



# SPAFID CONNECT

Informazione Regolamentata n. 20088-7-2018	Data/Ora Ricezione 28 Marzo 2018 14:17:23	AIM -Italia/Mercato Alternativo del Capitale
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Societa' : Dominion Hosting Holding S.p.A.

Identificativo : 101115

Informazione  
Regolamentata

Nome utilizzatore : DOMINIONN01 - Giandomenico Sica

Tipologia : 1.1

Data/Ora Ricezione : 28 Marzo 2018 14:17:23

Data/Ora Inizio : 28 Marzo 2018 15:00:12

Diffusione presunta

Oggetto : The Board of Directors of DHH S.p.A. has examined and approved the consolidated financial statements

*Testo del comunicato*

## FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Double-digit growth on all the main financial KPIs (net sales, EBITDA, net profit)

Robust and triple digit, cash flow generation (+145%)

A genuinely multinational business with a presence in 5 countries: 35% of sales are from Croatia; 32% from Italy; 26% from Slovenia; 5% from Switzerland; 2% from Serbia.

NET SALES EQUAL TO EUR 5,3 MILLION VERSUS EUR 4 MILLION AS OF 31 DECEMBER 2016 (+34%)

EBITDA EQUAL TO EUR 530 THOUSAND VERSUS EUR 355 THOUSAND AS OF 31 DECEMBER 2016 (+49%)

NET RESULT EQUAL TO EUR 239 THOUSAND VERSUS EUR 155 THOUSAND AS OF 31 DECEMBER 2016 (+54%)

CASH FLOW FROM OPERATING ACTIVITIES AMOUNTED TO EUR 856 THOUSAND VERSUS EUR 348 THOUSAND AS OF 31 DECEMBER 2016 (+145%)

NET FINANCIAL POSITION EQUAL TO EUR 2,5 MILLION, OF WHICH: EUR 2,6 MILLION (CASH AND CASH EQUIVALENT); EUR 124 THOUSAND (CURRENT FINANCIAL DEBT) AND EUR 9 THOUSAND (NON-CURRENT FINANCIAL DEBT)

**The Board of Directors of DHH S.p.A. has examined and approved the consolidated financial statements and the draft financial statements of the parent company as at 31 December 2017**

**FINANCIAL HIGHLIGHTS (CONSOLIDATED)**

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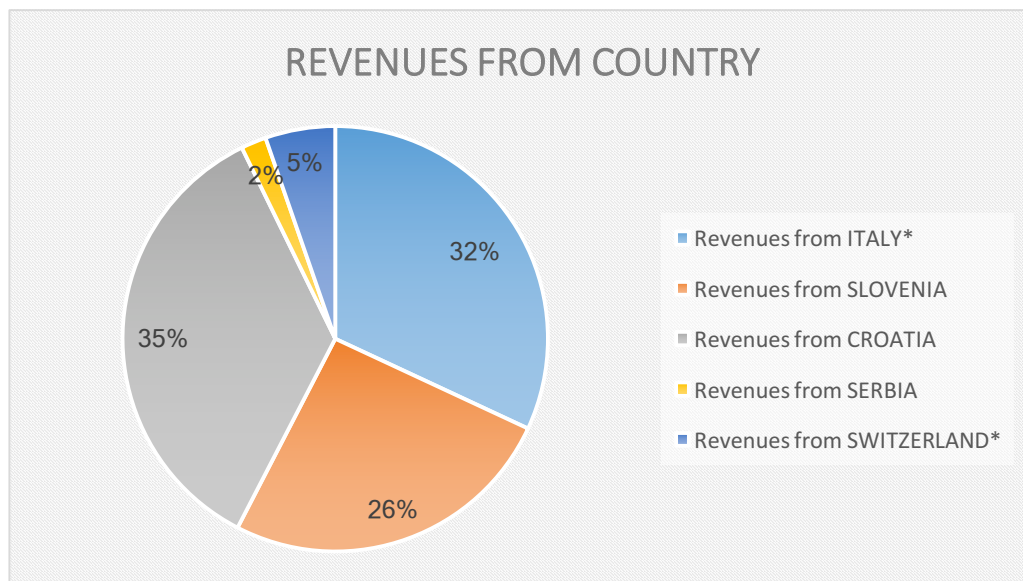
Giandomenico Sica, Chairman of the Board of Directors of DHH, commented: "2017 has been a great year for DHH. We made three new acquisitions – in total, they are eight acquisitions in these first three years since we started our venture - without losing our focus on organic growth, cash flow generation and margins scalability. In 2018 we are working hard to consolidate our portfolio companies further and to make new investments to grow our group. We just launched CloudSeed, a program to invest in the most promising start-ups in our region, in a joint venture with Seeweb, co-founder and technological partner of DHH. Furthermore, we launched several activities to develop our brand equity. DHH is a quite young entrepreneurial project – started in July 2015 - and in this first phase of our initiative, we focused very much on delivering results. Now that results are self-evident we have started building the brand".

*Milan, 28 March 2018.* The Board of Directors of DHH S.p.A. (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622 | ISIN warrants IT0005203689), a tech company whose mission is to create the “Internet Platform of the Emerging markets of Europe”, today reviewed and approved the consolidated financial statements and the draft financial statements as at 31 December 2017, which will be resolved by the shareholders’ meeting of 30 April 2018.

## PERFORMANCE OF THE GROUP

<b>MAIN RESULTS 2017 (ALL AMOUNTS ARE IN EURO)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>DELTA</b>
<b>NET SALES</b>	5.289.151	3.947.870	+34%
<b>EBITDA</b>	530.806	355.610	+49%
<b>NET RESULT</b>	238.958	155.222	+54%
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	856.248	348.440	+145%

In 2017 net sales related to the core - web hosting and domain registration - services were equal to 5.289.151 EUR, with an increase of 1.341.281 EUR if compared to 2016.



\* Revenues from DHH Switzerland S.A and DHH Italia Srl refer to the consolidated period (from May 2017)

Other revenues were equal to EUR 68.809 with an increase of EUR 52.921 if compared to 2016.

### Business performance by company

MAIN RESULTS 2017 (ALL AMOUNTS ARE IN EURO)	31.12.2017	31.12.2016	DELTA
DHH.SI	1.357.202	1.282.691	+6%
DHH D.O.O. (Croatia)	1.495.874	1.254.258	+19%
DHH SRB	101.562	80.650	+26%
TOPHOST	1.199.484	1.244.734	-4%
INFONET	346.459	78.602	+341%
HOSTING IT	17.649	6.934	+155%
DHH ITALIA	489.721	NA	NA
DHH SWITZERLAND	281.201	NA	NA

Despite a negative yearly performance, Tophost registered a +16,3% growth in gross sales during the second half of 2017 (Gross sales 2H2017 vs. Gross sales 2H2016).

Month	2016	2017	Delta
Jul	82.201,43	87.183,02	<b>6,06%</b>
Aug	69.754,99	78.203,41	<b>12,11%</b>
Sep	82.400,74	107.846,91	<b>30,88%</b>
Oct	113.868,82	129.623,23	<b>13,84%</b>
Nov	101.354,31	120.053,47	<b>18,45%</b>
Dec	96.980,36	113.203,12	<b>16,73%</b>

When entered in DHH the company was in a turnaround situation, with a descending trend (-7,6% in bookings during the second half of 2016, if compared with the second half of 2015).

Since its inclusion in the group, DHH made the management team of Tophost stronger, with new hires, and then focused on a series of actions that produced the change in trend:

- The quality of service has been improved with new updates (e.g., Wordpress 1-click install; ability to renew multiple subscriptions; new UX for webmail; free SSL and https support).
- New high margin products and services have been introduced in the offering (e.g., Topweb Plus and renewal after expiration service);
- The digital marketing strategy of the company has been completely redesigned (ref. focus on SEO, SEM, Facebook Adv and content marketing) with a focus on brand awareness.

All these actions resulted in an improvement of the renewal rate, with an increase in sales and margins in the second half of 2017.

The double-digit growth trend is also confirmed in the first months of 2018.

The consolidated net financial position was equal to **EUR 2.481.347**, of which: **EUR 2.614.511** (*cash and cash equivalent*); **EUR 124.234** (*current financial debt*) and **EUR 8.930** (*non-current financial debt*).

The net equity was **EUR 7.333.322**.

## THE GROUP CONSOLIDATED PRO-FORMA\* RESULTS 2017

MAIN RESULTS 2017 (ALL AMOUNTS ARE IN EURO)	PRO-FORMA*	CONSOLIDATED	DELTA
NET SALES	5.670.110	5.289.151	+7%
EBITDA	886.405	530.806	+67%
NET RESULT	509.383	238.958	+113%

\* The consolidated pro forma is not audited by the audit firm but it has been checked the mathematic accuracy.

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

Furthermore, all direct and indirect costs related to being a company publicly listed on the Italian Stock Exchange have been deleted in the pro-forma consolidated p&l as at 31.12.2017, together with all direct and indirect costs related to M&A and extraordinary activities.

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

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

### MATERIAL EVENTS OCCURRED DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND SUBSEQUENTLY OCCURRED

During 2017 DHH focused on developing its business strengthening its market position and improving its corporate governance increasing the number of qualified persons.

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

**10<sup>TH</sup> FEBRUARY 2017** - To develop its business, DHH entered into a framework agreement with Mr. Sergio Ravera aimed at acquiring from the latter:

- Bee Bee Web SA, a Swiss company, involved in the business of web hosting;
- And the Italian reseller of Bee Bee Web to strengthen the group presence in the Italian market.

**20<sup>TH</sup> MARCH 2017** - DHH purchased from Studio4Web a branch of business dedicated to web hosting.

**26<sup>TH</sup> APRIL 2017** - DHH appointed Guido Busato as an independent director of the Company.

**12<sup>TH</sup> MAY 2017** - DHH completed the first part of the transaction with Mr. Sergio Ravera. In particular, DHH acquired from Mr. Ravera (i) 60% of the share capital of Bee Bee Web SA and (ii) 100% of the share capital of Hosting Star S.r.l (previously Artera S.r.l.), the Italian reseller of Bee Bee Web.

**30<sup>TH</sup> MAY 2017** - In the context of the reorganization of the structure of its Group and with a purpose of simplification DHH:

(i) approved the merger of Hosting IT j.d.o.o./Infonet d.o.o. (two subsidiaries of DHH) and after that, the incorporation of Infonet d.o.o. into DHH d.o.o.;

(ii) approved the acquisition by DHH SpA for the full participation of DHH.si d.o.o. (the Slovenian subsidiary of DHH S.p.A.) holding in both its subsidiaries, Plus Hosting d.o.o. (the Serbian one) and DHH d.o.o. (the Croatian subsidiary).

**30<sup>TH</sup> JUNE 2017** - As a consequence of the resolution upon the simplification of DHH's group approved in May 2017, DHH S.p.A. acquired the full participation of DHH.si d.o.o. in Plus Hosting d.o.o. (Serbia). The company was renamed from Plus Hosting d.o.o. to DHH SRB d.o.o. following the group naming policy.

**5<sup>TH</sup> JULY 2017** - As a consequence of the resolution upon the simplification of DHH's group approved in May 2017, DHH S.p.A. acquired the full participation of DHH.si d.o.o. DHH d.o.o. (Croatia).

**12<sup>TH</sup> DECEMBER 2017** - The Company resolved to set up a wholly owned new subsidiary in Croatia focused on managed hosting. Furthermore, DHH d.o.o. would demerge and transfer to such newly incorporated company a certain number of existing agreements with clients, the ones related to managed hosting.

**2<sup>ST</sup> JANUARY 2018** - Dominion Hosting Holding S.p.A. announces the change of the official domain of its corporate website: from [www.dominion.it](http://www.dominion.it) to [www.dhh.international](http://www.dhh.international).

[www.dhh.international](http://www.dhh.international) is the new reference point for all the official communications with the market. This change is one of the actions that DHH put in place to enhance its brand awareness in the market.

**5<sup>ST</sup> MARCH 2018** - Dominion Hosting Holding S.p.A. announced that the merger of Hosting IT j.d.o.o./Infonet d.o.o. (two subsidiaries of DHH) was completed.

## **PMI INNOVATIVA**

During 2017 DHH S.p.A. has been confirmed "PMI Innovativa" in the related section of the company register in Milan. The company has incurred costs relating to research, development, and innovation, over than 3% of the higher value between total costs and value of manufacturing.

## **DHH S.P.A. PROFIT/LOSS ALLOCATION**

Despite the group reported a consolidated net profit of EUR 238.958, DHH S.p.A. as a single entity – not taking into account the consolidated results – reported a profit of EUR 1.738. The Board of Directors proposes to the shareholders to allocate the operating result to the legal reserve.

## **NOTICE OF SHAREHOLDERS' MEETING**

The Board of Directors delegated the President to convene an Ordinary Shareholders' Meeting on 30 April 2018.





The Notice of Shareholders' Meeting and the supporting documents concerning the items on the Agenda will be available within the statutory deadline at the Company's registered office and on the DHH website: [www.dhh.international](http://www.dhh.international).

Shareholders may view these documents and request copies of them.

<b>CONSOLIDATED INCOME STATEMENT (ALL AMOUNTS ARE IN EURO)</b>	<b>CONSOLIDATED 31.12.2017</b>	<b>CONSOLIDATED 31.12.2016</b>	<b>DELTA</b>
Net Sales	5.289.151	3.947.870	+34%
Other Revenues	68.809	15.888	+333%
Internal project	318.076		n/a
<b>OPERATING REVENUES</b>	<b>5.676.036</b>	<b>3.963.758</b>	<b>+43%</b>
Material costs	(26.412)	(11.803)	+124%
Services costs and use of third party assets	(3.197.962)	(2.490.731)	+28%
<b>GROSS MARGIN</b>	<b>2.451.662</b>	<b>1.461.224</b>	<b>+68%</b>
Personnel costs	(1.732.443)	(929.125)	+86%
Other expenses	(188.413)	(176.489)	+7%
<b>EBITDA</b>	<b>530.806</b>	<b>355.610</b>	<b>+49%</b>
Amortization and impairment	(180.618)	(120.841)	+49%
<b>EBIT</b>	<b>350.188</b>	<b>234.769</b>	<b>+49%</b>
Financial income (expenses)	(29.451)	(22.310)	+32%
Other non-operating income/expense	(1.346)	7.224	-119%
<b>EARNINGS BEFORE TAXES</b>	<b>319.391</b>	<b>219.683</b>	<b>+45%</b>
Income taxes	(80.433)	(64.461)	+25%
<b>NET RESULT</b>	<b>238.958</b>	<b>155.222</b>	<b>+54%</b>
relating to the shareholders of the Group	245.472	155.222	<b>+58%</b>
relating to the third party shareholders	(6.514)	-	n/a

<b>CONSOLIDATED PRO-FORMA INCOME STATEMENT</b>	<b>PRO-FORMA * 31.12.2017</b>	<b>CONSOLIDATED 31.12.2017</b>	<b>DELTA</b>
(ALL AMOUNTS ARE IN EURO)			
Net Sales	5.670.110	5.289.151	+7%
Other Revenues	80.191	68.809	+17%
Internal project	318.076	318.076	+0%
<b>OPERATING REVENUES</b>	<b>6.068.377</b>	<b>5.676.037</b>	<b>+7%</b>
Material costs	(37.039)	(26.413)	+40%
Service costs and use of third party assets	(2.891.726)	(3.197.962)	-10%
Personnel costs	(2.046.266)	(1.732.443)	+18%
Other expenses	(206.941)	(188.414)	+10%
<b>TOTAL OPERATING COSTS</b>	<b>(5.181.972)</b>	<b>(5.145.230)</b>	<b>+1%</b>
<b>OPERATING INCOME - EBITDA</b>	<b>886.405</b>	<b>530.806</b>	<b>+67%</b>
Amortization and impairment	(184.444)	(180.618)	+2%
<b>EBIT</b>	<b>701.961</b>	<b>350.189</b>	<b>+100%</b>
Financial income (expenses)	(48.353)	(29.451)	+64%
Other non-operating income/expense	-	(1.346)	-100%
<b>EARNINGS BEFORE TAXES</b>	<b>653.608</b>	<b>319.391</b>	<b>+105%</b>
Total current and deferred income taxes	(144.225)	(80.433)	+79%
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>509.383</b>	<b>238.958</b>	<b>+113%</b>
<b>OF WHICH:</b>			
relating to the shareholders of the Group	533.461	245.472	
relating to the third party shareholders	(24.078)	(6.514)	

\* The consolidated pro forma is not audited by the audit firm but it has been checked only the mathematic accuracy.

CONSOLIDATED NET FINANCIAL POSITION	CONSOLIDATED 31.12.2017	CONSOLIDATED 31.12.2016	DELTA
(ALL AMOUNTS ARE IN EURO)			
A. Cash	(1.319)	(71)	+1757%
B. Cash equivalents	(2.613.192)	(3.917.675)	-33%
C. Securities held for trading			-
<b>D. LIQUIDITY (A)+(B)+(C)</b>	<b>(2.614.511)</b>	<b>(3.917.746)</b>	<b>-33%</b>
E. Current financial Receivables	(0)	(8.259)	-100%
F. Short-term bank liabilities	124.234	1.111	+11082%
G. Current part of non-current borrowing		86.300	-100%
H. Other current financial liabilities		-	-
<b>I. CURRENT FINANCIAL DEBT (F)+(G)+(H)</b>	<b>124.234</b>	<b>87.411</b>	<b>+42%</b>
<b>J. NET CURRENT FINANCIAL DEBT (I)-(E)-(D)</b>	<b>(2.490.277)</b>	<b>(3.838.594)</b>	<b>-35%</b>
K. Non-current bank liabilities	8.930	549.331	-98%
L. Bonds issued		-	-
M. Other non-current liabilities		104.579	-100%
<b>N. NON-CURRENT FINANCIAL DEBT (K)+(L)+(M)</b>	<b>8.930</b>	<b>653.910</b>	<b>-99%</b>
<b>O. NET FINANCIAL DEBT (J)+(N)</b>	<b>(2.481.347)</b>	<b>(3.184.684)</b>	<b>-22%</b>

<b>BALANCE SHEET (ALL AMOUNTS ARE IN EURO)</b>	<b>CONSOLIDATED 31.12.2017</b>	<b>CONSOLIDATED 31.12.2016</b>	<b>DELTA</b>
Goodwill	5.462.952	4.489.877	+22%
Tangible fixed assets	350.722	214.613	+63%
Intangible assets	436.128	99.691	+337%
Non current financial assets	6.166	-	n/a
Other non current assets	2.457	2.457	-
Prepaid Tax assets	8.161	9.151	-11%
<b>NON CURRENT ASSETS</b>	<b>6.266.586</b>	<b>4.815.789</b>	<b>+30%</b>
Trade receivables	440.747	110.311	+300%
Current financial assets	-	8.259	-100%
Other current assets	72.079	104.410	-31%
Tax receivables	173.075	150.502	+15%
Cash and cash equivalents	2.614.511	3.917.746	-33%
Prepaid expenses and accrued income	424.515	378.141	+12%
<b>CURRENT ASSETS</b>	<b>3.724.927</b>	<b>4.669.369</b>	<b>-20%</b>
<b>TOTAL ASSETS</b>	<b>9.991.513</b>	<b>9.485.158</b>	<b>+5%</b>
<b>LIABILITIES (ALL AMOUNTS ARE IN EURO)</b>	<b>CONSOLIDATED 31.12.2017</b>	<b>CONSOLIDATED 31.12.2016</b>	
Share Capital	142.000	142.000	-
Reserves	6.687.687	6.719.637	-0%
Retained Profit (Loss)	249.696	35.561	+602%
Year's profit (loss) relating to the shareholders of the Group	245.472	155.222	+58%
<b>NET EQUITY PARENT COMPANY</b>	<b>7.324.855</b>	<b>7.052.420</b>	<b>+4%</b>
Capital and Reserves relating to the third party shareholders	14.981	-	n/a
Year's Profit/loss relating to the third party shareholders	(6.514)	-	n/a
<b>NET EQUITY TO THE THIRD PARTY SHAREHOLDERS</b>	<b>8.467</b>	<b>-</b>	<b>n/a</b>
<b>NET EQUITY</b>	<b>7.333.322</b>	<b>7.052.420</b>	<b>-4%</b>

Non current financial payables	8.930	549.332	-98%
Severance reserves	11.792	1.591	+641%
Provisions for risks and future liabilities	10.255		n/a
Other non current liabilities	-	104.578	-100%
Liabilities for deferred taxes	24.013	2.268	+959%
<b>NON CURRENT LIABILITIES</b>	<b>54.990</b>	<b>657.769</b>	<b>-92%</b>
Trade payables	440.610	246.242	+79%
Other current liabilities	319.444	273.739	+17%
Current financial liabilities	124.234	87.411	+42%
Tax payables	121.724	80.280	+52%
Accrued liabilities and deferred income	1.597.189	1.087.297	+47%
<b>CURRENT LIABILITIES</b>	<b>2.603.201</b>	<b>1.774.969</b>	<b>+47%</b>
<b>TOTAL LIABILITIES</b>	<b>2.658.191</b>	<b>2.432.738</b>	<b>+9%</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>9.991.513</b>	<b>9.485.158</b>	<b>-40%</b>

<b>CASH FLOW STATEMENT</b>	<b>CONSOLIDATED 31.12.2017</b>	<b>CONSOLIDATED 31.12.2016</b>	<b>DELTA</b>
(ALL AMOUNTS ARE IN EURO)			
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for period	238.958	155.222	+54%
Income taxes	80.433	64.461	+25%
Interest payables/(receivables)	(19.986)	22.310	-190%
(Capital losses)/gains from sales of assets	-	-	-
<b>1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES</b>	<b>299.406</b>	<b>241.993</b>	<b>+24%</b>
Adjustments for non-cash items that are not accounted for in net working capital change:	200.439	117.477	+71%
- Allocation to reserves	20.455	1.591	+1186%
- Amortization and depreciation of assets	178.927	120.841	+48%
- Permanent loss write-down	1.691	-	n/a
- Other adjustments on non-monetary items	(634)	(4.955)	-87%
<b>2. CASH FLOW BEFORE NWC CHANGES</b>	<b>499.844</b>	<b>359.470</b>	<b>+39%</b>
Changes in NWC:	394.115	85.109	+363%
- Decrease (increase) in inventories	-	-	-
- Decrease (increase) in customer receivables	72.988	99.064	-26%
- Increase (decrease) in supplier payables	78.130	30.738	+154%
- Decrease (increase) in prepaid expenses and accrued income	(3.451)	38.811	-109%
- Increase (decrease) in accrued expenses and deferred income	211.661	67.620	+213%
- Other changes to the NWC	34.787	(151.124)	-123%
<b>3. CASH FLOW AFTER NWC CHANGES</b>	<b>893.959</b>	<b>444.579</b>	<b>+101%</b>
Other changes:	(37.711)	(96.139)	-61%
- Interests collected/(paid)	19.986	(22.310)	-190%
- (income taxes paid)	(57.697)	(64.461)	-10%
- Dividends received	-	-	-
- (Use of reserves)	-	(9.368)	n/a
<b>CASH FLOW FROM OPERATING ACTIVITIES [A]</b>	<b>856.248</b>	<b>348.440</b>	<b>+146%</b>

<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Investments) disinvestment in tangible assets	(126.864)	(95.769)	+32%
(Investments) disinvestment in intangible assets	(796.683)	(32.242)	+2371%
(Investments) disinvestment in financial assets	(556.255)	(2.967.481)	-81%
(Investments) disinvestment in non-capitalized financial assets	8.259	314.034	-97%
<b>CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>(1.471.543)</b>	<b>(2.781.458)</b>	<b>-47%</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES [C]</b>			
Increase (decrease) current payables to banks	(69.504)	11.504	-704%
New loans (Loan repayments)	(627.068)	(459.545)	+36%
Paid capital increase	-	6.010.727	n/a
Treasury share sale (purchase)	-	-	
(Dividends paid)	-	(8.627)	n/a
<b>CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>(696.572)</b>	<b>5.554.059</b>	<b>-113%</b>
<b>INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]</b>	<b>(1.311.867)</b>	<b>3.121.041</b>	<b>-142%</b>
<b>LIQUID FUNDS AT THE BEGINNING OF THE PERIOD</b>	<b>3.926.378*</b>	<b>796.705</b>	<b>+393%</b>
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>2.614.511</b>	<b>3.917.746</b>	<b>-33%</b>

\* The difference between the liquid funds at the beginning of the period 2017 and at the end of the period 2016 is due to cash and cash equivalents of the new acquisitions (DHH Italia srl and DHH Switzerland SA).



<b>INCOME STATEMENT PARENT COMPANY DHH SPA</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>DELTA</b>
(ALL AMOUNTS ARE IN EURO)			
Net Sales	333.318	139.296	+139%
Other Revenues	-	102	-100%
<b>OPERATING REVENUES</b>	<b>333.318</b>	<b>139.398</b>	<b>+139%</b>
Service costs and use of third party assets	(323.938)	(646.838)	-50%
Personnel costs	-	-	-
Other expenses	(887)	(2.435)	-64%
<b>TOTAL OPERATING COSTS</b>	<b>(324.825)</b>	<b>(649.273)</b>	<b>-50%</b>
<b>OPERATING INCOME - EBITDA</b>	<b>8.492</b>	<b>(509.875)</b>	<b>-102%</b>
Amortization and impairment	(11.539)	(11.025)	+5%
<b>EBIT</b>	<b>(3.046)</b>	<b>(520.900)</b>	<b>-99%</b>
Financial income (expenses)	4.784	(913)	-624%
<b>EARNINGS BEFORE TAXES</b>	<b>1.738</b>	<b>(521.813)</b>	<b>-100%</b>
Total current and deferred income taxes	-	-	-
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>1.738</b>	<b>(521.813)</b>	<b>-100%</b>

<b>NET FINANCIAL POSITION PARENT COMPANY DHH SPA</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>DELTA</b>
(ALL AMOUNTS ARE IN EURO)			
A. Cash	-	-	-
B. Cash equivalents	(1.439.021)	(3.149.732)	-54%
C. Securities held for trading	-	-	-
<b>D. LIQUIDITY (A)+(B)+(C)</b>	<b>(1.439.021)</b>	<b>(3.149.732)</b>	<b>-54%</b>
E. Current financial Receivables	(11.721)	(2.490)	+371%
F. Short-term bank liabilities	-	-	-
G. Current part of non-current borrowing	6.825	3.218	+112%
H. Other current financial liabilities	250.000	-	n/a
<b>I. CURRENT FINANCIAL DEBT (F)+(G)+(H)</b>	<b>256.825</b>	<b>3.218</b>	<b>+7881%</b>
<b>J. NET CURRENT FINANCIAL DEBT (I)-(E)-(D)</b>	<b>(1.193.917)</b>	<b>(3.149.004)</b>	<b>-62%</b>
K. Non-current bank liabilities	-	-	-
L. Bonds issued	-	-	-
M. Other non-current liabilities	505.114	250.000	+102%
<b>N. NON-CURRENT FINANCIAL DEBT (K)+(L)+(M)</b>	<b>505.114</b>	<b>250.000</b>	<b>+102%</b>
<b>O. NET FINANCIAL DEBT (J)+(N)</b>	<b>(688.803)</b>	<b>(2.899.004)</b>	<b>-76%</b>

<b>BALANCE SHEET PARENT COMPANY DHH SPA (ALL AMOUNTS ARE IN EURO)</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>DELTA</b>
Investments	5.313.720	3.085.834	+72%
Intangible assets	33.794	39.370	-14%
Non current financial assets	566.390	600.000	-6%
Prepaid Tax assets			
<b>NON CURRENT ASSETS</b>	<b>5.913.904</b>	<b>3.725.204</b>	<b>+59%</b>
Trade receivables	195.608	143.703	+36%
Current financial assets	11.721	2.490	+371%
Tax receivables	134.650	114.440	+18%
Cash and cash equivalents	1.439.021	3.149.732	-54%
Prepaid expenses and accrued income	18.162	17.016	+7%
<b>CURRENT ASSETS</b>	<b>1.799.163</b>	<b>3.427.381</b>	<b>-48%</b>
<b>TOTAL ASSETS</b>	<b>7.713.068</b>	<b>7.152.585</b>	<b>+8%</b>
<b>LIABILITIES (ALL AMOUNTS ARE IN EURO)</b>			
Share Capital	142.000	142.000	-
Reserves	6.717.025	7.238.838	-7%
Year's profit (loss)	1.738	-521.813	-100%
<b>NET EQUITY</b>	<b>6.860.763</b>	<b>6.859.025</b>	<b>0%</b>
Non current financial payables	-	250.000	-100%
Severance reserves	-	-	-
Other non current liabilities	505.114	-	n/a
Liabilities for deferred taxes	-	-	-
<b>NON CURRENT LIABILITIES</b>	<b>505.114</b>	<b>250.000</b>	<b>102%</b>
Trade payables	66.662	21.412	+211%
Other current liabilities	22.920	14.967	+53%
Current financial liabilities	250.000	3.218	+7669%
Tax payables	7.543	3.963	+90%

Accrued liabilities and deferred income	65	0	n/a
<b>CURRENT LIABILITIES</b>	<b>347.191</b>	<b>43.560</b>	<b>+697%</b>
<b>TOTAL LIABILITIES</b>	<b>852.305</b>	<b>293.560</b>	<b>+190%</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>7.713.068</b>	<b>7.152.585</b>	<b>+8%</b>

<b>CASH FLOW STATEMENT PARENT COMPANY DHH SPA</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>DELTA</b>
(ALL AMOUNTS ARE IN EURO)			
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for period	1.738	-521.813	-100%
Income taxes	-	-	-
Interest payables/(receivables)	(4.913)	720	-782%
(Capital losses)/gains from sales of assets	-	-	-
<b>1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES</b>	<b>(3.175)</b>	<b>(521.093)</b>	<b>-99%</b>
Adjustments for non-cash items that are not accounted for in net working capital change:	11.539	11.025	+5%
- Allocation to reserves	-	-	-
- Amortization and depreciation of assets	11.539	11.025	+5%
- Permanent loss write-down	-	-	-
- Other adjustments on non-monetary items	-	-	-
<b>2. CASH FLOW BEFORE NWC CHANGES</b>	<b>8.364</b>	<b>(510.068)</b>	<b>-102%</b>
Changes in NWC:	476.252	(223.733)	-313%
- Decrease (increase) in inventories	-	-	-
- Decrease (increase) in customer receivables	-	-	-
- Increase (decrease) in supplier payables	-	-	-
- Decrease (increase) in prepaid expenses and accrued income	(1.146)	(12.059)	-90%
- Increase (decrease) in accrued expenses and deferred income	65	-	n/a
- Other changes to the NWC	477.333	(211.674)	-326%
<b>3. CASH FLOW AFTER NWC CHANGES</b>	<b>484.616</b>	<b>(733.801)</b>	<b>-166%</b>
Other changes:	4.913	(720)	-782%
- Interests collected/(paid)	4.913	(720)	-782%
- (income taxes paid)	-	-	-
- Dividends received	-	-	-
- (Use of reserves)	-	-	-
<b>CASH FLOW FROM OPERATING ACTIVITIES [A]</b>	<b>489.529</b>	<b>(734.521)</b>	<b>-167%</b>

<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Investments) disinvestment in tangible assets	-	-	-
(Investments) disinvestment in intangible assets	(5.963)	(31.478)	-81%
(Investments) disinvestment in financial assets	(2.194.277)	(2.931.168)	-25%
(Investments) disinvestment in non-capitalized financial assets			
<b>CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>(2.200.240)</b>	<b>(2.962.646)</b>	<b>-26%</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES [C]</b>			
Increase (decrease) current payables to banks			
New loans (Loan repayments)		250.000	-100%
Paid capital increase	-	-	-
Treasury share sale (purchase)	-	-	-
Paid capital increase	-	6.531.167	n/a
<b>CASH FLOW FROM FINANCING ACTIVITIES [C]</b>		<b>6.781.167</b>	<b>-100%</b>
<b>INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]</b>	<b>(1.710.711)</b>	<b>3.084.000</b>	<b>-155%</b>
LIQUID FUNDS AT THE BEGINNING OF THE PERIOD	3.149.732	65.732	
LIQUID FUNDS AT THE END OF THE PERIOD	1.439.021	3.149.732	

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### **About DHH S.p.A.**

DHH S.p.A. (“DHH”) is an industrial investment company focused on the web hosting, SaaS and cloud-computing industry with the goal of creating the leading *"Internet Platform of European emerging markets,"* a geographic area where expected growth rates are higher thanks to current lower digital penetration. DHH is listed on AIM Italia, a Multilateral Trading Facility regulated by Borsa Italiana and registered as an SME Growth Market.

For more information please visit: [www.dhh.international](http://www.dhh.international)

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Fine Comunicato n.20088-7

Numero di Pagine: 24