CONSOLIDATED INTERIM REPORT OF THE DADA GROUP AT 31 MARCH 2016

Registered office: Viale della Giovine Italia, 17 - Florence
Share capital Euro 2,835,611.73 fully paid-in
Florence Company Register no. FI017- 68727 - REA 467460
Tax ID/VAT no. 04628270482

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CORPORATE OFFICERS

The current Officers of Dada S.p.A. were elected by the AGM held on 28 April 2015 for the 2015-2017 three-year period. At the date of approval of this document, the Board of Directors of the Company was composed as follows:

BOARD OF DIRECTORS

Karim Beshara [1]	Chairman
Claudio Corbetta [2]	CEO
Lorenzo Lepri [3]	General Manager
Sophie Sursock	Director
Ragy Gamaleldin Mahmoud Soliman Elfaham	Director
Philip Tohme	Director
Maurizio Mongardi [6]	Director
Sofia Maroudia [4, 5, 6, 7]	Director
Barbara Adami Lami [4, 5, 6, 7, 12]	Director
Carolina Gianardi [4, 5, 7, 8, 11]	Director
Cristiano Esclapon [7]	Director
Youssef Bassem [13]	Director
Fadi Antaki [13]	Director

[1] Appointed Director of the Company by the AGM held on 28 April 2015 and, on the same date, Chairman of the Board of Directors.

[2] Appointed Chief Executive Officer and General Manager of the Company during the meeting of the Board of Directors held on 13 May 2015.

[3] Appointed General Manager and CFO of the Company during the meeting of the Board of Directors held on 13 May 2015.

[4] Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 13 May 2015.

[5] Appointed member of the Committee for Related Party Transactions during the meeting of the Board of Directors held on 13 May 2015.

[6] Appointed member of the Compensation and Nominations Committee during the meeting of the Board of Directors held on 13 May 2015.

[7] Independent director pursuant to art. 148, par. 3, of Legislative Decree n. 58/1998.

[8] Member and Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001.

[9] Appointed Standing Auditor by the AGM held on 28 April 2015.

[10] Appointed Alternate Auditor by the AGM held on 28 April 2015.

[11] Appointed Chairman of the Control and Risk Committee and of the Committee for Related Party Transactions during the meeting of the Board of Directors held on 13 May 2015.

[12] Appointed Chairman of the Compensation and Nominations Committee during the meeting of the Board of Directors held on 13 May 2015.

[13] Directors appointed during the AGM held on 28 April 2016.

BOARD OF STATUTORY AUDITORS

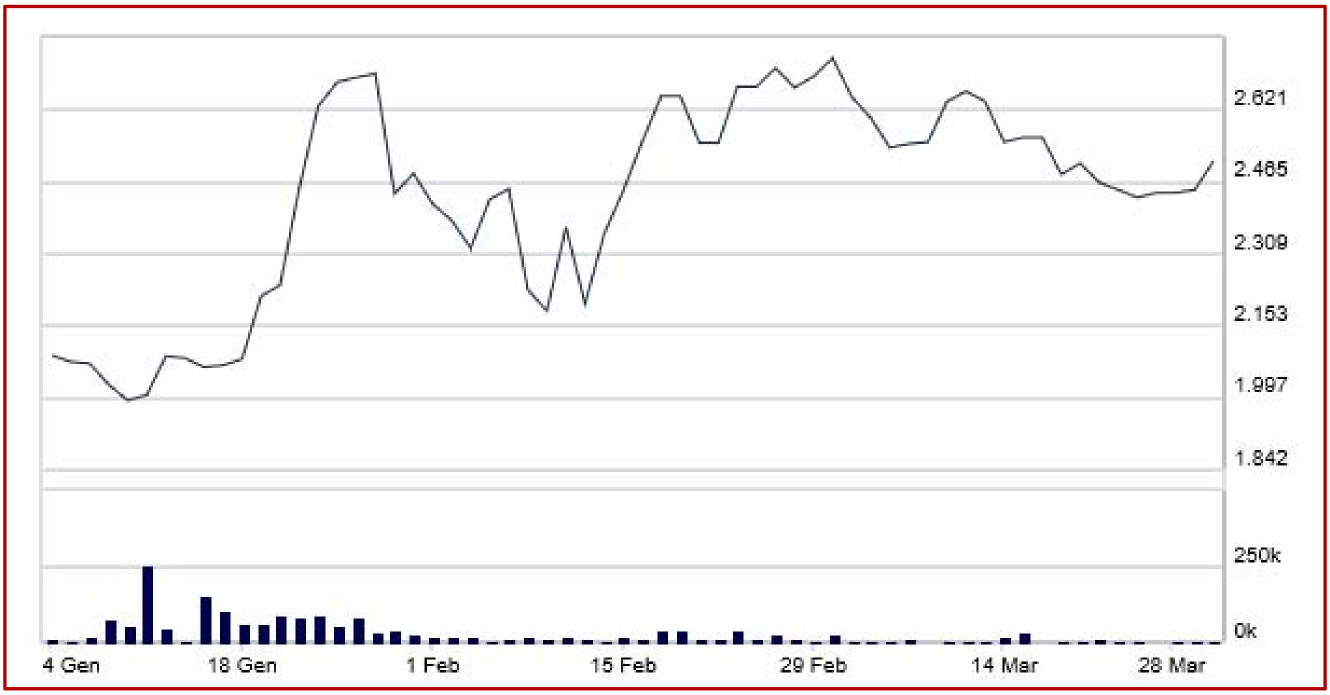
Massimo Scarpelli[9]	Chairman
Maria Stefania Sala[9]	Standing Auditor
Massimo Foschi[9]	Standing Auditor
Elisabetta Claudia De Lorenzi[10]	Alternate Auditor
Manfredi Bufalini[10]	Alternate Auditor

EXTERNAL AUDITORS

KPMG S.p.A.

DADA STOCK MARKET PERFORMANCE

Price and Volume Trend of Dada Shares – (01 January 2016 - 31 March 2016)



In 1Q16, the Dada share reported an overall absolute performance of **+19%** and a relative performance versus the FTSE STAR index of **+25%**. Specifically, the share traded at Euro 2.499 at 31 March 2016 versus Euro 2.096 at 04 January 2016 (the first trading day of 2016).

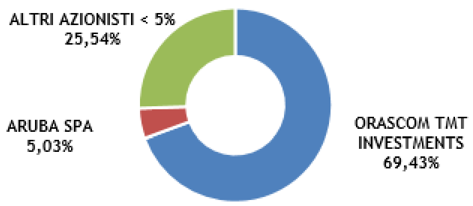
COVERAGE: Dada shares are currently covered by Banca IMI, which also acts as Specialist.

DADA al 31 MARZO 2016

MERCATO	STAR SEGMENT – MTA
PREZZO MAX	€ 2,79 (26 Gennaio 2016)
PREZZO MIN	€ 1,92 (11 Gennaio 2016)
ULTIMO PREZZO	€ 2,50
NOSH	n.16,7 milioni
CAPITALIZZAZIONE	€ 41,7 milioni
VOLUMI MEDI GIORNALIERI (nosh)	32.524

COMPOSIZIONE AZIONARIATO

Dati aggiornati al 27 APR 2016



DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated Income Statement (3 months)

(€mn)	31/03/2016	31/03/2015	Total difference	% difference
Revenue	**16.8**	**16.0**	0.8	5%
EBITDA*	**3.0**	**2.8**	0.1	5%
Depreciation and amortization	**-1.6**	**-1.7**	0.1	-5%
Non-recurring charges and other impairment	**0.0**	**-0.1**	0.1	-91%
EBIT	**1.4**	**1.1**	0.3	31%
Profit/(loss) from discontinued operations	**0.0**	**-0.3**	0.3	100%
Group net profit/(loss)	**0.1**	**0.0**	0.1	n.s.

* Gross of impairment losses and other non-recurring items

Consolidated Statement of Financial Position at 31 March 2016

(€mn)	31/03/2016	31/12/2015	Total difference	% difference
Fixed assets	**95.4**	99.7	-4.3	-4%
Net Working Capital	**-13.3**	-11.5	-1.8	16%
Net Capital Employed	**81.1**	87.2	-6.1	7%
Shareholders' equity	**56.1**	59.3	-3.2	5%
Net short-term Financial Position	**-5.1**	-7.5	2.4	32%
Total Net Financial Position	**-25.0**	-27.9	2.9	10%
Number of employees	**416**	398	18	5%

DIRECTORS' REPORT

INTRODUCTION

The Consolidated Interim Report at 31 March 2016 has been prepared in accordance with International Accounting Standard 34 (IAS 34) on Interim Financial Reporting and, therefore, does not contain all the information required in the Full Year Financial Statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2015. It satisfies the provisions of Issuer Regulations n. 11971 of 14 May 1999, as amended.

Mention should be made that in the prior year the Group had completed the key extraordinary transactions that had changed its structure and the resulting scope of consolidation:

- on 23 March 2015, Dada S.p.A. sold the entire share capital of Moqu Adv S.r.l. to Italiaonline S.p.A.. This agreement had required the application of accounting standard IFRS 5 "Non-current assets held for sale and discontinued operations". The main effect of applying IFRS 5 was that all of the income statement items relating to the disposed companies had been grouped on the line "Profit/(loss) from discontinued operations". This item does not appear in this Interim Report.
- on 30 June 2015, the Dada Group had completed the transfer of the ProAdv/Simply BU to 4w MarketPlace S.r.l., acquiring 25% of the transferee's share capital. This investment is now accounted for using the equity method, while 1Q15 included the full consolidation of the assets of the ProAdv/Simply BU.
- on 8 July 2015, through its subsidiary Register.it S.p.A., Dada completed the acquisition of 100% of the share capital of Etinet S.r.l., a company that provides digital communication services to SMEs. This investment is fully consolidated in the Dada Group's financial statements as of 1 July 2015. Conversely, 1Q15 had no financial benefit from this company.

DADA GROUP PROFILE

Dada S.p.A. - listed in the STAR segment of the Milan Stock Exchange - **is the European leader in digital services for the online presence and visibility of SMEs.**

In 2015, Dada successfully completed the Group's refocusing process on the core business of services for the online presence of SMEs, redefining the corporate scope with the disposal of the Advertising BU and the acquisition of Etinet S.r.l., a company that provides web and mobile services for digital communication to SMEs. As a result, today the Dada Group is organized around a single business unit falling under the "**Domain and Hosting" division**.

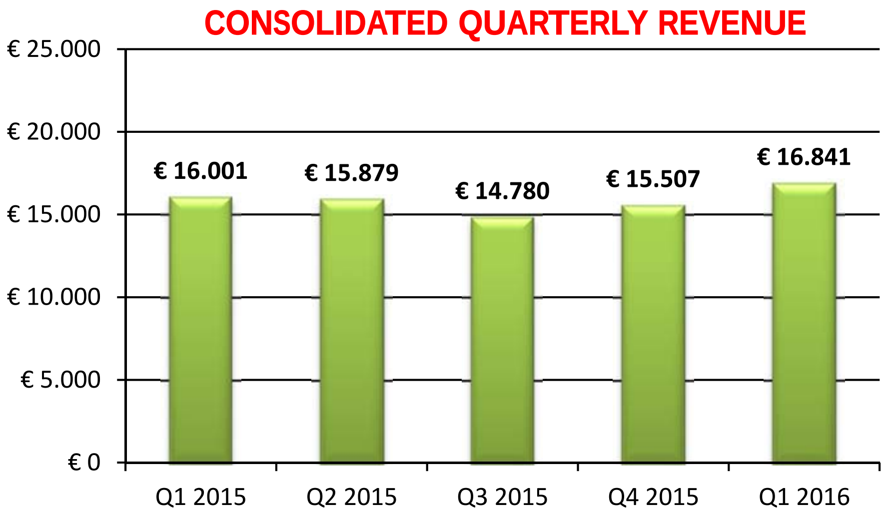
In 1Q16, the Dada Group further strengthened its position among the top European players in the business of services tailored to SMEs for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection, through the expansion of its product portfolio and growth of the user base at a domestic and international level.

The Dada Group currently operates in **Italy**, **UK**, **Ireland**, **Spain**, **France**, **Portugal** and **Holland**, respectively through its brands **Register.it** and **Etinet**, **Namesco.UK** and **PoundHost**, **Register365**, **Nominalia** and **Amen**.

PERFORMANCE REVIEW

The **Dada Group** closed 1Q16 achieving **consolidated revenue of €16.8 million**, **up by 5%** versus €16 million in 1Q15 and by 8% versus 4Q15.

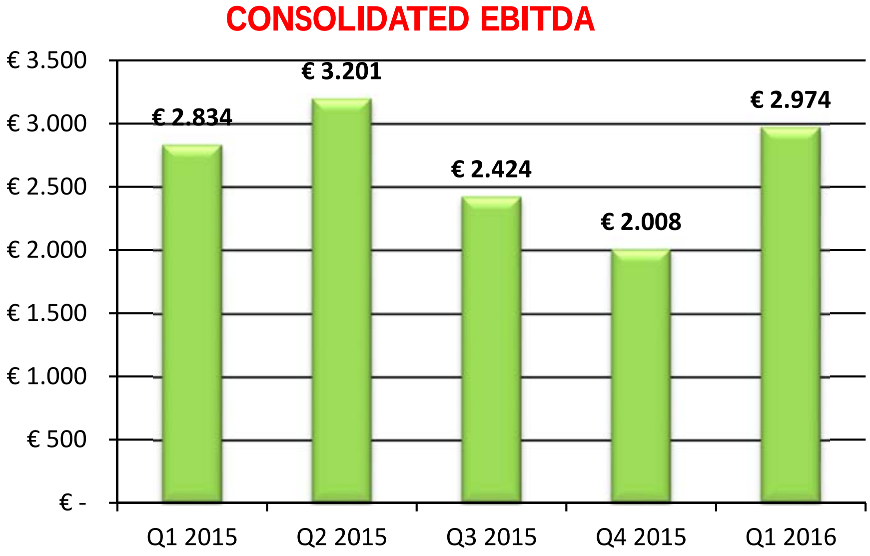
The following graph shows the trend in consolidated revenue of the Dada Group over the last 5 quarters:



Consolidated EBITDA in 1Q16 (gross of impairment losses and other non-recurring items) **came to €3 million** (17.7% of consolidated revenue) versus €2.8 million in 1Q15 (17.7% margin), **increasing by 5%** versus the prior year.

In 4Q15, EBITDA had come to €2 million (13% of revenue).

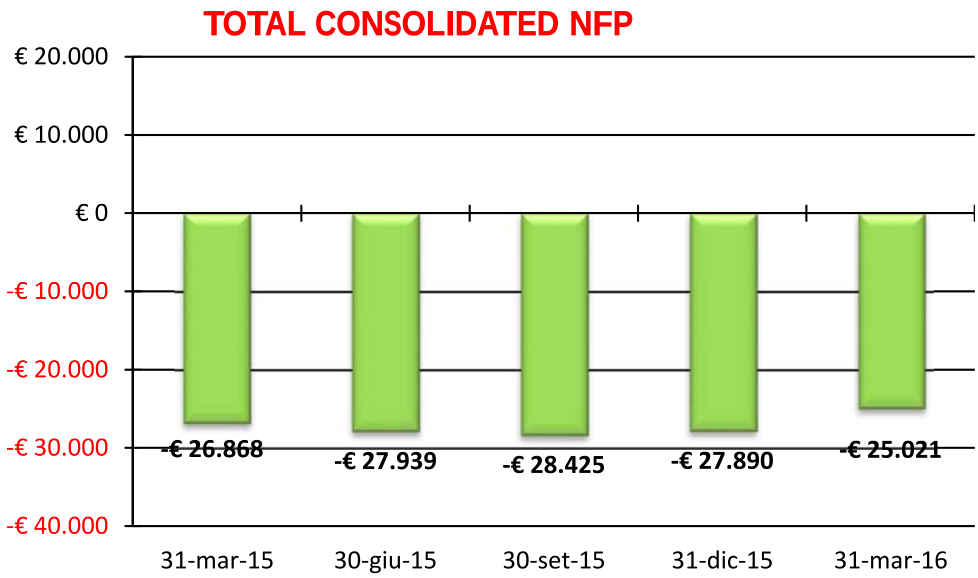
The following graph shows the trend in EBITDA of the Dada Group over the last 5 quarters:



The total net consolidated financial position of the Dada Group at 31 March 2016, which includes funding to be repaid within and beyond one year, **came to -€25 million**, improving considerably versus -€27.9 million at 31 December 2015 and -€26.9 million at 31 March 2015 (which included the cash consideration from the disposal of Moqu).

The trend and composition of the current and non-current portion of the Group's NFP in 1Q16 are reflective of the cash flows in the period under review and of the rescheduling in the prior year of certain loans held by the Group.

The following graph shows the trend in the consolidated net financial position over the last 5 quarters:



Results

The tables below show the **Dada Group's** key results in 1Q16 versus 1Q15:

EUR/000	31-Mar-16 3 months		31-Mar-15 3 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**16,841**	**100%**	**16,001**	**100%**	**840**	**5%**
Work in progress & inc. in own wk. capitalized	589	3%	607	4%	-18	-3%
Service costs and other operating expenses	-9,481	-56%	-9,230	-58%	-250	3%
Payroll costs	-4,975	-30%	-4,544	-28%	-431	9%
EBITDA	**2,974**	**18%**	**2,834**	**18%**	**140**	**5%**
Depreciation and amortization	-1,569	-9%	-1,657	-10%	89	-5%
Non-recurring income/(charges)	-	-	-21	-	21	100%
Impairment losses and other provisions	-10	-	-92	-1%	82	-89%
EBIT	**1,396**	**8%**	**1,064**	**7%**	**332**	**31%**

In 1Q16, the Dada Group achieved **consolidated revenue** of €16.8 million, up by 5% versus €16.0 million achieved in 1Q15. The revenue performance reflects the adverse trend of the appreciation of the Euro against the British Pound, which had a negative effect of approximately €0.2 million versus 1Q15, as well as the following changes in the business scope:

- the disposal of ProAdv/Simply, the online advertising product, starting from 1 July 2015, which contributed €0.5 million to revenue in 1Q15;
- the consolidation of the results of Etinet S.r.l., starting from 1 July 2015, which contribute €0.3 million to revenue in 1Q16.

Net of these effects, consolidated revenue would have grown by 8% versus 1Q15.

To date, the Dada Group is one of the **top European players** in digital services for the online presence and visibility of SMEs. The Group operates in **7 European countries** through highly established brands (Register.it, Nominalia, Amen, Poundhost and Namesco.uk.co), which allow it hold leadership positions in its markets of operation, including in **Italy** and the **UK** (one of the most advanced markets), where it ranks **second** and **fourth** respectively.

In 1Q16, despite the persistently fierce competitive market environment, DADA recorded a **strong improvement in all key business metrics,** continuing the positive trend that had started in 2015. The **customer base grew by 6%** versus 1Q15, topping the **580,000**

mark; **new customers** increased by **+47%** YoY, thanks also to the effective sales strategies and the investments made in marketing, which have continued since 2H15.

Looking at the product portfolio, on the **domains** front, **new domain registrations** grew by over +**40% YoY**, with an overall stock of **1.83 million domains managed**, increasing by **+6%** versus 1Q15.

At 31 March 2016, the Group managed over **1.6 million email accounts** and over **650 thousand hosting plans** in Italy, the UK and Ireland, Spain, France, Portugal and Holland, **increasing its market share** in the segment of **virtual and dedicated servers**, and solutions for the **creation, management and visibility** of **web and e-commerce sites** for European SMEs, as well as in **online brand protection** services.

As for sales policies, the Group's ability to retain customers (**monthly churn <1.2%**) stems from constant effort in terms of both service performance and customer support and consulting**.** In this sense, the interaction channels and contact time of the various local Customer Care desks (all internalized) have been extended starting from 2015.

Service performance and focus on retention goals continue to translate into an average renewal rate even higher than 90% for a number of products, while increasing opportunities for the **upselling** of **incremental and higher value-added services** to the established customer base, with the aim of **increasing** its **ARPU** (average revenue per user).

As in 2015, *price repositioning* policies in 1Q16 were implemented to cover a wider range of potential customers. These policies are expected to drive operating profit from the second half of the current year.

Finally, in the first three months of 2016, the **suite of products** was further developed to offer **growing** levels of **performance**, **security** and **reliability**, as well as tailor-made solutions to meet increasingly customized needs, with a view to providing a **one-stop-shop experience of digital services** for online presence and business at a European level.

Specifically, the expansion of the product portfolio regarded:

- the **new, advanced cPanel hosting solution**, released in the second part of 2015 **and fully managed at the proprietary Datacenter located in Reading (UK),** which posted positive volume results also in 1Q16, confirming the keen interest of the European market in this particular product;

- the range of advanced **Cloud Hosting, Virtual and Dedicated Servers** services, highly performing and with highly flexible pricing policies, which have strengthened Dada's market share in this segment as well;

- '**We do it for you**' mode services delivered in all the Group's geographies of operation, which allow professionals and businesses to rely on a **team of web designers, developers and Internet communication consultants** for the creation and management of custom projects of their web and e-commerce site, including in **mobile mode**;

- the expansion to new markets of dedicated services for **SMEs and SOHOs**, such as **online trademark registration**, e-invoicing in Italy or accreditation as Trade Mark Clearing House agents.

Looking at the **geographical breakdown** of the Dada Group's **consolidated revenue**, foreign-based activities contributed 55% in 1Q16, increasing slightly versus the percentage reported in 1Q15 (54%), a result that confirms the significant weight of international business in the overall development of the Group.

In 1Q16, **EBITDA** of the Dada Group, before impairment losses and other non-recurring items, came to a positive €3.0 million (17.7% margin on consolidated revenue). The aggregate grew by 5% versus €2.8 million in 1Q15 (17.7% margin).

Looking at each line of the income statement:

- service costs grew by €0.3 million, but dropped as a percentage of revenue, from 58% in 1Q15 to 56% in 1Q16. Specifically, mention should be made of the higher marketing costs (€1.7 million, up 3% versus 1Q15) to support the revenue trend in an increasingly challenging market, and of the benefits arising from the full operation of the new Datacenter in the UK and from the gradual disposal of the French datacenters (with a total reduction of €0.1 million, or 12% less than in 1Q15);

- payroll costs in 1Q16 amounted to €5.0 million, up by 9% versus €4.5 million in 1Q15, accounting for 30% of revenue versus 28%. The trend of this aggregate is ascribable to the increase in staff (416 units at 31 March 2016 versus 348 at 31 March 2015), as a result of the consolidation of Etinet S.r.l. and of the insourcing of customer care and phone support services in Italy and in other countries, which took place in 2015;

- "Change in inventories and increase in own work capitalized", amounting in 1Q16 to €0.6 million, or 3% of consolidated revenue (in line with the 4% reported in 1Q15), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the Dada Group.

In 1Q16, the Dada Group achieved a positive EBIT of €1.4 million (8% margin on consolidated revenue), up by 31% versus €1.1 million achieved in 1Q15 (7% margin).

The growth of this aggregate, in addition to the above-mentioned elements that impacted on EBITDA, is explained mainly by the following elements:

- in 1Q16, consolidated amortization and depreciation totaled €1.57 million (9% of consolidated revenue), €0.9 million of which for tangible assets and €0.7 million for intangible assets. Amortization and depreciation dropped slightly (-5%) versus 1Q15, when they amounted to €1.66 million, €0.9 million for tangible assets and €0.7 million for intangible assets. A reduction explained mainly by the mentioned implementation of the investments made in prior years to support the in-house development of the proprietary platforms, with the resulting reduction of this type of investment in intangible assets over the past two years.

  Further details on the investments made by the Dada Group over the period are found in the section on Results and the Financial position;
- EBIT in 1Q16 felt no significant impact from impairment losses, provisions and other non-recurring income/charges (-€10 thousand) versus €0.1 million reported in 1Q15, which included impairment of trade receivables and certain minor amounts related to the efficiency of the organizational structure.

In 1Q16, the Dada Group's consolidated net profit came to €140 thousand versus €11 thousand in 1Q15.

Looking at each aggregate, overall **Financial Activities** (the difference between financial income and charges, and forex movements) of the Dada Group came to -€0.9 million (-€0.7 million from financial charges and -€0.2 million from the negative effect of forex) versus -€0.4 million in 1Q15 (-€0.8 million from financial charges and +€0.3 million from the positive effect of forex).

The trend of this aggregate was impacted by the effects of forex fluctuations, especially those regarding the Euro/British pound exchange rate.

In 1Q16, the British Pound depreciated against the Euro; the rate, in fact, moved from 0.727 EUR/GBP at 31 December 2015 to 0.792 at 31 March 2016, up by about 9% in favour of the Euro, affecting debit items, including intercompany ones, expressed in GBP.

As a result of these movements, the net exchange gains in 1Q15, mainly from end-of-period currency adjustments of outstanding trade and financial accounts of €0.3 million (+€0.4 million from gains and -€0.1 million from losses), turned into a net negative difference of -€0.2 million at 31 March 2016 (€0.1 million from gains and -€0.4 million from losses), with a net differential of -€0.5 million between the two periods.

Mention should be made that the financial effects of these exchange rate movements are partly mitigated also by non-speculative hedging of currency risks made by the Group in the reporting period as well.

The trend in spreads and rates charged on outstanding loans held by the Dada Group improved slightly versus both 1Q15 and 4Q15, thanks also to the positive outcome from the renegotiation of outstanding long-term loans made in 1Q15 (which resulted not only in a reduction in the spreads, but also in an extension of the average duration of the loans), the benefits of which began to be felt from 2Q15. Loans and short-term transactions also witnessed a general decline in spreads and conditions applied by banks to the Dada Group.

Consequently, overall financial charges, net of exchange losses, improved and amounted to €0.7 million in 1Q16 versus €0.8 million in 1Q15 (down by 11%), and refer to:

- interest expense on medium/long-term loans, amounting to €0.28 million (€0.34 million in 1Q15);
- interest owed on bank overdrafts and other bank commissions, amounting to €0.4 million, basically in line with 1Q15, €0.3 million of which relating to bank commissions on credit card payments;
- IRS derivative differentials had a negligible impact in 1Q16 as in 1Q15.

As in 1Q15, there was no financial income worthy to report in 1Q16 (further to the exchange gains mentioned above).

The measurement at equity of the 25% investment in 4W S.r.l. also had no significant effect in 1Q16 (the investment was not held in 1Q15).

The **overall tax burden** of the Dada Group in 1Q16 came to €0.4 million versus €0.3 million in 1Q15.

More specifically, current tax amounted to €0.3 million in 1Q16, in line with 1Q15, while deferred tax amounted to €105 thousand in 1Q16 versus €59 thousand in 1Q15.

Current tax refers mainly to the tax burden on some foreign-based companies with positive pre-tax income, while IRAP paid by Italian companies in 1Q16 amounted to €0.1 million versus €0.2 million in 1Q15.

The trend of deferred tax assets in the reporting period is explained partly by the use of receivables from pre-paid tax in 2015 calculated on the temporary differences, and partly by the use of such receivables to cover IRES taxable income of the current year. During the quarter under review, no additional deferred tax assets were recognized on tax losses borne by the Dada Group.

The assessment of the recoverability of tax losses gave a positive outcome when preparing the 2015 annual consolidated financial statements, taking also into account the income statement performance achieved by the Group versus the 2016 budget.

Mention should be made that the Dada Group has accrued total tax losses of €39 million, referring for the most part to the Italian companies, and which may be carried forward indefinitely under the current laws for an amount equal to 80% of taxable income for each financial year.

Tax losses on which deferred tax assets have been calculated amounted to €17.1 million (less than 44% of total tax losses). In this regard, as from the financial statements at 31 December 2015, deferred tax assets have been recalculated following the change in the IRES tax rate, which falls from 27.5% to 24% starting from 2017 as set out in the 2016 Stability Law. The Company has accordingly revised the assessment of deferred tax assets, determined on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

This Interim Report does not include Profit/(loss) from discontinued operations; in 1Q15, the figure had amounted to -€0.3 million and included income statement figures referring to the Performance Advertising division (as well as the costs incurred to carry out the transaction), sold to Italiaonline in March 2015, with financial effects from 28 February.

The income statement at 31 March 2016, as in the prior year, does not include any non-controlling interests.

PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, since 1Q15, the Dada Group has been organized in a single business segment gravitating around Domain & Hosting services.

This effect is a result of the reorganization made in 2015, following which the current product lines related to the core business of domains and hosting and corporate activities are completely integrated with each other; as a result, they no longer qualify as separate business segments under IFRS 8. Further information is also found in Note 3 in this Interim Report.

Financial position

The table below shows the total Net Financial Position of the Dada Group at 31 March 2016 versus the position at 31 December 2015:

	NET FINANCIAL POSITION				
	EUR/000	**31-Mar-16**	**31 Dec.-15**	**DIFFERENCE**	
				Absolute	**%**
A	Cash on hand	11	14	-3	-20%
B	Bank and post office deposits	3,877	2,192	1,684	77%
C	Liquidity (A+B)	3,888	2,206	1,682	76%
D	Time deposits	1,500	1,500	-	-
E	Other receivables	-	-	-	-
F	Other financial receivables (D + E)	1,500	1,500	-	0%
G	**Total Financial Assets (C+F)**	**5,388**	**3,706**	**1,681**	**45%**
H	Current credit lines and account overdrafts with banks	-488	-857	369	-43%
I	Current bank borrowings	-9,837	-10,181	344	-3%
L	Other current financial payables	-90	-90	-	-
M	Current portion of derivatives	-90	-87	-4	4%
N	Current debt (H+I+L+M)	-10,505	-11,214	709	-6%
O	Non-current bank borrowings	-19,797	-20,332	535	-3%
P	Other non-current financial payables	-	-	-	-
Q	Non-current portion of derivatives	-106	-51	-56	100%
R	Non-current debt (O+P+Q)	-19,903	-20,382	479	-2%
S	**Current net financial position (G+N)**	**-5,117**	**-7,508**	**2,390**	**-32%**
T	**Total net financial position (G+R)**	**-25,021**	**-27,890**	**2,869**	**-10%**

At 31 March 2016, the Dada Group's total consolidated net financial position, which includes all short and medium/long-term funding and loans, came to **-€25 million** versus -€27.9 million at 31 December 2015 and -€26.9 million at 31 March 2015.

The current net financial position at 31 March 2016 came to -€5.1 million versus -€7.5 million at 31 December 2015 and -€4.7 million at 31 March 2015.

This trend is due largely to the cash flows from operations generated by the Dada Group in the reporting period, which resulted in an increase in liquidity and a reduction in the use of short-term credit facilities.

Instead, the effects of the renegotiation of outstanding medium/long-term loans held by the Group had already been felt in the aggregates of the 2015 financial statements.

Further details on the structure and characteristics of the medium/long-term loans are found further below in this Interim Report. The renegotiations allowed the Group to achieve the following main results:

- o to improve the pricing of the loans in terms of spreads charged;
- o to extend the duration of overall debt, reducing the current portion and increasing the non-current one;
- o to align the cash flows of the Group more to the instalment payments of principal.

The item “current portion of derivatives” refers to the financial payable relating to the mark-to-market measurement of the IRS hedging the outstanding mortgage loans at 31 March 2016. Specifically, in 2015 new IRS contracts hedging the loans negotiated with Banca Intesa, Unicredit and Cassa di Risparmio di Parma had been entered into; all these contracts provide for an overall coverage of at least 50% of the risk of fluctuations on the base rate.

The period under review reported no negative cash flows from non-recurring items, versus the €0.2 million in 2015, related mainly to costs incurred in the disposal of Moqu to Italiaonline.

The table below shows a summary of cash flow movements in 1Q16 relating to cash and cash equivalents versus those in 1Q15. For further details, reference should be made to the Cash Flow Statement included in this Interim Report and to the relevant notes:

EUR/000	31/03/2016	31/03/2015
Cash flow from operating activities	4,644	3,785
Cash flow from taxes and interest paid	-447	-528
Cash flow from investing activities	-1,269	3,449
Cash flow from financing activities	-534	5,512
Net cash flow (cash and cash equivalents)	**2,394**	**12,218**

Finally, regarding reconciliation between cash flow of the total consolidated net financial position with cash flow shown in the consolidated financial report, reference should be made to Note 18 in this Interim Report. The following points provide detailed information on the main aggregates in the net financial position.

Investing activities

In 1Q16, total outlays for investing activities of the Dada Group came to -€1.3 million versus a total cash flow of €3.4 million in 1Q15. Mention should be made that 1Q15 had benefited from the proceeds - €4.6 million - from the disposal of Moqu Adv. Regarding investments (in terms of the increase in own work capitalized, not in cash flows):

- investments in intangible assets from operating activities in 1Q16 amounted to €0.7 million, increasing slightly versus €0.6 million in 1Q15, approximately €0.6 million of which (in line with 1Q15) refers to costs for the development of the proprietary processes and platforms needed to provide Domain & Hosting services, €87 thousand for the purchase of software (€11 thousand in 1Q15), and the remaining €9 thousand for the purchase of brands and licenses (€23 thousand at 31 March 2015).

No significant investments were reported in the other intangible asset items.

- investments in property, plant and equipment from operating activities amounted to €0.4 million, down versus €0.5 million in 1Q15. Investments in property, plant and equipment in 1Q16, as in 1Q15, referred mainly to the purchase of network servers and new systems, and to other electronic equipment needed for the provision of Domain and Hosting services. No significant investments were made in furniture and fittings and in other tangible assets.

Financing activities

The consolidated cash flow statement at 31 March 2016 came to -€0.5 million (€5.5 million at 31 March 2015) relating to "net difference in cash flow from financing activities". The downward movement of this aggregate is attributable to the combined effect of: a) the reclassification from the non-current to the current portion (due within 12 months) - €0.54 million - of a number of outstanding loans. In this regard, in the reporting period, instalments of amortizing loans amounting to €0.8 million had been paid, which clearly have no effect on the cash flow statement, since the current portion of the loans is already included in "cash and cash equivalents"; b) the rest by end-of-period exchange adjustments for loans expressed in currencies other than the euro, namely the loans taken out by the UK subsidiary Namesco Ltd.

For further details on these transactions, reference should be made to Note 13 in this Interim Report.

The previously mentioned IRS differential had a minor impact.

The foregoing effects impact solely on "cash, cash equivalents and current bank borrowings", but are clearly neutral on the "total Net Financial Position".

The reconciliation between cash flow of the net financial position and the change in cash and cash equivalents is shown in Note 18.

The breakdown of the Dada Group's net working capital and net capital employed at 31 March 2016 and at 31 December 2015 is shown below:

EUR/000	31-Mar-16	31 Dec.-15	DIFFERENCE	
			Absolute	%
Fixed assets	**95,426**	**99,745**	**-4,319**	**-4%**
Current operating assets	15,710	13,652	2,059	15%
Current operating liabilities	-28,996	-25,113	-3,884	15%
Net working capital	**-13,286**	**-11,461**	**-1,825**	**14%**
Provision for termination indemnities	-655	-667	12	-2%
Provision for risks and charges	-347	-392	45	-12%
Other payables due beyond one year	-	-	-	
Net capital employed	**81,138**	**87,225**	**-6,087**	**-7%**

The Dada Group's net working capital at 31 March 2016 was -€13.3 million versus -€11.5 million at 31 December 2015 and -€11.4 million at 31 March 2015.

It should be noted that the dynamics of net working capital over the four quarters of a year are generally linked to the performance of Group operations, which often report a larger portion of revenue from services provided in the first quarter of the year versus the following quarters; part of this revenue is recognized during the entire year as deferred income on a pro-rata basis. This trend begins to re-absorb and stabilize starting from the second quarter. This situation reflects on net working capital in terms of deferred income included in other payables in the table above.

Looking at the single items forming the NWC, trade receivables at 31 March 2016 amounted to €4.4 million, up versus €3.5 million at 31 December 2015, including certain Domain & Hosting services that have deferred collection conditions. Trade payables also showed an upward trend, increasing from €6.8 million at 31 December 2015 to €7.5 million at 31 March 2016.

Other current liabilities include deferred income of approximately €13.8 million resulting, as mentioned, from certain services that are recognized in a period different from when cash is received; these will not entail future financial outlays, but rather the recognition of revenue in the income statement. Deferred income at 31 December 2015 amounted to €12.9 million versus €13 million at 31 March 2015.

Other consolidated liabilities due beyond one year mainly include termination indemnities and provisions for risks and charges.

The Dada Group's Shareholders' Equity amounted to €56.1 million at 31 March 2016 versus €59.3 million at 31 December 2015. The decrease is explained mostly by the contribution of profit for the period of €140 thousand, the translation of financial statements of consolidated companies denominated in GBP of -€3.4 million, and the rest from other changes.

Group employees

The number of Dada Group employees, split up by geographical area, at 31 March 2016 and at 31 December 2015, is shown in the table below:

	Italy		**Abroad**		**Total**	
	31/03/2016	**31/12/2015**	**31/03/2016**	**31/12/2015**	**31/03/2016**	**31/12/2015**
Employees	223	220	193	178	416	398

The Dada Group's headcount at 31 March 2016 totaled 416 employees versus 398 at 31 December 2015. The trend of this aggregate is ascribable to the increase in staff (416 units at 31 March 2016 versus 348 at 31 March 2015), as a result of the consolidation of Etinet S.r.l. and of the insourcing of customer care and phone support services in Italy and in other countries, which took place in 2015.

Alternative performance indicators:

This Interim Report provides the following economic and financial indicators (in addition to those generally used) which are used by the management of the Dada Group to monitor and assess the Dada Group's operating performance, but as they are not recognized accounting measures under IFRS should not be considered alternative performance indicators for the Dada Group. As the composition of EBITDA is not governed by the accounting policies, the Dada Group's method of calculating it may differ from that used by others and may therefore make comparisons unreliable.

Below is a summary of how the Dada Group calculates EBITDA.

Pre-tax profit (gross of the net gains/(losses) pertaining to assets held for sale)

+ Financial charges

- Financial income

+/- Gains/losses from equity investments in associates

EBIT

+ Restructuring costs

+ Amortization, depreciation and impairment losses on fixed assets

+/- Atypical charges/income

+ Impairment losses on trade receivables

EBITDA - Operating profit before amortization, depreciation, impairment losses, atypical charges/income and impairment losses on receivables

Net working capital: the difference between current assets and liabilities, i.e. those due within one year of the balance sheet date. Within this item, deferred tax assets are split into current and non-current portions according to the amount expected to be recovered with the following year's profit;

Net capital employed: fixed assets plus net working capital, less non-financial liabilities (provision for employee termination indemnities and provision for risks and charges);

Current net financial position: cash and cash equivalents, current financial assets and current financial liabilities;

Total net financial position: net current financial position and all financial receivables and payables due beyond one year.

SIGNIFICANT EVENTS IN 1Q16

There are no significant facts or events to report in the first quarter of 2016.

SIGNIFICANT EVENTS AFTER 31 MARCH 2016

On 28 April 2016, the Annual General Meeting of Shareholders of Dada S.p.A. met and resolved on:

(i) the approval of the Separate Financial Statements of Dada S.p.A. for the year ended 31 December 2015, as proposed by the Board of Directors at the meeting held on 14 March 2016. The Shareholders resolved to carry forward the loss for the year of €1,575,094.94;

(ii) the confirmation, as Directors of the Company, of Youssef Mohamed Salah Abdelsalam Bassem and of Fadi Zefer Boulos Antaki, previously co-opted by the Board of Directors of DADA S.p.A. on 11 November 2015, following the resignation of Khaled Bishara and Antonio Converti on 8 September 2015;

(iii) the approval of the Remuneration Report in accordance with art. 123-ter of Legislative Decree 58/98;

(iv) the renewal of the authorization, after revoking the previous one granted on 28 April 2015, to purchase treasury shares for up to a maximum number of shares not exceeding one tenth of the share capital and to sell shares for a period of up to 18 months from authorization. The purpose of this authorization is to give the Company a means of strategic and operational flexibility. It will be allowed, among other things, to dispose of any treasury shares acquired and to carry out transactions such as purchases/sales, swaps and assignments. Based on the Board's proposal, treasury shares may be purchased at a price which is not less than 20% or more than 10% of the official stock price registered on the trading day prior to each purchase. The shares are to be purchased according to the laws for markets organized and operated by Borsa Italiana S.p.A., as per the procedures established by the latter which prohibit the direct matching of bid prices with predetermined ask prices. The sale of treasury shares, rather, may be done at a price or valuation which is not less than 95% of the average stock price registered for a period of ninety trading days prior to the disposal or any previous binding offers made in this regard, in accordance with the law and the applicable accounting standards.

For further details, reference should be made to the press releases issued on the foregoing transactions.

OUTLOOK FOR THE YEAR

The **results** of the first quarter **are in line** with the **2016** guideline previously announced in the financial report at 31 December 2015, whose forecasts for the current year point to a "mid-single-digit" organic growth of business volumes, while operating profit is expected to grow more than proportionally compared to revenue growth, especially from the third quarter of 2016, benefiting from the investments in marketing made starting from the second half of 2015.

The **strategic** growth lines of the DADA Group, as mentioned in the 2015 financial report, today fully focused on the **Domain & Hosting** segment, aim **to strengthen its position in Europe** as a **leading player** in online presence and visibility services tailored to SMEs.

Specifically, the Group seeks to **increase its market share** in its **geographies of operation**, expanding the range of services in "**we do it for you**" mode and strengthening its **foothold** in the **cloud**, **and virtual & dedicated servers** segment, placing growing attention on the quality of customer **advice and consulting** services.

Organic revenue growth will be achieved by acquiring more and more **new customers**, building on the continuation of increasingly effective sales policies, and by further improving the retention rate, leveraging on **upselling strategies** (selling an increasing number of products to existing customers), with a resulting **increase in ARPU** (average revenue per user) of established customers.

Profit-wise, future strategic priorities will be centered on the continued integration of the technology platforms and full implementation of the Datacenter in the UK, as well as on constant commitment to the optimization of other operating costs and overheads.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2016

EUR/000	31 March 2016	31 March 2015
Net revenue	**16,841**	**16,001**
Chg. in inventories, work in progress & inc. in own wk. capitalized	589	607
Service costs and other operating expenses	-9,462	-9,198
Payroll costs	-4,975	-4,544
Other operating revenue and income	7	-
Other operating expenses	-38	-56
Provisions and impairment losses	2	-89
Depreciation and amortization	-1,569	-1,657
EBIT	**1,396**	**1,064**
Investment income	87	438
Financial charges	-964	-848
Other income/charges from financial assets & liabilities	-1	-
Comprehensive profit/(loss) before taxes	**518**	**654**
Income taxes	-378	-313
Comprehensive profit/(loss) from continuing operations	**140**	**341**
Profit/(loss) from discontinuing and discontinued operations	-	-330
Group net profit/(loss)	**140**	**11**
Basic earnings/loss per share	0,008	0,001
Diluted earnings/loss per share	0,008	0,001

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 MARCH 2016

EUR/000	31/03/16	31/03/15
Net profit/(loss) for the period (A)	**140**	**11**
	-3,405	**2,963**
Other comprehensive profit/(loss) to be subsequently reclassified in profit/loss for the year (B):		
Gains/(losses) on exchange rate derivatives (cash flow hedges)	-39	-8
Tax effect on other gains/(losses)	11	2
	-28	-6
Gains/(losses) from the translation of foreign currency financial statements	-3,377	2,969
	-	**7**
Other comprehensive profit/loss not to be subsequently reclassified in profit/(loss) for the year		
Gains/(losses) from discounting of termination indemnities	-	9
Tax effect on other gains/(losses)	-	-3
	-	7
Total comprehensive income/(loss) (A)+(B)	**-3,265**	**2,981**

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

ASSETS	31 March 2016	31 December 2015
Non-current assets		
Goodwill	79,222	82,676
Intangible assets	5,803	5,799
Property, plant and equipment	8,010	8,878
Equity investments in associates and other companies	2,198	2,198
Financial assets	191	194
Deferred tax assets	5,531	5,651
Total non-current assets	**100,956**	**105,395**
Current assets		
Inventories	5	11
Trade receivables	4,399	3,504
Tax and other receivables	5,776	4,486
Current financial receivables	1,500	1,500
Financial assets for derivative instruments	-	-
Cash and cash equivalents	3,888	2,206
Total current assets	**15,567**	**11,707**
TOTAL ASSETS	**116,523**	**117,103**

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

EQUITY AND LIABILITIES	31 March 2016	31 December 2015
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	2,836	2,836
Other equity instruments	317	269
Share premium reserve	33,098	33,098
Legal reserve	950	950
Other reserves	13,747	17,152
Retained earnings/losses carried forward	5,030	3,696
Net profit/(loss)	140	1,333
Total equity, Group share	**56,117**	**59,335**
Non-controlling interests	-	-
Total shareholders' equity	**56,117**	**59,335**
Non-current liabilities		
Bank loans (due beyond one year)	19,797	20,332
Provision for risks and charges	347	392
Provision for termination indemnities	655	667
Non-current financial liabilities from derivatives	106	51
Total non-current liabilities	**20,905**	**21,441**
Current liabilities		
Trade payables	7,477	6,758
Other payables	18,728	16,334
Taxes payable	2,791	2,020
Financial liabilities for derivative instruments	90	87
Account overdrafts, loans and other financial payables (due within one year)	10,415	11,128
Total current liabilities	**39,502**	**36,327**
TOTAL EQUITY AND LIABILITIES	**116,523**	**117,103**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2016

EUR/000	31 MARCH 2016	31 MARCH 2015
Operating activities		
Net profit/(loss) for the period	**140**	**11**
Adjustments for:		
Income from trading	-87	-438
Financial charges	964	848
Income taxes	378	313
Gains/losses	-2	-
Depreciation	901	936
Amortization	667	721
Granting of stock options	48	51
Other provisions and impairment losses	10	92
Increases/(decreases) in provisions	-68	-48
Profit/(loss) from asset disposals/assets held for sale	-	330
Cash flow from operating activities before changes in working capital	**2,952**	**2,815**
(Increase)/decrease in inventories	7	-
(Increase)/decrease in receivables	-2,097	-928
Increase/(decrease) in payables	3,783	1,898
Cash flow from operating activities	**4,644**	**3,785**
Income taxes paid	-81	-12
Interest (paid)/received	-367	-516
Net cash flow from operating activities	**4,197**	**3,257**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2016

EUR/000	31 MARCH 2016	31 MARCH 2015
Investing activities		
Sale of subsidiaries and associates	-	5,000
Financial effect of discontinued operations	-	-206
Purchase of property, plant and equipment	-580	-715
Sale of fixed assets	-	10
Other changes in fixed assets	2	-
Purchase of intangible assets	-95	-34
Product development costs	-595	-607
Net cash flow used in investing activities	**-1,269**	**3,449**
Financing activities		
Change in loans	-535	5,484
Other changes	1	29
Net cash flow from/(used in) financing activities	**-534**	**5,512**
Net increase/(decrease) in cash and cash equivalents	**2,394**	**12,218**
Cash and cash equivalents at beginning of period	**-8,831**	**-16,792**
Cash and cash equivalents at end of period	**-6,437**	**-4,574**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2016

	Attributed to the shareholders of the parent company										
Description	**Share capital**	**Share prem. res.**	**Legal res.**	**Other reserves**	**Other equity instruments**	**Cash flow hedge reserve**	**Res. Discount. Term. indemn.**	**Translation reserve**	**Retained earnings (losses carried forward)**	**Net profit/(loss)**	**Total equity**
Balance at 1 January 2016	2,836	33,098	950	19,215	269	-99	-70	-1,894	3,696	1,333	**59,335**
Allocation of 2015 profit									1,333	-1,333	-
Profit/(loss) for the period										140	**140**
Other comprehensive income (losses)		-	-	-	-	-28	-	-3,377	-	-	**-3,405**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**-28**	**-**	**-3,377**	**-**	**140**	**-3,265**
Other equity instruments	-	-	-	-	48	-	-	-	-	-	**48**
Balance at 31 March 2016	**2,836**	**33,098**	**950**	**19,215**	**317**	**-127**	**-70**	**-5,271**	**5,030**	**140**	**56,117**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2015

	Attributed to the shareholders of the parent company										
Description	**Share capital**	**Share prem. res.**	**Legal res.**	**Other reserves**	**Other equity instruments**	**Cash flow hedge reserve**	**Res. Discount. Term. indemn.**	**Translation reserve**	**Retained earnings (losses carried forward)**	**Net profit/(loss)**	**Total equity**
Balance at 1 January 2015	2,836	33,098	950	14,045	89	-77	-77	-4,399	5,877	-2,192	**50,150**
Allocation of 2014 profit									-2,192	2,192	-
Profit/(loss) for the period										11	**11**
Other comprehensive income (losses)						-6	7	2,969			**2,970**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**-6**	**7**	**2,969**	**-**	**11**	**2,981**
Disposal of Moqu Group				4,413	-6				6		4,413
Other equity instruments					51						**51**
Balance at 31 March 2015	**2,836**	**33,098**	**950**	**18,458**	**134**	**-83**	**-70**	**-1,429**	**3,690**	**11**	**57,595**

EXPLANATORY NOTES

1. Company information

Dada S.p.A. is a joint-stock company incorporated in Italy and listed in the Florence Company Register, and an issuer of shares traded in the STAR segment of the MTA (screen-based market) run by the Milan Stock Exchange. Its registered office is specified on Page 1 of this Interim Report.

The Dada Group (www.dada.eu) is an international leader in domain services, hosting, and advanced online advertising solutions.

See the Directors' Report for further information.

2. Preparation criteria

The condensed interim financial statements have been prepared in accordance with the historical cost convention, with the exception of financial assets held for sale, measured at fair value.

These financial statements are expressed in euro (€) as this is the functional currency in which most of the Group's operations are conducted; data is shown in Euro/000 unless otherwise indicated. Since the amounts are rounded up to the nearest Euro, Euro thousand and Euro million, in some statements, the sum of the detail rows may differ from the amount shown in the total rows, as well as in the percentage changes versus the prior year.

They are comprised of the statement of financial position, income statement, statement of changes in equity, cash flow statement, and these notes.

Mention should be made that the disposal of the Performance Advertising segment had required, in the prior year, the application of IFRS 5 "Non-current assets held for sale and discontinued operations". The main effect of applying IFRS 5 was that all of the income statement items relating to the disposed companies had been grouped on the line "Profit/(loss) from discontinued operations".

This item does not appear in the 1Q16 figures.

The publication of this Interim Report was authorized by the Board of Directors on 12 May 2016.

Statement of compliance with IAS/IFRS

The Interim Report at 31 March 2016 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the measures enacted for the implementation of art. 9 of Legislative Decree n. 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

These condensed interim financial statements have been prepared in summary form in accordance with IAS 34 and art. 154 *ter* of the Consolidated Finance Act (Legislative Decree n. 58/1998). Therefore, it does not include all of the information required of annual reports and should be read together with the consolidated financial statements for the year ended 31 December 2015.

The accounting standards adopted for the preparation of the interim financial statements at 31 March 2016 are the same as those used in the Group's annual financial statements for the year ended 31 December 2015, with the exception of the following new standards and interpretations applicable from 1 January 2016:

Accounting standards, amendments and interpretations approved by the EU, effective in the following financial periods

To date, the European Commission has approved a number of standards and interpretations that are not compulsory yet, which will be adopted by the Company in the following financial periods.

The table below summarizes the main changes and the potential effects:

IFRS - IFRIC Interpretation		**Effects on the Company**
• IFRS 2 • IFRS 3 • IFRS 8 • IAS 16 • IAS 24 • IAS 38 • IFRS 5 • IFRS 7 • IAS 19 • IAS 34	• Share-based payments • Business combinations • Operating segments • Property, plant and equipment • Related party disclosures • Intangible assets • Non-current assets held for sale and discontinued operations • Financial instruments: disclosures • Employee benefits • Interim financial reporting	The 2010-2012 and 2012-2014 improvement processes have provided for a number of amendments to improve these standards. No significant effects are expected for the Company. The Company will adopt these amendments as from 1 January 2016.
IAS 16 amendment and IAS 38 amendment	Property, plant and equipment and tangible assets	The amendments clarify that the use of revenue-based methods is not appropriate to calculate the depreciation of an asset The effect on the Company deriving from the application of such standard is currently being defined. The Company, however, expects no significant effects. The Company will adopt this standard as from 1 January 2016.
IAS 1 amendment	Disclosure initiative	The amendments made to the standard are mainly aimed at providing a clearer recognition of the items attributable to other comprehensive income, facilitating the breakdown into comprehensive income components and the amount of other comprehensive income pertaining to associates and joint ventures accounted for at equity. The Company will adopt this standard as from 1 January 2016.

IAS 27	Separate financial statements	The standard provides for the possibility of measuring, in separate financial statements, investments in subsidiaries, joint ventures and associates according to the equity method. The Company will adopt this standard as from 1 January 2016.
IFRS 9	Financial instruments	The standard significantly amends the accounting treatment of financial instruments and in its final version will replace IAS 39. At present, IASB has modified the requirements for the classification and measurement of financial assets that are currently in the scope of IAS 39. Furthermore, IASB has published a document on the principles for the measurement of financial instruments at amortized cost and for recognizing impairment, if any. The new overall approach to financial instruments is currently under discussion by the various competent bodies and for the time being the date of adoption is not predictable. The effect on the Company deriving from the application of such standard is currently under analysis. The current version of IFRS 9 will take effect, subject to endorsement by the European Union, as from 1 January 2018.
IFRS 15	Revenue from contracts with customers	The standard redefines how to account for revenue, which shall be recognized when the control of goods and services is transferred to customers, and envisages additional disclosures to be provided. The effect on the Company deriving from the application of such standard is currently under analysis. The Company will adopt this standard as from 1 January 2018.

There are a number of standards or amendments to existing principles issued by IASB, or new interpretations of the International Financial Reporting Interpretations Committee (IFRIC) for which the revision and approval project is still under way. Specifically, reference is made to IFRS 16 “Leases”, which includes significant amendments to the methods to account for leases in the financial statements of both lessors and lessees.

Consolidation procedures

The condensed Interim Report includes the results of the Parent Company Dada S.p.A. and of its subsidiaries at 31 March 2016.

The financial results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual acquisition date until the actual date of sale.

All significant transactions and the resulting balances between Group companies have been eliminated in the consolidation. Business combinations are recorded using the acquisition method.

Exchange differences between opening net equity translated at current exchange rates and historical exchange rates, as well as the difference between the net profit or loss expressed at average and current exchange rates, are allocated to "Other reserves" under equity.

The exchange rates used to translate the financial statements of consolidated companies into euro are shown below:

Currency	Exchange rate on 31.03.2016	Average exchange rate 3M 2016
US dollar	1.1385	1.10410
British pound	0.7916	0.77109

Currency	Exchange rate on 31.03.2015	Average exchange rate 3M 2015
US dollar	1.0759	1.1268
British pound	0.7273	0.7437

Scope of consolidation

The scope of consolidation changed in 2015 following the disposal of Moqu Adv S.r.l. and Moqu Ireland Ltd to Italiaonline S.p.A. (with the application of IFRS 5), and the acquisition of a 25% minority interest in 4w MarketPlace S.r.l. following the transfer of the Pro Adv BU to this company; finally, as of 1 July 2015, Etinet S.r.l. has been fully consolidated following the acquisition of 100% of its share capital in July 2015.

MAIN RISKS AND UNCERTAINTIES

Market risk

The Dada Group business is influenced by the global market conditions and the general economic conditions which can vary in the different markets where it does business; during a period of economic crisis, consumption may slow and this can have a negative effect on some of the services the Group provides

The services market, in which the Dada Group operates, is highly competitive due to both the continuously, rapidly changing nature of innovation and product technology, and to the threat of new market competition. This may impact on prices charged to customers and on costs to promote services, and may also significantly affect the financial viability of certain businesses;. Such an environment calls for continuous investments in the services that are offered to customers and renewal of the offering in order to maintain a competitive positioning.

The industry in which the Dada Group operates, both in Italy and abroad, is strictly regulated with regard to personal privacy, consumer protection, and rules for commercial communications and for the TMT (Technology, Media & Telecommunications) business in general. Changes in the regulatory framework governing the Group's activity may therefore produce effects, impacting on the regulation of the reference market, also on business profitability.

Moreover, a number of Group companies could be involved in disputes or be affected by supervisory or regulatory decisions regarding the provision of services, although, to date, no material situations of this sort are believed to exist.

Management of financial risks

Financial risk

The Dada Group's international expansion, also through the acquisition of important operating companies in previous years, has increased its overall exposure to financial risks. Of growing significance are exchange risk, due also to the increase in foreign-currency revenue and the existence of supply contracts denominated in currencies other than the euro, interest rate risk, especially with the medium-term loans taken out to finance the previously mentioned acquisition of UK company Namesco Ltd, of Amen Group companies and of Poundhost, and liquidity risk in general, reflecting the potential changes in borrowing requirements.

In addition, some of the Group's loan contracts include requirements to satisfy various financial and corporate ratios that give lenders certain rights, including the right to call in the loan, in the event such covenants are breached. Following the renegotiation of loans in 2015, explained in the notes to the quarterly report, previous covenants running from financial year 2015 have been redefined, based on the figures appearing in the annual financial statements at 31 December 2015.

Mention should be made that to hedge interest rate risk, four IRS contracts are in place with major banks at 31 March 2016; a 0.7775% IRS contract with an amortizing notional amount of €4.4 million at 31 March 2016; a 0.631% IRS contract with an amortizing notional amount of €4.4 million at 31 March 2016; a 0.395% IRS contract with an amortizing notional amount of €5 million at 31 March 2016; a 0.265% IRS contract with an amortizing notional amount of €3.5 million at 31 March 2016; a 0.2% IRS contract with an amortizing notional amount of €0.5 million at 31 December 2016. Taken together, these derivatives account for over 50% of the underlying loans, which are hedged to such extent against the rate risk. The fair value of these derivative instruments was recognized in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges).

Liquidity risk

Liquidity risk is managed by the Dada Group on a centralized basis. To optimize use of the Group's liquidity, the parent company Dada S.p.A. has a cash pooling agreement with its subsidiaries Register.it S.p.A, Fueps S.p.A. and Clarence S.r.l.. Register.it S.p.A. also has a cash pooling agreement with its wholly-owned subsidiaries. At 31 March 2016, the Dada Group had current and non-current credit bank credit lines (including leases, but excluding unsecured credit and exchange and interest rate derivatives) of €38.9 million, approximately €30.2 million of which drawn down (€39.5 million and €31.4 million, respectively, at 31 December 2015). Cash available amounts to €5.3 million (€3.2 million at 31 December 2015).

Exchange risk

The Group's international expansion and scope of operations expose it to fluctuations in exchange rates, especially EUR/GBP and EUR/USD. This exposure to exchange risk is the result of sales or purchases made in currencies other than the euro, and of company assets denominated in foreign currencies. Approximately 3% of the Group's sales are denominated in a currency other than the primary one (the euro), while about 34% of its service costs are expressed in foreign currency. In the first three months of 2016, the Group engaged mainly in currency forwards in order to hedge its exchange rate risk, as in prior years.

Credit risk

The Group's exposure to credit risk is related to trade and financial receivables. Following the disposal of the Moqu Group, the Dada Group's business is basically focused on the provision of professional services for domain registration, hosting and related services, which carry a more limited credit risk as fees are generally paid in advance. With regard to financial receivables, liquidity is invested mainly with banks of the highest standing.

At 31 March 2016, dealings with Seat P.G., which is the Group's only main client, with an exposure amounting to 3% of consolidated revenue in the twelve months, were classified as performing.

Price risk

The Group is not exposed to significant price volatility risk, outside of the considerations in the above market section.

For further details, reference should be made to the information provided in accordance with IFRS 7 attached to this Interim Report, appearing in the notes to the 2015 consolidated financial statements.

Risks associated with the contract for the disposal of the Dada.net BU (hereinafter referred to as "the Contract")

In May 2011, Dada S.p.A. entered into a contract with Buongiorno S.p.A. for the disposal of Dada.net (for more details and definitions, see the 2011 financial statements of the Dada Group).

Representations, warranties and penalties in the event of non-fulfillment

The Group has given the buyer certain representations and warranties, typical of this kind of transaction, with respect to Dada.net, its wholly-owned subsidiaries, Giglio and Youlike. Should the buyer, Dada.net, its wholly-owned subsidiaries, Giglio and/or Youlike become liable for any out-of-period expenses, costs or charges due to non-fulfillment of the representations and warranties made by the seller, the seller will be required to indemnify and hold harmless the buyer for the amount of such liabilities, provided that the total sum of the individual losses exceeding a given minimum amount exceeds an established threshold, for a total maximum penalty of €7,125,000. The duration of the guarantees depends on the type of guarantee involved and in certain instances coincides with the statute of limitations relative to the dispute in question.

With regard to the rights and obligations set out in the contract, mention should be made that in April 2013, Dada S.p.A. received a claim for compensation from the buyer under the sale contract. Such claim arises from a complaint filed by Receita Federal do Brasil referring to certain alleged anomalies found in a tax audit which had started in March 2011, against Dada Brasil Servicos de Tecnologia Ltda ("RFB"), relating to the 2008 tax return for a total disputed amount of 13.4 million Brazilian Reais (approximately €3.1 million). The Company, under the sale contract and in conjunction with the buyer, has established defense against such claim and has reserved the right to rebut the claim for compensation filed by the buyer, having provided evidence of the start of the RFB dispute in the disclosure schedules of the sale contract. Based on the preliminary technical-legal indications received, the current dispute with the Brazilian tax authorities may most likely extend in time.

Based also on IAS 37 related to contingent liabilities and taking into account the recent date of commencement of the dispute, as well as the preliminary analysis conducted, the Company deems it unnecessary to date to set up any case reserves, except for a reserve set up solely for legal fees for defense against such claim.

In May 2013, Dada S.p.A. received three other claims from the buyer under the sale contract. The claims involve: an investigation conducted by the Attorney General of the State of Minnesota on the potential violation, in the provision of client services, of State laws by Dada Entertainment LLC, sold to the Buongiorno Group; the start of a preliminary audit by NYC tax authorities on Dada Entertainment LLC; and a claim involving a transaction entered into on a case allegedly within the scope of the contractual guarantees (quantified in $100,000).

Based also on IAS 37 related to contingent liabilities, given the early stages of the assessments made by the foregoing authorities, as well as the preliminary analysis conducted so far, the Company deems it unnecessary to date to set up any case reserves. Mention should be made that the contract for the sale of the Dada.net Group provides for excess of €300,000 in favour of the seller.

Special penalties

In addition to the representations and warranties mentioned above, the contract for the sale of Dada.net provides for other penalties for the seller under expressly stated circumstances that expose the buyer, Dada.net, and/or any other company within the scope of the sale to further liabilities. The seller shall indemnify and hold harmless the buyer for the amount of any such liabilities that arise, provided this penalty exceeds the specific thresholds laid down in the contract. In specified cases, an additional ceiling of €2,175,000 will apply on top of the maximum penalty listed above. An action may be brought under this guarantee through 31 May 2016.

Risks associated with the contract for the disposal of Moqu S.r.l.

Terms of payment of the interests in Moqu S.r.l.

Out of the full price, an instalment of €5,000,000 was paid in cash on 16 March 2015. This part was adjusted in June 2015 by the calculation of the net financial position of the Moqu Group at 31 March 2015, for an amount of -€0.24 million.

In addition to the above part, the contract also requires the buyer to pay the seller an earn-out, if the item "Revenue" in the 2015 Consolidated Income Statement of the Moqu Group (that is, Moqu S.r.l. and its subsidiaries) exceeds €6 million. In such case, the seller will receive an earn-out of up to a maximum of €1 million, on a linear basis and divided into the levels appearing in the contract. Any earn-out so calculated will be paid within five days from the date of approval of the 2015 consolidated financial statements of the Moqu Group, and no later than 30 April 2016.

The contract does not provide for amounts withheld by the buyer in respect of indemnification obligations taken on by the seller under the contract, based on representations and warranties given by the seller to the buyer.

Representations, warranties and penalties in the event of non-fulfillment

The seller has given the buyer certain representations and warranties, typical of this kind of transaction, with respect to the disposed company and its wholly-owned subsidiaries, the duration of which varies according to the type of deposits given.

Should the buyer become liable for any out-of-period expenses, costs or charges due to non-fulfillment of the representations and warranties given by the seller, the seller will be required to indemnify and hold harmless the buyer for the amount of such liabilities, provided that the total sum of the individual losses exceeding a given minimum amount exceeds an established threshold, for a total maximum amount of €1,000,000.

Risks of the reduced scope of operations

The sale of the disposed company has narrowed the scope of operations of the Issuer's group. Following the disposal, operations will be basically focused on the provision of professional services for domain registration, hosting and related services. Furthermore, for one year from the disposal date, the Issuer's group will be bound by a non-compete obligation measured on the specific business performed by Moqu S.r.l.. Under the obligation, over such period of time, the seller may not carry out Performance Advertising activities, meaning the management of online advertising through a business model based on acquisition and monetization of web traffic through specific partnerships with major search engines. Furthermore, it should be noted that the disposed company is active in extremely competitive business environments subject to recurring changes of policy by the dominant player, and in recent years, its results have suffered sharp declines.

Risks associated with the contract for the transfer of the ProAdv/Simply BU to 4W MarketPlace S.r.l.

Representations, warranties and penalties in the event of non-fulfillment

The transferor has given certain representations and warranties, typical of this kind of transaction, on the transferred business unit.

Should the transferor become liable for any out-of-period expenses, costs or charges due to non-fulfillment of the representations and warranties given by the transferee, the transferor will be required to indemnify and hold harmless the transferee for the amount of such liabilities, with different time limits in the indemnification obligation and provided the total sum of the individual losses exceeding a given minimum amount exceeds an established threshold, for a total maximum amount of €2,184,498, which is the appraised value of the transfer of the ProAdv BU.

Risks to which the Parent Company Dada S.p.A. is exposed

The Parent Company is essentially exposed to the same risks and uncertainties affecting the entire Dada Group.

Seasonal trends

The Dada Group's main operations are not affected by seasonal trends that could influence results for the period, except as outlined in the section on Net Working Capital.

3. Segment reporting pursuant to IFRS 8

For operational purposes, the Dada Group is structured by business segment. Since 1Q15, the Group has been organized in a single Business Unit (**Domain & Hosting**).

This effect is a result of the reorganization following the disposal of the Moqu Group (which headed up the Performance Advertising business). Accordingly, the remaining product lines (domain and hosting) and corporate activities (managed by the Parent Dada S.p.A.) are so completely integrated with each other that they no longer qualify as separate business segments under IFRS 8.

Notes on the main items in the following tables are shown in the Directors' Report in the Results section.

“Domain and Hosting” activities focus on self-provisioning professional services, which include:

- Domain name registration – digital solutions for online identity
- Hosting services
- Website creation
- E-commerce services
- Certified e-mail and e-mail services
- Advertising services

The Domain and Hosting Division heads up Register.it S.p.A. and this company's Italian and foreign (direct and indirect) subsidiaries: Nominalia SA, Amen Ltd, Amen Netherland B.V., Amenworld-Servicos Internet LDA, Agence des Medias Numeriques SAS, Amen Ltd, Namesco Ltd, Namesco Inc., Namesco Ireland Ltd, Poundhost Internet Ltd, Simply Virtual Servers Limited, Simply Transit Limited and Etinet S.r.l..

Income statement by business segment at 31 March 2016

31 March 2016 (3 months)			
Segment reporting	**Total continuing operations**	**Total discontinued operations**	**Total consolidated**
Revenue - Italy	7,598		7,598
Revenue - abroad	9,243		9,243
Revenue - interdivisional	-		-
Net revenue	**16,841**	**-**	**16,841**
Increase in own work capitalized	589		589
Service costs	-9,481		-9,481
Payroll costs	-4,975		-4,975
Segment EBITDA	**2,974**	**-**	**2,974**
Depreciation, amortization and impairment of fixed assets	-1,569		-1,569
Impairment, provisions and non-recurring income/charges	-10		-10
EBIT	**1,396**	**-**	**1,396**
Net financial charges	-878		-878
Other income/charges from financial assets and liabilities	-1		-1
Share of profit/loss of companies valued at equity	-		-
Profit (loss) before taxes	**518**	**-**	**518**
Income taxes	-378		-378
Group & non-controlling interests profit/(loss)	**140**	**-**	**140**
Non-controlling interests	-		-
Profit/(loss) from discontinued operations	-		-
Group net profit/(loss)	**140**	**-**	**140**

Income statement by business segment at 31 March 2015

31 MARCH 2015 (3 months)			
Segment reporting	**Total continuing operations**	**Total discontinued operations**	**Total consolidated**
Revenue - Italy	7,306		7,306
Revenue - abroad	8,696		8,696
Revenue - interdivisional			-
Net revenue	**16,001**	**-**	**16,001**
Increase in own work capitalized	607		607
Service costs	-9,230		-9,230
Payroll costs	-4,544		-4,544
Segment EBITDA	**2,834**	**-**	**2,834**
Depreciation, amortization and impairment of fixed assets	-1,657		-1,657
Impairment, provisions and non-recurring income/charges	-113		-113
EBIT	**1,064**	**-**	**1,064**
Net financial charges	-410		-410
Other income/charges from financial assets and liabilities	-		-
Profit (loss) before taxes	**654**	**-**	**654**
Income taxes	-313		-313
Group & non-controlling interests profit/(loss)	**341**	**-**	**341**
Non-controlling interests	-		-
Profit/(loss) from discontinued operations	-	-330	-330
Group net profit/(loss)	**341**	**-330**	**11**

Geographical breakdown of Dada Group revenue

Description	**31/03/2016 (3 months)**		**31/03/2015 (3 months)**	
	Amount	**% of total**	**Amount**	**% of total**
Revenue - Italy	7,598	45%	7,305	46%
Revenue - abroad	9,243	55%	8,696	54%
Total	**16,841**		**16,001**	

5. Related party transactions

Transactions carried out with related parties fall within the Company's ordinary operations and are settled at arm's length. They are similar to those described in the notes to the consolidated financial statements for the year ended 31 December 2015, to which reference is made. Related-party transactions are governed by a specific procedure approved by Dada S.p.A.'s Board of Directors. For further information, reference should be made to the section on significant events in 1Q16.

6. Non-recurring income and charges

No non-recurring income and charges were reported in 1Q16, while non-recurring charges of €21 thousand in 1Q15 related to costs for the optimization of the Group structure.

7. Share of profit/(loss) of associates

The minor share of profit (loss) of associates at 31 March 2016 has no effects on the income statement.

In 1Q15, the Group held no investments in associates.

8. Other property, plant and equipment

Investments in property, plant and equipment in 1Q16 amounted to €0.4 million versus €0.5 million in 1Q15, and consisted almost exclusively of the purchase of network servers and the installation of new systems to expand the server farm, and to networking and storage systems mainly for the Register.it subsidiaries and for Namesco and Poundhost in the UK. The applicable depreciation rate of the investments is between 20% and 33%, whereas the Datacenter setup fee is amortized over 10 years.

Furniture and fittings includes expenses incurred mainly in prior years for the new premises of the Dada Group's Italian and foreign companies. No significant increases were reported during the first nine months of the year. Here the main depreciation rate is 12%.

9. Intangible assets

Increases in intangible assets in 1Q16 amounted to approximately €0.69 million, basically in line with the investments made in 1Q15, which amounted to €0.64 million.

Investments in intangible assets refer mainly to product development costs, specifically to the capitalization of internal expenses incurred by the Group to develop new products and services for the provision of domain and hosting services.

Specifically, these activities in 1Q16 focused on the gradual implementation of the new suite of Microsoft products and/or the development of existing platforms, such as Microsoft, Registry and Store security, cPanel platform, the integration of services with social networks, the OpenExchange professional service for Amen, Dedicated and Virtual Servers, and the new webmail in the UK.

The recognition of intangible assets is based on the future profitability calculated in accordance with the applicable international accounting standards.

Their recognition is supported by a careful evaluation of the future economic benefits of these services.

Amortization is made mainly on a straight-line basis over five years, which represents the estimated useful life of these projects.

10. Equity investments, financial assets and deferred tax assets

The table below shows movements in financial assets from 31 December 2015 to 31 March 2016:

Description	31/12/15	Increases	Decreases	Other movements	31/03/16
Equity investments in associates	2,198				2,198
Other financial assets	194		-2	-1	191
Total	**2,392**	**-**	**-2**	**-1**	**2,389**

Other financial assets mainly include security deposits issued by the Group to various service providers.

Equity investments in associates include the recognition in 2015 of the amount of the 25% interest acquired in the share capital of 4w MarketPlace, following the transfer of the ProAdv/Simply BU to 4w.

For further information on the transaction, reference should be made to the financial statements for the year ended 31 December 2015.

The following table shows the list of equity investments in associates:

Name	Registered office	Share capital*	Currency	% of share capital
4w MarketPlace S.r.l.	Fisciano (SA)	22,436	Euro	25%

* following share capital increase made concurrent to transfer of ProAdv/Simply BU

The table below shows movements in deferred tax assets from 31 December 2015 to 31 March 2016:

Description	31/12/2015	Increases	Decreases	Exchange difference	Other movements	31/03/2016
Deferred tax assets	5,651	-	-105	-25	11	5,531
Total	**5,651**	**-**	**-105**	**-25**	**11**	**5,531**

Deferred tax assets are recognized in this Interim Report in the amount of €5.5 million, and are the result of tax determined on tax losses expected to be recovered in the short to medium term, and of temporary differences between statutory and tax regulations. Tax losses that can be carried forward to subsequent years amount to €39 million. These can be fully carried forward indefinitely and are 80% recoverable in each financial year (under the new Italian law).

Specifically, the tax losses on which deferred tax assets were calculated amount to €17.1 million.

For the sake of prudence, deferred tax assets have been recognized in proportion to the income the company is likely to achieve. In this regard, as from the financial statements at 31 December 2015, deferred tax assets have been recalculated following the change in the IRES tax rate, which falls from 27.5% to 24% starting from 2017 as set out in the 2016 Stability Law. The Company has accordingly revised the assessment of deferred tax assets, determined on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

Utilizations relate to the recovery of the temporary differences in respect of the tax charge for the period, and to the use of the maximum coverage of up to 80% of taxable income generated by the Italian companies participating in the tax consolidation scheme in 1Q16.

"Other movements" includes the tax effect of the 1Q16 portion of the "Cash flow hedge reserve".

Exchange differences arose from the translation into euro of the deferred tax assets of the UK companies, which were recognized in British pounds in their separate financial statements.

11. Trade receivables

Consolidated trade receivables at 31 March 2016 amounted to €4.4 million, net of the provision for doubtful accounts, increasing by 13% versus €3.5 million at 31 December 2015.

The average turnover on trade receivables is 30 days (measured as the ratio of receivables outstanding at the financial statements date and total turnover of the Group), and varies from one product to the next. There are no trade receivables due beyond one year that would require an assessment of financial loss.

The Company estimates that the carrying value of trade and other receivables approximates their fair value.

The provision, which amounted to €3.1 million at 31 March 2016, was deemed sufficient to cover potential losses on trade receivables. Accordingly, no increases were made in the reporting period.

12. Cash and cash equivalents and net debt

Description	31/03/16	31/12/15	Change	% change
Bank and post office deposits	3,877	2,192	1,684	77%
Cash and valuables on hand	11	14	-3	-20%
Other financial receivables	1,500	1,500	-	-
Total	**5,388**	**3,706**	**1,681**	**45%**

Total liquidity, which comprises liquidity at major banks, cash on hand and current financial receivables, amounted to €5.4 million at 31 March 2016 versus €3.7 million at 31 December 2015. Details on this aggregate are found in the Directors' Report.

The table below shows movements in loans and borrowings from 31 December 2015 to 31 March 2016:

Description	31/12/15	Increases	Decreases	Other changes	31/03/16
PAYABLES					
Banks - non-current	20,332	-	-480	-54	19,797
Subtotal	**20,332**	**-**	**-480**	**-54**	**19,797**
Banks - current	10,181	480	-754	-70	9,837
Account overdrafts	857	117	-487	-	487
Other payables	90	-	-	-	90
Subtotal	**11,128**	**597**	**-1,241**	**-70**	**10,415**
Grand total	**31,460**	**597**	**-1,721**	**-124**	**30,212**

The Dada Group's non-current loan agreements are mainly those entered into to finance the acquisitions made over the last few years, the investment in the new Datacenter of Namesco ltd, and the finance leases by Register.it and Poundhost. The relevant information is found below.

Description of loans held by the Dada Group at 31 March 2016:

- Register.it S.p.A.:

  Loan agreement of €16 million with maturity extended to 31 December 2019, half-yearly instalments with maturity starting on 30 June 2016, followed by six half-yearly equal instalments of €1.8 million due on 31 December and 30 June each year, and a final instalment of €3.2 million on 31 December 2019; the total interest rate is the six-month Euribor (provided higher then 0) plus a spread of 3.50%. To partially hedge the interest rate risk, three IRS contracts are in place with a 0.7775%, 0.631% and 0.200% rate, with the same half-yearly maturities of the loan and an amortizing notional amount of 50% of the outstanding loan.

  Loan agreement of €5 million, with repayment of 7 half-yearly instalments of €0.6 million, due starting on 30 June 2016, and a final instalment of €1 million on 31 December 2019; the interest rate is the six-month Euribor (provided higher than 0) plus a spread of 3.50%. To fully hedge the interest rate risk, one IRS contract is in place with a 0.395% rate, with the same half-yearly maturities and an amortizing notional amount of the loan.

  Loan agreement for a total of €3.5 million, repayable in 12 equal quarterly instalments of €0.3 million, starting on 31 December 2016 and expiring on 31 December 2019. The interest rate is the 3-month Euribor plus a 2.70% spread. The loan is also secured with a guarantee by SACE on 35% of the amount funded. To partly hedge the interest rate risk, one IRS contract is in place with a 0.265% rate, with the same half-yearly maturities and an amortizing notional amount of 50% of the loan.

The three abovementioned medium/long term loans are unsecured loans and provide for the customary clauses, tied to EBITDA, NFP and interest expense, to safeguard lenders, including mandatory repayment in the event of a change of control of Dada S.p.A. or Register S.p.A., or of breach of the covenants or financial ratios. These obligations were fully met at the close of the previous annual financial statements. Dada S.p.A. has also issued, in favour of the beneficiaries of these loans, an independent first-demand guarantee for the lenders.

A finance lease is also in place, with a residual balance of €0.1 million at 31 March 2016, expiring on 4 August 2017.

- <u>DADA S.p.A.</u>:

Three loans are in place: a short-term loan (Hot - Money) taken out on 24 March 2016 with a major bank amounting to €1 million for a duration of 31 days (with the last instalment due on 24 April 2016) and interest charged at a 1-month Euribor rate plus a spread of 3.75%; a second loan of €2 million taken out with a major bank, renewable for a duration of 30 days, plus a spread of 3.25%; a third loan initially of €2 million taken out with a major bank for a duration of 18 months, with repayment in 6 quarterly instalments of €0.3 million starting from the end of February 2015, with the last instalment due on 26 May 2016, and interest charged at a 3-month Euribor rate plus a spread of 2.95%; the residual balance at 31 March 2016 is €0.3 million.

Dada S.p.A. has account overdrafts with major banks which amount to €0.4 million, with interest charged at a 1-month Euribor rate, plus different spreads for each lender ranging from a minimum of 2.8% to a maximum of 6%.

- <u>Namesco Ltd</u>:

Three loan agreements are in place with the same major bank, with a residual balance of approximately £0.7 million (€0.9 million) at 31 March 2016, taken out and granted in three tranches. These loans were granted mainly to finance the investment made in the Reading Datacenter, final payment of which coincided with the granting of the final tranche by the bank. Maturity of the first two tranches (shown on a single line in the table) are, respectively, on 6 August 2016 and 1 May 2016, while the third is on 12 April 2018. The interest rate charged is the Bank's Sterling Base Rate plus a spread of 3%.

A fourth loan agreement (credit facility) is in place with a different bank, with a residual balance of €0.2 million (approximately £0.1 million) at 31 March 2016. Maturity is on 30 April 2018;

A lease is also in place, with a residual balance of €0.1 million (approximately £0.1 million) at 31 March 2016. Maturity is on 30 April 2018.

<u>Poundhost</u>:

Finance leases are in place, with a residual balance at 31 March 2016 of €0.4 million (£0.3 million). These will be fully repaid on various maturity dates starting from 2016 and by July 2018.

Some of the loans described above include covenants requiring the Group to satisfy certain financial ratios on an annual basis, tied to EBITDA and NFP aggregates. A breach of covenant entitles the lending bank to request forfeiture of the acceleration clause and to call in the loan. These obligations were fully met at the close of the previous annual financial statements.

For further information on Group liquidity and debt in 1Q16, see the analysis contained in the Directors' Report and the details appearing in the cash flow statement.

13. Provisions for payroll, risks and charges

Movements in the provision for employee termination indemnities from 31 December 2015 to 31 March 2016 are shown in the table below:

Description	31/12/2015	Increases	Utilizations	Advances	Other movements	31/03/2016
Provision for termination indemnities	667	116	-	-17	-111	655
Total	**667**	**116**	**-**	**-17**	**-111**	**655**

At 31 March 2016, the provision for termination indemnities (or TFR, trattamento di fine rapporto) amounted to €0.7 million, and covers the liability accrued to employees, in accordance with the current law and the collective employment contract. "Other movements" refer to payments made to INPS (Italian Social Security).

As required by international accounting standards, the liability was determined using the Projected Unit Credit method, which treats every period of employment as the source of an additional unit of benefits and measures each unit separately when calculating the total obligation for liabilities accrued.

Movements in the provision for risks and charges from 31 December 2015 to 31 March 2016 are shown in the table below:

Description	31/12/15	Increases	Utilizations	Exchange difference	31/03/16
Provision for risks and charges	392	-	-44	-2	347
Total	**392**	**-**	**-44**	**-2**	**347**

At 31 March 2016, the provision for risks and charges amounted to €0.3 million, decreasing versus 31 December 2015, due to utilizations made in the first three months of the year.

In 1Q16, no further provisions were made for this item.

Exchange differences refer to the adjustment at year-end exchange rates of the provisions of companies with non-euro financial statements.

At 31 March 2016, the provision for risks and charges was made up entirely of charges from business/legal disputes.

No detailed information is given on the specific positions covered, also in order not to prejudice the outcome of proceedings.

14. Trade payables

The item "Trade payables" comprises the amounts regarding trade-related purchases and other types of costs for services directly linked to the Group's business. Trade payables at 31 March 2016 amounted to €7.4 million versus €6.8 million at 31 December 2015, increasing by 0.8%.

The Company estimates that the carrying value of trade and other payables approximates their fair value.

15. Other payables and liabilities

Taxes payable, amounting to €2.8 million (€2 million at 31 December 2015), include withholding tax on salaries and consultants' pay for the month of March and income taxes pertaining to the period. The latter consist mainly of IRAP (regional tax) for the Group's Italian companies and of local taxes for subsidiaries abroad.

"Other payables", amounting to €18.7 million (€16.3 million at 31 December 2015), mainly comprises:

- accruals for the 13th and 14th month bonuses, amounts due for pay in lieu of holiday and other payables, and performance bonuses recognized in the first three months of the year totaling €3 million, to be paid in May 2017, in accordance with internal procedures;
- €0.3 million in social security payments due;
- deferred income of €13.4 million (€12.9 million at 31 December 2015), originating from the accrual accounting of contract revenue on domain and hosting, and other resale services pertaining to future periods after these interim financial statements.

The Company estimates that the carrying value of other payables and liabilities approximates their fair value.

16. Non-current assets of relevance to the cash flow statement

The table below shows movements in non-current tangible and intangible assets from 31 December 2015 to 31 March 2016:

Description	31/12/15	Increases	Decreases	Exchange diff.	Amortization	31/03/16
Goodwill	82,676			-3,453		79,222
Total goodwill	*82,676*	-	-	*-3,453*	-	*79,222*
Product/service development costs	5,367	595		-19	-594	5,350
Concessions, licenses, brands	56	9			-25	40
Other	376	87			-49	414
Total intangible assets	*5,799*	*690*	-	*-19*	*-667*	*5,803*
Total	**88,475**	**690**	**-**	**-3,472**	**-667**	**85,026**

Description	31/12/15	Increases	Decreases	Exchange diff.	Amortization	31/03/16
Plant and EDP machines	8,425	408		-392	-871	7,571
Furniture and fittings	170	1		-3	-16	152
Other	283	27		-8	-14	288
TOTAL	**8,878**	**436**	**-**	**-402**	**-901**	**8,010**

Regarding goodwill:

the increase in “exchange differences” relating to goodwill is explained by exchange differences on goodwill expressed in other currencies, in particular for the UK company Namesco Ltd. (in British pounds), offset by the translation reserve recognized under consolidated equity reserves.

In this regard, at the end of this quarter, an assessment was made to verify the absence of substantial differences between the quarterly forecasts used in the annual impairment test at 31 December 2015 and the actual results of the Dada Group at 31 March 2016. For further details, reference should be made to the consolidated financial statements at 31 December 2015.

With regard to the main increases in non-current tangible and intangible assets, reference should be made to the above section relating to increases in property, plant and equipment and intangible assets (Notes 8 and 9, respectively).

Mention should be made that cash used in investing activities amounted to -€1.3 million and refers to investments made in 1Q16 amounting to €4.5 million (€0.7 million in intangible assets and €0.6 million in property, plant and equipment), net of purchases in the period not resulting in changes in cash flows, increased by investments made in the prior year, but paid in the period under review.

17. Changes in equity reserves

At 31 March 2016, Dada S.p.A.'s share capital was comprised of n. 16,680,069 ordinary shares with a par value of €0.17 each, for a total of €2,836 thousand. There were no increases in 1Q16.

Movements in equity items in 1Q16 are found in the statements on page 29.

Here is a description of the main equity reserves together with their changes:

Legal reserve: this is a profit reserve built through allocation of net profit for the year from the approved separate financial statements. It can only be used in the amount exceeding one fifth of the share capital. At 31 March 2016, it had a balance of roughly €1 million, unchanged versus 31 December 2015.

Share premium reserve: this is a capital reserve generated by contributions from shareholders. There is no specific limit on its use, once the legal reserve has reached one fifth of the share capital. At 31 March 2016, it had a balance of approximately €33.1 million. There were no increases in 1Q16.

Other equity instruments: this item includes payroll costs accrued from the stock option plans issued by the Group. At 31 March 2016, it had a balance of €317 thousand versus €269 thousand at 31 December 2015. Movements in the year refer to the portion of the Stock Option Plan recognized in the income statement and amounting to €48 thousand.

Other reserves:

- *FTA reserve:* built for the first-time adoption of IFRS, at 31 March 2016, it had a negative balance of -€6.2 million.
- *Extraordinary reserve* of €19.1 million, unchanged in 1Q16.
- *Cash flow hedge reserve,* net of tax effects, it shows a negative balance of -€127 thousand at 31 March 2016, with a net change of -€28 thousand versus 31 December 2015.
- *Termination indemnity discounting reserve,* net of tax effects, it shows a negative balance of -€70 thousand at 31 March 2016, unchanged versus 1Q15.
- *Translation reserve,* containing the differences arising from the translation of subsidiaries' individual financial statements prepared in currencies other than the euro, with a negative balance at 31 March 2016 of -€5.3 million (versus -€1.9 million at 31 December 2015). Movements in 1Q16, totaling roughly €3.4 million, arose mostly from the translation of the financial statements and goodwill of the subsidiaries Poundhost and Namesco.
- *Other reserves,* these amount to €6.3 million at 31 March 2016, and include the reserves generated by the deconsolidation of the Dada.net Group, and €4.2 million from the disposal of the Moqu Group in 2015. The disposal was classified as a

"business combination of entities under common control", since both Dada S.p.A. and Italiaonline S.p.A. are controlled by Orascom TMT Investments S.à r.l. through the subsidiary Libero Acquisitions S.à r.l.. In compliance, therefore, with Preliminary Guidance n.1 issued by Assirevi on IFRS (also known as OPI 1), the difference between the transaction price, which includes the adjusted NFP, and the pre-existing value of the assets under disposal must not be recognized in the income statement, but as an adjustment to the consolidated equity reserves of the Dada Group. There were no changes versus the prior year.

18. Net change in financial payables and other financial assets in the cash flow statement

The following table reconciles the change in consolidated net financial position with the change in cash and cash equivalents:

Description	31/03/16	31/03/15
Change in net financial position	2,869	6,706
Change in long-term loans	-535	5,484
Change in non-cash derivatives	59	29
Change in cash and cash equivalents per cash flow statement	**2,394**	**12,218**

Current account overdrafts, in accordance with the accounting policies, are counted as part of the change in cash and cash equivalents. In 1Q16, most of the change was attributable to the decrease in medium/long-term loans.

19. Commitments

The table below shows movements in commitments from 31 December 2015 to 31 March 2016:

Description	31/12/2015	Increases	Decreases	Other changes	31/03/2016
Guarantees	3,279	521	-308	-97	3,395
Total	**3,279**	**521**	**-308**	**-97**	**3,395**

Increases:

The main increases regarded:

A guarantee of €0.4 million issued by Monte dei Paschi di Siena in favour of the new owners of the property hosting the Florence HQ;

A new limited omnibus guarantee of €0.2 million issued in favour of Banca Unicredit to secure Etinet account overdrafts;

Decreases:

The main decreases regarded:

A currency adjustment of approximately -€0.1 million of the Monte dei Paschi guarantee in favour of HSBC issued for £1 million (€1.2 million); release of the guarantee in favour of the former owners of the Florence offices, following transfer of the ownership of the property, which amounted to €0.3 million;

Other changes:

Other changes include the net effects of the exchange adjustments of the guarantees issued in currencies other than the euro.

There are no potential commitments that are not recorded in the statement of financial position.

Florence, 12 May 2016

For the Board of Directors
The Chief Executive Officer
Claudio Corbetta

Statement by the Manager responsible for preparing the Company's Financial Reports

Pursuant to art. 154 *bis* (2) of the Consolidated Finance Act (Testo Unico della Finanza or TUF), it is hereby declared that the financial information contained in this Interim Report corresponds to the Company's records, ledgers and accounting entries.

Financial Reporting Manager
Federico Bronzi

ANNEX 1

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2016

EUR/000	31-Mar-16 3 months		31-Mar-15 3 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**16,841**	**100%**	**16,001**	**100%**	**840**	**5%**
Chg. in inventories, work in progress & inc. in own wk. capitalized	589	3%	607	4%	-18	-3%
Service costs and other operating expenses	-9,481	-56%	-9,230	-58%	-250	3%
Payroll costs	-4,975	-30%	-4,544	-28%	-431	9%
EBITDA	**2,974**	**18%**	**2,834**	**18%**	**140**	**5%**
Depreciation and amortization	-1,569	-9%	-1,657	-10%	89	-5%
Non-recurring income/(charges)	-	-	-21	-	21	100%
Impairment losses and other provisions	-10	-	-92	-1%	82	-89%
EBIT	**1,396**	**8%**	**1,064**	**7%**	**332**	**31%**
Financial income	87	1%	438	3%	-352	-80%
Financial charges	-964	-6%	-848	-5%	-116	14%
Other income/charges from financial assets and liabilities	-1	-	-	-	-1	-
Comprehensive profit/(loss) before taxes	**518**	**3%**	**654**	**4%**	**-137**	**-21%**
Income taxes	-378	-2%	-313	-2%	-64	21%
Comprehensive profit/(loss) from continuing operations	**140**	**1%**	**341**	**2%**	**-201**	**-59%**
Profit/(loss) from discontinuing and discontinued operations	-	-	-330	-2%	330	100%
Group net profit/(loss)	**140**	**1%**	**11**	**-**	**129**	**1160%**

ANNEX 2

DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 MARCH 2016

EUR/000	31-Mar-16	31 Dec.-15	DIFFERENCE	
			Absolute	%
Fixed assets	**95,426**	**99,745**	**-4,319**	**-4%**
Current operating assets	15,710	13,652	2,059	15%
Current operating liabilities	-28,996	-25,113	-3,884	15%
Net working capital	**-13,286**	**-11,461**	**-1,825**	**14%**
Provision for termination indemnities	-655	-667	12	-2%
Provision for risks and charges	-347	-392	45	-12%
Net capital employed	**81,138**	**87,225**	**-6,087**	**-7%**
Medium/long-term financial payables and long-term derivatives	-19,903	-20,382	479	-2%
Shareholders' equity	**-56,117**	**-59,335**	**3,218**	**-5%**
Current bank debt	-10,325	-11,038	713	-6%
Current financial receivables and derivatives	1,500	1,500	-	0%
Current financial payables and derivatives	-180	-177	-4	2%
Cash and cash equivalents	3,888	2,206	1,682	76%
Net short-term financial position	**-5,117**	**-7,508**	**2,390**	**32%**
Total net financial position	**-25,021**	**-27,890**	**2,869**	**10%**

ANNEX 3

Dada Group scope of consolidation at 31 March 2016

Name	Registered Office	Currency	Share capital	Company	% held	Consolidation period
Dada S.p.A. (Parent)	**Florence**	**Euro**	**2,835,612**	**Parent**		**Jan.-Mar. 2016**
Agence des Medias Numerique Sas	Paris	Euro	37,000	Register.it S.p.A.	100	Jan.-Mar. 2016
Amen Ltd.	London	GBP	2	Register.it S.p.A.	100	Jan.-Mar. 2016
Amen Nederland B.V.	Amsterdam	Euro	18,000	Register.it S.p.A.	100	Jan.-Mar. 2016
Amenworld Servicios internet	Lisbon	Euro	10,000	Register.it S.p.A.	100	Jan.-Mar. 2016
Clarence S.r.l.	Florence	Euro	21,000	Dada S.p.A.	100	Jan.-Mar. 2016
Fueps S.p.A.	Florence	Euro	10,000	Dada S.p.A.	100	Jan.-Mar. 2016
Namesco Inc.	New York	USD	1,000	Namesco Ltd.	100	Jan.-Mar. 2016
Namesco Ltd.	Worcester	GBP	100	Register.it S.p.A.	100	Jan.-Mar. 2016
Namesco Ireland Ltd	Dublin	Euro	1	Namesco Ltd.	100	Jan.-Mar. 2016
Nominalia Internet S.L.	Barcelona	Euro	3,000	Register.it S.p.A.	100	Jan.-Mar. 2016
Poundhost Internet Ltd	Worcester	GBP	200	Namesco Ltd.	100	Jan.-Mar. 2016
Register.it S.p.A.	Florence	Euro	8,401,460	Dada S.p.A.	100	Jan.-Mar. 2016
Simply Virtual Servers Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Mar. 2016
Simply Transit Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Mar. 2016
4w MarketPlace S.r.l.*	Fisciano (SA)	Euro	22,436	Register.it S.p.A.	25	Jan.-Mar. 2016
Etinet S.r.l.	Savigliano (CN)	Euro	22,000	Register.it S.p.A.	100	Jan.-Mar. 2016

*Consolidated at equity.