



# SPAFID CONNECT

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Diffusione presunta

Oggetto : DHH approves the reverse take-over  
through merger of Seeweb Holding into  
DHH

*Testo del comunicato*

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The deal is a 100% share exchange and to complete it DHH will issue a total of 3.030.081 ordinary shares valued € 10,30.

Ordinary and extraordinary DHH shareholders' meeting convened on 30 June 2020 on first call and, if necessary, on 6 July 2020 on second call.

Milan, 21 May 2020. DHH S.p.A. ("DHH") (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622 | ISIN warrants IT0005203689), the cloud computing provider of Southeast Europe, has announced that today the respective management bodies of DHH and Seeweb Holding S.r.l. ("Seeweb Holding") approved the proposal of merger by incorporation of Seeweb Holding into DHH ("Merger").

The exchange ratio of the Merger was established at 31.828,92 DHH ordinary shares with no par value and the same entitlement and rights as the DHH ordinary shares outstanding at the date of the Merger, for every € 1.000,00 of Seeweb Holding's share capital.

The Merger is a reverse takeover as per Article 14 of the AIM Italia Issuers Regulation and Article 18 of DHH's by laws and is therefore subject to DHH shareholders' approval (which approval is in any case required under Article 2502 of the Italian Civil Code, the reverse takeover consisting of a merger).

## **DHH approves the reverse take-over through merger of Seeweb Holding into DHH**

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The Merger is a related-party transaction as: (i) Seeweb Holding holds 360.000 DHH ordinary shares equal to 24,18% of DHH's share capital (and therefore exercises a significant influence over it); and (ii) Antonio Baldassarra (as majority shareholder and sole director of Seeweb Holding) is a director of DHH. The Merger is also a 'significant transactions' as per the procedure for related-party transactions adopted by DHH on 24 June 2016. The independent director of DHH (acting in accordance to 'equivalent rules' as per the above procedure) expressed a favourable reasoned opinion of the Merger on May 14, 2020 with regard to DHH's interest in completing the Merger, the related financial expediency and conditions, and the existing relationships between the companies.

The completion of the Merger is conditional upon – in addition to authorisation by the DHH shareholders' meeting as per Article 14 of the AIM Italia Issuers Regulation regarding reverse takeovers

– the DHH shareholders’ extraordinary meeting approving the Merger with the majorities as per Article 49, paragraph 1, g) of the Issuers Regulation approved by CONSOB Resolution No. 11971/99, for the purpose of the ‘whitewash waiver’ of the obligation (for the shareholders of Seeweb Holding, individually) to launch a public tender offer (OPA) on DHH shares.

The relevant merger plan approved today by DHH’s board of directors and Seeweb Holding’s sole director was drawn up: (i) based on DHH’s financial statements as at 31 December 2019, approved by DHH shareholders’ meeting held on 27 April 2020; and (ii) based on Seeweb Holding’s interim balance sheet as at 29 February 2020, approved by Seeweb Holding shareholders’ meeting held on 18 March 2020.

The tables below show main economics and financials data of the group Seeweb Holding as extracted from the *pro-forma* income statement, balance sheet and as at 31 December 2019 according to IAS/IFRS.

<b>CONSOLIDATED PRO-FORMA INCOME STATEMENT SEEWEB GROUP</b> (All amounts are in Euro)	<b>PRO-FORMA *</b> <b>31.12.2019</b>
<b>OPERATING REVENUES</b>	<b>11.321.496</b>
<b>OPERATING COSTS</b>	<b>(6.193.470)</b>
<b>EBITDA</b>	<b>5.128.026</b>
<b>EBIT</b>	<b>2.397.036</b>
<b>NET INCOME</b>	<b>1.725.876</b>

\* The consolidated *pro-forma* is the effect of a consolidation between Seeweb Holding S.r.l. and its controlled and entirely owned company Seeweb S.r.l.

<b>ASSETS</b> (All amounts are in Euro)	<b>PRO-FORMA *</b> <b>31.12.2019</b>
<b>NON CURRENT ASSETS</b>	<b>9.418.193</b>
<b>CURRENT ASSETS</b>	<b>4.738.673</b>
<b>TOTAL ASSETS</b>	<b>14.156.865</b>
<b>LIABILITIES</b> (All amounts are in Euro)	<b>PRO-FORMA *</b> <b>31.12.2019</b>
<b>NET EQUITY</b>	<b>3.894.629</b>
<b>NON CURRENT LIABILITIES</b>	<b>5.049.652</b>
<b>CURRENT LIABILITIES</b>	<b>5.212.584</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>14.156.865</b>

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Thanks to the merger with Seeweb Holding, DHH would make its positioning in the Southeast European cloud computing industry even stronger. Seeweb Holding, through its subsidiary Seeweb S.r.l., provides cloud computing, hosting, server, streaming and colocation services, offering public and private- clients with SaaS, IaaS and PaaS services and a wide range of other IT services through fibre optic connections. It owns four proprietary data centres in Milan, Frosinone, Sesto San Giovanni and Lugano, was the first company to offer cloud computing solutions on the Italian market and was one of the first companies to register domains in Italy.

The tables below show the economic and financial data of the new merged group as extracted from the *pro forma* income statement, balance sheet and as at 31 December 2019 according to IAS/IFRS.

<b>CONSOLIDATED <i>PRO-FORMA</i> INCOME STATEMENT GROUP DHH</b> (All amounts are in Euro)	<b>PRO-FORMA*</b>  31.12.2019
<b>OPERATING REVENUES</b>	16.797.276
<b>OPERATING COSTS</b>	(11.174.049)
<b>EBITDA</b>	5.623.227
<b>EBIT</b>	2.542.320
<b>NET INCOME</b>	1.786.608

\*The consolidated *pro-forma* is the effect of a consolidation between DHH S.p.A. and Seeweb Holding S.r.l.

<b>ASSETS</b> (All amounts are in Euro)	<b>PRO-FORMA*</b>  31.12.2019
<b>NON CURRENT ASSETS</b>	19.647.866
<b>CURRENT ASSETS</b>	7.827.612
<b>TOTAL ASSETS</b>	27.475.478

<b>LIABILITIES</b> (All amounts are in Euro)	<b>PRO-FORMA*</b> <b>31.12.2019</b>
<b>NET EQUITY</b>	<b>14.211.800</b>
<b>NON CURRENT LIABILITIES</b>	<b>5.285.044</b>
<b>CURRENT LIABILITIES</b>	<b>7.978.634</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>27.475.479</b>

\* The consolidated *pro-forma* is the effect of a consolidation between DHH S.p.A. and Seeweb Holding S.r.l.

The Merger arises from a strong operational rational due to the complementary nature of the respective companies' business, with the goal being that of harnessing concrete market opportunities while expanding on the existing services that the two groups already offer.

Through the Merger, DHH will:

- A. consolidate its current market position in domain name's registration and transfers and cloud hosting, as well as expand and strengthen its presence in the IaaS sector (currently a marginal business for the company), thus greatly increasing its range of IT services offerings so as to be a well-rounded IT and technological provider;
- B. reach a size that allows it to: (i) face competition internationally in its reference sectors (thus increasing efficiency to improve research and development); (ii) diversify market risk while expanding the range of products and services it offers and capitalising on new opportunities given the possibility of offering integrated packages; (iii) improve visibility and attracting a greater number of (primarily institutional/qualified) investors and enter into financial and business partnerships thanks also to the listing on AIM Italia; (iv) increase the group's critical mass in order to better pursue medium to long-term strategies, especially through a detailed plan of strategic acquisitions and mergers; and (v) optimise and improve loan relationships overall while exploiting greater overall investment capacity;
- C. begin a process of industrial and strategic synergies thanks to the two groups' similar businesses in order to optimise practices and integrate business efficiency and skills while seizing cross-selling opportunities thanks to consolidated customer portfolios.

The Merger, which is strongly backed by the companies involved, therefore has the goal of enhancing business and will lead to the progressive diversification and increased offerings. The Merger will bring the companies' businesses under a single listed parent company.

Based on these industrial, business, and financial synergies, the companies are confident that the new group will be a springboard for further development, including through subsequent mergers and/or acquisitions, that will make DHH a key point of reference among the key players in the cloud computing industry in Europe.

**Giandomenico Sica**, Executive President of DHH, said the following: *“There is no better way to celebrate our fifth birthday. In 2016, when we celebrated our first birthday listing on the AIM Italia market with a company still in its infancy, we promised to our investors that we would have built something bold on the market. Here we are, four years later, with a group in the fast-growing cloud computing industry accounting 16,8M EUR of PF revenue, 5,6M EUR of PF EBITDA, 1,8M EUR of PF net profit, serving over 100.000 customers across Southeast Europe. This deal is a natural evolution of our collaboration with Seeweb, partner since the beginning of our entrepreneurial journey. Apart from being a well known, and high quality, cloud computing provider, Seeweb is also one of the pioneers in the field of corporate venture capital in Italy. In 2005 they started investing in seed stage startups and, in a market where there are only a few players with a positive track record, they generated lot of success. As an example, their first seed investment, Docebo, provider of AI-powered learning management technologies, today is a public company listed on the Toronto Stock Exchange with a market cap in excess of 350M EUR. Together with Seeweb we plan to develop our business further, adding to our organic growth and to our M&A strategy, also the capability of investing in early stage projects that have the potential to become relevant businesses in the international market”.*

**Uroš Čimžar**, Executive Director and co-founder of DHH, said: *“Some would say that our ambitions at the beginning of DHH were too high, maybe even impossible to achieve. Now, almost 5 years later, when we look back on our goals, we have achieved them all. Perhaps what I value even more than financial results is the spirit of cooperation we have created. I believe that we have succeeded in striking an almost perfect balance between corporate discipline and the freedom of each member company, which has led to greater creativity and entrepreneurial spirit. I am really happy that Seeweb is joining this multicultural, entrepreneurial group, because I think it fits perfectly with our culture. I am impressed by the level of technical knowledge and culture of collaboration that Antonio and his team have built up over the years, which has enabled them to grow sustainably year after year. We as a group will now be much more knowledgeable in the field of cloud computing, which I hope will lead to new products that will enable us to accelerate our organic growth. I can hardly wait to work on the ambitious goals we have set ourselves for the next 5 years”.*

**Matija Jekovec**, Executive Director and co-founder of DHH, said: *“5 years ago we had a team and a dream. Today we've become a pan Southern European group serving over 100.000 customers. Looking back at our path so far, I'm especially proud of the capabilities that we've built through the years. Even though we were growing through M&A, we've managed to retain the authenticity and local character of each company all the while extending our management team and implementing synergies. We were also able to perfect our M&A process, collect best practices and transfer them to the management teams of subsidiaries empowering them to become even more ambitious. Last but not least, we managed to build a strong foundation for collaboration and knowledge exchange between our portfolio companies*



*which became evident in our response to the current global health and economic situation. In this light, I'm pleased for Seeweb to join the initiative and enhance our already strong relationship. Together, we can execute our M&A and investing strategy even better and continue providing value to our shareholders?".*

**Antonio Baldassarra**, CEO and controlling shareholder of Seeweb, said: *"In Seeweb we are used to support the start of entrepreneurial projects in our industry at large. At the beginning, when we co-founded and invested in DHH, even if we had big hopes for this initiative, it was quite an experiment for us, similar to the ones that we make by investing in other technology ventures. Nevertheless, we quickly saw the potential of this new venture. It was impressive to see what the company achieved in these years, passing from being "just an idea" to a multinational group in the cloud hosting industry with more than 70 people and a market leading position in the Balkans. We appreciated how DHH integrated people coming from different cultures and backgrounds, acknowledging in this difference not a problem to manage, but an important intangible asset to leverage in order to build long term value for the shareholders. In this framework, joining DHH was a natural next step in the evolution of our collaboration. Together, we plan to build a relevant cloud computing player in, and for, the South of the World. We start from the South of Europe, which we consider our playground from which to expand towards further geographies in the very next future".*

The Merger exchange ratio was established in good faith by the parties and today received the positive fairness opinion from auditing firm WPartners S.r.l. The firm was appointed by the Court of Milan on 7 November 2019 – following a joint request by DHH and Seeweb Holding – as the expert in charge of drawing up the report on the fairness of the exchange ratio as per the fourth paragraph of Article 2501-*sexies* of the Italian Civil Code.

To determine the respective values of the companies involved in the Merger, and to determine the exchange ratio, DHH's and Seeweb Holding's respective administrative bodies turned to experts of high repute with proven experience in the sector, namely: (i) for DHH: Leonardo Etro (Associate Professor of Practice at SDA Bocconi School of Management and Professor of Business Valuation and Corporate Finance at Bocconi University); and (ii) for Seeweb Holding: Fabrizio Redaelli (chartered accountant and auditor in Milan and fellow at SDA Bocconi School of Management).

To decide the financial elements of the Merger, the companies' managed bodies identified – also following negotiations between their representatives, consistently with the results of the application of (i) the discounted cash flow method with the application of terminal value, as regards DHH, and (ii) the capital criterion, as regards Seeweb Holding – the following exchange ratio to be submitted to the respective shareholders' meetings:

**31.828,92 DHH ordinary shares with no par value and the same entitlement and rights as the DHH ordinary shares outstanding at the date of the Merger, for every € 1.000,00 of Seeweb Holding's share capital with no cash adjustment.**

DHH will therefore issue a total of 3.030.081 ordinary shares with no par value, which will correspond to a share capital increase for the purposes of the Merger for a total of € 303.008,10. The shares have been valued by the shareholders of Seeweb Holding with an amount equal to € 10,30.

The ordinary shares will be made available to Seeweb Holding's shareholders according to the procedures for dematerialised shares centralised in Monte Titoli S.p.A., starting on the effective date of the Merger, if on a trading day, or on the next trading day.

The DHH shares that will be issued in exchange to the shareholders of Seeweb Holding will have the same entitlement date as the DHH shares outstanding on the effective date of the Merger and will attribute to their owners rights equivalent to those of the owners of DHH shares outstanding at the time of assignment. They will also be traded on AIM Italia, like the other outstanding ordinary shares.

In the context of the Merger, DHH shareholders' meeting (in extraordinary session) will also be called to approve changes to DHH's articles of association in order to align them with AIM Italia best practices.

No right of withdrawal is envisaged under applicable legislation.

Today, DHH on one hand, and Seeweb Holding and Mr Antonio Baldassarra and Mr Enrico Vona (in their capacity as Seeweb Holding's shareholders) on the other hand, signed an investment framework agreement to regulate the Merger, such agreement containing terms and conditions typical for transactions of the same kind of the one concerned. By signing said agreement, Seeweb Holding's shareholders agreed to a lock-up commitment with respect to all their shares deriving from the Merger for a period of 12 months from the effective date of the Merger.

As a result of the Merger and in consideration of the exchange ratio, the DHH corporate capital – taking into account the shareholders that hold ordinary shares and that, based on the communications received by DHH, own a stake of more than 5% of the share capital represented by shares carrying voting rights – will be owned as follows:

<i>Shareholder</i>	<i>No. of DHH shares</i>	<i>%</i>
Antonio Domenico Baldassarra	1.544.492 (*)	34,18%
Enrico Vona	1.494.739	33,08%
Treasury shares	360.000	7,97%
Market	1.119.403	24,77%
<b>TOTAL</b>	<b>4.518.631</b>	<b>100%</b>

(\*) Total amount of shares owned by Antonio Domenico Baldassarra includes n. 9.150 (*NineThousandsOneHundredFifty*) DHH shares already owned before the Merger.

The Merger will be submitted to the approval of the DHH and Seeweb Holding shareholders' meetings (as extraordinary meetings), which for DHH will be called on June 30, 2020 on first call and, if necessary, on July 6, 2020 on second call.

The Merger deed is expected to be signed by the end of the current financial year.

The merger plan, the economic and financial positions, the WPartners S.r.l. report on the fairness of the exchange ratio, and all other mandatory documentation will be made available to the public as required under applicable law and/or regulations.

For more information concerning the Merger, please see the information document drawn up by DHH as per Article 14 of the AIM Italia Issuers Regulation and approved today by the board of directors. The information document is available at DHH's registered office and on its website (<https://www.dhh.international/>).

Today, DHH and Envent Capital Markets Ltd., as nominated adviser, also provided Borsa Italiana S.p.A. with the declarations required under Article 14 of the AIM Italia Issuers Regulation regarding reverse takeovers (Schedule 7, part I, of the Rules for Companies and Schedule 4, part I, of the Rules for Nominated Advisers).

The law firm Simmons & Simmons has acted as legal counsel for the deal.

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

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

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

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

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