

<p>Informazione Regolamentata n. 20088-53-2024</p>	<p>Data/Ora Inizio Diffusione 20 Settembre 2024 15:30:10</p>	<p>Euronext Growth Milan</p>
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Societa' : DHH

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Utenza - Referente : DOMINIONN02 - Giandomenico Sica

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Oggetto : DHH S.p.A. Half-Year Results – H1 2024

Testo del comunicato

FINANCIAL PERFORMANCE OVERVIEW • Net Sales: Reached EUR 18M in H1 2024, compared to EUR 16,5M in H1 2023, representing a growth of 9%. This growth is attributed primarily to increased revenue in the Cloud Computing (+9%), Cloud Hosting (+7%) and Business Connectivity (+9%) segments . • Recurring Revenue: Constitutes approximately 94% of total revenue, highlighting strong customer retention and predictable turnover. • EBITDA : Amounted to EUR 6M, up from EUR 4,3M, reflecting a significant increase of 40%, with an EBITDA margin of 33%. • Earnings Before Tax (EBT): Stood at EUR 3,1M, significantly up from EUR 1,1M, showing a growth of 175%. • Net Profit: Increased to EUR 2M from EUR 313K, marking a substantial rise of 541%, driven by revenue growth and cost optimization. • Net Financial Position: Improved to EUR 3,6M of net debt, a decrease of 44% from EUR 6,5M at the end of 2023, due to operating cash flows and liquidity management.



DHH S.p.A. Half-Year Results – H1 2024

FINANCIAL PERFORMANCE OVERVIEW

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- **Recurring Revenue:** Constitutes approximately 94% of total revenue, highlighting strong customer retention and predictable turnover.
- **EBITDA**²: Amounted to EUR 6M, up from EUR 4,3M, reflecting a significant increase of 40%, with an EBITDA margin of 33%.
- **Earnings Before Tax (EBT):** Stood at EUR 3,1M, significantly up from EUR 1,1M, showing a growth of 175%.
- **Net Profit:** Increased to EUR 2M from EUR 313K, marking a substantial rise of 541%, driven by revenue growth and cost optimization.
- **Net Financial Position:** Improved to EUR 3,6M of net debt, a decrease of 44% from EUR 6,5M at the end of 2023, due to operating cash flows and liquidity management.

Giandomenico Sica, President of DHH's Board of Directors, comments: "We are pleased with our results for the first half of 2024, which marks the eighteenth straight semester of growth in our revenue, all of which was achieved organically. Our profits are growing even faster than our revenue, showing the strength of our scalable business model. We continue to focus on high-quality revenue, with steady, recurring income thanks to our technology as a service proposition, no customer concentration, and strong cash flow. We're also happy with the launch of new products in areas like AI and video streaming, which have been well-received in the market. Looking ahead, we aim to continue this path, supporting our multidimensional approach to growth. While we focus on organic growth, we consider mergers and acquisitions a complementary strategy, which we pursued since the foundation of DHH. We are always exploring new opportunities and are in constant contact with potential targets. This includes companies in our existing industries, within our current markets, and across other EU markets."

Milan, 20 September 2024. DHH S.p.A. (DHH.MI) (ISIN shares IT0005203622) announces that today the Board of Directors approved the consolidated financial statements for the first half of 2024, prepared in compliance to international accounting standards (IAS/IFRS).

¹ A different categorization of segments has been introduced starting from January 2024: Cloud computing previously IaaS and SaaS, Cloud Hosting previously PaaS, Business Connectivity previously Internet Access. The other category remained the same. The calculation of variation YoY has been made considering the new categorization also for H1 2023.

² In 2023, the operating expenses included a non-cash charge of Euro 1,1M related to the IFRS 2 accounting for the 2022-2025 Stock Option Plan, which did not impact the Company's cash availability. This represented a decrease from the Euro 1,7M non-cash charge in 2022. Going forward into 2024, the company has not incurred and will not incur any further expenses related to this cost.



FINANCIAL HIGHLIGHTS

Growth and Market Development:

- **Consolidated Net Sales:** Increased to EUR 18M in H1 2024 from EUR 16,5M in H1 2023, marking a growth of 9%. This increase is attributed mainly to:
 - A 9% rise in the Cloud Computing segment, contributing EUR 7M to total revenue (38% of total turnover) and supported by the new products' double/triple digit growth (ref. Cloud Server GPU/NPU, video streaming for municipalities).
 - A 7% growth in the Cloud Hosting segment, accounting for EUR 4,3M (23% of total turnover).
 - A 9% increase in the Business Connectivity segment, contributing EUR 3,9M to the revenue (21% of total turnover).
- **Geographical Performance:** Revenue growth was noted across several markets, with increases of 11% in Croatia and Switzerland, 10% in Italy, 8% in Slovenia, and 4% in Serbia, while performance in Bulgaria remained steady.

Operational and Financial Efficiency:

- **Consolidated EBITDA:** Increased from EUR 4,3M in H1 2023 to EUR 6M in H1 2024 with an EBITDA margin of 33%. This improvement reflects the scalability of DHH's business model, characterised by revenue quality, high client retention, and a focus on cost management. The improvement in EBITDA is further supported by stable operating costs and the absence of non-recurring professional services expenses that impacted the previous year's results (ref. stock options plan).
- **Consolidated EBT and Net Profit:** Both indicators substantially grew in H1 2024. Consolidated EBT rose from EUR 1,1M to EUR 3,1M, while Consolidated Net Profit increased from EUR 313K to EUR 2M. This reflects the positive impact of higher EBITDA and reduced financial expenses. Like-for-like comparison – adj. net profit H1 2024 vs adj. Net profit H1 2023 – excluding the cost of stock options plan for 2023, marks a +41% YoY, from EUR 1,4M in H1 2023 to EUR 2M in H1 2024.

Operating Cash Flow and Liquidity:

- Operating cash flow remains strong, with a cash conversion rate that continues to support debt reduction efforts.
- The Group's net financial position improved significantly, with net debt decreasing from EUR 6,5M at the end of 2023 to EUR 3,6M at the end of H1 2024, underscoring effective liquidity management and the group's ability to generate cash.



Corporate Activity:

- No new acquisitions were made during H1 2024; all growth reported was organic, driven by DHH's ongoing focus on enhancing its existing operations and expanding product offerings.

SIGNIFICANT EVENTS DURING THE SEMESTER

21 MARCH 2024: The Board of Directors of DHH approved the draft statutory and consolidated financial statements for the year ending 31 December 2023. These documents were slated for submission to the Extraordinary and Ordinary Shareholders' Meeting scheduled for 29 April 2024 for approval and acknowledgment, respectively.

16 APRIL 2024: DHH received a notice of substantial shareholding change following the inheritance of DHH shares by Daniele and Marianna Vona, heirs of Enrico Vona. This resulted in each inheritor holding 16,73% of the company's share capital, altering the overall shareholding structure.

29 APRIL 2024: The Shareholders' Meeting, held via audio/video conference, approved amendments to the Company's bylaws, including Articles 21, 22, 26, and 31, to align with regulatory changes. Additionally, the statutory financial statements for 31 December 2023 were approved, and authorization for purchasing and disposing of treasury shares was granted.

30 APRIL 2024: The Board of Directors assessed and confirmed the independence of independent director Andrea Arrigo Panato. This evaluation, in line with Article 6-bis of the Euronext Growth Milan Issuers' Regulation, considered both quantitative and qualitative criteria approved by the Board on 21 March 2024.

3 MAY 2024: DHH sold 100.957 treasury shares to the "PIPE" fund, managed by Alkemia Capital Partners SGR S.p.A., at EUR 14,8 per share. Alongside additional shares acquired from other shareholders, the PIPE fund amassed a 4,73% stake, aiming to support DHH's business development.

13 MAY 2024: DHH received notice of a substantial change in shareholding from Alkemia SGR S.p.A. The "PIPE" fund now holds 245.610 shares, representing 5,02% of the company's share capital, further solidifying its position as a significant shareholder in DHH.

22 MAY 2024: The Board of Directors resolved to initiate the program for the purchase and disposition of treasury shares for a maximum value of EUR 1,5M, in execution of the resolution of the Shareholders' Meeting of April 29, 2024 ("Program"). The Program started on June 3, 2024 and will end by May 7, 2025.

11 JUNE 2024: Launch of a groundbreaking Serverless GPU product designed for AI applications through the subsidiary Seeweb. This innovative product, accessible at k8sgpu.seewebcloud.com, leverages Kubernetes to provide scalable, on-demand access to thousands of remote GPUs, addressing the growing computational needs in AI model training and inference.



SIGNIFICANT EVENTS BETWEEN THE END OF SEMESTER AND THE RELEASE OF THE SIX-MONTHLY RESULTS

2 JULY 2024: Launch of the AI Accelerator product through the subsidiary Seeweb. This new offering is designed to enhance AI inference workloads by utilizing Tenstorrent cards, providing significant computational power and efficiency for AI applications.

16 JULY 2024: Launch of a new video streaming product for municipal councils through the subsidiary Evolink. This innovative technology is designed to enhance transparency and public engagement by offering high-quality live streaming of council meetings and other municipal events.

BUSINESS OUTLOOK

The Group remains committed to sustaining its growth trajectory, primarily driven by a focus on organic growth while maintaining controlled margins. DHH continues to explore external growth opportunities within both its existing markets and new markets across the EU, though the Group is not in a rush to pursue acquisitions, given the satisfaction with the current organic performance. Additionally, DHH is experimenting with new product offerings, particularly in the area of AI infrastructure, as part of its ongoing innovation efforts. There are no significant concerns regarding insolvency or revenue concentration within the Group.

EARNINGS CALL

The Chairman and CEO of DHH will comment on H1 2024 results in a conference call to be held on **27 September 2024 at 3.00 pm CET** at this link: <https://whereby.com/dhhspa>.

People interested in participating are invited to send any questions or topics of interest to the following email address: investor.relations@dhh.international.

FURTHER INFORMATION

The approved data has been submitted to BDO Italia S.p.A., the appointed audit firm, for review. The consolidated interim financial report will be made available to the public as per EGM regulations and on the Group's website at www.dhh.international.

About DHH S.p.A.

DHH S.p.A. (DHH.MI) (ISIN shares IT0005203622) is dedicated to reshaping internet infrastructure through the integration of next-generation technology and artificial intelligence. Based in Europe, the company leverages open-source technologies to enhance digital connectivity across various industries and regions. With a commitment to continuous research and open innovation, DHH aligns technological progress with stringent data privacy standards. This approach promotes technological excellence while



safeguarding individual privacy, aiming to position the company as a relevant player in the evolution of global internet infrastructure. www.dhh.international

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CONSOLIDATED INCOME STATEMENT (All amounts are in EURO)	CONSOLIDATED 30.06.2024	CONSOLIDATED 30.06.2023	DELTA
Net Sales	17.956.008	16.520.449	9%
Other Revenues	446.594	556.778	-20%
TOTAL REVENUES	18.402.602	17.077.227	8%
Material costs	(1.412.017)	(1.074.663)	31%
Service costs and use of third party assets	(7.072.719)	(7.981.529)	-11%
Personnel costs	(3.438.465)	(3.305.555)	4%
Other expenses	(476.983)	(431.152)	11%
TOTAL OPERATING COSTS	(12.400.184)	(12.792.899)	-3%
EBITDA	6.002.418	4.284.328	40%
Amortization and impairment	(2.516.464)	(2.806.925)	-10%
EBIT	3.485.954	1.477.402	136%
Financial income (expenses)	(400.652)	(355.454)	13%
Other non-operating income/expense	-	-	
EARNINGS BEFORE TAXES	3.085.301	1.121.948	175%
Total current and deferred income taxes	(1.076.881)	(808.436)	33%
NET INCOME (LOSS) FOR THE YEAR	2.008.420	313.512	541%
relating to the shareholders of the Group	1.981.181	297.542	566%
relating to the third party shareholders	27.240	15.971	71%
EBITDA Adjusted*	6.002.418	5.390.195	11%
EBIT Adjusted*	3.485.954	2.583.269	35%
NET PROFIT Adjusted *(attributable to the shareholders of the group)	1.981.181	1.403.409	41%

* Impact of non recurring revenues and costs

CONSOLIDATED NET FINANCIAL POSITION (All amounts are in EURO)	CONSOLIDATED 30.06.2024	CONSOLIDATED 31.12.2023	DELTA
A. Cash	(13.175.442)	(10.193.810)	29%
B. Cash equivalents	-	-	
C. Other current financial assets	(459.532)	(204.353)	125%
D. LIQUIDITY (A) + (B) + (C)	(13.634.974)	(10.398.163)	31%
E. Current financial liabilities	126.569	79.492	59%
F. Current part of non-current borrowing	5.015.544	4.439.317	13%
G. CURRENT FINANCIAL DEBT (E) + (F)	5.142.113	4.518.809	14%
H. NET CURRENT FINANCIAL DEBT (G) - (D)	(8.492.862)	(5.879.354)	44%
I. Non-current financial liabilities	12.140.061	12.407.329	-2%
J. Bonds issued		-	
K. Trade payables and Other non-current liabilities		-	
L. NON-CURRENT FINANCIAL DEBT (I) + (J) + (K)	12.140.061	12.407.329	-2%
M. NET FINANCIAL DEBT (H) + (L)	3.647.199	6.527.975	-44%



ASSETS (All amounts are in EURO)	CONSOLIDATED 30.06.2024	CONSOLIDATED 31.12.2023	DELTA
Trademark	3.087.307	3.087.307	0%
Goodwill	10.383.499	10.403.354	0%
Tangible fixed assets	12.115.577	11.681.942	4%
Right of use Assets	5.744.132	4.833.450	19%
Intangible assets	2.397.894	2.498.474	-4%
Investments	1.398.701	1.398.701	0%
Non current financial assets	310.634	319.775	-3%
Other non current assets	280.039	280.039	0%
Prepaid Tax assets	1.259.199	1.219.464	3%
NON CURRENT ASSETS	36.976.981	35.722.505	4%
Inventories	491.126	482.393	2%
Trade receivables	5.126.570	4.696.261	9%
Current financial assets	459.532	204.353	125%
Other current assets	125.237	83.118	51%
Tax receivables	332.902	425.005	-22%
Cash and cash equivalents	13.175.442	10.193.810	29%
Prepaid expenses and accrued income	1.593.360	1.202.179	33%
CURRENT ASSETS	21.304.170	17.287.120	23%
TOTAL ASSETS	58.281.151	53.009.624	10%
LIABILITIES (All amounts are in EURO)	CONSOLIDATED 30.06.2024	CONSOLIDATED 31.12.2023	DELTA
Share Capital	489.277	489.277	0%
Reserves	23.393.347	20.784.121	13%
Retained Profit (Loss)	365.579	-392.122	-193%
Year's profit (loss) relating to the shareholders of the Group	1.981.181	2.210.961	-10%
NET EQUITY PARENT COMPANY	26.229.384	23.092.237	14%
Capital and Reserves relating to the third party shareholders	595.745	612.488	-3%
Year's Profit/loss relating to the third party shareholders	27.240	16.739	63%
NET EQUITY TO THE THIRD PARTY SHAREHOLDERS	622.985	629.227	-1%
NET EQUITY	26.852.369	23.721.464	13%
Non current financial payables	12.140.061	12.407.329	-2%
Severance reserves	859.305	824.266	4%
Provisions for risks and future liabilities	69.104	-	
Other non current liabilities	-	-	
Liabilities for deferred taxes	1.535.649	1.581.331	-3%
NON CURRENT LIABILITIES	14.604.120	14.812.926	-1%
Trade payables	4.480.201	4.087.986	10%
Other current liabilities	1.086.470	972.716	12%
Current financial liabilities	5.142.113	4.518.809	14%
Tax payables	1.792.396	811.454	121%
Accrued liabilities and deferred income	4.323.482	4.084.270	6%
CURRENT LIABILITIES	16.824.662	14.475.234	16%
TOTAL LIABILITIES	31.428.782	29.288.160	7%
TOTAL LIABILITIES AND NET EQUITY	58.281.151	53.009.625	10%



CASH FLOW STATEMENT (All amounts are in EURO)	CONSOLIDATED 30.06.2024	CONSOLIDATED 30.06.2023	DELTA
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit for period	2.008.420	313.512	541%
Income taxes	1.076.881	808.436	33%
Interest payables/(receivables)	400.652	355.454	13%
(Capital losses)/gains from sales of assets			
(Capital losses)/gains from Business Combinations			
1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES	3.485.954	1.477.402	136%
Adjustments for non-cash items that are not accounted for in net working capital change:	2.624.231	3.972.037	-34%
- Allocation to reserves	110.403	63.644	73%
- Amortization and depreciation of assets	2.450.103	2.743.981	-11%
- Permanent loss write-down	66.361	62.945	5%
- Other adjustments on non-monetary items	(2.636)	1.101.468	-100%
2. CASH FLOW BEFORE NWC CHANGES	6.110.185	5.449.440	12%
Changes in NWC:	827.050	1.377.722	-40%
- Decrease (increase) in inventories	(8.734)	(39.996)	-78%
- Decrease (increase) in customer receivables	(496.670)	835.523	-159%
- Increase (decrease) in supplier payables	392.216	(292.062)	-234%
- Decrease (increase) in prepaid expenses and accrued income	(391.180)	(207.377)	89%
- Increase (decrease) in accrued expenses and deferred income	239.212	371.689	-36%
- Other changes to the NWC	1.092.206	709.946	54%
3. CASH FLOW AFTER NWC CHANGES	6.937.234	6.827.162	2%
Other changes:	(1.529.475)	(1.224.898)	25%
- Interests collected/(paid)	(400.652)	(355.454)	13%
- (income taxes paid)	(1.095.208)	(808.955)	35%
- Dividends received	-	-	
- (Use of reserves)	(33.614)	(60.489)	-44%
CASH FLOW FROM OPERATING ACTIVITIES [A]	5.407.760	5.602.264	-3%
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Investments) disinvestment in tangible assets	(1.327.198)	(1.047.369)	27%
(Investments) disinvestment in right of use assets	(2.107.808)	(2.544.395)	-17%
(Investments) disinvestment in intangible assets	(238.979)	(920.197)	-74%
(Investments) disinvestment in financial assets	(358.302)	(639.950)	-44%
(Investments) disinvestment in non-capitalized financial assets		-	
CASH FLOW FROM INVESTING ACTIVITIES [B]	(4.032.288)	(5.151.911)	-22%
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase (decrease) current payables to banks	306.978	16.437	1768%
New loans (Loan repayments)	49.058	(468.958)	-110%
Paid capital increase	(0)	-	
Treasury share sale (purchase)	1.250.124	-	
(Dividends paid)	-	-	
CASH FLOW FROM FINANCING ACTIVITIES [C]	1.606.160	(452.521)	-455%
INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]	2.981.632	(2.169)	-137585%
LIQUID FUNDS AT THE BEGINNING OF THE PERIOD	10.193.810	10.643.629	-4%
Consolidated variation area			
LIQUID FUNDS AT THE END OF THE PERIOD	13.175.442	10.641.460	24%

DHH S.p.A.

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Numero di Pagine: 10