%	18.2%	-140bps
M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	11.0	11.0	0.0%	22.7	22.7	0.0%	28.8	28.8	0.0%
EBITDA	1.3	1.1	-13.6%	3.0	2.8	-6.9%	5.4	5.2	-3.7%
EBITDA Margin (as a % of VoP)	11.5%	9.9%	-156bps	13.4%	12.4%	-92bps	18.9%	18.2%	-69bps
EBIT	0.2	0.0	-91.8%	0.8	0.6	-25.5%	2.6	2.4	-7.6%
EBIT Margin (as a % of VoP)	1.7%	0.1%	-156bps	3.6%	2.7%	-92bps	9.1%	8.4%	-69bps

Source: Value Track Analysis

Our updated FY26E–28E forecasts are as follows:

- **Top Line** is expected to increase from €51.5mn in FY26E to around €76.8mn by FY28E, implying a >20% CAGR FY25A–28E. Growth is driven by the enlarged perimeter, organic growth in the high single digit range and further bolt-on M&A, for which we assume one acquisition per year in FY27E–28E. Each deal is consolidated from mid-year and contributes around €4.0mn of annual revenues at a ~15% EBITDA Margin, for a ~€4.2mn cash-out, implying an entry multiple of ~7.0x EV/EBITDA;
- **EBITDA** is expected to increase from €14.0mn in FY26E to €20.6mn by FY28E. The EBITDA Margin should trough at 25.0% in FY27E (EBIT Margin at 12.6%) on the first full-year consolidation of Perimeter B.1, before recovering to 26.8% in FY28E (EBIT Margin at 14.5%). Despite the current investment phase, DHH's stand-alone business should retain EBITDA Margins above 30%, with consolidated profitability reflecting the temporary dilution from newly acquired businesses;
- **Cash Generation:** disciplined NWC management should continue to support solid cash conversion, with OpFCF b.t./EBITDA averaging > 50% over FY26E–28E. As a result, we expect the Group to end FY28E with Net Cash of around €2.7mn. Over the period, cumulative EBITDA of €51.3mn should comfortably fund around €28mn of capex and around €13.9mn of M&A cash outflows, the latter reflecting the €4.2mn consideration for Perimeter B.1, BLS Consulting deal plus one further bolt-on acquisition per year in FY27E–28E.

DHH Group: 2025A – 2028E P&L

(€mn)	FY25	FY26E	FY27E	FY28E
Value of Production	41.8	51.5	66.8	76.8
COGS	-18.9	-26.5	-35.7	-39.7
Gross Profit	22.9	25.1	31.1	37.1
<i>Gross Margin (%)</i>	<i>54.8%</i>	<i>48.6%</i>	<i>46.5%</i>	<i>48.3%</i>
Labour costs	-8.1	-9.8	-12.7	-14.6
Other OpEx	-1.0	-1.3	-1.7	-1.9
EBITDA	13.8	14.0	16.7	20.6
<i>EBITDA Margin (%)</i>	<i>33.0%</i>	<i>27.1%</i>	<i>25.0%</i>	<i>26.8%</i>
D&A	-6.0	-6.7	-8.3	-9.4
EBIT	7.8	7.3	8.4	11.2
<i>EBIT Margin (%)</i>	<i>18.6%</i>	<i>14.2%</i>	<i>12.6%</i>	<i>14.5%</i>
Net Financial Charges	-0.9	-1.1	-1.1	-0.9
Taxes	-2.3	-2.3	-2.7	-3.8
Minorities	-0.2	-0.2	-0.2	-0.2
Net Profit	4.5	3.8	4.5	6.3

Source: DHH, Value Track Analysis

DHH Group: 2025A – 2028E Balance Sheet

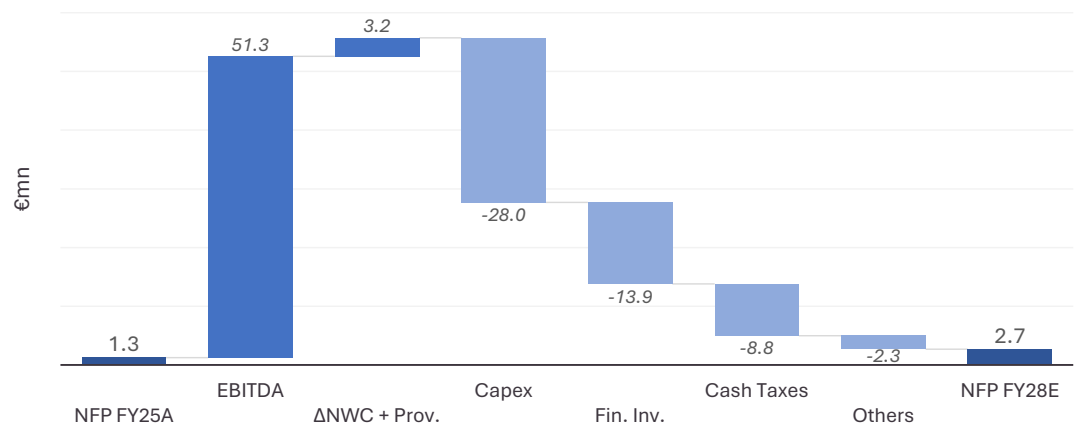
(€mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	46.7	53.2	59.1	64.2
Net Working Capital	-3.8	-4.9	-6.2	-6.9
Provisions	2.5	2.7	3.0	3.3
Total Capital Employed	40.4	45.6	49.9	54.0
Group Net Equity	41.7	45.6	50.2	56.7
NFP [i.e. Net Debt (-) Cash (+)]	1.3	0.0	0.3	2.7

Source: DHH, Value Track Analysis

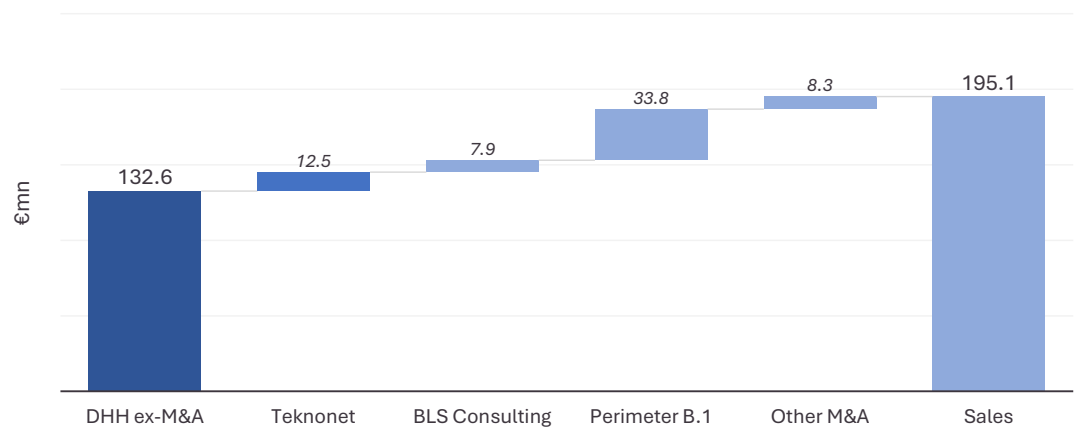
DHH Group: 2025A – 2028E Cash Flow Statement

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	13.8	14.0	16.7	20.6
Δ NWC & Provisions	0.5	1.3	1.5	1.0
Capex (inc. RoU but not Fin. Inv.)	-7.8	-7.7	-10.0	-10.3
OpFCF b.t.	6.5	7.6	8.3	11.3
Cash Taxes	-2.3	-2.3	-2.7	-3.8
Capital Injections	7.4 (*)	0.0	0.0	0.0
Financial Investments & Others	-6.3 (**)	-5.5 (***)	-4.2	-4.2
Net Financial Charges	-0.9	-1.1	-1.1	-0.9
Δ NFP [i.e. Net Debt (-) Cash (+)]	4.4	-1.2	0.3	2.4

Source: DHH, Value Track Analysis; (*) €7.3mn ABB (net of fees) + €104k Warrant Inflow; (**) Teknonet + Evolink AD; (***) BLS + Perimeter B.1

DHH: Cumulated Cash Flow Bridge 2025A-2028E


Source: DHH, Value Track Analysis

DHH: Cumulative 2026E-28E Sales Bridge, by Building Block


Source: DHH, Value Track Analysis

Valuation Down to €32.3 p/s

We slightly lower our Fair Equity Value to €32.3 p/s (from €34.0 at the end of July), calculated as the average of our SOTP of €28.2 p/s and DCF of €36.3 p/s, implying a market cap of over €180mn.

The 5% decrease mainly reflects our downward revision to FY26E–28E forecasts, partially offset by a further increase in sector trading multiples since our July update. Cloud Computing peers now trade at an average of 10.3x and 8.7x EV/EBITDA on FY1 and FY2, respectively, up from 9.7x and 8.3x at the end of July, while AI Enablers trade at an average of 24.7x and 18.9x EV/Sales, compared with 21.4x and 16.8x previously.

At our Fair Value, DHH would trade at 12.8x and 10.7x EV/EBITDA on FY26E and FY27E, respectively. While this represents a premium to the Cloud Computing peer group (although still at a discount to WIIT and Cyber Folks), we believe the valuation is supported by DHH's superior profitability, strong recurring revenue profile, disciplined cash generation and proven M&A execution track record.

We also note that, at €32.3 p/s, the 2025–2028 Warrant Plan would remain significantly in-the-money, potentially resulting in the issuance of up to around 284k new shares and a dilution of around 4.8%.

SOTP based Peers' Analysis

Stock Market Multiples Benchmark

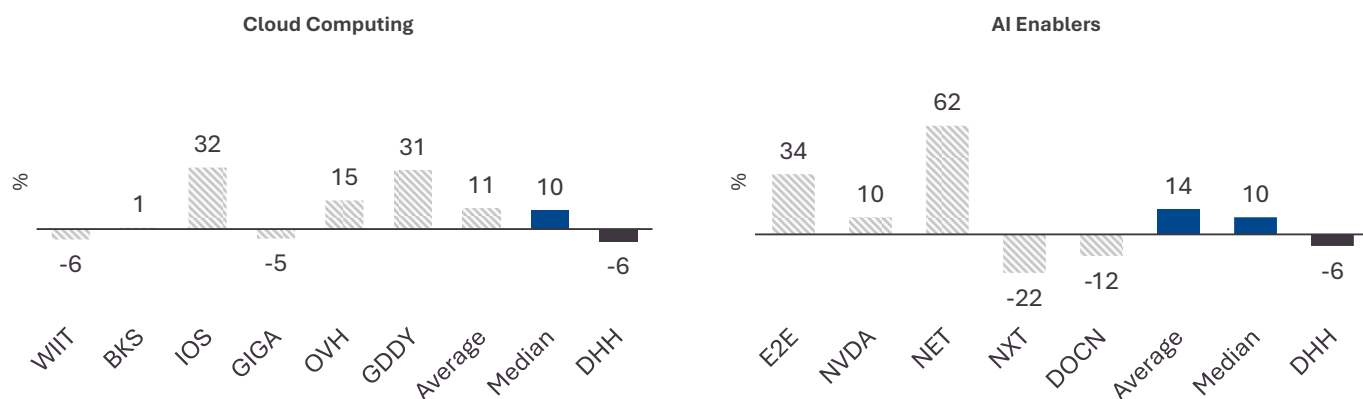
Below we provide our updated peer comparison tables as of 23 September 2026.

DHH Group: Peers' Stock Trading Multiples

Company	Market Cap. (€mn)	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
		FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Cloud Computing							
WIIT	761	5.9	5.3	13.9	12.1	49.1	32.0
Beeks Financial Cloud	191	4.0	3.5	10.3	8.9	22.4	19.9
IONOS	4,906	3.8	3.3	10.4	8.7	19.1	16.1
Gigas Hosting	38	1.3	1.2	5.9	5.5	<0	<0
OVH	2,764	3.5	3.2	8.7	7.9	>50	>50
Go Daddy	11,265	3.0	2.3	8.9	6.9	13.0	11.6
Cyber Folks	885	4.6	3.8	13.9	11.0	41.3	26.4
Peer's Cloud Computing – Avg.	2,973	3.7	3.2	10.3	8.7	29.0	21.2
Peer's Cloud Computing - Median	885	3.8	3.3	10.3	8.7	22.4	19.9
AI Enablers							
E2E	1,214	na	na	na	na	79.6	69.6
Nvidia	4,854,024	13.3	7.7	20.0	12.0	24.6	14.9
CloudFlare	117,519	45.5	35.3	>50	>50	>100	>100
Nextdc	5,546	23.0	21.1	45.8	41.8	>100	<0
DigitalOcean	17,850	17.2	11.5	44.1	28.5	>100	86.4
Peer's AI Enablers - Average	999,230	24.7	18.9	36.6	27.4	52.1	57.0
Peer's AI Enablers - Median	17,850	20.1	16.3	44.1	28.5	52.1	69.6
ToT Average Peers	418,080.3	11.4	8.9	18.2	14.3	35.6	34.6
ToT Median Peers	2,764.2	4.6	3.8	12.1	9.9	24.6	23.1
DHH	147.3	2.8	2.2	10.3	8.6	38.9	33.0
Premium / Discount vs Avg (%)	nm	-75%	-76%	-43%	-40%	9%	-5%

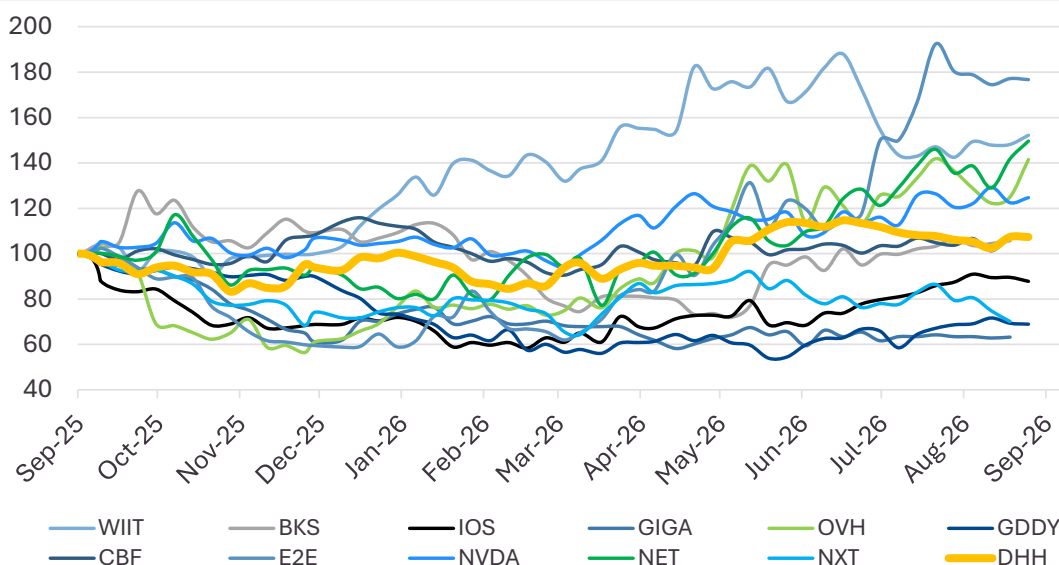
Source: Factset, Value Track Analysis

DHH Peers: Stock Market 3-months Performance (%)



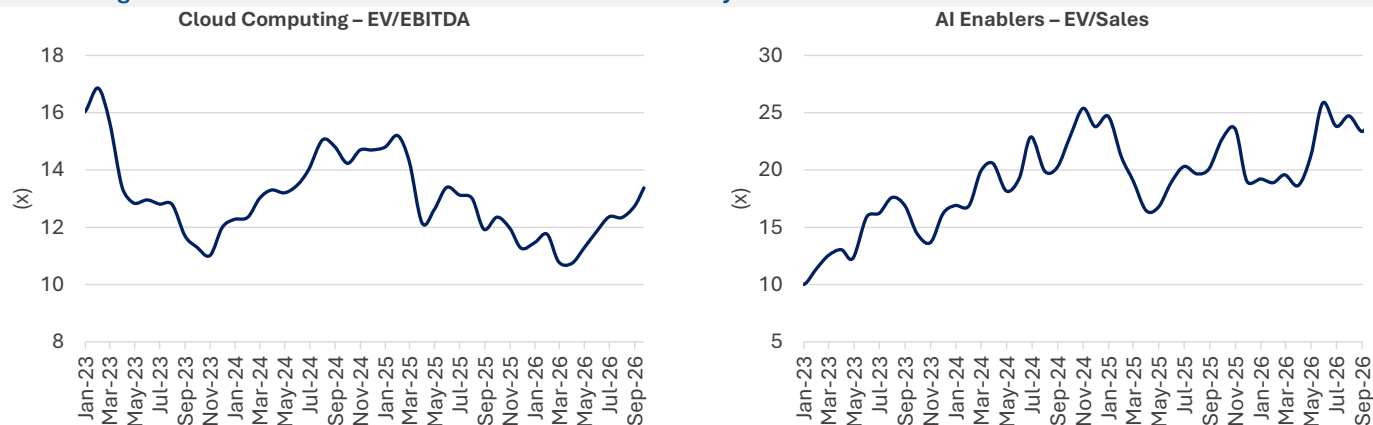
Source: Factset, Value Track Analysis

Last 12-Month Share Price Performance – Selected Peers (Base 100) (*)



Source: Factset, Value Track Analysis, (*) DOCN-US has been excluded from the chart, as its >350% LTM performance would distort the scale

Historical Avg. EV/Sales and EV/EBITDA LTM Trend – Selected Peers by Cluster



Source: Factset, Value Track Analysis

SOTP Valuation

Our SOTP valuation yields a **Fair Equity Value of €28.2 p/s**, based on:

- The application of the 2026E avg. EV/EBITDA multiple (10.3x) of the Cloud Computing & Hosting peer group to **DHH's stand-alone** EBITDA 26E, excluding the AI Infrastructure segment;
- A 2026E EV/Sales multiple of 24.7x for the AI Enablers peer group, adjusted by a 50% discount (resulting in an effective multiple of 12.4x), applied to the **AI Infrastructure and Other Innovative Products division**, for which we forecast €1.5mn in 2026E revenues.

DHH Group: Value of Production and EBITDA Assumptions by BU (*)

Assumptions	FY26E
Value of Production	51.5
Cloud Computing & Cloud Hosting	50.0
AI Infrastructure / Other Innovative Products	1.5
EBITDA	14.0
Cloud Computing & Cloud Hosting	13.4
AI Infrastructure / Other Innovative Products	0.6

Source: Factset, Value Track Analysis, (*) Value Track estimates

Thus, our SOTP analysis points to an Equity Fair Value of €28.2 p/s, with a revised Enterprise Value mix of 88% for Cloud Computing & Hosting and 12% for AI Infrastructure & Other Innovative Products.

DHH Group: Sum of the Parts Valuation

Fair Equity Value (€mn)	Cloud Computing & Cloud Hosting	AI Infrastructure / Other Innovative Products	Total
Peers EV/Sales 2026E (x)		24.7	
Peers EV/EBITDA 2026E (x)	10.3		
Discount vs. Peers (%)	0%	50%	
Fair Multiple (x)	10.3	12.4	
Fair Enterprise Value	137.4	18.6	155.9
As a % of Total	88%	12%	100%
NFP 2026E			0.0
Adjustments EV 2026E (**)			2.7
Fair Equity Value			158.6
Number of Shares (mn)			5.6
Fair Equity Value p/s (€)			28.2

Source: Factset, Value Track Analysis, (*) Value Track estimates; (**) Incl. Treasury Shares, IconaTech, Warian and so on

Discounted Cash Flow Model

Our DCF valuation is based on a **Target Capital Structure** with Net Debt representing 30% of Capital Invested, and a **WACC of approx. 7.98%**, derived through an extended CAPM framework.

Key underlying assumptions include:

- A 2.0% risk-free rate, an unlevered beta of 0.93x (weighted across the EU Internet and System/Application Software sectors), a 4.95% ERP for Italy (Source: *Damodaran*), and a 2.0% small-cap premium — temporarily raised from 1.0% in light of the current geopolitical environment — also reflecting DHH's size and liquidity profile.
- Explicit forecasts from 2026E to 2034E, with Terminal Value calculated as of 2034E using a 2.5% perpetuity growth rate (PGR).

The resulting **Fair Equity Value** from the DCF model stands at **€36.3 p/s**.

DHH Group: DCF Model

(€mn)	TARGET
PV of Future Cash-Flows 2026E-2034E	57.7
PV of Terminal Value 2034E	142.7
Fair Enterprise Value	200.3
Net Fin. Position FY25A	1.3
Peripheral Assets (*)	2.7
Fair Equity Value	204.5
Number of Shares (mn)	5.6
Fair Equity Value p/s (€)	36.3

Source: Value Track Analysis; (*) Incl. Treasury Shares, IconaTech, Warian and so on

DHH Group: Multiples Sensitivity at Various Stock Price Levels

DHH Share Price	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
28.30	11.2	9.3	7.5	21.4	18.5	13.8	42.1	35.6	25.3
29.30	11.6	9.7	7.7	22.2	19.2	14.3	43.6	36.8	26.2
30.30	12.0	10.0	8.0	22.9	19.9	14.8	45.0	38.1	27.1
31.30	12.4	10.3	8.3	23.7	20.5	15.3	46.5	39.4	28.0
32.30	12.8	10.7	8.5	24.5	21.2	15.8	48.0	40.6	28.9
33.30	13.2	11.0	8.8	25.2	21.8	16.3	49.5	41.9	29.8
34.30	13.6	11.3	9.1	26.0	22.5	16.8	51.0	43.1	30.7
35.30	14.0	11.7	9.4	26.7	23.2	17.3	52.5	44.4	31.6
36.30	14.4	12.0	9.6	27.5	23.8	17.8	54.0	45.7	32.5

Source: Value Track Analysis

Appendix #1 – DHH’s Investment Case

DHH at a Glance

DHH (or “the Group”) is a tech group dedicated to **reshaping internet infrastructure through the integration of next-generation technology and AI**. Based in Europe, the group leverages open-source technologies to enhance digital connectivity across various industries and regions, and offers its products in a subscription model (**SaaS/IaaS/PaaS**) to more than 120.000 corporate and professional customers. Founded back in **July 2015**, the **Group has expanded significantly through conspicuous M&A activity**, finalizing around 20 deals.

Key points of DHH investment case

In our view, DHH stands out at the forefront of technological innovation and ethical business practices, excelling for the following key points:

- # 1 – Ideal mix of products / solutions;
- # 2 – Optimal market positioning in space and time;
- # 3 – Well carved growth strategy combining organic and M&A levers;
- # 4 – Highly skilled Top Management with “skin in the game”;
- # 5 – Outstanding Financial profile;
- # 6 – Acting with a highly responsible approach.

1 - Ideal mix of products / solutions

DHH Group B2B cloud computing and premium B2B internet access product portfolio is the result of a proactive approach aimed at maintaining a technological edge over competitors and relies on an **extensive proprietary physical and network infrastructures** managed by some subsidiaries (Seeweb, Evolink and Connesi).

We can cluster different families of products depending on the time of introduction in DHH portfolio:

- **1st wave: Cloud Hosting products**, e.g. Shared hosting, Virtual Private Server (VPS) and more;
- **2nd wave: Cloud Computing products**, such as Cloud Servers Rentals dispensed in the PaaS, or IaaS models. These products have become relevant with reverse merger with Seeweb in 2020;
- **3rd wave: Premium B2B infrastructure-based Internet Service Provisioning products**, such as Premium Internet Connectivity, VOIP, VPN, WAN. This business line became relevant following a series of acquisitions completed in 2021 and 2022 and was significantly strengthened by the acquisition of the B.1 Perimeter (GO Internet B2B, X-Stream and Aetherna) in 2026;
- **4th wave: AI infrastructure products**, including Cloud Server GPU solutions (with NVIDIA and AMD options), Serverless GPU with Kubernetes-native orchestration, Cloud Server NPU / AI Accelerators, and Regolo.ai, a secure and EU-compliant chat-based platform for localized Private AI;
- **5th wave: Managed IT Services / MSP products**, focused on outsourced management of customers’ IT infrastructure and connectivity; this segment became relevant with the acquisition of Teknonet in 2025 and BLS Consulting in 2026.

2 - Optimal market positioning in space and time

Cloud computing and Cloud hosting, the two primary sectors in which DHH currently operates, are experiencing **significant growth rates**. Indeed, the global cloud computing market is projected to expand from USD 752bn in 2024 to USD 2.39tn by 2030 (CAGR_{FY25E-30E} at 20.4%, *Source: Grand View Research*), while the web hosting market is expected to grow from USD 197bn in 2025 to USD 372bn by 2030 (CAGR_{FY25E-30E} at 13.6%, *Source: Statista*).

In addition to these fast-growing markets, we underline that the **AI infrastructure market is expected to grow from \$135.8bn in FY24 to \$394.5bn by 2030E, 19.4% CAGR_{FY25E-30E}** (Source: Markets and Markets) fuelled by the adoption of AI across industries such as healthcare, automotive, and finance.

We remind that DHH is currently active in Italy (accounting for some 69% of FY25 DHH Group Sales), Switzerland, Bulgaria and Balkan areas (Slovenia, Croatia, Serbia) i.e., geographies expected to post higher-than-average growth rates ahead, as the current digital adoption is growing but, in most cases, (Slovenia is an exception) still below the EU average.

3 - Well carved growth strategy combining M&A levers

DHH is pursuing an ambitious growth strategy combining organic expansion with M&A. Over more than ten years, the group has completed **around 20 acquisitions, with returns that appear to have been broadly attractive overall**. As a result of this M&A activity, DHH Group can be viewed as an **ecosystem of independent entities** united by a shared vision, enabling tech entrepreneurs to innovate and exchange best practices. Within this framework, DHH S.p.A. acts as the holding company, providing broad business and administrative support while ensuring strategic direction and operational coordination.

4 - Highly skilled Top Management with “skin in the game”

DHH’s top management includes highly skilled professionals such as:

- **Antonio Baldassarra – Chief Executive Officer.** Founder of Seeweb and co-founder of DHH, he boasts more than 25 years experience in Electronics, Telecommunications and Computer Science.
- **Giandomenico Sica – Executive Chairman.** Co-founder of DHH, he also is the founder of Filomatica, his holding focused on IT industry SMBs.
- **Tamara Arduini – Chief Financial Officer.** With over two decades of experience in accounting administration and finance, she previously served as the CFO of Seeweb.
- **Matija Jekovec – Chief Operating Officer.** Co-founder of Klaro in 2003, beginning as a developer before transitioning into an R&D managerial role.

It is worth noting that the co-founder Mr. Baldassarra has a lot of skin in the game, as he controls around 30% of the share capital.

5 - Outstanding Financial profile

As a result of its well carved business model, DHH boasts several notable financial features such as:

- High scalability;
- Extremely high incidence (ca. 90%) of recurring revenues;
- Strong client retention (churn rate lower than 10%) with long revenue periods.
- Strong cash flow generation, with OpFCF _{b.t.} (defined as Adj. EBITDA – Tangible and Intangible Capex ± ΔNWC ± Δ Provisions) always around 50% of EBITDA.

6 - Highly responsible ESG approach

DHH's sustainability strategy is firmly rooted in integrating responsible practices across every level of the organization, from daily operational management to executive decision-making.

As an example of their commitment to ESG themes, we underline that DHH, recognizing the significant impact of power consumption in data centers and throughout product lifecycles, is mitigating its carbon footprint by:

- 1) Enhancing operational energy efficiency;
- 2) Transitioning to renewable energy sources;
- 3) Promoting responsible disposal methods for end-of-life equipment.

Moreover, through Connesi and Seeweb, DHH Group has launched several initiatives to minimize environmental impacts and cut emissions.

Appendix #2 – Corporate Developments

In 2025-26YTD, and on top of the B.1 deal, DHH has executed a number of relevant corporate actions. Indeed, it:

- 1# completed the launch and full subscription of the **2025–28 warrant programme**;
- 2# acquired a 60% stake in **Teknonet**;
- 3# finalized the squeeze-out of minority shareholders in **Evolink AD**, bringing its ownership to 100%;
- 4# completed an **ABB** targeted at institutional investors;
- 5# recorded the exercise of **stock options** under the 2022–2025 Plan;
- 6# acquired a 65% stake in **BLS Consulting**.

1# Full Subscription of the 2025–28 Warrant Programme

On March 29th 2025, DHH approved the issuance of **up to 1,039,485 warrants** at €0.10 each, allocated to existing shareholders on the basis of 1 warrant per every 5 shares held (record date: May 6, 2025). Each warrant grants the right to subscribe for 1 ordinary share at €3.10, **exercisable from June 2027E through December 2028E**, provided the Monthly Average Price exceeds the €26.00 strike threshold.

The number of shares to be received per warrant (Conversion Ratio) increases progressively with the underlying share price and is capped at a maximum price of €39.75. The formula is:

$$\frac{\text{Monthly Avg. Price} - \text{Strike Price}}{\text{Strike Price} - \text{Subscription Price}}$$

Depending on DHH's share performance, the number of shares to be issued and the capital raised could vary as shown below:

DHH Group: Warrant Plan 25-28E

Monthly Avg. Price (€)	A	B	Conversion Ratio (A/B)	Warrants : Shares	Exercisable Shares	As a % of ToT	Capital Increase	Capital Increase Adj.	Impact on share cap. (%)
≤26.00	nm	22.9	nm	nm	nm	nm	nm	103,949	nm
27.00	1.0	22.9	0.044	22.90	45,392	7%	140,716	244,665	0.8%
28.00	2.0	22.9	0.087	11.45	90,785	15%	281,433	385,381	1.6%
29.00	3.0	22.9	0.131	7.63	136,177	22%	422,149	526,097	2.4%
...	...	...	...	...	...	...	...	...	...
39.75	13.8	22.9	0.600	1.67	623,691	100%	1,933,442	2,037,391	10.0%

Source: Value Track Analysis

Following the offer period, DHH announced that 3,394,170 subscription and pre-emption rights were exercised out of the 5,197,425 allocated to shareholders. As a result, all 1,039,485 warrants were fully subscribed, generating a gross cash inflow of €103,949 for the Company.

#2 Acquisition of Teknonet

On April 16th 2025, DHH announced the acquisition of 60% of Teknonet Srl, an MSP focused on the proactive remote management of corporate customers' IT infrastructure and connectivity, typically under a subscription-based model. The total consideration amounted to €5.6mn, including transaction-related costs, and DHH began consolidating the business as of April 2025. The agreement also includes a call option on the remaining 40%, exercisable after the approval of the FY26 financial statements. Teknonet closed 2024 with €4.2mn Sales (€3.6mn in 2023), €923k EBITDA (>€1.05mn on an adjusted basis), (€798k in 2023), and €643k Net Profit (€500k in 2023). Operating Cash Flow reached €1.0mn, with €1.8mn Net Cash.

DHH Group: Teknonet Acquisition Multiples

Date	Value (€mn)	Stake (%)	Equity Value (€mn)	Minorities (€mn)	Call Option (Year) (*)	EV (€mn)	EV/EBITDA 24 post adj. pre-syn (x)
16/04/2025	5.60	60.00%	9.33	3.73	FY27E	7.53	7.0x

Source: DHH, Value Track Analysis, (*) Not mandatory

#3 Full Buyout of Evolink AD Minorities

On July 15th 2025, DHH finalized the acquisition of the **residual 40% equity interest in Evolink AD** – the Bulgaria-based subsidiary that provides IaaS and advanced connectivity solutions – for a total **€2.25mn** cash consideration, thereby achieving full ownership. The transaction follows the initial 60% stake acquired in FY21 for €2.45mn, implying a ToT EV of around €4.7mn, which equates to an EV/Sales multiple of ~1.4x (based on FY24 Sales). Evolink generated €3.29mn in FY24 revenues, accounting for ca. 9% of the Group's consolidated Top Line. Originally acquired during a turnaround phase, Evolink has since then regained operating momentum, with margin recovery and a return to top-line expansion — and notably ranked as the best-performing entity across the group in 1Q25. We note that Evolink operates two proprietary data centers in Bulgaria and manages a virtual pan-European backbone, delivering mission-critical services across cloud infrastructure, cybersecurity, and data transport.

#4 Capital increase via ABB

On 19th December 2025, DHH successfully completed a capital increase via an accelerated bookbuilding reserved to institutional investors. The transaction involved 354,916 shares, including 324,916 newly issued shares following the partial exercise of the discretionary increase option to cover over-allocations, raising ca. **€8.2mn at a price of €23.0 p/s** (ca. €7.5mn of primary capital), equivalent to a **premium of around 11% versus the 30-day VWAP** prior to the ABB. The placement saw the participation as anchor investors of Alkemia SGR and NextStage AM. Also, the transaction included a secondary sale of 30,000 shares by existing shareholder Matija Jekovec.

The successful ABB confirms strong institutional appetite for DHH's equity story, while increasing free float, liquidity and financial flexibility to support M&A-driven growth.

#5 Exercise of Stock Options under the 2022–2025 Plan

On 22nd December 2025, DHH announced that one beneficiary of the “DHH 2022–2025 Stock Option Plan” had exercised 250,000 vested options, entitling the **subscription of 59,000 newly issued ordinary shares** at a predetermined price of €1.79 p/s. Following the transaction, the total number of shares outstanding increased to 5,621,688 from 5,562,688 post-ABB.

DHH: Shareholders Structure

Shareholders (%)	Pre-ABB	Post-ABB (*)
Antonio Domenico Baldassarra	33.59%	31.29%
Daniele Vona	15.17%	14.14%
Marianna Vona	15.17%	14.13%
Giandomenico Sica	5.81%	5.42%
Alkemia SGR – “PIPE” fund	5.33%	8.06%
Treasury Shares	0.77%	0.72%
Free Float	24.16%	26.25%
ToT Shares	5,237,772	5,621,688

Source: DHH, Value Track Analysis, (*) Not the current one, please refer to the second page

#6 Acquisition of BLS Consulting

On 30th March 2026, DHH finalized the **acquisition of a 65% stake in B.L.S. Consulting S.r.l.** (“BLS”), a Milan-based MSP specializing in proactive and remote IT infrastructure management, with a particular focus on cybersecurity. The total consideration amounts to **€1.3mn**, paid in cash, with BLS fully consolidated from April 2026. DHH also secured a call option on the residual 35%, exercisable within 180 days of FY27 financial statements approval. BLS closed FY25 with ~€2.5mn in revenues (>80% recurring), positive EBITDA and ~€400k net cash, implying an entry EV/Sales of ~0.6x on a largely subscription-based, capital-light model.

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