DADA S.p.A. AND DADA GROUP FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(PREPARED IN ACCORDANCE WITH IAS/IFRS INTERNATIONAL ACCOUNTING STANDARDS)

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

CONTENTS

CORPORATE OFFICERS

The current Officers 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] On 8 September 2015, Khaled Bishara and Antonio Converti resigned with immediate effect as directors of the Company. At its meeting held on 11 November 2015, the Board of Directors resolved on the co-optation of Youssef Mohamed Salah Abdelsalam Bassem

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.

Dear Shareholders,

at the General Meeting called to approve the results as at and for the year ended 31 December 2015, we are delighted to share **with you** the Company's achievements in the past year and to set the key goals for the coming future.

..the Market

In 2015, the **international Domain & Hosting market** in which the Dada Group operates was marked by fiercer competition, which led to higher costs for the acquisition of new customers and intense pressure on the prices of main services. The main players in our segment have strengthened their foothold, while incurring higher marketing investments. The market is moving towards a situation where the smaller players combine, and where increasingly customized solutions for online presence are developed. In this challenging and ever-changing context, **the Dada Group accomplished its goals in 2015**, posting a **+4.5% increase YoY in revenue** and a **sharp rise** in **operating profit** (**+14% YoY**).

..Refocusing process on Core Business completed..

Furthermore, in 2015, Dada successfully completed the Group's **refocusing** process on the **core business** of **digital services** for **online presence and visibility** tailored to **SMEs**, redefining the corporate scope with the disposal of the Advertising BU in March 2015, the transfer of the ProAdv/Simply BU to 4w Marketplace S.r.l. in June 2015, and the acquisition of Etinet S.r.l. in July 2015 a company that provides web and mobile services for the digital communication of SMEs.

Over the past few years, we have focused our resources on the **D&H business**, developing a cutting-edge, integrated technology infrastructure, which includes the new **Datacenter** in the UK, built in 2013 and completed in 2015; we have enhanced our **customer support** service, which counts over 120 people today, and we have finalized the integration of the **operating platforms** in Europe and the UK. On the product front, anticipating our relevant market needs, we have enhanced our services in *we do it for you* mode, integrating and continuously improving the suite of online visibility products, to provide our growing number of customers with higher levels of satisfaction.

Today, the Dada Group is one of the top European players in online presence services for SMEs. It operates in **7 countries** through highly established **brands** such as *Register.it, Nominalia, Amen, Poundhost and Namesco.uk.* Dada is one of the leading players in its relevant markets, including in Italy and the UK (one of the most advanced markets in Europe), where we rank **second** and **fourth** respectively, with **market shares increasing** in all countries, thanks to the sales policies pursued in 2015.

In 2015, the Company recorded a substantial **improvement** in **key business metrics** at the international level. Our overall **customer base** topped the **560,000** mark, increasing by **+6%** versus 2014, with a monthly **churn** below **1.2%**. New customers were up by **+32%** versus 2014, thanks mostly to the sales strategies and marketing investments made in the second half of the year. The expansion of the **customer base** is a core **asset**, as it represents a key driver of upselling strategies, and in both organic revenue and profitability growth. Looking at the product portfolio, on the domains front, we enjoyed strong growth in **new registrations** (**+22% YoY**), reaching a total stock of domains under management of **1.8 million**. At 31 December 2015, we manage **1.6 million email accounts** and over **650 thousand active hosting plans**. In 2015, we also increased our 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.

..Results in 2015 ..

At 31 December 2015, **revenue** amounted to **€62.2 million**, up by +4.5% versus 2014; **EBITDA**, a key metric to gauge improvement in operating profit, came to €10.5 million, up by +14% YoY, and reported a **margin** on revenue of **16.8%**, improving versus 15.4% in 2014, despite higher marketing investments (+37% YoY) made in view of the future development of the customer base. Consolidated **EBIT** came to **€3.2 million** (+111% YoY). Net profit for the year, which includes €1.8 million in net profit from discontinued operations and non-recurring financial income from the transfer of Simply to 4W, amounted to **€1.3 million**, improving sharply versus the loss of -€2.2 million reported at 31 December 2014. Investments totaled €7.3 million and include €0.8 million for the acquisition of Etinet S.r.l., and €0.9 million for the completion of the Datacenter in Reading (UK), while the cash consideration from the disposal of the Performance Advertising BU amounted to €6 million. The **NFP** at 31 December 2015 came to **€27.9 million**, improving versus €33.6 million at 31 December 2014, with total cash absorbed amounting to €5.7 million.

In short, 2015 was a good year in the history of the Dada Group. Thanks to the efforts of all our highly skilled staff, we have accomplished our goals and laid the foundations for further future development of our Group, to the benefit of all stakeholders.

...Outlook for 2016..

Looking at Investor Relations activities in 2016, we aim to strengthen our engagement with the financial community, keeping a high level of transparency vis-à-vis the financial market.

We seek "Mid-single-digit" organic growth of business volumes in 2016, expanding business in all the Group's geographies, while the benefits arising from the significant investments made in the second part of 2015 and implemented in the opening months of 2016, will be likely felt starting from the second half of 2016, bringing a more than proportional increase in operating profit compared with revenue growth, especially from the third quarter.

Claudio Corbetta

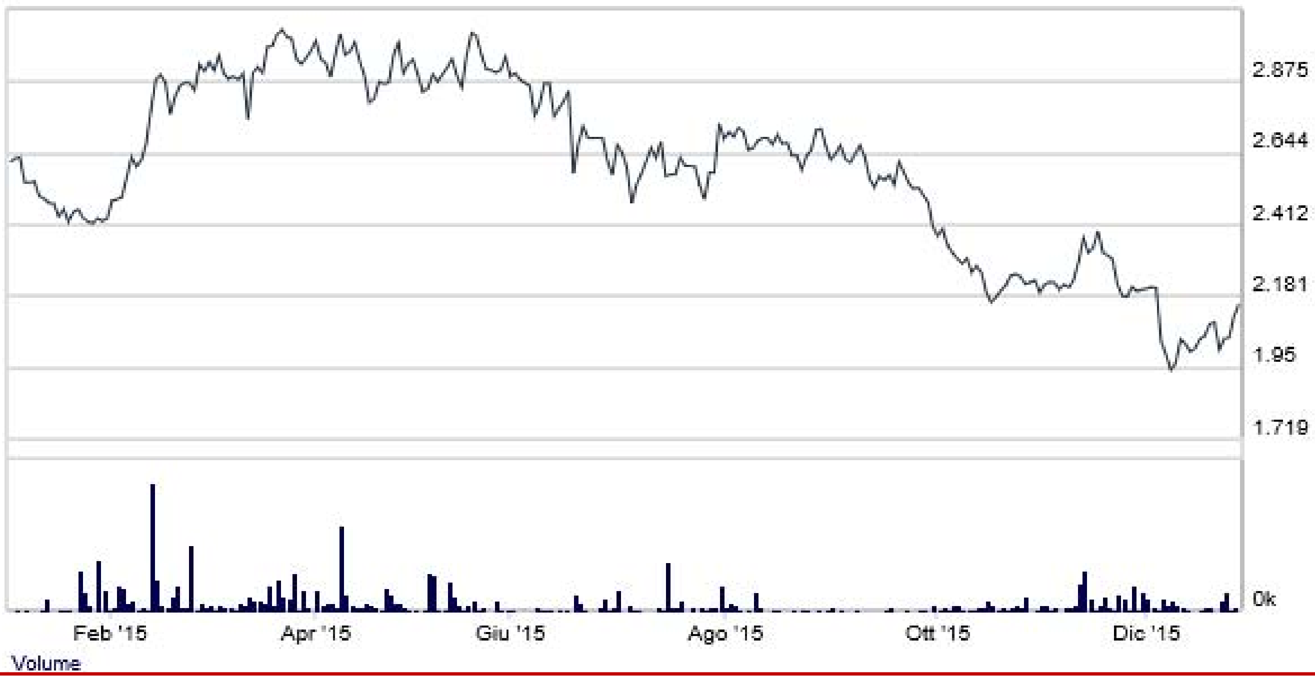
Chief Executive Officer

Lorenzo Lepri

General Manager & CFO

DADA STOCK MARKET PERFORMANCE

Price and Volume Trend of Dada Shares – (01 January 2015 - 31 December 2015)



Dada shares traded at Euro 2.12 at 31 December 2015 versus Euro 2.598 at 31 December 2014. At 4 March 2016, Dada shares traded at Euro 2.56.

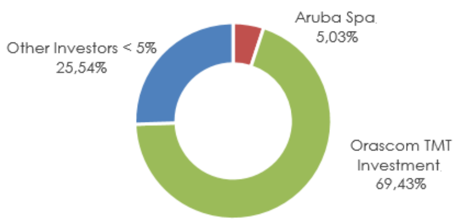
COVERAGE: Dada shares are covered by Banca IMI, which also acts as Specialist.

DADA at 31 December 2015

MARKET	STAR SEGMENT – MTA
MAX PRICE	€ 3.12 (18 Marzo 2015)
MIN PRICE	€ 1.92 (09 Aprile 2015)
LAST PRICE	€ 2.12
NOSH	n.16.7 milioni
MARKET CAP.	€ 43.2 milioni
AVERAGE DAILY VOLUME (nosh)	25,869

SHAREHOLDERS

Figures as of 23 FEB 2016



DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated Income Statement (12 months)

(€mn)	31/12/2015	31/12/2014	Total difference	% difference
Revenue	**62.2**	**59.5**	2.7	4%
EBITDA*	**10.5**	**9.2**	1.3	14%
Depreciation and amortization	**-6.9**	**-7.2**	0.3	-4%
Non-recurring charges and other impairment	**-0.4**	**-0.5**	0.0	-9%
EBIT	**3.2**	**1.5**	1.7	111%
Profit/(loss) from discontinued operations	**-0.3**	**-0.2**	-0.2	-95%
Group net profit (loss)	**1.3**	**-2.2**	3.5	161%

* Gross of impairment losses and other non-recurring items

Consolidated Statement of Financial Position at 31 December 2015

(€mn)	31/12/2015	31/12/2014	Total difference	% difference
Fixed assets	**99.7**	95.4	4.4	5%
Net Working Capital	**-11.5**	-10.3	-1.2	-12%
Net Capital Employed	**87.2**	83.7	3.5	4%
Shareholders’ equity	**59.3**	50.1	9.2	18%
Net short-term Financial Position	**-7.5**	-16.9	9.4	56%
Total Net Financial Position	**-27.9**	-33.6	5.7	17%
Number of employees	**398**	364	34	9%

FINANCIAL HIGHLIGHTS OF PARENT COMPANY DADA S.P.A.

Dada S.p.A. Income Statement (12 months)

(€mn)	31/12/2015	31/12/2014	Total difference	% difference
Revenue	**4.6**	5.3	-0.6	-12%
EBITDA	**-0.4**	-0.2	-0.1	50%
Depreciation and amortization	**-0.3**	-0.4	0.2	-41%
EBIT	**-0.7**	-0.7	0.0	1%
Net profit/(loss) for the year	**-1.6**	-1.3	-0.3	-21%

Dada S.p.A. Statement of Financial Position at 31 December 2015

(€mn)	31/12/2015	31/12/2014	Total difference	% difference
Net Working Capital	**20.6**	21.0	-0.5	-2%
Net Capital Employed	**50.6**	51.3	-0.7	-1%
Shareholders' equity	**58.3**	54.2	4.2	8%
Net short-term Financial Position	**7.7**	3.5	4.1	116%

DIRECTORS' REPORT

INTRODUCTION

The Draft Consolidated Financial Statements at 31 December 2015 have been prepared in accordance with IAS/IFRS issued by IASB and approved by the European Union, as per the Issuer Regulations n. 11971 issued by Consob on 14 May 1999, as amended.

Moreover, the Consolidated Financial Statements were drafted in accordance with the accounting standards in force at the time they were prepared.

The Draft Consolidated Financial Statements at 31 December 2015 were approved at the meeting of the Parent Company's Board of Directors on 14 March 2016, thus authorizing publication in accordance with the law.

Mention should be made of the completion of the key extraordinary transactions in 2015 that changed the Dada Group's structure and the resulting scope of consolidation:

1- on 23 March 2015, Dada S.p.A. sold to Italiaonline S.p.A. (Orascom Group) the entire share capital of Moqu Adv. S.r.l., the company at the head of the business segment named Performance Advertising. As a result of this agreement, the Performance Advertising segment required the application of accounting standard IFRS 5 "Non-current assets held for sale and discontinued operations". The main effect of applying IFRS 5 is that all of the income statement items relating to the disposed companies have been grouped on the line "Profit/(loss) from discontinued operations". More details on the breakdown of this item are also found in the significant events of 2015 and in Note 5 to these draft financial statements. The transaction resulted in a gain of €5.2 million recognized in equity as it was executed by entities under joint control.
   In accordance with this accounting standard, for the sake of comparison, all income statement and statement of financial position items from the prior year have been restated and reclassified, as shown and commented later in these financial statements. Assets and liabilities of the prior year are, instead, still shown on a continuing operations basis.
   The financial effects of this disposal run from 28 February 2015.
2- On 30 June 2015, the Dada Group completed the transfer of the ProAdv/Simply BU to 4w MarketPlace S.r.l., acquiring 25% of the transferee's share capital. As a result of the transaction, effective 1 July 2015, the equity investment in 4w MarketPlace S.r.l. has been measured in the Dada Group's consolidated financial statements using the equity method. Conversely, 2H15 included the full consolidation of the assets of the ProAdv/Simply BU.
3- On 2 July 2015, through its subsidiary Register.it S.p.A., Dada signed a binding agreement for the acquisition of 100% of the share capital of Etinet S.r.l., a company that provides digital communication services to SMEs. The transaction was completed on 8 July 2015.
   The equity investment in Etinet was fully consolidated in the Dada Group's financial statements as of 1 July 2015. Conversely, 2H15 had no financial benefit from this company.

The main points of the abovementioned agreements, and the relating income statement and balance sheet effects, are explained more in detail in the section on significant events in 2015 and in the specific notes to these consolidated financial statements.

All the following comments and analysis on income statement and cash flow figures in these consolidated financial statements have been made in light of the new Group structure.

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, which had started in 2014, 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 basically organized around a single business unit falling under the "Domain and Hosting" division.

In 2015, the Dada Group 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 an international level.

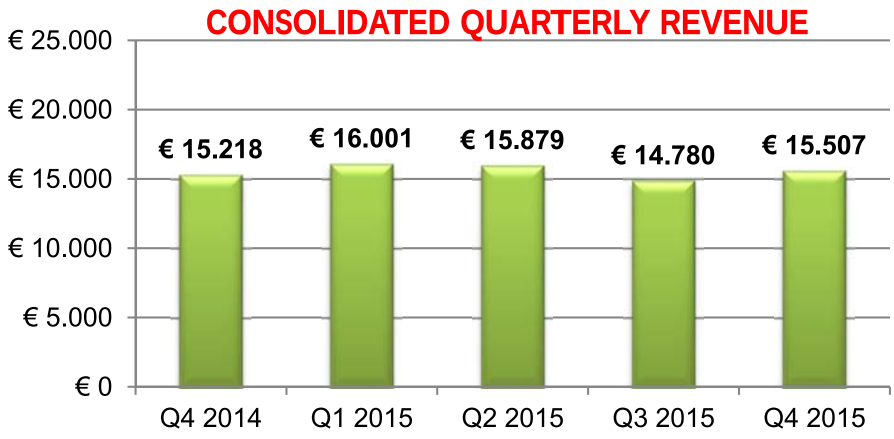
The Dada Group currently operates in Italy, UK, Ireland, Spain, France, Portugal and Holland, respectively through its brands Register.it and Etinet, Namesco.UK and PoundHost, Register365, Nominalia and Amen.

PERFORMANCE REVIEW

Based on the new scope as explained in the introduction, the **Dada Group closed 2015 achieving consolidated revenue of €62.2 million**, up by 4% versus €59.5 million in 2014. Looking at 4Q15 alone, the Dada Group achieved consolidated revenue of €15.5 million, up by about 3% versus €15 million in 4Q14.

Dada S.p.A., the parent company, ended 2015 with revenue of €4.6 million, down by 13% versus €5.3 million at end 2014; the drop is mainly attributable to the lower corporate chargebacks following the deconsolidation of Moqu. Looking at 4Q15 alone, parent revenue amounted to €1 million, up versus €0.7 million in 4Q14. Mention should be made that, for some years now, following deep corporate restructuring, the parent company Dada S.p.A. has focused on providing centralized corporate and IT services to all of the Group companies; additionally, it provides a number of administrative, HR and management services to Moqu (sold to IOL) and to 4W for ProAdv/Simply activities contributed during the year.

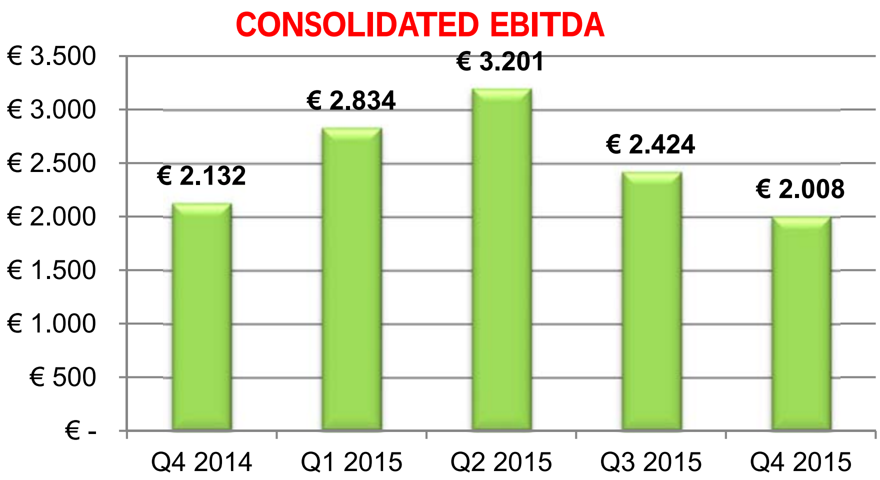
The following graph shows the trend in **consolidated revenue of the Dada Group** over the last 5 quarters:



Consolidated EBITDA achieved by the Dada Group in 2015 (gross of impairment losses and other non-recurring items) **came to €10.5 million**, accounting for 17% of revenue and up by 14% versus €9.2 million in 2014 (15% margin on revenue).

In 4Q15 alone, consolidated EBITDA came to €2 million versus €2.1 million in 4Q14.

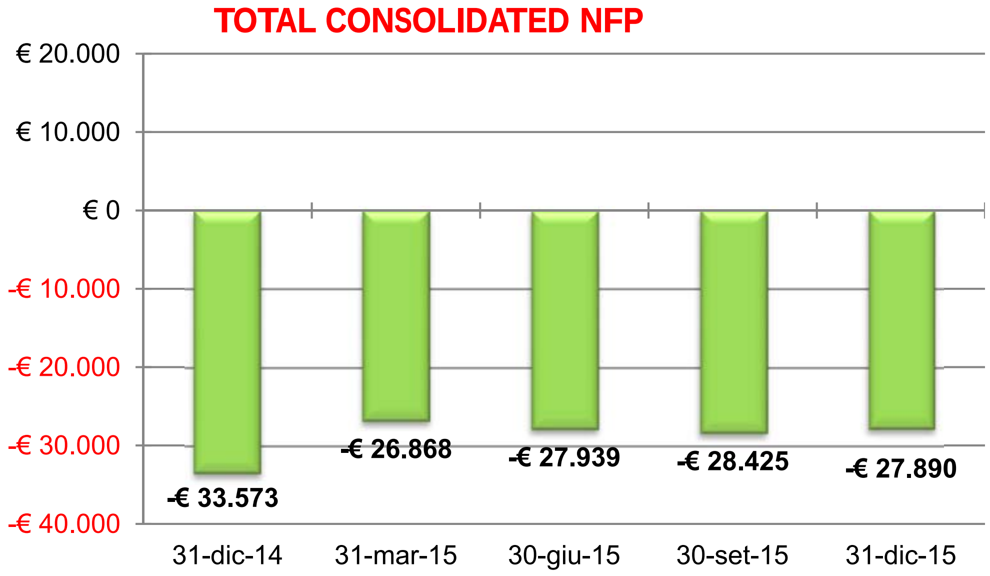
The following graph shows the trend in **consolidated EBITDA** over the last 5 quarters:



The total net financial position of the Dada Group at 31 December 2015, which includes funding to be repaid beyond one year, **came to -€27.9 million** versus -€33.6 million at 31 December 2014. The trend and composition of the current and non-current portion of the Group's net financial position in 2015 were affected, as explained more in detail in the section containing the analysis of results and the financial position, by the performance of business operations, by the extraordinary transactions completed in the period (disposal of Performance Advertising and acquisition of Etinet S.r.l.), and by the rescheduling of certain medium/long-term loans.

For further information and details, reference should be made to the consolidated cash flow section.

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



Results

The following tables show the key results of the **Dada Group** in 2015 (full year and quarterly) versus 2014:

EUR/000	31 Dec.-15 12 months		31 Dec.-14 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**62,167**	**100%**	**59,504**	**100%**	**2,663**	**4%**
Chg. in inventories & inc. in own wk. capitalized	2,269	4%	3,004	5%	-735	-24%
Service costs and other operating expenses	-35,732	-57%	-34,889	-59%	-843	2%
Payroll costs	-18,238	-29%	-18,457	-31%	219	-1%
EBITDA	**10,466**	**17%**	**9,162**	**15%**	**1,304**	**14%**
Depreciation and amortization	-6,866	-11%	-7,162	-12%	296	-4%
Non-recurring income/(charges)	-203	0%	-411	-1%	207	-50%
Impairment of fixed assets	0	0%	-23	0%	23	-100%
Impairment losses and other provisions	-235	0%	-70	0%	-166	238%
EBIT	**3,162**	**5%**	**1,497**	**3%**	**1,665**	**111%**

EUR/000	4th quarter 2015		4th quarter 2014		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**15,507**	**100%**	**15,017**	**100%**	**489**	**3%**
Chg. in inventories & inc. in own wk. capitalized	580	4%	675	4%	-94	-14%
Service costs and other operating expenses	-9,249	-60%	-8,852	-59%	-397	4%
Payroll costs	-4,830	-31%	-4,708	-31%	-122	3%
EBITDA	**2,008**	**13%**	**2,132**	**14%**	**-124**	**-6%**
Depreciation and amortization	-1,795	-12%	-1,915	-13%	120	-6%
Non-recurring income/(charges)	-58	0%	-264	-2%	207	78%
Impairment of fixed assets	0	0%	0	0%	0	-
Impairment losses and other provisions	-30	0%	260	2%	-290	-112%
EBIT	**125**	**1%**	**213**	**1%**	**-88**	**-41%**

In 2015, the Dada Group achieved **consolidated revenue** of €62.2 million, up by 4% versus €59.5 million in 2014. The revenue performance reflects the favourable trend of the depreciation of the Euro against the British Pound, which accounted for approximately €2.3 million versus 2014, as well as the following changes in the business scope:

- the disposal of the UK ADSL business (disposed of at the end of May 2014), which contributed €0.3 million to revenue in 2014;
- the disposal of ProAdv/Simply, the online advertising product, starting from 1 July 2015, which contributed €1.4 million to revenue in 2H14;
- the consolidation of the results of Etinet S.r.l., starting from 1 July 2015, which contributed €0.4 million to revenue in 2H15.

Net of these effects, consolidated revenue would have grown by 3% versus 2014.

As explained in the quarterly report at 30 September 2015, in 2015 the Group successfully completed the refocusing process on the core business of digital services for online presence and visibility tailored to SMEs, redefining the corporate scope with the disposal of the Performance Advertising BU in March 2015 (Moqu Advertising), the transfer of the ProAdv/Simply BU to 4w MarketPlace S.r.l. in June 2015, and the acquisition in July 2015 of Etinet S.r.l., one of the most innovative Italian web factories, specialized in advanced services for the development of responsive and mobile-friendly websites, in innovative solutions for the promotion of digital presence on mobile and social channels, and in projects in 'We do it for you' mode.

Over the past few years, the **Dada Group** has **focused** its **resources** on the **development of the D&H business**, investing in a **cutting-edge, integrated technology infrastructure**, which includes the new **Datacenter** in the UK, built in 2013 and completed in 2015, in the integration of the **operating platforms**, and in the development of the **product portfolio**, anticipating relevant market trends.

To date, Dada is one of the **top European players** in online presence services for SMEs. It operates in **7 European countries** through highly established **brands** (Register.it, Nominalia, Amen, Poundhost and Namesco.uk.co). Dada is one of the leading players in its countries of operation, including in Italy and the UK (one of the most advanced markets in Europe), where it ranks second and fourth respectively, with **market shares increasing** in all countries, thanks to the **sales policies implemented in 2015**.

In 2015, Dada recorded an **improvement** in all the **key business metrics** at the **international** level. Its **overall customer base** topped the 560,000 mark, increasing by **+6%** versus 2014. **New customers** were up by **+32%** versus 2014, thanks especially to the launch of effective sales strategies and to greater **marketing investments** in the second half of the year.

Looking at the product portfolio, on the **Domains** front, the increase in new registrations reported last year picked up further pace in the last quarter, ending with a **+22% increase versus 2014** and with a total stock of 1.8 million domains under management.

At 31 December 2015, the Group manages **1.6 million email accounts** and over **650 thousand active hosting plans** in Italy, the UK and Ireland, Spain, France, Portugal and Holland. It has **increased 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%**) increasing their **lifetime**, stems from constant effort in terms of both service performance and **customer support**. In this sense, the interaction channels and contact time of the various **local customer care desks** (all internalized) have been extended.

Service performance and focus on retention goals translate into an average renewal rate even higher than 90% for a number of products, increasing opportunities for the upselling of **incremental and higher value-added services** to the established customer base, with the aim of **increasing** its **ARPU**. Moreover, in 2015, **price repositioning** policies were launched to **cover a wider range of customers**.

The **suite of products** has been further expanded 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.

More specifically:

- the **new, advanced cPanel hosting solution**, released in the second part of the year **and fully managed at the proprietary Datacenter located in Reading (UK),** which **posted positive** results in terms of volumes, confirming the keen interest of the European market in this particular product.

- the range of new advanced **Cloud Hosting, Virtual and Dedicated Servers** services, boasting high performance and pricing even more flexible than in the past and than competition, have allowed Dada to increase its market share in this segment.
- '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 launch 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 56% in 2015, increasing slightly versus the percentage reported in 2014 (55%). This confirms the significant weight of international business in the overall development of the Group.

In 2015, **consolidated EBITDA** of the Dada Group, before impairment losses and other non-recurring items, came to a positive €10.5 million (17% margin). EBITDA grew by 14% versus €9.2 million in 2014, when it reported a 15% margin.

Looking at the breakdown of the income statement aggregate, all main cost items decreased as a percentage of revenue. Specifically:

- service costs were in line with the levels in 2014, dropping from 59% as a percentage of revenue in 2014 to 57% in 2015. Mention should be made that marketing costs rose (€6.4 million, up 37% versus 2014) to support the acquisition of new clients in an increasingly competitive market, while the depreciation of the Euro against the US dollar impacted negatively on the costs to purchase domains from authorities (with an impact of approximately €1.2 million, accounting for 3% of total service costs). These increases versus the prior year were, however, countered by the benefits deriving from the startup of the new Datacenter in the UK, from the more favourable renegotiation of the supply contract of the Datacenter in Milan, and from the gradual disposal of the French datacenters (for a total reduction of €1.1 million, or 21% less than in 2014, which was also impacted by the duplication of certain operating costs from the startup of the new Datacenter in the UK);

- payroll costs in 2015 dropped by 1% to €18.2 million versus €18.5 million in 2014, representing 29% of revenue (31% in 2014). The trend of this aggregate is mainly ascribable to the success of the efficiency measures announced last year, and to the restructuring of the operating offices in France and Holland, which resulted in a reduction in labour costs, both in absolute terms and as a percentage of revenue, despite an increase in the number of staff (398 people at 31 December 2015 versus 364 at the end of 2014);

- the item "increase in own work capitalized", amounting to €2.3 million in 2015, or 4% of consolidated revenue, and dropping by 24% versus €3.0 million in 2014 (5% of consolidated revenue), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the Dada Group. This change is mainly attributable to the gradual implementation of the investments made in the development of services over the past few quarters, and to the progress of the projects related to the development and integration of the proprietary technology platforms.

In 4Q15 alone, revenue amounted to €15.5 million, up by 3% versus €15.0 million in 2014. EBITDA came to €2.0 million versus €2.1 million in 4Q14, with margins on revenue of 13% and 14% respectively. The reduction in operating profit in 4Q15 is mainly ascribable to the sales policies adopted, which resulted in an increase in marketing costs (+44%) aimed to support the growth of the customer base also in the long-term, in an increasingly competitive market environment.

In 2015, consolidated EBIT of the Dada Group came to a positive €3.2 million (5% margin on consolidated revenue), rising sharply versus the positive €1.5 million in 2014 (3% margin), increasing in absolute terms by €1.67 million (+111%).

The improvement achieved by this aggregate, in addition to the above-mentioned comments on EBITDA growth, is explained by the following factors:

- in 2015, amortization and depreciation amounted to €6.9 million (11% on consolidated revenue), €3.8 million of which for tangible assets and €3.1 million for intangible assets. In 2014, amortization and depreciation amounted to €7.4 million (12% of revenue), €3.8 million of which for tangible assets and €3.4 million for intangible assets. As a result, this aggregate decreased by a total of €0.3 million, or about 4% (8% considering amortization alone, while depreciation was basically in line).
  The trend of tangible asset costs is the direct result of the investment policy pursued starting from the prior years, mostly for the creation of the Datacenter in the UK, which was completed in the current financial year and brought the relevant depreciation "to full effect"; regarding intangible assets instead, the current year saw a reduction in the internal development of proprietary platforms, which have become fully operational.

  Further details on investments made by the Dada Group over the period and on the breakdown of amortization and depreciation are found in the section on the Financial position and in the notes to the consolidated financial statements;

- In 2015, consolidated EBIT was negatively impacted by impairment losses, provisions and other non-recurring income/charges of €0.4 million versus €0.5 million in 2014, dropping by about €0.1 million. Regarding this item:
  - Provisions amounted to €0.2 million, resulting from the combined effect of the impairment of trade receivables and loss on receivables of €0.29 million, and of the positive release to the income statement of a portion of the provisions for risks and charges (€0.06 million) made in prior years, though later reported at lower-than-forecast levels. Impairment losses increased slightly versus those in 2014.
  - Non-recurring charges in 2015 amounted to €0.2 million, €0.1 million of which refers to severance for leave payment, and to non-recurring costs and expenses for certain extraordinary transactions such as the transfer of the ProAdv/Simply BU to 4w MarketPlace and the acquisition of Etinet. In 2014, non-recurring charges had amounted to -€0.4 million, referring mostly to the costs incurred in the reorganization of a number of the Group's foreign subsidiaries.

  Mention should be made that non-recurring costs incurred to complete the extraordinary transaction regarding the disposal of Moqu, amounting to approximately €0.2 million, were recognized in Profit/(loss) from discontinued operations, as explained more in detail in Note 5.

In 2015, as in 2014, no impairment of goodwill was reported following the impairment tests carried out at year end, under IAS 36.

Looking at 4Q15 alone, consolidated EBIT of the Dada Group showed a positive €0.1 million versus a positive €0.2 million in 4Q14 (1% of consolidated revenue), dropping in absolute terms by €0.1 million (-41%).

The weight of amortization and depreciation on EBIT in 4Q15 came to €1.8 million, €0.9 million of which for tangible assets (€1 million in 4Q14) and €0.9 million for intangible assets (€0.9 million in 4Q14 too).

In 2015, the Dada Group's consolidated comprehensive profit from continuing operations came to a positive €1.7 million, improving sharply versus -€1.2 million in 2014, increasing by €3.7 million in absolute terms.

Looking at 4Q15 alone, comprehensive profit from continuing operations came to -€0.9 million versus -€0.6 million in 4Q14.

Comprehensive profit from continuing operations in 2015 benefited mostly from the transfer completed at the end of June 2015 of the ProAdv/Simply BU in exchange for 25% of the share capital of 4w MarketPlace S.r.l. resulting from a specifically intended capital increase. The business unit was valued on the basis of a sworn appraisal at €2.2 million versus a carrying value basically equivalent to zero. A corresponding gain was recognized with a balancing entry in the statement of financial position under investments in associates. The two other extraordinary transactions also had a minor impact, in particular, the disposal of Moqu had no meaningful effect as it had been accounted for under OPI 1, with capital gains booked directly to equity, while the acquisition of Etinet brought a positive contribution of €63 thousand.

Details of the impact of financial activities and tax are found in the following two paragraphs:

Overall consolidated financial activities (the difference between financial income and charges) of the Dada Group in 2015 came to -€2.5 million, €0.6 million of which in 4Q15, versus -€2.7 million in 2014, €0.8 million of which in 4Q14.

In particular, this upward trend benefited from the effects associated with forex fluctuations, especially those regarding the Euro/British pound exchange rate.

The negative trend of the Euro to British pound exchange rate (which has in the meantime revalued) already reported in the final months of 2014 continued in the current year; the British pound moved higher especially in the first quarter, stabilized in the second and reversed the trend in 2H15. As a result, the average British Pound/Euro exchange rate dropped from 0.81 over the 12 months of 2014 to 0.726 over the 12 months of 2015, with an approximately 10% upward variation for the pound. The same exchange rate pattern was reported for the Euro and US Dollar, impacting on the financial results; however, as these results are related to the disposed Performance Advertising division (first two months of 2015), they were recognized in Profit/(loss) from discontinued operations.

The financial effects of these exchange rate movements were partly mitigated by non-speculative hedging of currency risks made by the Group also in the reporting period. This currency risk hedging policy mainly uses plain vanilla derivatives.

The trend in spreads and rates charged on the different types of outstanding loans of the Dada Group all improved in 2015 versus 2014 and in 4Q15 versus 4Q14, thanks mainly to the positive outcome of a number of renegotiations of outstanding medium/long-term loans. These activities mainly regarded the renegotiation of the mortgage loan with Intesa San Paolo and Unicredit 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), whose effects began to be felt from 2Q15, since the new agreements are effective as from 31 March 2015. Furthermore, the new financing agreements concluded also at the end of 3Q15 brought a reduction in spreads, although these benefits were felt starting from 4Q15. Further details are found in the section on the Financial position and in the notes to the consolidated financial statements.

Consequently, overall financial charges, net of forex, improved and amounted to €2.8 million in 2015 versus €3 million in 2014, and refer to:

- interest expense on bank loans granted to finance the acquisitions made in prior years for the non-current portion of €1.15 million, basically in line with the prior year;
- interest owed on bank overdrafts and on other types of current loans (hot money and the like) for a total of €0.1 million, improving sharply versus €0.4 million in 2014. Bank commissions amounted to €0.4 million versus €0.3 million in 2014; credit card fees were up from €1 million to €1.1 million in 2015, due to higher business volumes;
- differentials on hedging derivatives (IRS and CAP commissions), amounting to €0.1 million, were fully in line with the figure in 2014.

The overall improvement in interest expense is mainly explained by the improvement in the net financial position, which dropped from -€33.6 million at 31 December 2014 to -€27.9 million at end 2015, and by the benefits of the above renegotiation. For further details on the variations in the net financial position, reference should be made to the specific section found in this Report.

There was no financial income worthy to report in 2015, as in 2014.

As mentioned earlier, forex contributed positively in 2015, with an overall net positive result of €0.3 million versus a positive €0.1 million in 2014, hence ending with a net positive difference of €0.2 million.

Looking at consolidated tax from continuing operations, the overall tax burden of the Dada Group in 2015 came to €1.2 million, €0.5 million of which in 4Q15, up versus €0.8 million reported in 2014, €0.1 million of which in 4Q14. Most of the increase (in addition to the details below) is also explained by the improvement in profit before taxes, which came to a positive €2.9 million (benefiting also from the capital gains following the transfer of Simply, not relevant for tax purposes) versus a loss of €1.2 million in 2014.

In this connection again, it should be noted that tax for the year recognized in the consolidated income statement, with respect to consolidated profit before taxes, was positively affected also by the results achieved by certain Italian and foreign-based companies of the Dada Group, which do not benefit from tax losses.

More specifically, current tax amounted to -€0.5 million versus -€0.6 million in 2014, deferred tax assets amounted to -€0.8 million versus -€0.2 million in 2014, while the remaining part (€+0.1 million) came from the release to the income statement of a provision made in 2014 for a tax dispute positively settled later.

Current tax in 2015 is composed of: - IRAP on a number of Italian companies, which amounted to €0.1 million, significantly lower than the figure accounted for in 2014 (€0.4 million), as a result of the changed legislation that allows a higher deduction of labour costs from IRAP for permanent contracts versus prior years; - the tax burden on certain companies, in particular on UK subsidiaries, which posted positive income before taxes of €0.4 million (increasing from €0.16 million in 2014); - prior-years' tax, related to the different tax burden recognized in 2014 versus the final amount shown in the tax returns, came to a positive figure of €0.1 million in 2015, while no significant effects were felt in 2014.

Deferred tax assets recognized in the consolidated financial statements of the Dada Group have been calculated, over the prior years, on the basis of temporary differences relating to provisions, impairment losses and other tax adjustments that are expected to be reabsorbed in the future, and the portion of carry-forward tax losses likely to be recovered.

Specifically, deferred tax assets in 2015 produced a negative impact of €0.8 million on consolidated profit for the year. Out of this figure, €0.4 million is the result of the release of the assessments made in prior years on temporary differences for both Italian and foreign companies (such as the use of provisions for risks and charges, provisions for bad debts, and amortization and depreciation), and €0.5 million comes from further releases to the income statement following the changed Italian legislation on IRES. In this regard, under the 2016 Stability Law, from financial year 2017, the IRES tax rate will be lowered from 27.5% to 24%, with a resulting negative impact on expected future benefits in terms of deferred tax assets, accounted for in prior years with a higher rate. Following this change, the Group has revised the assessment of deferred tax assets, determined on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

The analysis was made considering the actual possibility of generating positive future taxable income, as resulting from the forecasts on financial results envisaged in the plans approved by the meetings of the Board of Directors and also used for the impairment tests. This calculation takes into account the new laws relating in particular to the full and indefinite recovery of tax losses incurred by Italian companies.

In 2014, deferred tax assets brought a negative impact of €0.2 million, the result of -€0.4 million from the release to the income statement of deferred taxes calculated on temporary differences arising from prior years, and of €0.2 million from increases made in 2014.

The Dada Group has accrued tax losses of €40.1 million which, in accordance with the changes made to Italian tax law on tax loss recovery, may be fully carried forward indefinitely. Mention should be made that tax losses on which deferred tax assets have been calculated amounted to €17.4 million (€17 million in 2014).

These consolidated financial statements also show **Profit/(loss) from discontinued operations**, which includes income statement figures referring to the Performance Advertising division, sold to Italiaonline S.p.A. in March 2015, but with financial effects recognized as from 28 February 2015. This result showed a loss of €0.3 million (a loss of

€0.2 million in the same period of 2014), €0.2 million of which attributable to non-recurring costs incurred by the Group for the completion of the abovementioned transaction; net of these costs, Profit/(loss) from discontinued operations would have slightly increased versus the prior year.

This annual income statement does not include any non-controlling interests.

The Dada Group's consolidated net profit at 31 December 2015 came to a positive €1.3 million versus -€2.2 million in 2014.

PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, since 31 March 2015 (but with financial effects recognized as from 28 February 2015), the Dada Group has been organized in a single business segment gravitating around Domain & Hosting services.

This effect is a result of the reorganization following the disposal of the Moqu Group as explained in the introduction. Accordingly, the current product lines related to the core business of domains and hosting and corporate activities are integrated in such a way as to no longer qualify as separate business segments under IFRS 8. Further information is also found in Note 4 in these financial statements.

Main results by segment

As mentioned earlier, the Dada Group is currently organized around the "Domain and Hosting" business segment; the relevant income statement figures for 2015 and 2014 are analyzed in the notes (Note 4) to the Consolidated Financial Statements.

Geographical breakdown of consolidated revenue

The following tables show the breakdown of Italian and international Group consolidated revenue in 2015 versus 2014:

Description	31/12/2015 (12 months)		31/12/2014 (12 months)	
	Amount	**% of total**	**Amount**	**% of total**
Revenue – Italy	27,159	44%	27,049	45%
Revenue – abroad	35,008	56%	32,454	55%
Total	**62,167**		**59,504**	

In 2015, foreign-based activities grew and drove consolidated revenue, even net of the benefits from the revaluation of the British pound against the Euro, confirming the importance of international business in the development of the Group. Dada is a multinational player, well positioned to successfully compete in a number of major European markets, such as the UK and Ireland, Spain, France, Portugal and Holland.

Financial position

The following table shows the total net financial position of the Dada Group at 31 December 2015 versus the position at 31 December 2014:

	NET FINANCIAL POSITION				
	EUR/000	**31 Dec.-15**	**31 Dec.-14**	**DIFFERENCE**	
				Tot.	**%**
A	Cash on hand	14	13	1	4%
B	Bank and post office deposits	2,192	1,378	814	59%
C	Liquidity (A+B)	2,206	1,391	815	59%
D	Financial escrow accounts and other financial receivables	1,500	-	1500	-
E	Other receivables	-	-	-	-
F	Other financial receivables (D + E)	1,500	-	1,500	
G	**Total Financial Assets (C+F)**	**3,706**	**1,391**	**2,315**	**166%**
H	Current credit lines and account overdrafts with banks	-857	-5,828	4,971	-85%
I	Current bank borrowings	-10,181	-12,355	2,175	-18%
L	Other current financial payables	-90	-	-90	-
M	Current portion of derivatives	-87	-53	-33	62%
N	Current debt (H+I+L+M)	-11,214	-18,237	7,023	-39%
O	Non-current bank borrowings	-20,332	-16,674	-3,657	22%
P	Non-current portion of derivatives	-51	-54	3	100%
Q	Non-current debt (O+P)	-20,382	-16,728	-3,654	22%
R	**Total Financial Liabilities (N+Q)**	**-31,596**	**-34,964**	**3,368**	**-10%**
S	**Current net financial position (G+N)**	**-7,508**	**-16,899**	**9,391**	**56%**
T	**Total net financial position (G+R)**	**-27,890**	**-33,573**	**5,683**	**17%**

The total net financial position of the Dada Group at 31 December 2015, which includes short and medium/long term funding and loans, came to -€27.9 million versus -€33.6 million at 31 December 2014, generating an overall cash flow of €5.7 million.

The current net financial position - which includes short-term items only - came to -€7.5 million at 31 December 2015 versus -€16.9 million at 31 December 2014.

Debt movements are explained by Group cash flows for operations over the year (reference should be made to the consolidated cash flow statement and to the other sections below), and by the following extraordinary transactions involving the Group in 2015:

- the disposal in March of Moqu Adv S.r.l. from Dada S.p.A. to Italiaonline S.p.A. for a cash consideration of €5 million, as well as the booking, from 31 December 2015, of the variable portion of the price of €1 million under short-term financial assets, having achieved the payment goals (the amount is classified under "financial escrow accounts and other financial receivables" in the table above, together with the €0.5 million held until 31 December 2016 and related to the loan granted by Unicredit);
- - the renegotiation of the medium/long-term loan with Banca Intesa and the issuance of a new loan with Unicredit which allowed, among other things, to extend the duration of overall debt, reducing the current portion and increasing the non-current one, while reducing the cost of debt.
  a new medium/long-term loan of €3.5 million granted at end September 2015 by Cariparma.

  Further details on debt rescheduling are found further below in these consolidated financial statements. The mains results of the renegotiation brought:

  - an improvement in the pricing of the loans in terms of spreads charged;
  - an extension of the duration of overall debt, reducing the current portion and increasing the non-current one;
  - an alignment of the cash flows of the Group more to the instalment payments of principal.
- the acquisition of Etinet S.r.l., which took place in July 2015 and resulted in a total outlay of approximately €0.7 million, in addition to the booking of the variable portion of the price (a further €0.1 million), having achieved the goals set.

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 December 2015. Specifically, in 2015 a new IRS contract hedging the Unicredit loan was signed, in addition to the two already in place with Banca Intesa; these contracts provide an overall coverage of at least 50% of the risk of fluctuations on the base rate. The Group equally undertook to sign an IRS contract - formalized at the end of this year - to hedge the new loan granted by Cariparma on 30 September 2015.

Non-recurring cash flows in 2015 amounted to €0.7 million and consist of:

- €0.1 million referring to severance costs for employees;
- €0.4 million referring to the financial effects of the disposal of the Moqu BU, split up into €0.2 million for costs to carry out the transaction, and €0.2 million for the effects of the deconsolidation of Moqu;
- €0.1 million referring to costs for the acquisition of the Etinet investment, and €0.1 million to costs for contractual penalties and legal transactions for disputes settled in the year.

Non-recurring cash flows in 2014 came to -€0.4 million, the result of the offsetting of extraordinary positive flows (disposal of co-location assets in the UK and cash-in of the final portion of VAT credit for a total of €0.5 million) and negative flows (non-recurring charges for severance and legal and tax disputes of €0.9 million).

The following table shows a summary of cash flow movements in 2015 relating to cash and cash equivalents compared with those in 2014. For further details, reference should be made to the Cash Flow Statement included in the consolidated statements and to the relevant notes:

EUR/000	**31 December 2015**	**31 December 2014**
Cash flow from operating activities	10,665	7,537
Cash flow from taxes and interest paid	-3,281	-3,929
Cash flow from investing activities	-2,561	-6,314
Cash flow from financing activities	3,138	-4,573
Net cash flow (cash and cash equivalents)	**7,961**	**-7,279**

Cash flow from operations in 2015 improved sharply versus the figure in 2014, due mainly to the abovementioned increase in Dada Group's operating profit, and only to a minor extent to the positive change in net working capital.

Regarding reconciliation between cash flow of the net financial position and cash flow shown in the consolidated financial report, reference should be made to Note 24 in these consolidated financial statements. The following points provide detailed information on the main aggregates in the net financial position.

Financing activities

The Group's cash flow statement at 31 December 2015 came to a positive €3.1 million (-€4.6 million in 2014), relating to "net difference in cash flow from financing activities"; the trend of this aggregate is explained by the following elements:

- the net positive effect - €1.2 million - of the reclassification FROM current and non-current portion (beyond one year) of the loans with Banca Intesa and Unicredit as renegotiated in March 2015;
- the net positive contribution of the new medium/long-term loan of €3.5 million granted on 29 September 2015 by Cariparma, with a non-current impact of €3.2 million;
- the overall net negative effect - €0.7 million - of new bank loans and finance leases taken out for the portion expiring beyond one year to finance a number of investments in property, plant and equipment made by the Group (especially in the UK), and the repayment of loans and leases taken out in prior years;
- the negative effect of €0.5 million from the loan granted by Unicredit in March 2015 which, under the agreement, is placed in an escrow account until 31 December 2016;

- other positive changes - €0.1 million – from currency adjustments of loans denominated in foreign currency (mainly those taken out by the UK subsidiary Namesco UK).

In 2014, financing activities had shown a negative figure of €4.6 million, €4.5 million of which referring to the short-term reclassification of loans taken out by the Group (especially the loan granted by Banca Intesa), while the residual €0.1 million came from variations in other financial liabilities (IRS differential of the year).

These differences impact solely on "cash, cash equivalents and current bank borrowings", which is used to build the cash flow statement appearing in the consolidated financial statements, but are neutral on the "total Net Financial Position" explained in the Directors' report as alternative performance indicator, as it includes all non-current financing sources

The breakdown of non-current assets, net working capital and net capital employed of the Dada Group at 31 December 2015 versus 31 December 2014 is shown below:

EUR/000*	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Intangible assets	88,475	86,849	1,627	2%
Property, plant and equipment	8,878	8,333	545	7%
Non-current financial assets	2,392	183	2,209	1211%
Fixed assets	**99,745**	**95,364**	**4,381**	**5%**
Inventories	11	0	11	-
Trade receivables	3,504	5,233	-1,729	-33%
Tax and other receivables	10,136	12,352	-2,216	-18%
Current operating assets	**13,652**	**17,585**	**-3,934**	**-22%**
Trade payables	-6,713	-10,148	3,435	-34%
Other payables	-16,380	-16,046	-334	2%
Taxes payable	-2,020	-1,657	-363	22%
Current operating liabilities	**-25,113**	**-27,851**	**2,738**	**-10%**
Net working capital	**-11,461**	**-10,266**	**-1,196**	**12%**
Provision for termination indemnities	-667	-815	148	-18%
Provision for risks and charges	-392	-544	151	-28%
Other payables due beyond one year	-	-17	17	-
Other consolidated liabilities	**-1,059**	**-1,376**	**316**	**-23%**
Net capital employed	**87,225**	**83,723**	**3,502**	**4%**

*The other figures of the reclassified statement of financial position are shown in the table on page 91

Investing activities, tangible and intangible assets

In 2015, as mentioned above, the Dada Group made investments in tangible and intangible assets for a total of €7.3 million (€7 of which accounting for the financial effects in terms of cash flow), up by 22% versus the €6.3 million invested in 2014.

The following table shows a summary of the investments made by the Dada Group (in terms of the increase in own work capitalized) in property, plant and equipment and in intangible assets in 2015 and 2014:

INVESTMENTS

Description	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Plant and EDP machines	3,909	2,125	1,785	84%
Furniture and fittings	21	27	-6	-21%
Other	33	58	-25	-43%
TOTAL tangible assets	**3,963**	**2,209**	1,754	79%
Goodwill	778	-	778	n.m.
Product/service development costs	2,368	3,585	-1,216	-34%
Concessions, licenses, brands	108	104	4	4%
Other	54	79	-25	-32%
TOTAL intangible assets	**3,309**	**3,768**	-459	-12%
TOTAL INVESTMENTS	**7,272**	**5,978**	1,295	22%

Main investing activities in 2015:

- *investments in tangible assets* amounted to €4 million, accounting for approximately 55% (37% in 2014) of total investments made by the Dada Group in the whole year. These investments reported a significant increase (+79%) versus the €2.2 million in 2014, as a result of the completion of the investment in the Datacenter in the UK, which amounted to £0.9 million (approximately €1.3 million) in 2015. The final portion of the investment was settled last December.
  Investments in tangible assets in 2015 referred almost exclusively to the purchase of systems and network servers (€3.9 million versus €2.1 million in 2014), including hardware for clients of dedicated servers and new systems and other electronic equipment needed for the provision of Domain and Hosting services. No noticeable increases were seen in investments in furniture and fittings and other tangible assets (€0.1 million in 2015 as in 2014). Mention should be made that the deconsolidation of Moqu brought no differences in investments in tangible assets in 2015 versus 2014;

- *investments in intangible assets* amounted to €3.3 million (5% of revenue in 2015 and 45% of total investments in the year), dropping in absolute terms and as a percentage versus 2014 (-12%), when investments had amounted to €3.8 million (6% of revenue in 2014 and 63% of total investments in the year).

As for their composition, mention should be made of the increase in goodwill of €0.8 million for the abovementioned acquisition of Etinet.

In 2015, a large portion of investments was equally made in the internal development of products and processes, which dropped versus those in the prior year. These investments came to approximately €2.4 million, accounting for about 72% of investments in intangible assets made over the year, and for about one third of total investments made by the Group. Comparing the situation with 2014, account has to be taken of the deconsolidation of Moqu, which contributed approximately €0.6 million to intangible investments in process development.

Internal development expenses regarded further implementation carried out by in-house staff dedicated to the development of the proprietary platforms needed to provide hosting services.

These expenses in 2015 referred to software for the management of services, the main investments of which were made in the new GTLDs, dedicated servers, Ap store, My VPS, API, Site Lock and so forth. The reduction versus 2014 is mainly attributable to the gradual implementation of the investments made over the past few quarters, and to the gradual progress of the projects related to the development and integration of the proprietary technology platforms.

The purchase of licenses and brands amounted to €0.1 million (basically in line with 2014), and related to the purchase of new extensions for the management and provision of domain registration services.

"Other", amounting to €0.1 million, in line with 2014, refers mainly to the purchase of third-party software needed for the provision of business services and implementation on management systems.

Net working capital

The Dada Group's Net Working Capital was -€11.5 million at 31 December 2015 versus -€10.3 million at 31 December 2014 and -€10.7 million at 30 September 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; a significant part of this revenue is recognized during the entire year as deferred income on a pro-rata basis. This trend begins to re-absorb, then stabilize in the second part of the year. This trend reflects on the aggregate in deferred income classified under other liabilities in the table above.

The trend of net working capital in 2015, versus the end of 2014, was equally affected by the Group's increased volumes over the reporting period, and by the extraordinary transactions in 2015, regarding the disposal of Moqu S.r.l. in particular, which narrowed the scope of consolidation of the Dada Group, also impacting on this balance sheet item (with a proforma amount of approximately €0.6 million). The two other transactions completed in 2015 - the transfer of Simply to 4W and the acquisition of Etinet - had, instead, a minor impact on this aggregate.

Looking at the single items forming the net working capital, it should be noted that trade receivables at 31 December 2015 amounted to €3.5 million versus €5.2 million at 31 December 2014 (down by 33% due also to the deconsolidation of Moqu and the transfer of Simply), and include only receivables from certain Domain and Hosting services, that have deferred collection conditions and time. The trend was, therefore, also affected by the growth in revenue from these services and, to a lesser extent, by the acquisition of Etinet.

Likewise, trade payables showed a strong downward trend, falling by 33% from €10.1 million at 31 December 2014 to €6.8 million at 31 December 2015.

These items, and the various receivables and payables, are explained in the notes to the consolidated financial statements.

Mention should be made that other current liabilities include deferred income of approximately €12.9 million resulting, as mentioned above, from the management on an accrual basis of certain D&H services; these will not entail future financial outlays, but rather the recognition of revenue in the income statement. Deferred income at 31 December 2014 amounted to €11.9 million, and to €12.7 million at 30 September 2015.

Other items of **net capital employed** consist of consolidated liabilities due beyond one year and include termination indemnities and provisions for risks and charges; in 2014, they consisted, to a minor extent, also of "other liabilities", made up of instalments due beyond one year regarding a minor tax dispute.

Termination indemnities fell by €0.1 million, as a result of outgoing staff and, to a lesser extent, of advances. This payable varies over time (in addition clearly to decreases for advances and outgoing staff) based on revaluations made during the year and on actuarial assessments required by international accounting standards. The provision for risks and charges decreased in 2015, dropping from €0.5 million in 2014 to €0.4 million in 2015, owing to disputes settled during the year and to the partly positive release to the income statement of part of the provision deemed no longer necessary. The balance at 31 December 2015 includes assessments for severance outlays made in prior periods and still pending settlement at year-end, as well as legal disputes expected to be settled in the medium term. There was no increase reported in the provisions in 2014, while provisions were re-allocated among various Group companies at a consolidated level. For further details on the composition of provisions for risks and charges, reference should be made to the specific sections in the notes to the consolidated financial statements.

In prior years, this item had been largely impacted by the effects of assets and liabilities disposed of as part of the extraordinary disposal of significant investments in subsidiaries.

The Dada Group's **Shareholders' Equity** amounted to €59.3 million at 31 December 2015 versus €50.2 million at 31 December 2014. The increase is explained mostly by the contribution of profit for the year of €1.3 million, the translation of financial statements of consolidated companies denominated in GBP of €2.5 million, the recognition of the gain of €5.2 million from the disposal of Moqu under OPI 1 (transactions among companies under the same control), and the rest by the value of the exercise of the stock options.

Group employees

Group employees and geographical breakdown

The Dada Group's headcount at 31 December 2015 totaled 398 employees and is split up as follows:

Segment	31/12/2015	31/12/2014	Difference
D&H	360	306	54
Performance Adv.		24	n.a.
Corporate	38	34	4
Total	**398**	**364**	**34**
Managers	7	11	**-4**

The geographical breakdown of employees is shown below (at 31 December 2015 and 2014):

	Italy		Abroad		TOTAL	
Segment	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
D&H	193	164	167	142	360	306
Performance Adv.		20		4	0	24
Corporate	27	25	11	9	38	34
Total	**220**	**209**	**178**	**155**	**398**	**364**

Changes in the organizational structure

As early as 2014, the EU organizational sales structure evolved according specifically to the strategic decision to operationally combine sales activities in France and Holland with the organizational structures in Spain and Portugal, achieving greater efficiency and, consequently, further cost optimization.

Concurrently, additional boost was given to sales activities in Italy, increasing focus on and resources to the sales and customer assistance teams.

A thorough analysis was also carried out of roles, responsibilities and organizational requirements, aimed at enhancing the finest resources and skills. This led to an adjustment in the organizational structure and to an improvement in productivity.

Information on environmental policy and safety

Environmental policy

The objectives of the Dada Group's environmental policy are:

- to optimize the use of source of energy and natural resources by improving the technologies used in the Group's offices and spaces;
- to increase environmental awareness including through the use of specific in-house initiatives;
- to implement sustainable purchasing policies.

Waste

The Group companies provide services which produce a limited quantity of waste managed as follows:

Paper	Separate collection
Toner	Given to a specialized firm for disposal
Obsolete hardware	Given to a specialized firm for disposal
Non separated waste mixed with urban waste	Collected in communal containers

Water

The Group companies consume a limited amount of water for sanitary needs and personal hygiene.

Energy

The Dada Group pays careful attention to energy consumption. With regard to electricity, low consumption lighting systems, which still comply with regulations lighting requirements, have been installed at all the Dada Group company offices.

Safety

The Group's policy, with regard to occupational safety, is focused on continuous improvement and dedicating the utmost attention to this issue.

All the Group's businesses are involved in and dedicated to office work.

Dada constantly complies with applicable norms and regulations, including with those related to safety, has all the statutory figures in place, updates its Risk Assessment Report and keeps addendums constantly in order to reflect any organizational and technical changes that have taken place.

The Group's Integrated Workplace Safety Management System – based on the SGLS UNI-INAIL model - is part of the Group's overall Management System.

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 March 2015, explained in Note 19, 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 at 31 December 2015 with major banks: a 0.7775% IRS contract with an amortizing notional amount of €4.4 million at 31 December 2015; a 0.631% IRS contract with an amortizing notional amount of €4.4 million at 31 December 2015; a 0.395% IRS contract with an amortizing notional amount of €5 million at 31 December 2015; a 0.265% IRS contract with an amortizing notional amount of €3.5 million at 31 December 2015; a 0.2% IRS contract with an amortizing notional amount of €0.5 million at 31 December 2015. 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). In 1Q15, the interest rate cap with a strike rate of 3% on principal of €0.7 million and a fair value of zero was settled with a major bank.

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 December 2015, 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 €39.5 million, approximately €31.4 million of which drawn down (€40 million and €34.4 million, respectively, at 31 December 2014). Cash available amounts to €3.7 million, also following the €5 million cashed in from the disposal of Moqu S.r.l., and the loan granted by Cariparma on 30 September 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 two months of 2015, 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.

In December 2014, a Dada Group company fully settled its dealings with Seat P.G., which gave effect to the composition with creditors procedure (blank option), closing past positions. At 31 December 2015, dealings with this party, 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 Report, appearing in the notes to the consolidated financial statements at 31 December 2015.

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 also 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.

Alternative performance indicators:

This 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.

RELATED PARTY TRANSACTIONS

For further information on related party transactions, reference should be made to Note 26 of the specific explanatory notes.

SIGNIFICANT EVENTS IN 2015

The events which had the most significant impact on the Dada Group in 2015 are described below:

On 16 March 2015, Dada S.p.A. signed a binding contract with Italiaonline S.p.A. for the disposal of the 100% interest held in Moqu Adv S.r.l., which heads up the Performance Advertising business (holder, in turn, of a 100% interest in Moqu Ireland Ltd), which was a separate and independent business segment under IFRS 8.

The transaction is part of the strategy of the Dada Group to focus on the core business of digital services for SMEs, and aims to further strengthen Dada’s role as a top European player in the business of domain name registration, hosting, and servers.

The agreement provided for the acquisition by Italiaonline of Dada’s 100% investment in the share capital of Moqu, holder in turn of a 100% investment in Moqu Adv Ireland Ltd for a cash consideration of €5 million, fully paid at Closing date, in addition to a variable part of the price ("earn-out") of a maximum of €1 million, to be recognized at the beginning of 2016 on the basis of the results of the Moqu Group in 2015. The price was determined on the basis of a consolidated net financial position of Moqu basically at breakeven at the date of execution of the transaction (“Closing”), and was subsequently adjusted based on the adjusted net financial position at 31 March 2015, calculated in accordance with the disposal contract.

Italiaonline has undertaken, among other things, to enhance the professional skills and experience of Moqu Group employees; no job losses are forecast. The Dada Group will continue to provide Moqu with certain IT and corporate services at arm’s length until 31 December 2015, and thereafter in case of agreement between the parties.

On 23 March 2015, in execution of and in addition to the above, the disposal to Italiaonline S.p.A. of the equity investment held in Moqu Adv S.r.l.was finalized for a cash consideration of €5 million.

On 24 April 2015, a strategic agreement was signed to combine Dada’s business unit named ProAdv/Simply with 4w MarketPlace S.r.l., one of the top online advertising players in Italy.

The transaction took place through contribution in kind by Register.it S.p.A. of the ProAdv BU to 4w MarketPlace, and a related capital increase of the latter reserved to Register.it equal to 25% of the share capital. This allowed the Dada Group to become the second main shareholder of 4w MarketPlace. The value assigned to ProAdv as part of the contribution is approximately €2.2 million. Under the agreements, the Dada Group will continue to provide 4w MarketPlace, for a transitional period of at least 12 months at arm’s length, with certain indirect services (IT, Corporate, etc.) in order to ensure the continuation of business.

On 28 April 2015, 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 2014, as proposed by the Board of Directors at the meeting held last 12 March. The Shareholders resolved to carry forward the loss for the year of €1,305,013.93. The Dada Group closed 2014 with consolidated revenue of €67.5 million, EBITDA of €9.8 million and a net loss of €2.2 million; the Net Financial Position at 31 December 2014 came to -€33.6 million.

(ii) the appointment of the Board of Directors As a result of the natural expiry of the three-year term of the previous body, the Shareholders renewed the Board of Directors of the Company, which will remain in office for financial years 2015 - 2017, that is, until approval of the financial statements for the year ending 2017. The number of board members has been set at 13. The new Board of Directors is composed as follows: Karim Beshara, Claudio Corbetta, Lorenzo Lepri, Khaled Bishara, Antonio Converti, Maurizio Mongardi, Sophie Sursock, Philip Tohme, Ragy Soliman, Sofia Maroudia, Carolina Gianardi, Barbara Adami Lami, and Cristiano Esclapon. The appointed Directors were candidates on the majority list, which included 5 female candidates, filed by shareholder Libero Acquisition S.à. r.l., owner of 69.43% of the share capital, with the exception of Director Cristiano Esclapon, candidate on the only minority list filed by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello, who together hold 2.725% of the share capital. Directors Sofia Maroudia, Carolina Gianardi, Barbara Adami Lami, and Cristiano Esclapon declared their independence in accordance art. 148, par. 3, of Legislative Decree n. 58/1998 and with the Corporate Governance Code for Listed Companies as currently adopted by Dada S.p.A. (allowing, in this respect, compliance with the provisions on STAR segment companies and with current regulations for Italian listed companies). The Shareholders also approved the appointment of the Chairman of the Board of Directors in the person of Karim Beshara, as well as the maximum total remuneration that the Board may distribute for the position among Directors with no special duties. The Shareholders also established the exemption from the non-compete obligation for the Directors appointed today, under art. 2390 of the Italian Civil Code.

(iii) appointment of the Board of Statutory Auditors. As a result of the natural expiry of the three-year term of the previous body, the new Board of Statutory Auditors was also appointed for financial years 2015 - 2017, that is, until approval of the financial statements for the year ending 2017. The Shareholders then approved the appointment of the Chairman and of the members of the Board of Statutory Auditors as follows: Massimo Scarpelli (Chairman), Maria Stefania Sala, Massimo Foschi (Standing Auditors) and Elisabetta Claudia De Lorenzi and Manfredi Bufalini (Alternate Auditors). The appointed statutory auditors were candidates on the majority list filed by shareholder Libero Acquisition S.à. r.l., with the exception of the Chairman of the Board of Statutory Auditors, Massimo Scarpelli, and of alternate auditor Manfredi Bufalini, candidates on the only minority list filed by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello. The Shareholders also approved the remuneration of the members of the Board of Statutory Auditors

(iv) the Remuneration Report in accordance with art. 123-*ter* of Legislative Decree 58/98

(v) renewal of the authorization, after revoking the previous one granted on 28 April 2014, 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 thirty 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.

On 30 June 2015, Dada completed the transfer of the ProAdv/Simply BU from Register.it S.p.A. to 4w Marketplace S.r.l., with a corresponding capital increase of the latter reserved to Register.it S.p.A. equal to 25% of the share capital, which allows the Dada Group to become the second main shareholder of 4w Marketplace S.r.l.. The value assigned to the ProAdv BU (on the basis of a sworn appraisal) as part of the transfer is approximately €2.2 million versus a book value basically equivalent to zero. The transaction resulted in a gain of €2.2 million recorded in the income statement. It should be noted that Dada has been recognized governance and asset rights typical of such transactions, as well as co-sale and drag-along rights/obligations in the event of disposal of the company.

On 2 July 2015, Dada signed a binding agreement through its subsidiary Register.it S.p.A. to acquire 100% of the share capital of Etinet S.r.l., completed on 8 July 2015.

The transaction aims to strengthen the Dada Group's strategy of expanding the range of services for digital communication tailored to SMEs. Etinet is one of the most innovative Web Factories in Italy, and provides businesses with advanced solutions to manage their presence in the digital world. In 2014, revenue achieved by the Etinet scope is estimated at about €850 thousand, with EBITDA at approximately €270 thousand and gross profit of roughly €150 thousand.

The consideration for 100% of the Etinet shares was €700 thousand, based on a net financial position at break-even. Part was paid at the date of completion of the transaction, and part was placed in escrow to service the standard representations and warranties. An earn-out of a maximum of €90 thousand will be paid in the first half of 2016 should pre-established goals be met; furthermore, a put option will be exercisable at the sole discretion of Dada at the start of 2016 to resell the entire equity investment to the selling shareholders at a pre-established price of €700 thousand.

On 8 September 2015, Khaled Bishara and Antonio Converti resigned with immediate effect as directors of the Company. At its meeting held on 11 November 2015, the Board of Directors resolved on the co-optation of Youssef Mohamed Salah Abdelsalam Bassem, born in Giza, Egypt, on 15 July 1973, and of Fadi Zefer Boulos Antaki, born in Cairo, Egypt, on 23 January 1975, as new Directors of Dada S.p.A..

SIGNIFICANT EVENTS AFTER YEAR END

There are no significant events to report after the close of the fourth quarter of 2015.

BUSINESS OUTLOOK

The **strategic growth lines** of the DADA Group, 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/customer) 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.

Based on market trends and on the outlined strategic directions, and in the absence of unforeseeable events at this time, an average annual “mid-single-digit" (like-for-like) **revenue** growth is to be reasonably confirmed for the next three years, with a more than proportional increase in operating profit, especially in the second part of the year.

“Mid-single-digit” organic growth of business volumes is forecast in **2016**, while the benefits arising from the investments made in the second part of 2015 and implemented in the opening months of 2016, are expected to be likely felt starting from the second half, bringing a more than proportional increase in operating profit compared with revenue growth, especially from the third quarter of 2016.

STOCK OPTION PLANS

Here are the details of the only stock option plan in place today, approved on 28 April 2014 by the General Meeting of Dada, partly executed by the Board of Directors of Dada SpA at its meeting on 4 August 2014.

PLAN DATED 28 APRIL 2014

On 28 April 2014, the General Meeting of Dada approved, pursuant to art. 114 *bis* of Legislative Decree no. 58 of 24 February 1998, the share-based incentive plan for 2014-2016 (the "2014-2016 Incentive Plan" or the "Plan"), proposed by the Board of Directors and intended for Dada Group employees, in particular, for executives and/or managers of Dada S.p.A. and/or Subsidiaries, and aimed at an even greater involvement of the beneficiaries in the future economic and strategic growth of the Dada Group, excluding option rights, pursuant to art. 2441, par. 8 of the Italian Civil Code, and authorizing the Board of Directors of the Company to execute the plan for a maximum nominal amount of €127,500.00 through issue of a maximum of 750,000 ordinary shares for a par value of €0.17 each.

On 4 August 2014, the Board of Directors of Dada S.p.A., exercising the powers it was granted, gave effect to the 2014-2016 share-based incentive plan (the "Plan") intended for employees of the Dada Group, in particular, for executives and/or managers of Dada S.p.A. and/or its Subsidiaries. All the details and the regulations of the Plan are explained in the information document, prepared pursuant to art. 84 *bis* of Regulation 11971/99, and are available at www.dada.eu.

The Board, upon proposal of the Company’s Compensation Committee, approved the Regulations of the Plan and assigned a maximum of n. 705,000 options on the same amount of Dada ordinary shares at a subscription price of €3.596 per share, equal to the average official prices of Dada S.p.A. ordinary shares recorded at the close of each Italian Stock Exchange trading session during the period between the Option assignment date and the same day of the previous sixth calendar month.

The Board also determined that the exercise of the vested options is, inter alia, conditional upon achieving a Performance Condition, i.e. that the beneficiaries have successfully passed the variable incentive system (in the form of MBO) for 2016, and have successfully passed at least one of the MBOs for 2014 and/or 2015, in the terms described more in detail in the Regulations, and that it may generally take place during predetermined exercise periods, following approval by the General Meeting of the Company's financial statements for the year ending 31 December 2016, but no later than 19 December 2019, with certain exceptions specified in the Regulations of the Plan.

The Board, therefore, approved a share capital increase against payment in separate issues for a maximum nominal amount of €119,850 to service the Plan, excluding option rights, pursuant to art. 2441, par. 8 of the Italian Civil Code.

The following tables show the movements in the Stock Option Plans:

	2015 Number of shares	Subscription price	Market price	2014 Number of shares	Average exercise price	Market price
(1) Unexercised options at 1/1	705,000	3.596	-			-
(2) New options granted			-	705,000	3.596	-
(3) Options exercised in period	-	-	-			
(4) Options expiring in period	90,000	-	-	-	-	-
(5) Unexercised options at 31/12/2015	**615,000**	**-**	**-**	**-**	**-**	**-**

The options have a residual average life of 2 years.

PURCHASE OF TREASURY SHARES

Reference should be made to the Directors' report accompanying the separate financial statements of Dada S.p.A.

Investments held directly or indirectly by Directors, Statutory Auditors and by the General Manager

Name	Company	Number of shares held at 31.12.2015	Number of shares held at 31.12.2014
Claudio Corbetta	Dada S.p.A.	20,000	-
Lorenzo Lepri	Dada S.p.A.	12,000	-

In 2015, CEO Claudio Corbetta and General Manager Lorenzo Lepri informed that they had purchased 20,000 and 12,000 Dada S.p.A. shares respectively at an average price of €2.47 per share.

Options granted to Directors during the year

As explained above, in 2014, the following beneficiaries exercised the options below.

Beneficiary	Position held	Number of options	Subscription price
Claudio Corbetta	CEO	195,000	3.596
Lorenzo Lepri	General Manager	195,000	3.596

Florence, 14 March 2016

For the Board of Directors
The Chief Executive Officer
Claudio Corbetta

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

INTRODUCTION

This Report on corporate governance and ownership structure (the "Report"), drawn up pursuant to Art. 123-bis of Legislative Decree no. 58 dated 24 February 1998, as subsequently amended and supplemented ("TUF"), and to Art. 89-bis of the Regulations approved by Consob through resolution no. 11971 dated 14 May 1999, as subsequently amended and supplemented (the "Issuer Regulations"), was approved by the Board of Directors of Dada S.p.A. ("Dada" or the "Company") on 14 March 2016. This Report refers to financial year 2015, and includes information that is current to the date of approval thereof.

The Report aims to provide a general and comprehensive overview of the ownership structure and corporate governance system adopted by Dada, in accordance with the requirements of the Corporate Governance Code for Listed Companies (the "Code"), in the version updated in July 2015 and available on Borsa Italiana's website (www.borsaitaliana.it). The adoption of the Code is voluntary and not compulsory, and contains a suitable corporate organizational model for correctly managing the Company, business risks and potential conflicts of interest that might arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of best international practice.

The following Report will provide a description of the corporate governance system adopted by the Company, indicating which of the recommendations have been applied and how, and providing suitable information on the reasons why some of the recommendations have not been applied or have been only partly applied.

General information on the Company (mission, values, social responsibility/sustainability) appears on the Company's website (www.dada.eu).

For further details on compensation, see the Compensation Report approved by the Board on 14 March 2016 and published together with this Report.

PART 1. OWNERSHIP STRUCTURE

INTRODUCTION

Pursuant to the requirements of Art. 123-bis, par. 1 of Legislative Decree n. 58/1998, this Part contains information on the Ownership Structure of Dada, and provides appropriate references to information and documents available on or through the Company's website (www.dada.eu).

1.1. Share capital structure

The share capital of Dada S.p.A. amounts to €2,835,611.73 divided into 16,680,069 ordinary shares with a par value of €0.17 each.

TABLE 1: OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE				
	N° of shares	Percentage of share capital	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares	16,680,069	100%	Italian Stock Exchange (STAR segment)	Voting rights at ordinary and extraordinary general meetings of the Company
Multiple-vote shares	n/a	n/a	n/a	n/a
Restricted voting shares	n/a	n/a	n/a	n/a
Non-voting shares	n/a	n/a	n/a	n/a
Other	-	-	-	-

In accordance with the By-laws:

- The shares are indivisible and freely transferable. Every share carries the right to one vote. The shares are registered securities and, if fully paid and permitted by law, can be bearer securities. They may be converted from one type to another at the shareholder's expense. The Company can issue shares (in special classes) and financial instruments to employees of the Company or its subsidiaries in accordance with the provisions of Art. 2349 of the Italian Civil Code. If, for any reason, a share or rights to it belong to more than one person, the joint ownership rights shall be exercised by a common representative (Art. 7: "Shares");

- in addition to ordinary shares, that give shareholders equal rights, classes of shares may be created, in compliance with legal requirements, with different rights, including where the allocation of losses is concerned (Art. 8: "Class of shares");

- The Company is able to issue registered or bearer bonds, including convertible bonds in accordance with the law, and to determine conditions relating to their placement. The Company can also issue, in accordance with the law, financial instruments with or without voting rights (Art. 10: "Bonds and financial instruments").

At 31 December 2015, the share capital of Dada S.p.A. consists entirely of ordinary shares; there are, therefore, no other classes of shares nor any restrictions on the associated rights. The Company has not issued any bonds or any other financial instruments.

The information on the authority to increase share capital under Art. 2443 of the Italian Civil Code is contained in the Stock Option Plans section of these financial statements at 31 December 2015, in the notices on the plans contained in the information documents prepared under art. 84-bis of the Consob Issuer Regulations, and in the Compensation Report prepared under art. 84-quater of the Issuer Regulations.

1.2. Restrictions on share transfer

Under Art. 7 of the By-laws, the shares of Dada S.p.A. are freely transferable.

To date, also in consideration of paragraph 1.5 below, the Company is not acquainted with the existence of any agreements regarding restrictions on share transfer.

1.3. Significant shareholdings

Based on the contents of the shareholders' register of Dada S.p.A. at 31 December 2015 and notices received under Art. 120 of Legislative Decree 58/1998, up until such date, the only shareholding in excess of 5% of share capital is as follows:

SIGNIFICANT SHAREHOLDINGS			
Declarant	Direct shareholder	Percentage on ordinary share capital	Percentage on voting share capital
February Private Trust Company (Jersey Limited)	Libero Acquisition S.à.r.l.	69.43%	69.43%

It should be noted that Decree Law no. 91 of 2014 (Art. 20), converted by Law no. 116 dated 11 August 2014, effective from 9 February 2015, changed the threshold of significant shareholdings to be notified to Consob and to the public, and was raised from 2% to 5% if the issuer, such as the Company, is a SME (small and medium-sized company with listed shares), as set forth in Art. 1 of Legislative Decree 58/98.

On 24 November 2015, Oyster Sicav (Luxembourg) announced that it held 831,219 shares, or 4.983% of the Company's share capital.

With regard, instead, to notices received after 31 December 2015:

On 15 January 2016, Aruba S.p.A. announced that it held 617,861 shares, or 3.70% of the Company's share capital.

On 27 January 2016, Aruba S.p.A. announced that it held a total of 839,178 shares, or 5.03% of the Company's share capital.

1.4. Securities with special rights; Employee share ownership: method of exercising voting rights; Voting restrictions

No shares have been issued which confer special rights of control nor are there any employee share ownership schemes involving specific mechanisms for exercising voting rights. The Company's By-laws do not contain any restrictions on voting rights, nor were multiple-vote shares or loyalty shares issued.

1.5. Shareholder agreements

At 31 December 2015, the Company was not aware of any shareholder agreement falling within the scope of Art. 122 of Legislative Decree 98/1998.

1.6 Change of control clauses and statutory provisions on takeover bids

At the date of approval of this Report, there are no significant agreements to which Dada or its subsidiaries, as defined by Art. 93 of Legislative Decree 58/1998, are parties and which could become effective, be amended or cancelled following a change of control of Dada S.p.A., except for the following agreements, the details of which, further to certain key information listed below, are not disclosed owing to reasons of confidentiality and protection of the Issuer:

The following loan agreements:

a) Medium/long-term loan agreement entered into by Register.it S.p.A. and Unicredit, containing the change of control clause, under which the lender may request the borrowing company to repay the amounts drawn down in advance and completely, and therefore recover all the amounts, should the shareholder Dada S.p.A. cease to hold, directly or indirectly, a 100% interest in Register.it S.p.A. and/or should Orascom TMT Investiments cease to hold, directly or indirectly, an interest of at least 50% in Dada S.p.A.'s share capital.

b) Medium/long-term loan agreement entered into by Register.it S.p.A. and Intesa San Paolo, containing the change of control clause, under which the lender may terminate the agreement and recover all the amounts covered by the agreement should the shareholder Dada S.p.A. no longer hold a 100% interest in Register.it S.p.A. and/or should one of the Orascom Group companies cease to hold, directly or indirectly, a controlling interest in Dada S.p.A..

c) Medium/long-term loan agreement entered into by Register.it S.p.A. and Cariparma, containing the change of control clause, under which the Bank may request the borrowing company to repay the amounts drawn down in advance and completely, and therefore recover all the amounts, should the shareholder Dada S.p.A. cease to hold, directly or indirectly, a 75% interest in Register.it S.p.A., and/or should Orascom TMT Investiments cease to hold, directly or indirectly, an interest of at least 51% in Dada S.p.A.'s share capital.

All intercompany agreements entered into by Dada S.p.A. and its subsidiaries contain a change of control clause providing for the automatic termination of the agreement should Dada and its subsidiary no longer form part of the same group that currently has the Company as its parent.

Furthermore, the By-laws contain no provisions that derogate from the passivity rules referred to in Art. 104, paragraphs 1 and 1 bis of the TUF, or neutralization rules referred to in Art. 104-bis, paragraphs 2 and 3 of the TUF.

1.7 Authority to increase the share capital and authorization to purchase treasury shares

Under Art. 6 of the current By-laws "... Capital increases will be approved by the Board of Directors, based on specific authority granted by the EGM, pursuant to Art. 2443 of the Italian Civil Code.

Under Art. 2441, par. 4 of the Italian Civil Code, the option right may be excluded up to the limit of 10% of the existing share capital, provided the conditions laid down in such legal provision be complied with".

On 25 October 2011, the general meeting resolved to grant the Board of Directors, under Articles 2443 and 2441, paragraph 8 of the Italian Civil Code, for a maximum period of five years from the resolution date, the power to increase the share capital, against payment, by a maximum amount of € 85,000.00 (eighty-five thousand) through the issue, in one or more tranches in separate issues, pursuant to Art. 2439 of the Italian Civil Code, of new ordinary shares with a par value of € 0.17 (zero point seventeen) to service a stock option plan for employees of DADA S.p.A. and/or its subsidiaries; on expiration of the deadline for the subscription of the last tranches (no later than 19 December 2016), the capital is understood to be increased by an amount equal to the subscriptions received.

On 28 October 2011, the Board of Directors, by implementing the authorization granted by the EGM held on 25 October 2011, resolved to increase the share capital by a maximum amount of € 85,000 (eighty-five thousand) through the issue of 500,000 (five hundred thousand) ordinary shares with a par value of € 0.17 (zero point seventeen) each; the capital increase may be underwritten up to 19 December 2016 (included); there is no option right for this capital increase, pursuant to Art. 2441, paragraph 8 of the Italian Civil Code, given the resolutions previously adopted on the matter by the extraordinary general meeting of the Company held on 25 October 2011; the capital increase was approved to service the stock option plan for the employees of DADA S.p.A. and/or its subsidiaries, as resolved in the aforementioned meeting of 25 October 2011; the plan was implemented through the free granting to such beneficiaries of option rights to subscribe the ordinary shares with a par value of € 0.17 (zero point seventeen) each for the abovementioned capital increase of € 85,000 (eighty-five thousand); the capital increase will be governed in accordance with the Regulations approved by the Board of Directors on 28 October 2011, where timing, conditions and subscription procedures were defined; the capital increase may be underwritten in separate issues in accordance with Art. 2439, paragraph 2 of the Italian Civil Code; subsequent to the deadline set for such capital increase as indicated above, the share capital is understood to be increased by an amount equal to the subscriptions received up to that time. In accordance with the power-granting resolution, each amount of the subscription shall be paid in full at subscription, at par value and at a premium, with the explicit indication that no funding or other financial benefits and/or guarantees shall be granted for the subscription of the shares on which option rights have been exercised.

On 28 April 2014, the general meeting resolved to grant the Board of Directors, pursuant to Articles 2443 of the Italian Civil Code, for a maximum period of five years from the resolution date, the power to increase the share capital, against payment, by a maximum amount of € 127,500.00 (one hundred and twenty seven thousand five hundred and zero cents) by issuing, in one or more tranches in separate issues, pursuant to Art. 2439 of the Italian Civil Code, new ordinary shares with a par value of € 0.17 (zero point seventeen) each to service a stock option plan for the employees of DADA S.p.A. and/or its subsidiaries; on expiration of the deadline set for the subscription of the last tranche (no later than 28 April 2019), the capital is understood to be increased by an amount equal to the subscriptions received.

On 4 August 2014, the Board of Directors, by implementing the authorization granted by the EGM held on 28 April 2014, resolved to increase the share capital by a maximum amount of € 119,850 (one hundred and nineteen thousand eight hundred and fifty), by issuing 705,000 (seven hundred and five thousand) ordinary shares with a par value of € 0.17 (zero point seventeen) each; the increase may be underwritten up to 19 December 2019 (included); there is no option right for this capital increase, pursuant to Art. 2441, par. 8 of the Italian Civil Code, given the resolutions previously adopted on the matter by the extraordinary AGM of the Company held on 28 April 2014; the capital increase was approved to service the stock option plan for the beneficiary employees (whose names are attached to the minutes of the meeting of the Board of Directors in question); the plan was implemented through the free granting to such beneficiaries of option rights to subscribe the ordinary shares with a par value of € 0.17 (zero point seventeen) each for the abovementioned capital increase of € 119,850; the capital increase is governed in accordance with the Regulations approved by the Board of Directors on 4 August 2014, where timing, conditions and subscription procedures were defined; the capital increase may be underwritten in separate issues, in accordance with Art. 2439, par. 2 of the Italian Civil Code; subsequent to the deadline set for such capital increase as indicated above, the share capital is understood to be increased by an amount equal to the subscriptions received up to that time. In accordance with the power-granting resolution, each amount of the subscription shall be paid in full at subscription, at par value and at a premium, with the explicit indication that no funding or other financial benefits and/or guarantees shall be granted for the subscription of the shares on which option rights have been exercised.

The information on the authority to increase share capital under Art. 2443 of the Italian Civil Code. is contained in the Stock Option Plans section of these financial statements at 31 December 2015, in the notices on the plans contained in the information documents prepared under art. 84-bis of the Consob Issuer Regulations, and in the Compensation Report prepared under art. 84-quater of the Issuer Regulations.

The AGM on 28 April 2015 revoked the authorization of 28 April 2014 to purchase and sell treasury shares and renewed the authorization for the Board of Directors to buy, on one or more occasions, in full or in part, up to a maximum number of ordinary shares representing 10% of share capital, within 18 months from the date of the resolution at a price no more than 20% below and no more than 10% above the official quoted price on the trading day before each purchase and, in any case, for a total amount that could exceed the distributable reserves reported in the most recently approved financial statements or the amount of distributable profits; the same General Meeting also authorized the Board of Directors to use the treasury shares already held or acquired as a result of the new authorization, to undertake sales/purchases, exchanges, contributions etc., as well as, if needed, in order to create beneficial interests, including for the acquisition of equity investments.

Treasury shares already held or acquired under the new authorization may be disposed of within three years of the shareholders' resolution at a price, or valuation, no less than 95% of the average official price reported in the 30 trading days before the instructions to sell, or the official commitment to sell, if earlier. This authorization will expire on 11 October 2016.

No share buybacks were made from the date of the AGM to the present time; the Company, therefore, holds no treasury shares at 31 December 2015.

1.8 Direction and coordination

As required by Art. 37, paragraph 2 of the Consob Market Regulations, and as resolved by the Board of Directors of the Company at its meeting on 12 November 2013, on 12 March 2015, and confirmed, following a positive opinion of the Control and Risk Committee, by the meeting of the Board approving this Report, mention must be made that Dada S.p.A., to date, is not subject to the direction and coordination of the parent Libero Acquisition S.à r.l.. According to the Board, Libero Acquisition S.à.r.l. does not exercise either formally or de-facto any such influence over Dada. In this regard, the Board of Directors has deemed that Dada S.p.A. has its own organizational, operational, trading and financial autonomy, given also that it independently examines and approves its own transactions and strategic plans, as well as its own procedures and organizational, management and control models. In fact, Libero Acquisition S.à.r.l. issues no guidelines for the Company, nor does it provide it assistance or technical, administrative or financial coordination.

Finally, it should be noted that the information required under Art. 123-bis, paragraph 1, letter i) appears in the Compensation Report, pursuant to Art. 123-ter of the TUF, and that the information required under Art. 123-bis, paragraph 1, letter l) is found in this Report in the section on the Board of Directors.

PART 2. COMPLIANCE

The Company approved an internal corporate governance code, which reflected the corporate governance rules adopted by Dada's Board of Directors and by its Board of

Statutory Auditors in relation to the rules applying to the latter, in compliance with the Corporate Governance Code for Listed Companies as revised in March 2006.

In 2011 the Board of Directors implemented the provisions of Art. 7 of the Corporate Governance Code for Listed Companies, as amended by the Corporate Governance Committee during the meeting held on 3 March 2010 at Borsa Italiana, within the timeframe outlined in this Corporate Governance Report and in the Compensation Report provided by Art. 123-ter of the TUF.

Accordingly, in 2015 the Board of Directors of the Company adopted, within the timeframe outlined in this Corporate Governance Report and in the Compensation Report under Art. 123-ter of the TUF, the Corporate Governance Code for Listed Companies, as amended in July 2015. The Company continued to gradually adjust its corporate governance system to the relevant national and international best practices, to the Code recommendations and to the regulatory provisions gradually introduced, keeping the shareholders and the market informed on an annual basis.

It should be noted that a number of strategic subsidiaries of the Company, identified below in the section on the role of the Board of Directors, are of foreign nationality, therefore subject to foreign laws which, however, do not greatly affect the corporate governance structure of the Company.

PART 3. CORPORATE GOVERNANCE

The corporate governance system adopted by the Company is a “traditional” one, based on the presence of a Board of Directors, a Board of Statutory Auditors, and the General Meeting. Role, composition and operations of these bodies are governed by the laws in force and by the By-laws (available on the Company’s website).

3. Board of Directors

3.1 Role of the Board of Directors

In accordance with the requirements of the Corporate Governance Code, the Company shall be governed by a Board of Directors that meets at regular intervals, and which organizes itself and operates in such a way as to ensure that its duties are conducted both effectively and efficiently.

The directors shall behave and pass resolutions autonomously and in full knowledge of the facts, in pursuit of the priority goal of creating value for the shareholders in a medium to long-term time frame.

The recommendations of the Corporate Governance Code are, therefore, reflected in the Company's corporate governance system which attributes a central role to the Board of Directors; in fact, Art. 22 par. 1 of Dada's By-laws establishes that "The governing body is invested with the widest powers for the Company's ordinary and extraordinary administration and can therefore carry out every action deemed necessary to implement and achieve the corporate purpose, with the sole exception of those operations that, under law or these By-laws, are the prerogative of the General Meeting", while Art. 20 (e) of the By-laws, in keeping with the internal corporate governance code, establishes that "The

Board of Directors can delegate its powers to an Executive Committee and/or to one or more directors, determining limits on the power delegated. The powers specified in Art. 2381 of the Italian Civil Code cannot be delegated, nor those forbidden by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors at the earliest subsequent board meeting on transactions they have carried out with the greatest impact on the Company's balance sheet, income statement and cash flows.

In particular, they report on transactions involving potential conflicts of interests or on those of an atypical or unusual nature relative to the Company's ordinary operations. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers that cannot be delegated by law, the following matters are the exclusive prerogative of the Board of Directors.

- the determination of general management strategy;

- the remuneration of directors appointed to carry out particular duties, and where the General Meeting has not already done so, the division of the overall compensation approved for directors between individual members of the Board of Directors and the Executive Committee;

- the formation of committees and commissions, determining their duties, responsibilities and rules of procedure, including with the purpose of shaping the corporate governance model to that established by the Corporate Governance Code;

- the approval of transactions with a significant impact on the Company's balance sheet, income statement and cash flows, with particular reference to related party transactions.

The governing body can also appoint general managers, determining their duties and powers, and can also grant powers of attorney for individual deeds or categories of deed".

Lastly, Art. 22 par. 2 of the By-laws makes the governing body responsible, under Art. 2365 of the Italian Civil Code, except where otherwise provided by Art. 2420-ter and Art. 2443 of the Italian Civil Code, for resolutions concerning:

a) mergers in cases specified in Art. 2505 and Art. 2505-bis of the Italian Civil Code, including for spin-offs under Art. 2506-ter of the Italian Civil Code;

b) opening or closure of branch offices;

c) reduction of share capital following shareholder withdrawal;

d) revision of the By-laws to comply with new regulatory provisions;

e) transfer of the company's registered office elsewhere within Italy.

The Board of Directors is the body entrusted to examine and approve the Company's strategic, operational and financial plans and the corporate structure of the Group it heads, overseeing their implementation on a regular basis, and defining the Company’s corporate governance system and the structure of the Group;

It should be noted that the Board of Directors is also tasked with defining the nature and level of corporate risks consistent with the Company's strategic targets, monitoring and assessing their consistency with the Company’s business objectives, including in its assessments those risks that may be significant for the Company from a sustainability point of view in the medium to long term. Toward this end, mention should be made that the Board of Directors has made its assessments, starting from the current plan for the identification of risks and risk assessment, based on which these risks were assessed by the Board and by the other relevant bodies. C) The Board also evaluated the adequacy of the organizational, administration and accounting system of the Company and its subsidiaries having strategic importance, with particular regard to the internal control and risk management system;

In fact, it has approved the Group's structure and, during the meeting to approve this Report, has positively evaluated the organizational, administrative and general accounting structure of the Company and its strategic subsidiaries; the administrative structure has been examined in various ways, including through the activities of the Control and Risk Committee, and is based on a system of procedures and controls, partly centralized with the Parent company's head office; it is also reported that Dada S.p.A. has a control and risk system reflected in a series of analyses and procedures appearing on the Company intranet.

As confirmed at the meeting to approve the present report, the Board defines strategic subsidiaries as every subsidiary under the law whose principal business is in the sectors of internet and communications and whose financial statements must be audited in accordance with the TUF, or every subsidiary defined as strategic by the company's Chairman by virtue of the size of its earnings, balance sheet or cash flows or other particular characteristics of its business. In 2015, the subsidiaries defined as strategic were Register.it Spa, Namesco Ltd, Nominalia Internet SL, and Amen France Sas.

The Board then resolved on the criteria to determine particularly significant transactions. Specifically, for the sake of clarifying the identification of significant transactions, while maintaining the limits to the powers granted to individual directors approved from time to time by the Board, on 12 February 2007 the Board of Directors approved the procedure, still in force today, for the completion and execution of significant related party transactions or transactions in which a director has an interest. The procedure identified significant transactions, therefore left to the responsibility of the Board, from a quantitative and qualitative point of view. Qualitatively, significant transactions are defined as all those transactions whose value exceed €3 million, while, qualitatively, and irrespective of amount, such definition includes the approval of the Company's strategic, business and financial plans and of the Group's corporate structure, spin-offs, mergers, acquisitions, disposals and contributions of equity interests, shares, companies, and business lines, the formation of joint ventures, the purchase of property and other fixed assets, the grant and receipt of material loans.

During its meetings, the Board has approved a corporate governance system in compliance with the foregoing principles and reflected in the current system of delegated powers and proxies.

With reference to significant transactions, related party transactions and conflicts of interest, the procedures already applied under the Corporate Governance Code have been confirmed with approval of the specific procedures for completing and executing significant transactions, transactions with related parties or in which a director has an interest.

Consob has adopted, in Resolution no. 17221 of 12 March 2010, as later amended by Resolution no. 17389 of 23 June 2010, a set of "Regulations governing related party transactions" for issuers of listed shares (directly or through their subsidiaries), in order to reflect the rules aimed at ensuring the transparency and substantive and procedural fairness of such transactions. These regulations are structured around two key areas: rules governing public disclosure, including in relation to transactions independently conducted by subsidiaries, which came into force on 1 December 2010, and procedural rules governing the conduct of related party transactions, which came into force on 1 January 2011. Given these rules, the Board of Directors has adopted procedures, based on the Consob Regulations, governing related party transactions and in compliance with the adoption process envisaged by these regulations, procedures that can be found at http://www.dada.eu/files/docs/corporate_governance/ProceduraperladisciplinadellaOperazioniconPartiCorrelate.pdf.. With regard to this adoption process, in its meeting on 20 October 2010 the Board of Directors voted to appoint Salvatore Amato, Danilo Vivarelli and Alessandro Foti, by virtue of their status as independent directors, as members of the committee required to express an opinion on the procedures for related party transactions, pursuant to and in accordance with Art. 4, par. 3 of the Consob Regulations. This committee met on 2 November 2010, in the presence of the Board of Statutory Auditors, and expressed a favourable opinion on the proposed procedures for related party transactions, which were then examined and approved by the Board of Directors in its meeting on 8 November 2010; as a result, the previous procedures for completing and executing significant transactions, transactions with related parties or in which a director has an interest have been partially amended and repealed, so that only the part relating to significant transactions or transactions in which a director has an interest still remain in force. These procedures also serve to guide the conduct of every subsidiary, to the extent applicable. More details about the new procedures can be found in the subsequent section on "Directors' interests and related party transactions".

The Board has assessed the general operating trend taking into account, in particular, the information received from the delegated bodies. In fact, the Board of Directors of Dada has established that delegated bodies report at least every quarter on activities performed in the exercise of their respective powers; the Board of Directors, based on information provided by Management, then matches the results achieved with those planned.

The Board of Directors, at least once a year, makes an assessment on the operation of the Board, and has therefore confirmed with the approval of this Report, a positive evaluation concerning its size, composition and operation. The Board has completed the annual self-assessment of its size, composition and operation and that of its sub-committees.

It should be noted that the Board has performed its annual assessment without resorting to external consultants.

Toward this end, the Board used a questionnaire containing questions designed to assess the operation, size and composition of the Board and its committees, considering elements such as experience, including management experience, professional qualifications, gender of its members and length of service. At the end of the questionnaire, each Director included a short self-assessment.

The directors' answers to this questionnaire were then examined by the Control and Risk Committee, which brought them to the attention of the Board at its meeting on 8 March 2016.

The Committee acknowledged that the directors' answers were largely positive and did not reveal any significant disparities with the Corporate Governance Code for Listed Companies, although a suggestion was put forward in the next meeting with the aim of increasing the degree of coordination between the Committees and the BoD, also accordingly to the new version of the Corporate Governance Code for Listed Companies, recommending the Chairmans of the two Committees to report before the BoD with regard to the activities of the Committees.

Pre-meeting information

Under guideline 1.C.5. of the Corporate Governance Code, the Board of Directors has established that all members of the Board of Directors be provided, with at least three days’ notice before Board meetings, except in the event of necessity and urgency, with the relevant documentation and information - including through full and detailed notes on the items on the agenda - to allow them to express themselves on an informed basis about the matters being examined, in compliance with Art. 20 (b) of the By-laws. In particular cases where the necessary information can not be provided well in advance, the Chairman ensures that in-depth discussions are held during Board sessions. In any case, such time limit is generally complied with, often with a longer period of notice.

3.2. Appointment and replacement of directors

The By-laws, as last revised on 4 August 2014, establish in Art. 19 that the Company shall be governed by a Board of Directors, comprising a minimum of 3 up to a maximum of 15 members appointed, including from non-shareholders, by the General Meeting which decides its size on each occasion.

Members of the Board of Directors remain in office for three years, with their mandate expiring on the date of the General Meeting that approves the financial statements for their last year in office, or for a period decided by the General Meeting in compliance with Art. 2383, par. 2 of the Italian Civil Code.

The directors must satisfy the requirements of current legal regulations and of the By-laws and are eligible for re-election. In addition, a certain number of directors, in any case not less than the legal minimum, must qualify as independent, as defined in art.. 148 par. 3 of Legislative Decree 58/1998. It should be noted that on 24 July 2012, the Board of Directors of the Company amended the By-laws to comply with Law 120 of 12 July 2011. These changes introduced the principle of gender equality on the boards of directors and statutory auditors of listed companies. Law 120 requires listed companies to reserve at least one third of the members of the above mentioned bodies, once effective, to the less represented gender. Toward this end, amendments were made to Articles 19, 25 and 31 of the current By-laws. The current composition of the Board of Directors takes account of the above.

The Board of Directors is appointed by the General Meeting on the basis of voting lists presented by shareholders who own at least 2.5% of subscribed share capital at the date of presenting the list or such lower percentage established by statutory and regulatory provisions. Each list must contain a number of candidates qualifying as independent, as defined in law, corresponding to at least the minimum required by applicable legislation.

The lists for the appointment of the Board of Directors may also be filed via fax or electronically by sending an e-mail to the Company's certified e-mail address. In the event lists are filed via fax or electronically, they must be accompanied by a copy of the filers' valid identification.

The By-laws do not require that in order to qualify as a director, candidates meet qualifications as independent other than those established for Statutory Auditors pursuant to Art. 148 TUF, and/or integrity and/or professional background, including with regard to the code of ethics prepared by companies managing regulated markets or sector associations.

Lists that contain three or more candidates must also include candidates of both genders, so that the less represented gender has a number of candidates corresponding at least to the minimum required by law (rounding any fractions up to the next whole number), such as to allow a composition of the Board of Directors in accordance with prevailing laws on gender equality.

The Company is not subject to other norms and regulations relating to the composition of the Board, with the exception of the rules set by Borsa Italiana regarding the STAR segment.

The lists of candidates for the office of director, accompanied by comprehensive information on the personal details and professional qualifications of the candidates, accompanied by any statements of their eligibility to qualify as independent directors in the sense of the Code, are filed at the Company's registered office at least 25 days before the date set for the General Meeting. The lists, accompanied by the candidates' details, are promptly published on the Company's website. The directors are elected as follows:

a) all the directors, based on the size of the Board established by the General Meeting, except for the minimum number reserved by law to the minority list, are taken from the list obtaining the majority of votes, in the sequential number order in which the candidates appear therein;

b) the minimum number of directors reserved by law to the minority list are elected, in sequential number order, from the list which obtained the second highest number of votes and which is not connected, either directly or indirectly, with the list in a) or with the shareholders who submitted or voted for the list in a).

For the above purposes, any lists which fail to obtain a percentage of votes equal to at least half of the percentage required to submit such lists, are not taken into account.

If only one list is presented, or no lists at all, or if the list voting mechanism does not ensure the election of the legal minimum number of directors under the By-laws, the General Meeting appoints the Board of Directors or additional members to make up its number in accordance with the legally required majority.

Under these procedures, should the composition of the Board of Directors fail to comply with:

- the laws governing gender equality, the candidate/s lacking such requirements and elected last in sequential number order in the list which obtained the highest number of votes, as referred to in letter a) above shall be replaced by the first candidate/s, based on the respective sequential order number, of the less represented gender unelected in the same list, or should this fail to suffice for any reason, from lists that have obtained the next highest number of votes, starting with the one referred to in letter b) above, and continuing with the following in decreasing order of number of votes obtained;

- the appointment of a number of directors who meet the independence requirements set out in Art. 148, par. 3 of Legislative Decree no. 58/1998, equal to the minimum amount required by law regarding the total number of directors, the candidate/s lacking such requirements elected last in sequential number order in the list which obtained the highest number of votes, as referred to in letter a) above, shall be replaced by the first candidate/s, based on the respective sequential order number, meeting such requirements unelected in the same list or, should this fail to suffice for any reason, from lists that have obtained the next highest number of votes, starting with the one referred to in letter b) above, and continuing with the following in decreasing order of number of votes obtained.

If, during the financial year, one or more directors should leave office, the By-laws allow the Board of Directors to replace them, under Art. 2386 of the Italian Civil Code, by adopting resolutions, approved by the Board of Statutory Auditors, as follows:

a) the Board of Directors replaces the outgoing director with someone from the same list, with this appointment confirmed by majority vote of the General Meeting;

b) if this list contains no unelected candidates, or candidates with the required qualifications, or if, for whatever reason it is not possible to proceed in accordance with a), the Board of Directors makes the replacement, which will be subsequently approved by the General Meeting, voting with the legally-required majority and without list voting.

The Board, at its Meeting to approve this Report, and in the performance of its duties, believes there are no critical situations to report to the shareholders regarding authorizations to non-compete restrictions set out in Art. 2390 of the Italian Civil Code.

Succession plans

In the meeting held on 11 December 2012, the Board had already not deemed it appropriate to adopt a succession plan for the two executive directors. The decision was confirmed in the reporting period, deeming such plan unnecessary, given the current structure and distribution of powers among the senior managers of the Company, which ensures an adequate presence even in the event one of the executive directors resigns.

3.3. Composition of the Board of Directors

The current Board of Directors of Dada S.p.A., composed as shown in the table at the end of this section, was appointed as follows.

From 1 January 2015 to 28 April 2015, the Board of Directors of the Company was composed of 13 directors: Khaled Bishara (Chairman) Karim Beshara, Claudio Corbetta, Lorenzo Lepri, Antonio Converti, Maurizio Mongardi, Sophie Sursok, Maria Oliva Scaramuzzi, Stanislao Chimenti, Danilo Vivarelli, Ragy Soliman, Aldo Mareuse, and Vincenzo Russi.

This Board was appointed on 24 April 2012 and expires with the AGM approving the financial statements at 31 December 2015. It was initially composed as follows: Alberto Bianchi (Chairman), Silvia Michela Candiani, Claudio Cappon, Stanislao Chimenti, Giorgio Cogliati, Claudio Corbetta, Alessandro Foti, Lorenzo Lepri, Monica Alessandra Possa, Vincenzo Russi, Maria Oliva Scaramuzzi, Riccardo Stilli, and Danilo Vivarelli.

On 6 February 2013, Director Monica Alessandra Possa resigned from the Board with immediate effect. On 22 February 2013, the Board of Directors co-opted Maurizio Mongardi as new director of Dada S.p.A.. On 21 February 2013, Director Riccardo Stilli resigned as Director of the Company effective 1 March 2013.

On 11 April 2013, the AGM of Dada S.p.A. confirmed Director Mongardi and appointed Riccardo Taranto as new director following the resignation of Riccardo Stilli.

On 2 July 2013, Director Alessandro Foti resigned with immediate effect from his position as Director of the Company, member of the Control and Risk Committee, Committee for Related Party Transactions and the Compensation Committee,

On 7 August 2013, following the sale by RCS MediaGroup S.p.A. of its majority shareholding to Libero Acquisition S.à.r.l., and following the resignation of directors: Alberto Bianchi (also from the position of Chairman), Silvia Michela Candiani, Giorgio Cogliati, Riccardo Taranto and Claudio Cappon, the Board of Directors of the Company co-opted six new directors: Khaled Bishara, Karim Beshara, Antonio Converti, Hanan Meguid, Aldo Mareuse and Sophie Sursock. The Board also appointed Khaled Bishara as Chairman of the Board of Directors.

On 28 April 2014, the AGM appointed directors Khaled Bishara, Karim Beshara, Antonio Converti, Ragy Soliman, Aldo Mareuse and Sophie Sursock, replacing the outgoing directors Alberto Bianchi, Hanan Meguid, Giorgio Cogliati, Riccardo Taranto, Alberto Foti and Claudio Cappon, until expiry of the term of the Board of Directors, that is, until approval of the financial statements for the year ended 31 December 2014.

On 14 May 2014, the Board of Directors appointed Khaled Bishara as Chairman of the Company, until expiry of the term of the current directors.

The term of the Board of Directors initially appointed on 24 April 2012 therefore expired on 28 April 2015. Specifically, at the AGM held on 28 April 2015, two lists were filed with the Company: one included 13 candidates for the position of Director in the persons of Karim Beshara, Claudio Corbetta, Lorenzo Lepri, Khaled Bishara, Antonio Converti, Maurizio Mongardi, Sophie Sursok, Philip Tohme, Ragy Soliman, Sofia Maroudia, Carolina Gianardi, Barbara Adami Lami, and Maria Grazia Filippini, submitted by shareholder Libero Acquisition S.à.r.l., holder of 11,581,325 Dada S.p.A. shares, or 69.43% of the ordinary share capital of the Company; the other, submitted by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello, who together hold 454,650 shares, or 2.725% of the share capital, included a candidate for the position of Director of the Company in the person of Cristiano Esclapon. For both lists, all the documentation required by law, regulations and By-laws for each candidate was filed for the members of the Board of Directors. The first list received the favourable vote of 11,581,329 shares, or 88.560% of the shares represented at the AGM (69.43% of the share capital), while the other received the favorable vote of 1,494,650 shares, or 11.429% of the shares represented at the AGM (9% of the share capital).

The AGM held on 28 April 2015, as a result of the votes received, and as provided by the combined provisions of Art. 147 ter of the TUF and by Art. 19 of the By-laws, under which one of the members of the Board shall be elected from the minority list that received the highest number of votes and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list that received the highest number of votes, elected the following Board of Directors, comprising four directors who have declared their independence, pursuant to Art. 148, par. 3 of the TUF and to the Corporate Governance Code for Listed Companies: Karim Beshara (Chairman), Claudio Corbetta, Lorenzo Lepri, Khaled Bishara, Antonio Converti, Maurizio Mongardi, Sophie Sursok, Philip Tohme, Ragy Soliman, Sofia Maroudia (independent), Carolina Gianardi (independent), Barbara Adami Lami (independent), Cristiano Esclapon (independent). The AGM also appointed Karim Beshara as Chairman of the Board of Directors of the Company, with the favourable vote of all the shareholders attending the meeting, holders of 13,077,379 shares, and approved the exemption of the Directors from non-compete obligations, pursuant to and in accordance with Art. 2390 of the Italian Civil Code.

At its first meeting on 13 May 2015, the Board of Directors confirmed the same organizational structure and the signatory powers previously approved by the outgoing Board of Directors, and confirmed the Group's senior managers Claudio Corbetta and Lorenzo Lepri as the only executive directors, pursuant to the Corporate Governance Code for Listed Companies.

On such date, Executive Director Claudio Corbetta was confirmed as General Manager and appointed Chief Executive Officer of the Company, and was granted full powers of representation over all the signatory areas, no area excluded, with the authority to represent the Company with single signature up to a maximum of € 1,000,000.00 (one million euro) per individual transaction, and with the authority to grant third parties power of attorney within the sphere of the powers granted while, with regard exclusively to power f2) (see description), with the authority to represent the Company with single signature up to a maximum of € 3,000,000.00 (three million euro) per individual transaction.

On the same date, Executive Director Lorenzo Lepri was confirmed General Manager and appointed Chief Financial Officer of the Company, and was granted full powers of representation over all the signatory areas, except for areas F), G) and H), with the authority to represent the Company with single signature up to a maximum of € 500,000.00 (five hundred thousand euro) per individual transaction over all the foregoing areas, and with a maximum of up to €1,000,000.00 (one million euro) referring exclusively to power C)8, with the authority to grant third parties power of attorney within the sphere of the powers granted. Claudio Corbetta and Lorenzo Lepri were confirmed as the only key management personnel of the Company, pursuant to Legislative Decree 58/98, and both were confirmed in the position of Director in charge of the internal control and risk management system: Lorenzo Lepri in charge of areas from A) to E) and I), and Claudio Corbetta in charge of areas from F) to H) and L).

On 8 September 2015, Directors Antonio Converti and Khaled Bishara resigned with immediate effect from the position of Directors of the Company.

On 25 September 2015, the Compensation and Nominations Committee considered the proposal formally submitted by shareholder Libero Acquisition S.à r.l. to the Chairman of the Company and to the Chairman of the Board of Statutory Auditors on the nomination of Youssef Bassem and Fadi Antaki as candidates to replace Directors Antonio Converti and Khaled Bishara. On that occasion, the Chairman of the Committee announced that on the list from where the two former directors had been drawn, there remained the only non-elected candidate, in the person of Maria Grazia Filippini. In this regard, the Chairman of the Committee added that, with a letter addressed to the Chairman of the Board of Directors and to the Chairman of the Board of Statutory Auditors, and in view of her candidacy following the resignations, Ms. Filippini had announced her current impossibility to accept the position of Director of Dada S.p.A. due to various personal reasons. The Chairman of the Committee pointed out that, given the above, the Board was free to elect new directors outside the lists. Accordingly, after reviewing the professional profiles and the background of the two candidates, the Committee gave a positive opinion, in its sphere of responsibility, on the candidacy of Youssef Bassem and Fadi Antaki as candidates to replace Directors Antonio Converti and Khaled Bichara.

On 11 November 2015, the Board of Directors of the Company, having assessed the proposal submitted by shareholder Libero Acquisition S.à.r.l. and the opinion of the Compensation and Nominations Committee, appointed by cooptation Fadi Antaki and Youssef Bassem as new Directors of Dada.

In 2015, the Board of Directors held 8 meetings; at the date of preparing this document, the Board of Directors has held one meeting in 2016, while it plans to meet at least 4 times this year; the By-laws establish that the Board shall meet at least on a quarterly basis;

It should be noted that the percentage of attendance of each director at the meetings is shown in the table at the end of this section.

The meetings of the Board of Directors held in 2015 lasted an average of approximately 1 hour and 40 minutes.

Induction Programme

It should be noted that, following the appointment of the new Board of Directors by the AGM held on 28 April 2015, for the purposes of an effective and informed fulfillment of each director's role, specifically, for those sitting on the various sub-committees, in-depth analysis was made on the general and specific information regarding the different business areas of the Company, for instance on the occasion of presentations sent by the delegated bodies to Directors and Statutory Auditors before Board meetings. Additionally, with particular regard to the committees, at meetings following their appointment, a review was made of the main activities carried out by previous committees and by the subjects who coordinate with the committees.

Again, with the committee members, the Management of the Company agreed on holding informal meetings aimed at introducing and/or analyzing several specific business issues, compliance, governance and the internal control and risk management system.

The Company, as per established practice and immediately after their appointment, provided each Director and Statutory Auditor with the corporate documents and procedures beneficial to the performance of their duties.

Maximum number of positions held in other companies

With regard to the maximum number of other appointments which each director of Dada S.p.A. may hold in companies listed on regulated markets or whose shares are listed on regulated markets (including overseas), or in financial, banking, insurance or other large companies, the Board has carefully evaluated the limits that are compatible with effectively performing the duty of director of the Issuer.

Further to this evaluation, it was decided to introduce a limit on the maximum number of other appointments that each director of Dada S.p.A. could hold in companies listed on regulated markets or whose shares are listed on regulated markets (including overseas), in financial, banking, insurance or other large companies, and which takes account of the role covered by the director and whether or not the companies involved are members of the Dada Group or otherwise. The limits introduced have not given rise to any problems or incompatibilities with the offices effectively held by directors of the Issuer.

Firstly, acceptance of any office by the Company directors implies their prior assessment of the possibility of dedicating the time required to diligently perform the important duties assigned to them and the resulting responsibilities, taking also into account the commitment to their own work and professional activities.

In detail, no executive director of Dada may hold any other executive director positions in other large companies (as listed above), but are permitted to hold up to seven appointments as non-executive director, including as independent director, or standing statutory auditor (or member of another supervisory body) of large companies.

Every Dada non-executive director is permitted to hold up to 5 executive directorships in other companies listed on regulated markets as specified above, and up to 12 non-executive directorships in large companies.

It must be noted however that the Board of Directors, on 11 December 2012, while taking into account guideline 1.C.3. of the Corporate Governance Code as amended in December 2011, requesting Directors to carefully assess the possibility of appropriately performing their duties in light of their participation in the Committees established under the Corporate Governance Code, decided to confirm the above mentioned calculation guideline.

A number of exceptions apply to these rules:

- appointments held within the Dada Group or in direct or indirect subsidiaries of Dada S.p.A. are not calculated;

- appointments held in parents, subsidiaries or companies under common control with the company are treated like a single appointment.

Lastly, it should be noted that these limits are not mandatory since the Board of Directors has reserved the right to make exceptions to such limits through adoption of a justified resolution.

In compliance with the requirements of Art. 1.C.2 of the Corporate Governance Code, the most significant positions held by members of the Board of Directors of Dada S.p.A. at 31 December 2015 (including therefore appointments in other listed companies and in financial, banking, insurance and other large companies) are listed below.

With the approval of this Report, and based on the statements received from the Directors, confirmation is made that the current composition of the Board complies with these general criteria.

Under application guideline 1.C.1. i) of the Corporate Governance Code, here are the professional profiles of the members of the Board of Directors throughout 2015, with length of service from their first appointment:

Khaled Bishara: currently managing partner of Accelero Capital. Prior to that, he served as Group President and Chief Operating Officer of VimpelCom Ltd. and as Group Executive Chairman of Orascom Telecom Holding S.A.E. and Chairman of Wind Telecomunicazioni S.p.A.. As such, he led a great deal of transactions, and reorganized and developed these companies. He boasts vast experience in the telecom and IT fields, combined with an equally important management and entrepreneurial experience. Before joining Wind Telecomunicazioni S.p.A., in 2005 he was co-founder, Chairman and CEO of LINKdotNET one of the leading Internet Service Providers in the Middle East. In 2001, Microsoft chose to become partner of LINKdotNET. Chairman Bishara holds senior positions in major IT and telecom companies throughout the world.

He was Chairman of the Board of Directors of Dada S.p.A. from 7 August 2013 and Director from 28 April 2015 to 8 September 2015.

Claudio Corbetta: a graduate in mathematics, in 1994 started his professional career in the Strategic Services Division of Andersen Consulting (now Accenture). From 1998 to 2000, he worked at McKinsey&Company dealing with a number of projects in the banking and telecommunications fields. In 2000 he joined the Dada Group as SME Business Unit Director. In 2002 he was appointed to his current position of Chief Executive Officer of Register.it S.p.A.. In 2011 he was also appointed Chief Executive Officer of Dada S.p.A..

He was appointed member of the Board of Directors of Dada S.p.A. on 22/9/2011.

Lorenzo Lepri: a graduate in business administration from the Bocconi University, from 1996 to 2000 he worked with Mediobanca dealing with extraordinary finance transactions, and reached the position of deputy director of the Financial Department. In 2000 he joined the Dada Group, holding roles of increasing responsibility to reach his current position of General Manager and Chief Financial Officer.

He was appointed member of the Board of Directors of Dada S.p.A. on 11/4/2003.

Antonio Converti: a graduate in computer science from the University of Pisa, he began his career at Olivetti, where he was involved in R&D and attended management training programs. He has focused his career ever since 1995 on the Internet world, firstly at Italia Online, where he created the Arianna search engine, then at Wind, where he managed the start-up of the Internet division. He was involved for one year in the start-up of 3 Italia and then returned to Wind to hold various top management positions. In 2011, he managed the spin-off from Wind of the Libero portal and of the Itnet service provider. A year later, he finalized the acquisition of Matrix from Telecom Italia with the birth of the new Italiaonline, the leading Internet player in Italy.

He was member of the Board of Directors of Dada S.p.A. from 7 August 2013 to 8 September 2015.

Ragy Soliman is co-founder of Accelero Capital S.à r.l..

Prior to that, Ragy Soliman was Deputy Legal General Counsel of VimpelCom Ltd. ("VimpelCom") and Legal General Counsel of Wind Telecom S.p.A. ("Wind Telecom"). Ragy Soliman played a key role in the merger of VimpelCom and Wind Telecom S.p.A. ("Wind Telecom"), worth a total of $25.7 billion, creating the world's sixth largest operator in the telecommunications industry.

From 2003 to 2012, Ragy Soliman was Legal General Counsel of Orascom Telecom Holding S.A.E. ("OTH") and of Wind Telecom S.p.A.. During his tenure, Ragy Soliman coordinated the Group's legal activities and sat on the boards of OTH and of numerous subsidiaries, whether operating or other. As Legal General Counsel of OTH and of Wind Telecom, Ragy Soliman was part of the team that concluded capital structure financial transactions worth over $65 billion.

Aside of that, Ragy Soliman played a key role in M&As concluded by the group (for a total equity value of over $60 billion). Ragy Soliman boasts over 16 years' legal experience in the telecommunications industry. He has sat on numerous boards of directors, including OTH, Orascom Telecom Algeria, Orascom Telecom Tunisia, Orascom Telecom Bangladesh, Mobilink, Hutchinson Telecommunications International Limited, LINKdotNET and on various holdings controlled by OTH.

Prior to that, Ragy Soliman worked in the top five UK law firms, as well as in the most renowned firms in Egypt. Ragy Soliman graduated in law and obtained a Master in International Business Law.

He was appointed member of the Board of Directors of Dada S.p.A. on 28 April 2014.

Stanislao Chimenti: a lawyer, he has always practiced the legal profession and is author of many scientific publications on trade and bankruptcy law. He was member of numerous institutional study commissions set up to prepare reform projects on the special administration of large companies in crisis and on bankruptcy law and related institutions. He is currently member of the Board of Directors of Nucleco S.p.A..

He was member of the Board of Directors of Dada S.p.A. from 8/11/2010 to 28 April 2015.

Rodolphe Aldo Mario Mareuse: a graduate in engineering from Ecole Centrale de Lyon, he is currently Managing Partner of Accelero Capital. From 2002 to 2011 he was CFO of Orascom Telecom Holding S.A.E. and of Wind Telecom S.p.A., leading major financial transactions: project finance, private equity restructurings, convertible bonds, etc.. Before joining Orascom, Aldo Mareuse held senior positions in the investment banking division of Credit Suisse First Boston in Paris, London and New York. As Managing Director and Co-founder of the Wireless sector in Europe of the aforementioned company, he was consultant in strategic acquisitions and capital market restructurings for the top European telecom operators. He was board member of various European companies and in 2011 was named "Telecom CFO of the Year" by World Finance.

He was member of the Board of Directors of Dada S.p.A. from 7 August 2013 to 28 April 2015.

Sophie Sursock: a graduate from the Paris Graduate School of Management, since November 2011 she has served as VP and Equity Holder at Accelero Capital. Prior to that, she was Corporate Finance Manager at Orascom Telecom (Weather Investments) and before that Senior M&A analyst with Deloitte Corporate Finance in Paris.

She was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Karim Galal Guirgis Beshara: a graduate from the American University in Cairo (Bachelor of Arts in Business Administration), since June 2012 he has served as CEO of Orascom Telecom Media&Technologies. Prior to that he was CEO of Linkdotnet, the major service provider in the Middle East, where he held senior positions in business development, sales, commercial activities, etc... He followed the merger of Linkdotnet in Mobinil, the leading mobile player in Egypt.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013, and Chairman of the Company on 28 April 2015.

Vincenzo Russi: a graduate in computer science, he has been working in the ICT business for the past 30 years, author of numerous publications on technology and business, during his career he has dealt with numerous technology projects, leading a research team of international prominence and creating application solutions for a wide range of markets. He worked at Olivetti Solution holding business line responsibilities. In 1997 he joined Ernst&Young (E&Y) becoming Partner in 1999 of E&Y Consultants and Vice-Chairman of Cap Gemini E&Y. Until 2002, he held top management positions in the Fila Group. He was later involved in management consulting and in corporate operational and strategic management and set up new businesses. In 2002 he joined CEFRIEL as Chief Technology Officer becoming General Manager in 2005, the position he holds today. In 2010, he assisted leading Italian publishers (RCS, Messaggerie Italiane and Feltrinelli Group) in the establishment of Edigita, the company specialized in the development of the digital book market. He is member of the Board of Directors of CEFRIEL Usa Inc, and Vice-Chairman of Nesting s.c.a r.l., and member of Consorzio Universitario Poliedra of the Milan Polytechnic.

He was member of the Board of Directors of Dada S.p.A. from 23 April 2009 to 28 April 2015.

Maria Oliva Scaramuzzi: a graduate in biology, entrepreneur, in her professional career she has dealt with various business projects, specializing in the organization of congresses, trips and events. Since 2000, she has held numerous senior positions in cultural committees and associations in the Florence area.

She was member of the Board of Directors of Dada S.p.A. from 24/4/2012 to 28 April 2015.

Danilo Vivarelli: a graduate in information science, he started his career at Marconi, where he dealt with marketing and product development in the IT systems division. In 1997, he joined Omnitel (now Vodafone), as Business Development Manager and Marketing Manager for value added services. In 2000, he joined Fastweb (former e.Biscom Group) dealing with the launch and development of TV services; he later held positions of increasing responsibility becoming in 2007 Strategy Director and Consumer&Microbusiness Business Unit Director, and member of the steering committee of Fastweb.

He was member of the Board of Directors of Dada S.p.A. from 21/4/2006 to 28 April 2015.

Maurizio Mongardi: a graduate in Business Administration in 1989 from Università Commerciale "Luigi Bocconi" of Milan. He joined RCS MediaGroup S.p.A. on 3 December 2012 as HR and Organization Director. He began his career at IPSOA - Business School as a manager of business management training programs.

In 1992 he joined Sony Italia as Head of HR Selection, Training and Development. In 1995 he moved to Koln (Germany) at the European Headquarters of Sony as Compensation

& Benefits Manager. Two years later, he returned to Italy as HR Director at Sony maintaining the policy oversight of Employee Benefits for the entire Sony Group in Europe. In January 2000 he left Sony to join the Italian multinational Fila Sport (sports clothing and footwear), at the time part of HdP Group, where he served for 4 years as Vice President, Group HR & Organization. In 2004, he joined the De'Longhi Group where for two and a half years he was Group HR & Organization Director. In 2006, he joined Wind Telecomunicazioni (initially Orascom Group then since 2011 part of the VimpelCom Group) as HR Director, where he worked for 6 years.

He was appointed member of the Board of Directors of Dada S.p.A. on 11 April 2013.

Cristiano Esclapon: in 1986, Cristiano Esclapon began his professional career as a trader on Italian stock markets. In the mid-90s, he entered private banking, becoming an executive at Banca Euromobiliare in 1994, at Meryll Lynch International Bank in Milan in 1998, and then a partner at Banca Esperia. Building on his wealth of experience, in 2006 he became consultant to the Ferragamo family, and then to Whitesun SA. In 2013 he founded Club Italia Investimenti 2, which supports the funding of start-ups. He is currently also Chairman and shareholder of Siamosoci SA, board member and shareholder of Windows On Europe SpA, and board member and partner of Elba Assicurazioni SpA.

Member of the Board of Directors of Dada S.p.A. since 28 April 2015.

Carolina Gianardi: a graduate in Business Administration with honours in 1992 from the Bocconi University of Milan, she then attended a Master in Corporate Finance there.

In 2008, she was appointed Head of Individual and Business Clients of BancoPosta at Poste Italiane, before becoming Head of Customer Experience and Claims. Carolina Gianardi boasts 20 years' experience in Retail Banking, Consumer Credit and Insurance, having worked for a number of General Electric Capital and Citibank companies.

Her experience on both Italian and foreign markets, specifically in southern Europe and the United States, focused on current accounts, targeted loans, personal loans, salary-backed loans, mortgages, insurance protection products, distributed through both direct and indirect channels.

Her activity has always focused on the development of different solutions for consumers and SMEs segments, including in the frame of commercial partnerships with leading banks and financial institutions, with different go-to-market strategies based on targets and channels.

During her professional career, she was also responsible for commercial networks and a number of P&Ls, and dealt with start-up projects.

Member of the Board of Directors of Dada S.p.A. since 28 April 2015.

Barbara Adami Lami: a graduate in letters with honours in 1987 from the Catholic University of Milan, and specialization in the Theory and Techniques of Communication.

She boasts over 25 years of experience in US multinationals and businesses, in the areas of consumer goods, Hi-Tech and Telecommunications. She has also gained significant experience in Corporate, HR, Marketing and Sales, holding positions in General Management, and as Chief Corporate Director and Chief HR Director, focusing on organizational change and SMEs restructuring. She was director in Italian and foreign listed companies, and in privately-held firms. Since 2015, she has been Senior Advisor at Governance Consulting.

Member of the Board of Directors of Dada S.p.A. since 28 April 2015.

Sofia Maroudia: a graduate in political science in 1999 at Edinburgh and in law in 2001 at Cambridge.

In 2001, she worked in London for Goldman Sachs, where she managed relations between the bank and governments, and international organizations. In 2008, she moved to Italy, joining the Boston Consulting Group, where she dealt with strategic consulting for companies in the financial and consumer fields. In 2010, she turned to the non-profit world and joined ActionAid, as Head of High Value Partnerships, raising funds from companies, major donors, and institutions. Since September 2011, she has been Manager of the entire “Business" area of ActionAid through Campaigning and Projects, Marketing and Fundraising and Communications.

Member of the Board of Directors of Dada S.p.A. since 28 April 2015.

Philip Tohme: a graduate from the Virginia Institute, he has a master's degree in electronic engineering. He boasts over 20 years’ experience in the telecommunications industry in Italy, Holland, Lebanon, Romania, Egypt, Algeria, Russia and Ukraine.

Member of the Board of Directors of Dada S.p.A. since 28 April 2015.

Fadi Antaki: a graduate in Business Administration at the American University in Cairo. He started his career in 2001 at LINKdotNET, holding several positions to lead the LinkWireless division. In 2003, he joined Arpuplus as Business Development Manager. In 2006, he launched Mobizone Italy, a subsidiary of Arpuplus, and became General Manager of Arpuplus in 2009. Parallel to his role as General Manager of Arpuplus, in 2011 he joined OTVentures in Cairo as VP Commercial and then became CEO of OTVentures. In October 2015, he was appointed CEO of A15, which creates digital products and technology trademarks.

Member of the Board of Directors of Dada S.p.A. since 11 November 2015.

Bassem Salah Youssef: a graduate in economics in 1997 at the Cairo University, he then attended an MBA in Marketing Focus at the Maastricht University in Cairo.

He started his career in 1997 as researcher at A.M.E.R World Research Limited, a subsidiary of "Dun & Bradstreet International - UK". He then joined Allied Business Consultants, a consulting firm that was part of a consortium with KPMG Barents Group LLC, and Carana Corporation, where he managed several projects with USAID. In 2001 he joined the Corporate Strategy team in Mobinil, the main player in Egypt. In 2004 he was head of the budget and planning department for the launch of the Mobile operation in Iraq. In 2006, Bassem was appointed Marketing Planning Director of Orascom Telecom Holding, and was in charge of strategy, business planning and mobile and fixed operations throughout the Middle East, Africa, Europe and Asia. He was deeply involved in long-term plans, and in market activities in various regions. In November 2012 he joined Accelero Capital as Vice President Operations.

Member of the Board of Directors of Dada S.p.A. since 11 November 2015.

The delegated bodies report during Board meetings on the most important activities performed in relation to the powers delegated and on the most important activities undertaken by the Company and its subsidiaries in a timely matter, both periodically and in general when said meetings are held to approve targets, budgets and preliminary figures.

Board of Directors													**Control and Risk Committee**		**Compensation Committee**	
Position	**Members**	**Year of birth**	**Date of first appointment**	**From**	**Until**	**List ****	**Exec.**	**Non-exec.**	**Indep. as per Code**	**Indep. as per TUF**	**Number of other positions *****	**(*)**	**(*)**	**(**)**	**(*)**	**(**)**
Chairman	Karim Beshara	1974	7 August 2013	28/04/2015	Approval of 2017 financial statements	M		X	-	-	-	8/8	n/a	n/a	n/a	n/a
CEO and General Manager	Claudio Corbetta	1972	22 September 2011	28/04/2015	Approval of 2017 financial statements	M	X		-	-	-	8/8	n/a	n/a	n/a	n/a
Director, General Manager and CFO	Lorenzo Lepri.	1971	11 April 2003	28/04/2015	Approval of 2017 financial statements	M	X		-	-	-	8/8	n/a	n/a	n/a	n/a
Director	Ragy Soliman	1974	28 April 2014	28/04/2015	Approval of 2017 financial statements	M		X	-	-	1	5/8	n/a	n/a	n/a	n/a
Director	Carolina Gianardi	1968	28 April 2015	28/04/2015	Approval of 2017 financial statements	M		X	X	X	-	4/4	3/3	P	n/a	n/a
Director	Sofia Maroudia	1976	28 April 2015	28/04/2015	Approval of 2017 financial statements	M		X	X-	X-	-	4/4	3/3	M	3/3	M
Director	Barbara Adami Lami	1964	28 April 2015	28/04/2015	Approval of 2017 financial statements	M		X	X-	-X	1	4/4	3/3	M	3/3	P
Director	Sophie Sursock	1979	7 August 2013	28/04/2015	Approval of 2017 financial statements	M		X	-	-	-	7/8	n/a	n/a	n/a	n/a
Director	Philip Tohme	1967	28 April 2015	28/04/2015	Approval of 2017 financial statements	M		X	-	-	-	3/4	n/a	n/a	n/a	n/a
Director	Youssef Bassem	1973	11 November 2015	11/11/2015	AGM approving this Report	M		X	-	-	-	1/1	n/a	n/	n/a	M
Director	Fadi Antaki	1975	11 November 2015	11/11/2015	AGM approving this Report	M		X	-	-	2	1/1	n/a	n/	n/a	M
Director	Maurizio Mongardi	1964	11 April 2013	22/02/2013	Approval of 2017 financial statements	M		X	-	-	1	5/8	n/a	n/a	3/3	M
Director	Cristiano Esclapon	1964	28 April 2015	28/04/2015	Approval of 2017 financial statements	M	_	X	X	X	1	3/4	n/a	n/a	n/a	n/a
Directors whose term of office expired in 2015																
Chairman	Khaled Bichara	1971	7 August 2013	28/04/2015	08/09/2015	M		X			5	2/4	n/a	n/a	n/a	n/a
Director	Stanislao Chimenti	1965	8 November 2010	28/04/2015	28/04/2015	M		X	X	X	-	1/4	1/1	n/a	n/a	n/a
Director	Vincenzo Russi	1959	23 April 2009	28/04/2015	28/04/2015	M		X	X	X	-	3/4	1/1	P	2/2	M
Director	Antonio Converti	1995	7 August 2013	08/09/2015	08/09/2015	M		X			1	4/4	n/a	n/a	n/a	n/a
Director	Aldo Mareuse	1964	7 August 2013	28/04/2015	28/04/2015	M		X			-	3/4	n/a	n/a	n/a	n/a
Director	Danilo Vivarelli	1964	21 April 2006	28/04/2015	28/04/2015	M		X	X	X	-	5/5	n/a	2/2	2/2	P
Director	Maria Oliva Scaramuzzi	1957	23 April 2012	28/04/2015	28/04/2015	M		X	X	X	-	3/4	1/1	2/2	2/2	M
Indicate quorum required for the submission of lists at previous appointment: quorum established under law																
N. of meetings held in 2015:			9. Control and Risk Committee 4						Compensation Committee: 5			Board of Directors: 8				

NOTES

* Date of first appointment of each director means the date on which each director was appointed for the first time (ever) in the Board of Directors of the Issuer.

** This column indicates M/m depending on whether the director was elected by the majority (M), minority (m) list or BoD (BoD) list.

*** This column indicates number of directorships or statutory auditor positions held in other companies listed on either national or foreign stock exchanges, including finance companies, banks and insurance companies, or of major companies In the Report on Corporate Governance, positions are shown in full.

(*) This column indicates the participation percentage of directors to the BoD and committee meetings (n. of times present/n. of meetings held during their term, for instance 6/8, 8/8, etc.)

(**) This column indicates the position of the board member in the Committee : “P”: President; “M”: Member.

4. Independent Directors

The Board of Directors of Dada S.p.A., in office until 28 April 2015, was appointed by the AGM on 24 April 2012 and had seven independent directors (Maria Oliva Scaramuzzi, Silvia Michela Candiani, Claudio Cappon, Alessandro Foti, Vincenzo Russi, Danilo Vivarelli, and Stanislao Chimenti). Following the acquisition by Libero Acquisition S.à.r.l. of the majority shareholding previously held by RCS MediaGroup S.p.A. on 7 August 2013 and the resignation of the directors mentioned in par. 3.3, the Board of Directors now includes four independent directors (Maria Oliva Scaramuzzi, Vincenzo Russi, Danilo Vivarelli and Stanislao Chimenti), who have stated that they qualify as independent directors under the new edition of the Corporate Governance Code, under Art. 148 par. 3 of Legislative Decree 58/1998 and under the regulations of Borsa Italiana applying to the Company; the Board of Directors, pursuant to principle 3.P.2. of the Corporate Governance Code, at its meeting held on 24 April 2012, following their appointment at the AGM, confirmed that these directors qualified as independent. The Board disclosed the results of its assessments with a press release to the market.

On 28 April 2015, following the appointment of the new Board of Directors as shown in the table above in section 3.3, the members of the Board of Directors Carolina Gianardi, Sofia Maroudia, Carolina Gianardi, and Cristiano Esclapon, appearing in the lists for the appointment of the Board, stated their eligibility to qualify as independent directors, under the new version of the Corporate Governance Code, under Art. 148, par. 3 of Legislative Decree 58/1998, and under the regulations of the Italian Stock Exchange, which apply to the Company; the Board of Directors, pursuant to principle 3.P.2. of the Code of Conduct, at its meeting on 14 May 2015, following their appointment at the AGM, positively assessed their qualification as independent directors, applying in this assessment all the criteria set out in the Code, therefore taking account of the above statements and the information available to the Company, while positively assessing the professional qualities and integrity of the Directors. Regarding the independence of directors who qualify as such, a series of analyses was made by the relevant internal functions of the Company which, to date, show no elements worthy to be mentioned to the Board Members. The Board disclosed the results of its assessments with a press release to the market.

The independent directors have undertaken to provide notice should independence requirements no longer be met.

The meeting of the Board of Directors approving this Report, following review by the Compensation and Nominations Committee, has confirmed the considerations on the existence of the independence requirements established by law, according to the parameters and criteria of the Code, with regard to Directors Carolina Gianardi, Sofia Maroudia, Carolina Gianardi, and Cristiano Esclapon. Moreover, the number and expertise of the current independent Directors is judged as appropriate by the Board of Directors, both in relation to the regulations of Borsa Italiana and in relation to the formation of committees in compliance with the Corporate Governance Code for Listed Companies for the purposes of assuring adequate independence of judgment.

The positive evaluation of directors' independence, in light of their statements under the corporate governance code and of information held by the Company, is confirmed with the approval of this Report by the Board.

The Board of Statutory Auditors verified that the assessment criteria and procedures adopted by the Board to evaluate the independence of its members were properly applied and reported the results in its report to the AGM.

Lead Independent Director

It should be noted that, since the conditions laid down in the Code on the appointment of a Lead Independent Director do not apply, as the Chairman of the Board is not the principal manager in charge of running the Company (CEO), nor does he hold a controlling interest in the Company, and since the number of independent directors is deemed appropriate, it was decided not to appoint a Lead Independent Director.

5. Chairman of the Board of Directors

According to the By-laws of Dada, the Chairman of the Board of Directors is the company's legal representative, calls General Meetings, which he/she chairs, verifying the proper convocation of such meetings and the procedures for voting. The Chairman also calls Board meetings and establishes the agenda, ensuring that all directors and statutory auditors receive in the time set and indicated in this Report (compatible with the need for confidentiality, and the urgency and nature of the resolutions) the documentation and information needed to be able to decide in an informed fashion.

If deemed appropriate, the Chairman of the Board of Directors, also on request of one or more directors, may request the chief executive officers, or managers and officers of the Company and those of the companies of the Group, according to their respective responsibilities, to attend the meetings of the Board to provide the appropriate and detailed explanations regarding the items on the agenda.

Until 28 April 2015, the Chairman of the Board of Directors of the Company was Khaled Bishara, appointed Director by the AGM on 28 April 2014, and appointed Chairman of the Company by the meeting of the Board of Directors held on 14 May 2014, until expiry of the term of the Board, that is, until the AGM called to approve the financial statements at 31 December 2014.

On 28 April 2015, the AGM confirmed Khaled Bishara as Director of the Company, but appointed Karim Beshara as Chairman.

In keeping with the past, both Khaled Bishara and Karim Beshara did not receive any managing powers, they did not take on any operational role or specific role in the development of corporate strategies in the Company, they were not appointed CEO of the Company, and they are not controlling shareholders of the Company.

6. Chief Executive Officers

Claudio Corbetta was CEO throughout 2015.

Until 28 April 2015, under the powers granted to him by the Board of Directors on 24 April 2012, which granted him full powers of representation over all the signatory areas, no area excluded, with the authority to represent the Company with single signature up to a maximum of € 1,000,000.00 (one million euro) per individual transaction, and with the authority to grant third parties power of attorney within the sphere of the powers granted while, with regard exclusively to power f2), with the authority to represent the Company with single signature up to a maximum of € 3,000,000.00 (three million euro) per individual transaction; This meeting also appointed him General Manager of the Company.

On 28 April 2015, Claudio Corbetta was confirmed Director by the AGM, while on 13 May 2015, the Board of Directors confirmed his position as Chief Executive Officer of the Company, granting him full powers of representation over all the signatory areas, no area excluded, with the authority to represent the Company with single signature up to a maximum of € 1,000,000.00 (one million euro) per individual transaction, and with the authority to grant third parties power of attorney within the sphere of the powers granted while, with regard exclusively to power f2), with the authority to represent the Company with single signature up to a maximum of € 3,000,000.00 (three million euro) per individual transaction. He was also confirmed in his position as General Manager.

The delegated bodies report to the Board on their activity at the first available meeting or at least every quarter.

7. Treatment of corporate information

The Chairman and Chief Executive Officer, together with the executive directors, ensure that corporate information is correctly managed; accordingly, the Board of Directors has implemented the recommendations of the Corporate Governance Code, and on 11 November 2006 adopted, in place of the previous procedures, new procedures to govern the internal management and external publication of "confidential information", and particularly "price-sensitive information", relating to Dada S.p.A., all its subsidiaries and/or financial instruments issued; the purpose of these procedures is to prevent non-compliance with legal obligations concerning public disclosure and market abuse and manipulation and to ensure that such information is managed internally in an adequate and confidential manner and is disclosed externally on a timely, complete and accurate basis; such procedures identify those persons entitled to handle confidential information and the criteria for its publication; these procedures were updated, mainly to reflect a number of organizational changes, at the Board meetings held on 2 December 2010, 12 December 2011, 30 July 2013 and 12 November 2014. These procedures also serve to guide the conduct of every subsidiary, to the extent applicable; in addition, the procedures are connected with internal procedures, also adopted by the Board and updated in the meeting held on 11 November 2014, to create, maintain and update a register of persons with access to price-sensitive information in accordance with Art. 115-bis of TUF and with Art. 152-bis et seq of the Issuer Regulations.

Internal dealing

On 16 March 2006, the Board of Directors of Dada S.p.A. adopted a Code of Conduct for transactions in Dada shares and related financial instruments, as subsequently amended on 11 May 2007 and on 12 December 2011 to comply with Art. 152-sexies et seq of the Consob Regulations adopted under Resolution no. 11971 and with the Regulations of the Markets Organized and Managed by Borsa Italiana S.p.A., which introduced "black-out periods", meaning periods in which Relevant Persons are forbidden from dealing in the company's shares, coinciding with the 15-day period preceding Board meetings called to approve annual, half-yearly and quarterly financial reports; this code replaced the previous one adopted by the Company. The Code governs the conduct that Relevant Persons must observe for transactions by themselves and persons closely related to them in Financial Instruments (as defined), also to allow Dada S.p.A. to discharge its reporting obligations to the market in accordance with the Issuer Regulations, and in accordance with the procedures and terms of the Code.

8. Board of Directors' sub-committees

The Corporate Governance Code states that the Board of Directors shall establish from among its members one or more committees to act in an advisory and consultative capacity, as specified in subsequent articles.

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The Committees are therefore created and operate in accordance with the principles and application guidelines of the Corporate Governance Code, as described below.
The Board of Directors has approved the rules of procedure for the two committees formed by the Board: the Compensation and Nominations Committee and the Control and Risk Committee.

9. Compensation and Nominations Committee

For more information on the operation of the Compensation and Nominations Committee regarding compensation in particular, reference should be made to the relevant parts of the Compensation Report published in accordance with Art. 123-ter of the TUF.

Regarding directors' compensation, reference should also be made to the above Compensation Report.

Mention should be made that the Board of Directors, in the meeting held on 24 April 2012 (on 11 December 2012 then on 19 March 2014), had confirmed the decision taken in 2006 not to establish a Nominations Committee, as recommended by Art. 5 of the Corporate Governance Code (Principle 5.P.1).

The reason for this deviation was that the Board was deemed to be formed of a high number of directors, and with a significant number of independent directors, pursuant to the Corporate Governance Code for Listed Companies, and was therefore in a position to ensure that the review and decision-making tasks performed by the Committee can be duly performed within the Board.

On 13 May 2015, the Board of Directors, upon proposal of the Chairman, and on the appointment of the new Board, taking into account the recurring recommendations of the Corporate Governance Code on the matter, decided to re-establish the Compensation Committee, complementing it with the functions provided for the Nominations Committee by the Corporate Governance Code for Listed Companies. Accordingly, the Committee changed its name to the Compensation and Nominations Committee.

He reminded the attendees that such Committee must be composed of non-executive directors of the Company, at least the majority of them also Independent Directors as defined by the Corporate Governance Code, and that one of these Independent Directors must be named Chairman.

He added that, pursuant to principle 6.P.3 of the Corporate Governance Code, at least one member of the Committee must have sufficient expertise and experience in finance or remuneration policies, as determined by the Board of Directors at the time of appointment.

The Committee is, in fact, composed of a majority of independent directors and is tasked with supporting, on the basis of an adequate review process, the evaluations and decisions to be made by the Board of Directors in relation to the size and composition of the Board, as well as to the remuneration of executive directors and executives with strategic responsibilities.

Specifically, the Nominations Committee: a) submits opinions to the Board of Directors on the Board's composition and size, and puts forward recommendations on the professional figures whose presence on the Board is deemed appropriate, and on the items set out in Articles 1.C.3. and 1.C.4. of the Code; b) suggests nominations to the Board of Directors for the position of director in cases of co-optation, where independent directors are to be replaced.

The proceedings of the Compensation and Nominations Committee, composed of Sofia Maroudia (Independent Director) and Maurizio Mongardi, are coordinated by a Chairman in the person of Director Barbara Adami Lami, independent director; meetings are recorded. The Committee, in the performance of its duties, was enabled to access information and the Company offices. During the year, the Committee met 5 times and the meetings lasted an average of about 1 hour. Mention should be made that at the date of approval of this Report, 8 meetings were held, 5 of which in 2015, and 3 in 2016.

10. Control and Risk Committee

Composition

The Control and Risk Committee of Dada S.p.A., in accordance with the provisions of law and with the Corporate Governance Code, was, until 28 April 2015, formed entirely of independent directors, in the persons of Vincenzo Russi (Chairman), Stanislao Chimenti and Maria Oliva Scaramuzzi. On 13 May 2015, the Board appointed as members of the Committee Carolina Gianardi (Chairman), Sofia Maroudia and Barbara Adami Lami (all independent directors), who form the Control and Risk Committee as it is today.

The meeting of the Board of Directors held on 13 May 2015 assessed whether the two members of the Committee had a specific accounting, financial and/or risk management background; their experience was deemed appropriate by the Board at the time of their appointment.

The proceedings of the control and risk committee are attended by the Chairman of the Board of Statutory Auditors or by other auditor appointed by the Chairman, although the other auditors may attend.

Depending on the matters dealt with, either the Head of Internal Audit or members of other committees are invited to attend.

The proceedings of the Control and Risk Committee are coordinated by the Chairman, in the person of Director Carolina Gianardi; meetings are recorded. During the year, the Committee met 4 times and the meetings lasted an average of about 1 hour, with the active involvement of the members of the Committee. Mention should be made that at the date of approval of this Report, 6 meetings were held, 4 of which in 2015, and 2 in 2016.

Functions

The Control and Risk Committee, which basically has advisory and consultative functions, besides supporting and assisting the Board of Directors: a) evaluates, together with the Financial Reporting Manager, and after hearing the independent auditors and Board of Statutory Auditors, the correct application of the accounting principles adopted and, with regard to the Group, consistency with the principles applied for the preparation of the consolidated financial statements; b) voices opinions on specific aspects related to the identification of the main risks; c) reviews periodical reports, providing an evaluation of the internal control and risk management system, and those of particular relevance prepared by internal audit; d) monitors the independence, adequacy, efficiency and effectiveness of internal audit; e) may request internal audit to perform audits on specific operational areas providing at the same time notice to the Chairman of the Board of Statutory Auditors; f) reports to the Board, at least every six months, on the occasion of the approval of the annual and half-year financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system; g) supports, on the basis of an appropriate review process, the assessments and decisions of the Board of Directors related to the management of risks arising from detrimental events the Board has become aware of.

In the performance of its functions, the Control and Risk Committee is empowered to access information and corporate functions required to perform its duties.

With regard to the above, the Committee continually verified the adequacy of the administrative-accounting procedures adopted by the Company and verified the adequacy of the Organizational Model pursuant to Decree 231/2001. The Committee, in order to comply with TUF, also ensured that privacy and IT security measures had been adopted.

In 2015, the Control and Risk Committee, at its first meeting held on 9 March 2015, resolved to propose the Board of Directors to confirm Carlo Ravazzin for a year as the Head of Internal Audit; it submitted its opinion on the fixed remuneration of the latter, as well as on the proposal regarding the granting of the variable portion decided by the Committee and by the Board of Directors in February 2014. Additionally, with regard to the annual self-assessment by the Board of Directors on size, composition and operation of the Board and its committees, a questionnaire was sent to all the Directors. The Committee took note of the results of the analysis of the questionnaires and resolved to submit a summary to the Board, in an anonymous and aggregate way, of the answers to the questionnaire received by the Directors with their comments, reporting the only relevant comment already described

The Committee then fully approved and acknowledged the report of the Head of Internal Audit on the activity performed in the second semester of 2014 and the 2015 audit plan, together with the positive assessment of the efficiency and adequacy of the control and risk system, properly managed and monitored, and resolved to submit the documentation to the approval of the subsequent meeting of the Board of Directors as the Committee's proposal.

The Committee also confirmed the proper application of the accounting standards and, with regard to the Group, their uniformity for the purposes of preparing the consolidated financial statements.

The Committee, at its meeting on 16 June 2015, as its first meeting as currently established, asked the Head of Internal Audit to provide a short outline of business processes related to internal audit, showing that Ernst&Young had drawn up a reference Enterprise Risk Management Model for internal auditing, which has mapped about 60 risks, detected also thanks to talks with the Dada’s Group Management. It announced that this Model was subsequently updated and revised in 2013, based on the new organizational structure, and that the updates were structured on the mapping of business risks, dividing them into four macro areas: strategic risks, operational risks, financial risks and compliance risks, with the aim of focusing on high-impact risks with a high control level (“monitoring level”), which involved constant follow-up and monitoring actions.

At its meeting on 22 July 2015, the Committee resolved to approve the report of the Head of Internal Audit (and its annexes) on activities carried out in the first semester of 2015, to be submitted to and approved by the Board of Directors, together with its conclusions and the assessment of the adequacy of the internal control system, in order to identify, monitor and manage business risks, as well as the activities planned for the second semester of 2015.

On 20 November 2015, the Head of Internal Audit Carlo Ravazzin, at the request of the Chairman of the Committee, updated the Committee on the progress of activities planned in the second semester of 2015; in addition to the regular monitoring activities planned on business and compliance risks, he also reported three other activities pursued: (i) analysis of the performance of the compulsory annual privacy audit for 2015, still in progress and performed by an external firm (ii) activities related to occupational safety (iii) activities related to the assessment of the Group's internal organizational stability.

Internal control and risk management system

The Corporate Governance Code sets out the internal control and risk management system formed of a set of rules, procedures and organizational structures aimed at identifying, measuring, managing and monitoring main risks.

This system is integrated in the more general organizational and corporate governance structures adopted by the Company, and takes due consideration of the reference models and best practices implemented on a national and international level.

The internal control and risk management system of the Company involves the following bodies, with a description of how this system is integrated in the organizational structure of the Dada Group.

The Board of Directors, with particular regard to the control and risk management system, with the opinion of the control and risk committee:

a) sets, specifically at the meeting approving this Report, and on the approval of the audit plan for the current year, the guidelines of the internal control and risk management system, so that the main risks affecting the Issuer and its subsidiaries are properly identified and appropriately measured, managed and monitored, determining the degree of compatibility of such risks with corporate management policies that are aligned to the established strategic targets;

b) evaluates, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;

c) approves, at least on an annual basis, the plan drafted by the person in charge of internal audit, with the opinion of the Board of Statutory Auditors and the director in charge of the control and risk management system;

d) describes, in the Corporate Governance Report, the main features of the internal control and risk management system, expressing an evaluation on its adequacy;

e) upon the opinion of the Board of Statutory Auditors, assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.

The Board of Directors, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, and after hearing the Board of Statutory Auditors:

- appoints and revokes the person in charge of internal audit;

- ensures that such a person is provided with the adequate resources for the fulfilment of his/her responsibilities;

- defines the relevant remuneration consistently with company policies.

In compliance with the requirements of the Corporate Governance Code, the Board of Directors, assisted by the above mentioned Committee, has set out the guidelines of the internal control and risk management system and has made periodical assessments of the adequacy and operation of the system, also on the occasion of the review and approval of the half-year reports submitted by the Committee on activities performed.

The annual assessment on the adequacy, effectiveness and operation of the internal control system, and on adequacy of the organizational, administrative and accounting structure of the Company and its strategic subsidiaries, which is performed every six months, was renewed with a positive outcome in the meeting approving this Report, also with regard to the presentation by the Committee of the report on activities performed in the second semester of 2015, based on the observations and results of the activities performed by the Committee.

With regard to Art. 36 and Art. 39 of Consob Regulation 16191/2007 as amended (the "Market Regulations") concerning non-EU subsidiaries, the Company has preliminarily identified its subsidiaries incorporated and governed by law of nations outside the European Union ("Non-EU Companies"), which are considered to fall under the scope of the provisions of these articles, and excluded the existence of any such companies.

Directors in charge of the internal control and risk management system

Furthermore, during the meeting held on 22 February 2013, after hearing the Control and Risk Committee, in order to increase the effectiveness of the contribution of the director in charge of the formation and maintenance of an effective internal control and risk management system, reflecting the Company's current structure of powers, the Board deemed it appropriate, acknowledging an indication contained in the comments to the Corporate Governance Code, to appoint as directors in charge of the formation and maintenance of an effective internal control and risk management system both Claudio Corbetta and Lorenzo Lepri, each with specific regard to the risk areas related to their delegated powers mentioned earlier. More specifically, Lorenzo Lepri was the director in charge of the management of risks in the areas of a) market and investors relations, b) control, administration, finance and tax; d) procurement, resources, logistics and offices; e) legal affairs and disputes; i) mergers & acquisitions; l) strategic planning, while Claudio Corbetta was the director in charge of the management of risks in the areas of c) HR, f) sales and marketing; g) production, network and software; h) community, contracts and contacts with the public.

On 13 May 2015, their positions were confirmed in the same terms as described above.

It should be noted that for their own area of responsibility, each saw to identifying the main corporate risks, taking into account the characteristics of the activities performed by the Company and its subsidiaries, and had the risks periodically assessed by the Board. Both also implemented the guidelines set by the Board, seeing to the management and verification of the internal control system. Furthermore, they worked on adapting the system to the dynamics of the operating environment and to the legislative and regulatory framework. They are also empowered to ask Internal Audit to make assessments on specific operating areas and on compliance with internal rules and procedures in the performance of business operations.

They reported in a timely fashion to the Control and Risk Committee on the critical issues found in the performance of their duties or on those they were acquainted with, so that the Committee could take the appropriate measures.

Head of Internal Audit

In 2015, the Head of Internal Audit was Carlo Ravazzin. His position was confirmed at the meeting of the Control and Risk Committee held on 9 March 2015.

At the meeting held on 13 May 2015, the Board, once again based on the recommendation of the directors in charge of the formation and maintenance of an effective internal control and risk management system, on the favourable opinion of the Control and Risk Committee and after consulting the Board of Statutory Auditors, appointed Carlo Ravazzin as the Head of Internal Audit and determined his remuneration, which is split up into a fixed and variable portion, in accordance with company policies.

The Head of Internal Audit has no operative responsibilities and reports directly to the Board of Directors.

Internal Audit, in its entirety, is managed by an individual external to the Company (Mr. Ravazzin), who possesses the appropriate qualifications, namely, a high level of expertise, independence and organization.

The Head of Internal Audit: a) assessed, both on a continuous basis and in relation to specific needs and in conformity with international standards, the operation and appropriateness of the internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured process of analysis and ranking of the main risks; b) had direct access to all the information deemed useful for carrying out his duties; c) prepared periodical reports containing adequate information on the activities performed, on the risk management process, on compliance with the plans set out for their mitigation, as well as an assessment on the adequacy of the internal control and risk management system, and sent them to the chairmen of the board of statutory auditors, the control and risk committee, to the Board of Directors and to the person in charge of the internal control and risk management system; d) finally, assessed, as part of the audit plan, the reliability of IT systems, including accounting systems.

Details of the activities performed by the Head of Internal Audit are also found in the section on the Control and Risk Committee.

Organizational Model pursuant to Legislative Decree 231/2001

The Company and its strategic Italian subsidiaries have adopted an organizational, management and control model, pursuant to Legislative Decree 231/2001 (Regulations on the administrative liability of legal persons), published on the Company website, to which reference is made.

External Auditors

At the AGM on 24 April 2012, the Board of Directors submitted the proposal received, according to law, from the Board of Statutory Auditors of the Company, on assigning external auditing tasks for the nine years from 2012 to 2020 to KPMG S.p.A., in light of the results of the comparative analysis of the offers received from three major audit firms, and considering, in particular, KPMG's specific skills and auditing experience in the field and in similar companies, and the requested fees also with regard to the necessary levels of expertise. In light of the above, the AGM resolved to assign the statutory audit tasks for the Dada financial statements and the consolidated financial statements, pursuant to Art. 14, par. 1 of Legislative Decree 39/2010, to KPMG for a period of nine years, from the financial statements ended at 31 December 2012 to those ending at 31 December 2020.

Manager responsible for preparing the Company's Financial Reports

Under Art. 24 of the By-laws, the Board of Directors appoints, with the prior obligatory approval of the Board of Statutory Auditors, the Financial Reporting Officer, pursuant to and in accordance with Art. 154-bis of Legislative Decree 58/98. The person appointed must have adequate accounting and financial expertise gained in senior management positions in reporting/accounting and/or finance and/or control functions within the Company and/or other public limited companies. The Board of Directors can establish the term of the appointment and may, again with the prior obligatory but non-binding opinion of the Board of Statutory Auditors, revoke the Financial Reporting Officer's appointment and nominate a replacement.

The Board of Directors, taking account of his expertise and experience, appointed as manager responsible for preparing the Company's financial reports, pursuant to and in accordance with Art. 154 bis of Legislative Decree 58/98, Federico Bronzi, Administrative Director of Dada S.p.A. since 2000. Mr. Bronzi meets all the requirements under the By-laws for such position, in that he has adequate expertise in the field of accounting and finance, gained in senior management positions in reporting/accounting and/or finance and/or control functions within the Company and/or other joint stock companies.

Supervisory and Control Body

The Head of Internal Audit and the Control and Risk Committee work with the Group's Supervisory and Control Body (abbreviation, OVC), set up under Legislative Decree 231/2001, also for the purposes of the application and verification of the procedures under Legislative Decree 231/2001, in order to adopt the most appropriate methods of prevention and control. In 2015, the OVC undertook on-going assessment and consequent updating of the organizational model.

Prior to 28 April 2015, the OVC (established in 2012) was composed of the independent director Danilo Vivarelli (Chairman), of the chairman of the board of statutory auditors Claudio Pastori and of the head of internal audit Carlo Ravazzin. On 13 May 2015, the Board of Directors, following renewal of the Board of Directors by the AGM held on 28 April 2015, resolved to re-establish the OVC in the persons of Carolina Gianardi (Chairman and independent director of the Company), Maria Stefania Sala (Standing Auditor) and Carlo Ravazzin (Head of Internal Audit).

In 2015, the OVC focused on the on-going assessment of the 231/2001 model, on the verification of occupational safety activities, on the audit of the procedures provided for in model 231/2001, on the verification (still underway) of the adequacy of existing protocols vis-à-vis the organizational changes that have taken place.

Coordination between the subjects involved in the internal control and risk management system

The main subjects involved in the internal control and risk management system are:

a) The Board of Directors, whose role is to provide guidance and regularly assess the system.

b) The Control and Risk Committee, whose role is to provide preliminary support to the Board of Directors in the Board's responsibilities regarding internal control and risk management.

c) The Head of Internal Audit, who reports directly to the Board of Directors and whose mission, in short, is to audit the operation and adequacy of the system.

d) The Manager responsible for preparing the Company's financial reports, appointed by the Board, with legal responsibilities and powers set out in the relevant internal regulations.

e) The Board of Statutory Auditors, which sits at the top of the oversight system.

f) The external auditors and the OVC with regard to the activities referred to in the specific section.

It should be noted that the composition of a number of these bodies (the Board of Directors, Control and Risk Committee, OVC and the Board of Statutory Auditors share many members) and the many opportunities to meet and exchange views during the year produced fruitful results in terms of coordination as reflected in the Code.

11. Principal characteristics of risk management and internal control systems over the financial reporting process

11.1 Introduction

The Dada Group has adopted a system of procedures and processes such as to guarantee the reliability, accuracy, integrity and timeliness of its financial information as well as to allow correct operation of the internal control system in order to monitor and mitigate the risks relating to the financial reporting process to which the business is exposed. This system of processes and procedures has been drawn up and implemented by top management in compliance with the model established by the CO.SO Framework (Entity Level Assessment). The CO.SO Framework defines the internal control system as "that system of mechanisms, procedures and instruments designed to provide reasonable assurance regarding the achievement of business objectives".

The definition and structuring of processes within the Dada Group has also taken account of its internal organization and developments within the regulatory environment. As far as definition activities are concerned, the focus has been on the ability to assess financial risk and to apply control risk self-assessment through: integrity and the code of conduct, importance of expertise, philosophy and operating style, grant of powers and responsibilities, as well as policies, processes and procedures implemented by Human Resources.

Accordingly, there are activities for ensuring that operating processes and procedures are constantly updated, and that there are suitable controls over the financial reporting process. Such activities are also designed to check that all components of the CO.SO Framework are correctly and constantly applied.

These components are as follows: control environment, risk assessment, control activities, information and communication, and monitoring.

Monitoring is also periodically carried out through internal communications, staff meetings, written expert opinions and a process which involves testing controls, agreeing remediation and action plans, and following up identified exceptions.

11.2 Principal characteristics

The system of accounting and administrative procedures implemented to assure the effectiveness of internal controls over financial reporting refers to and is applied by the parent Dada S.p.A. and all its direct and indirect subsidiaries.

The two important procedures in this regard are that of "closing and reporting" and of "consolidation", which clearly define: the accounting standards adopted (as updated for amendments), the Group's chart of accounts, the structure of the consolidated reporting packages, the identification and management of intragroup transactions and the consolidation process.

The parent company has provided the above documentation to all its subsidiaries and also checks that it is correctly and effectively applied.

For internal controls over financial reporting to operate effectively, companies must establish a process for identifying and managing financial risks. The Dada Group has once again referred to the CO.SO. Framework in this regard and has particularly identified the more important areas where risks of error (including fraud) may occur in the various types of financial reporting documents, in particular the annual, half-yearly and quarterly financial reports.

This process involves a number of stages:

a) Identification of financial reporting error risks, as well as the sources from which they might originate, with a particular focus on the more important processes and accounts for financial communication purposes;

b) Structuring of controls over business processes to prevent and manage the error risks identified above;

c) Performance of control and monitoring activities defined in the previous point. Tests on controls are carried out annually and relate to all the business and Group structures involved in these processes. When the above tests identify procedural deficiencies or potential areas for improvement, remediation plans are drawn up, followed by extension and repetition of the tests.

12. Directors' interests and related party transactions

Regarding this issue, the "Procedures for completing and executing significant transactions, related party transactions or in which a director has an interest" approved by the Board on 12 February 2007, already required that transactions by the Company, directly or through a subsidiary, with related parties or in which a director has a conflict of interest, should be conducted in compliance with the principles of transparency and substantive and procedural fairness, with reference to applicable legal provisions and particularly those of Art. 2391 and Art. 2391-bis of the Italian Civil Code, and related measures for implementation. In particular, the section of these procedures concerning related party transactions contained qualitative and quantitative criteria for identifying significant transactions, and required the Board to be fully informed about the terms and conditions of the transaction and about the related evaluation process; these procedures also called for independent experts or the Internal Control Committee to provide the Board with support in evaluating significant transactions. The procedures also require that, if a director has, on his/her own account or on account of third parties, a direct, or even potential or indirect interest in a specific transaction or matter presented for examination and approval by the Board of Directors, this director must promptly and fully inform the Board of Directors, as well as the Board of Statutory Auditors, as to the nature, terms, origin, and extent of this interest; this director must also leave the meeting during the related discussion, unless the Board decides otherwise in the particular circumstances and also in view of any to reach the required quorum.

As already described, Consob has adopted in Resolution no. 17221 dated 12 March 2010, as later amended by Resolution no. 17389 dated 23 June 2010, a set of "Regulations governing related party transactions" for issuers of listed shares (directly or through their subsidiaries), in order to reflect the new rules aimed at ensuring the transparency and substantive and procedural fairness of such transactions; accordingly, on 8 November 2010 the Company's Board of Directors approved a new procedure for related party transactions, which partially amended and repealed the previous procedures for concluding and executing significant transactions, related party transactions or in which a director has an interest, which still apply but only where significant transactions or transactions in which a director has an interest are concerned. This procedure is published on the Company's website, to which reference should be made for fuller details; in compliance with the Consob Regulations, the procedure classifies related party transactions in two main categories: "material transactions" and "less material transactions"; both types require the involvement of a committee comprised solely of unrelated independent directors, namely the three independent directors who already serve on the Company's Internal Control Committee. The procedure also contains replacement mechanisms if one or more of the directors on this committee should fail to qualify as unrelated with regard to any individual transaction.

The rules applying to material transactions demand a more rigorous procedure than those applying to less material transactions (for example, the committee of independent directors is involved in negotiations and its opinion is binding; the Board of Directors has sole responsibility for their approval and the Company must also publish an information memorandum in accordance with the guidelines contained in the Consob Regulations); the procedure applying to less material transactions is simpler (calling for a non-binding opinion by a committee of non-executive, unrelated directors, a majority of whom are independent).

In the event that the committee issues a negative opinion on a material transaction, the procedure contains no provision for a so-called "whitewash" mechanism, whereby the transaction could nonetheless be realized by the Board after receiving approval from a majority of unrelated shareholders in general meeting.

The definition of a related party has largely drawn from the Consob Regulations. As for the definition of transaction materiality, the procedure classifies a material related party transaction as one in which at least one of the materiality thresholds established by the Consob Regulations has a value of 5% or above. However, since Dada is a listed subsidiary of a listed parent, any transactions with its parent or its parent's related parties who are in turn also Dada's related parties, qualify as material when one of the Consob materiality thresholds exceeds 2.5% (rather than 5%).

"Less material transactions" are defined as those transactions other than material ones and other than immaterial ones, defined by the procedure as those worth less than €200,000 and to which the procedure does not apply; the procedures require less material transactions to be reported on a quarterly basis to the Board of Directors, the Board of Statutory Auditors and the Supervisory Board.

The procedure is not applicable to shareholder resolutions relating to compensation of the Board of Directors or to remuneration of directors holding particular offices forming part of overall directors' compensation determined by the shareholders, or to shareholder resolutions relating to compensation of the Board of Statutory Auditors, excluded by Consob from the scope of its regulations.

Without prejudice to the disclosure requirements of TUF (*Testo Unico della Finanza*), the procedure does not apply to:

- compensation packages based on financial instruments approved by the shareholders pursuant to Art. 114-bis of TUF and related implementation guidelines;

- resolutions, other than those referred to in the preceding point, relating to the remuneration of directors holding particular offices, as well as of key management personnel (as long as: the Company has adopted a compensation policy; the compensation policy has been determined by a committee comprised exclusively of non-executive directors, the majority of whom independent; a report describing the compensation policy has been approved by the shareholders; the remuneration granted is in line with the policy);
- ordinary transactions concluded in accordance with market equivalent or standard conditions.
- transactions with or between subsidiaries, including those under joint control, or with associate companies when the transaction does not correspond to a material interest, as defined in the Procedure, of the Company's other related parties. For this purpose, a material interest of another related party exists when the party possesses, directly or indirectly, shares and/or financial instruments representing at least 20% of the capital or forms of remuneration linked to the results of the same company or its parent. The fact that the subsidiary or associate has one or more directors or key management personnel in common with the company and the subsidiary or associate does not constitute a significant interest.

Lastly, in the event of similar transactions that are related to one another and with certain categories of related parties, the Procedure allows the Company's Board of Directors to approve them using framework resolutions, effective for no more than one year, which are subject to the same procedural rules as material and less material transactions depending on the estimated maximum cumulative amount of the transactions covered by the framework resolution.

Statutory Auditors

The Corporate Governance Code recommends that statutory auditors act on an autonomous, independent basis, including in respect of the shareholders who elected them, and that the Issuer draw up measures to ensure the effective performance of the duties of the Board of Statutory Auditors.

Appointment

Art. 25 of the By-laws of Dada S.p.A. establishes that the Board of Statutory Auditors shall be appointed in ordinary general meeting and comprise three standing members, one of whom is the Chairman, and two alternate members; the members so appointed shall remain in office for three years and may be re-elected. The statutory auditors must satisfy the requirements established by law and relevant regulations, including with regard to the holding of multiple appointments. Anyone to whom disqualification or forfeiture, as defined in law, applies cannot be elected as a statutory auditor, and if elected, shall immediately lose office.

The By-laws also provide, in compliance with current statutory and regulatory provisions, that at least one statutory auditor is elected from the minority list, and that the Chairman of the Board of Statutory Auditors is appointed by the General Meeting from those statutory auditors elected on the minority list; the By-laws also place a limit on the number of other appointments a statutory auditor may hold as a statutory auditor or director.

The By-laws state that the lists must be filed at least 25 days before the General Meeting in first call and that lists can be presented only by shareholders who, alone or together with other shareholders, own at least 2.5% of the share capital with voting rights at ordinary general meetings on the date of presenting the list, or such lower percentage established by law or regulations.

The lists for the appointment of the Board of Statutory Auditors may also be filed via fax or via e- mail to the Company's certified e-mail address, in accordance with Art. 144-sexies of Consob Regulation 11971 of 14 May 1999. If lists are submitted via fax or via certified e-mail, a copy of the filers' valid identification must also be sent.

The statutory auditors are elected as follows:

a) 2 standing auditors and 1 alternate auditor are taken from the list which obtains the most votes during the General Meeting on the basis of the numerical order in which the candidates appear on the list which receives the most votes;

b) 1 standing auditor, who will also be appointed Chairman, and 1 alternate auditor from the second list which received the most votes during the General Meeting and which is in no way, even indirectly as per the law, connected with the shareholders who presented or voted for the list in letter a) above, on the basis of the numerical order in which the candidates appear on the list.

In order to appoint the statutory auditors referred to in letter b) above, in the event lists obtain the same number of votes, the list presented by shareholders holding the larger interest or, secondarily, the greatest number of shareholders, will prevail.

In the event two or more lists receive the highest and same number of votes, a run-off election will be held.

If only one list is presented, the General Meeting appoints all the candidates on that list to the Board of Statutory Auditors by majority vote of the share capital represented at the meeting.

If no lists are presented, the General Meeting appoints the Board of Statutory Auditors by majority vote of the share capital represented at the meeting.

If only one list is presented, the Chairman of the Board of Statutory Auditors is the first person on this list, while if no lists are presented, the General Meeting will appoint the Chairman.

Any statutory auditor to whom disqualification or forfeiture under the law applies will lose his/her office.

In the event a statutory auditor is substituted, the alternate auditor on the list to which the substituted auditor belonged will be appointed with the exception of the Chairman of the Board of Statutory Auditors who will always be selected from the minority list.

With regard to Art. 144-sexies, par. 8, of the Issuer Regulations, it should be noted that the By-laws do not provide for the possibility of drawing alternate auditors from the minority list to replace the minority member, further to the minimum required by Consob rules.

Composition and operation

The AGM on 24 April 2012 elected as Standing Auditors Claudio Pastori (Chairman), Cesare Piovene Porto Godi and Sandro Santi, and as Alternate Auditors Maria Stefania Sala and Mariateresa Diana Salerno.

On 20 February 2013, Standing Auditor Cesare Piovene Porto Godi resigned effective as from the General Meeting following such date.

On 11 April 2013, the AGM of Dada S.p.A. appointed Maria Stefania Sala as new Standing Auditor and Agostino Giorgi as Alternate Auditor.

Until the AGM of 28 April 2015, the Board of Statutory Auditors was composed of Standing Auditors Claudio Pastori (Chairman), Sandro Santi and Maria Stefania Sala, and of Alternate Auditors Agostino Giorgi and Mariateresa Diana Salerno.

The Board of Statutory Auditors (and the Board of Directors) expired on the approval of the financial statements for the year ended 31 December 2014. At the AGM on 28 April 2015, two lists were filed, with the declarations that the candidates accept their nomination and certify under their own responsibility that there are no grounds for ineligibility and incompatibility, and that the requirements prescribed for the position by current legislation and the corporate By-laws do exist, including the independence requirements recommended by the Corporate Governance Code for Listed Companies.

The first list was submitted by shareholder Libero Acquisition S.à r.l., holder of 11,581,325 shares, or 69.43% of the share capital with the following candidates: Standing Auditors Maria Stefania Sala, Massimo Foschi, and Andrea Pirola, and Alternate Auditors Elisabetta Claudia De Lorenzi and Aldo Bisioli.

A second list was jointly submitted by members Simona Cima, Alessandra Massaini and Jacopo Marello, who together hold a total of 454,650 shares, or 2.725% of the share capital; they also filed a declaration certifying the absence of any connection, even indirect, in accordance with current regulations, with the shareholders who submitted the previous list. This list contains the following nominations: Massimo Scarpelli as Standing Auditor and Manfredi Bufalini as Alternate Auditor.

The shareholders who voted for the list submitted by shareholder Libero Acquisition s.à.r.l. held 11,581,329 shares, or 88.560% of the share capital at the meeting, while the shareholders who voted against the first list voted for the list submitted by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello, with 1,494,650 votes for, equal to 11.429% of the share capital at the meeting.

Accordingly, the AGM appointed the Board of Statutory Auditors for financial years 2015, 2016 and 2017 in the persons of: Massimo Scarpelli (Chairman); Maria Stefania Sala (Standing Auditor); Massimo Foschi (Standing Auditor) and Elisabetta Claudia De Lorenzi and Manfredi Bufalini (Alternate Auditors).

Professional background of the Standing Auditors:

Massimo Scarpelli: a graduate in economics with honours in 1984 from the University of Florence, and a Master in Tax Law in 1986 from the Bocconi University of Milan. Registered in the Public Accountants Roll of Florence, Auditor, registered in the Court-Appointed Experts Roll at the Court of Florence, Conciliator qualified in legal mediation, he is a public accountant for Studio Scarpelli e Pezzati and sole director of NET-CO S.r.l., specialized in integrated management consulting services.

Maria Stefania Sala: a graduate in business administration in 1992 from the Bocconi University of Milan, and a Master in Business Tax Law at Bocconi, where she successfully passed the state examination to qualify as Public Accountant in 1993. She started her career at Studio Legale Trifirò & Partners working until 1998, and in 1999 registered in the Auditors Roll. Since then, she has provided tax and corporate advisory and has served as an auditor in commercial and service companies.

Massimo Foschi: a graduate in business administration with honours in 1993 from the Bocconi University of Milan. Registered in the Public Accountants and Accounting Experts Roll of Milan since 1994, and in the Auditors Roll since 1999. Since 1995, he has worked at Studio Legale e Tributario Biscozzi Nobili, becoming a partner in 2001.

During the year, the Board of Statutory Auditors met 7 times and the meetings lasted an average of about 1 hour, with the active attendance of its members, as shown in the attached table. It should be noted that at the date of approval of this Report, the Board of Statutory Auditors met 8 times, 7 of which in 2015 and 1 in 2016.

The Board of Statutory Auditors, following its appointment, oversaw the independence of its members at the meeting on 13 May 2015 and verified that these requirements were still being met at the meeting on 11 March 2016, then informed the Board of Directors of the positive outcome of its assessments, which are disclosed by the Board of Directors to the market through this Report. In conducting this assessment, it applied all the criteria provided for in the Code on the independence of directors.

The Board of Statutory Auditors, in the performance of its duties, coordinated with the Control and Risk Committee, with Internal Audit, with the OVC, and with the external auditors. The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the law was being complied with regard to both the nature and the scope of any services, other than financial audit, provided to the Company by the same audit firm and entities belonging to its network.

TABLE 3: Board of Statutory Auditors

Board of Statutory Auditors									
Position	**Members**	**Year of birth**	**Date of first appointment ***	**From**	**Until**	**List* ***	**Independence as per Code**	**Participation in the meetings of the Board of Statutory Auditors *****	**Number of other positions *****
Chairman	Massimo Scarpelli	1960	28/04/2015	28/04/2015	Approval of 2017 financial statements	M	X	4/4	3
Standing Auditor	Maria Stefania Sala	1967	11/04/2013	28/04/2015	Approval of 2017 financial statements	M	X	7/7	2
Standing Auditor	Massimo Foschi	1969	28/04/2015	28/04/2015	Approval of 2017 financial statements	M	X	4/4	5
Alternate Auditor	Elisabetta Claudia De Lorenzi	1979	28/04/2015	28/04/2015	Approval of 2017 financial statements		X	n/a	-
Alternate Auditor	Manfredi Bufalini	1966	28/04/2015	28/04/2015	Approval of 2017 financial statements	M	X	n/a	-
Statutory Auditors whose term of office expired in 2015									
Chairman	Claudio Pastori	1950	24/04/2012	24/04/2012	Approval of 2014 financial statements - AGM 28 April 2015	M	X	3/3	28
Standing Auditor	Sandro Santi	1948	24/04/2012	24/04/2012	Approval of 2014 financial statements - AGM 28 April 2015	M	X	3/3	17
Alternate Auditor	Agostino Giorgi	1953	11/04/2013	11/04/2013	Approval of 2014 financial statements - AGM 28 April 2015	M	X	n/a	-
Alternate Auditor	Mariateresa Diana Salerno	1964	24/04/2012	24/04/2012	Approval of 2014 financial statements - AGM 28 April 2015	M	X	n/a	-
Indicate quorum required for the submission of lists at previous appointment: quorum established under law									
N. of meetings held in 2015: 7									

NOTES

* Date of first appointment of each statutory auditor means the date on which each statutory auditor was appointed for the first time (ever) in the Board of Statutory Auditors of the Issuer.

** This column indicates M/m depending on whether the statutory auditor was elected by the majority (M) or minority (m) list.

*** This column indicates the participation percentage of statutory auditors to the BoA meetings (n. of times present/n. of meetings held during their term, for instance 6/8, 8/8, etc.)

**** This column indicates the number of positions as director or statutory auditor held by the person concerned, under Art. 148-bis of the TUF and the relevant implementing provisions of Consob's Issuer Regulations. The complete list of appointments is published by Consob on its website pursuant to art. 144-*quinquiesdecies* of the Issuer Regulations of Consob.

11. Relations with shareholders

The Board of Directors endeavours to ensure that relevant information about the Company as far as the shareholders are concerned is provided on a timely basis and is easy to access, so as to allow shareholders to exercise their rights in an informed manner.

For this purpose, the Company has created a separate, easily identifiable and accessible section on its website www.dada.eu in which, in accordance with the provisions of law and internal procedures for managing and communicating company information, important information concerning the Company is made available to shareholders, enabling them to exercise their rights in an informed fashion; for this purpose, shareholders are also acquainted with the procedures to participate in general meetings and exercise voting rights, and with documentation relating to items on the agenda, including candidate lists for the office of director or statutory auditor.

The Board has also identified an Investor Relations Function in the person of Chiara Locati, who manages relations with Shareholders.

12. General Meetings

Art. 9 of the Corporate Governance Code underlines the central role that general meetings must have in the life of a company, as a fundamental forum for corporate debate and relations between the shareholders and the Board of Directors.

With regard to the operating procedures of the AGM and its powers, reference should be made to the Company By-laws available in their current version on the Dada website (www.dada.eu) in the "Corporate Governance/Corporate Documents" section. In order to facilitate shareholder participation at general meetings, the Board of Directors calls such meetings in locations easily reached both from the Company's headquarters and from the main station; in addition, general meetings are called for the early afternoon in order to facilitate participation by shareholders from outside the city.

General meetings are governed by a set of regulations approved by the shareholders for the first time in 2001, with the aim of ensuring an orderly and effective conduct of such meetings. The regulations, which are available at the Company's registered office and on the Company's corporate website www.dada.eu in the "Corporate Governance/Corporate Documents" section, govern the organization of general meetings, the right of shareholders to attend, powers of the Chairman to direct meetings and other issues relating to conduct of meetings.

The Company encourages and facilitates the widest possible shareholder participation at general meetings, and provides shareholders with information about the company, in compliance with rules governing price-sensitive information, that allows them to express their vote in general meetings.

Participation in general meetings is governed by current statutory and regulatory provisions in this area. In order to participate in general meetings, shareholders must file a specific communication at the Company's registered office, in accordance with the procedures established in the meeting's notice, that is issued by the intermediary appointed to hold the shareholder's shares. Without prejudice to the provisions concerning voting proxies in Legislative Decree 58/1998, shareholders eligible to participate in general meetings can be represented through a written proxy.

In accordance with the general meeting regulations, those persons who, by law or under the By-laws, are eligible to attend general meetings, must be identified at the entrance to the meeting by presenting a suitable identity document or other form of recognition and must present their admission ticket, in compliance with the procedures set out in the meeting's notice.

Company or group company employees may attend, as well as other persons whose presence the Chairman considers useful in relation to the matters to be discussed or the conduct of the meeting.

When presenting matters on the agenda or responding to questions, the Chairman may be assisted by some of the directors or statutory auditors or by other persons eligible to attend the meeting. The Chairman may change the order of discussion of the agenda relative to that in the meeting's notice and may decide to discuss items not on the agenda, unless requested otherwise by the shareholders.

The Chairman establishes the order of items on the agenda, directs and regulates the debate, giving the floor to shareholders who so request in accordance with the By-laws, to directors or statutory auditors or other persons eligible to attend the General Meeting.

Accordingly, the Chairman establishes how to request the floor and the order in which speakers can speak, ensuring that they have the opportunity to make a brief reply.

The Chairman ensures that the debate is conducted correctly and adopts every suitable measure to prevent the meeting from being disturbed.

All shareholders entitled to vote are eligible to speak on the matters being discussed in order to request clarifications and express their opinions. Shareholders who request the floor must speak exclusively on matters on the agenda. Anyone intending to speak must present a written request to the Chairman, indicating which item on the agenda their question addresses; such a request may be made from the time the Chairman has read out the agenda until when the Chairman declares discussion on the particular matter closed.

The Chairman can establish at the opening of debate, also in view of the contents of the agenda, a maximum duration for each intervention and response, which in any case may not exceed 15 minutes or 2 minutes respectively, in order to foster the widest shareholder participation in the discussion.

The Chairman will invite speakers and respondents to conclude if they exceed the maximum allotted time or if they address matters that are not pertinent to the agenda; the Chairman will cut short any shareholder who fails to respond to this request.

The Chairman can also request shareholders to leave the meeting for the duration of the debate, if, despite being called to order, they do not permit the General Meeting to be conducted in an orderly fashion.

If considered appropriate, the Chairman may justifiably adjourn the meeting for a brief period. Once all interventions, replies, and any responses to the replies are completed, the Chairman declares the discussion closed.

Voting at general meetings is conducted by open ballot. Before commencing the vote, the Chairman establishes the procedure for expressing, recording and counting the votes and can fix a time limit within which votes must be placed. At the end of voting, the votes are counted and the Chairman, including with the assistance of a secretary or notary, declares the results.

The provisions of the Italian Civil Code, specific laws and the Company's By-laws apply to all matters not covered by the General Meeting Regulations; in particular, under the By-laws, the Chairman shall adopt the most appropriate solutions for conducting the meeting properly.

In 2015, only one general meeting was held, attended by Directors Claudio Corbetta, Lorenzo Lepri and Cristiano Esclapon, and by Standing Auditors Massimo Scarpelli (Chairman) and Maria Stefania Sala (Standing Auditor).

It should be noted that in 2015, the Company learned of the following changes in its ownership: on 24 November 2015, Oyster Sicav (Luxembourg) announced that it held 831,219 shares, or 4.983% of the share capital of the Company.

With regard, instead, to notices received after 31 December 2015:

on 27 January 2016, Aruba S.p.A. announced that it held 839,178 shares, or 5.03% of the share capital of the Company.

The By-laws contain no specific provisions regarding the legal percentages currently regulating the use of shares nor with regard to the protection of minority shareholders. The By-laws contain no provisions based on which shareholders need to authorize specific actions taken by the directors.

In 2015, the Board, also by approving this report, decided that there was no need to propose to the General Meeting amendments to the By-laws relating to the percentages established to exercise shares and to the measures designed to protect minorities.

ANNEXES

DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 DECEMBER 2015

EUR/000	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Fixed assets	**99,745**	**95,364**	**4,381**	**5%**
Current operating assets	13,652	17,585	-3,934	-22%
Current operating liabilities	-25,113	-27,851	2,738	-10%
Net working capital	**-11,461**	**-10,266**	**-1,195**	**12%**
Provision for termination indemnities	-667	-815	148	-18%
Provision for risks and charges	-392	-544	151	-28%
Other payables due beyond one year	-	-17	17	-100%
Net capital employed	**87,225**	**83,723**	**3,502**	**4%**
Medium/long-term financial payables and long-term derivatives	-20,382	-16,674	-3,708	22%
Shareholders' equity	**-59,335**	**-50,150**	**-9,185**	**18%**
Current bank debt	-11,038	-18,183	7,146	-39%
Current financial receivables and derivatives	1,500	-	1,500	n.m.
Current financial payables and derivatives	-177	-107	-70	65%
Cash and cash equivalents	2,206	1,391	815	59%
Net short-term financial position	**-7,508**	**-16,899**	**9,391**	**56%**
Total net financial position	**-27,890**	**-33,573**	**5,683**	**17%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2015

EUR/000	31 Dec.-15 12 months		31 Dec.-14 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**62,167**	**100%**	**59,504**	**100%**	**2,663**	**4%**
Chg. in inventories & inc. in own wk. capitalized	2,269	4%	3,004	5%	-735	-24%
Service costs and other operating expenses	-35,732	-57%	-34,889	-59%	-843	2%
Payroll costs	-18,238	-29%	-18,457	-31%	219	-1%
EBITDA	**10,466**	**17%**	**9,162**	**15%**	**1,304**	**14%**
Depreciation and amortization	-6,866	-11%	-7,162	-12%	296	-4%
Non-recurring income/(charges)	-203	0%	-411	-1%	207	50%
Impairment of fixed assets	-	-	-23	-	23	-100%
Impairment losses and other provisions	-235	-	-70	-	-166	238%
EBIT	**3,162**	**5%**	**1,497**	**3%**	**1,665**	**111%**
Financial income	538	1%	563	1%	-24	-4%
Financial charges	-3,022	-5%	-3,244	-5%	223	-7%
Other income/charges from financial assets and liabilities	2,184	-	-	-	-	-
Share of profit/loss of companies valued at equity	13	-	-	-	-	-
Comprehensive profit/(loss) before taxes	**2,876**	**5%**	**-1,185**	**-2%**	**4,061**	**-343%**
Income taxes	-1,196	-2%	-829	-1%	-367	44%
Comprehensive profit/(loss) from continuing operations	**1,680**	**3%**	**-2,014**	**-3%**	**3,694**	**183%**
Profit/(loss) from discontinuing and discontinued operations	-346	-1%	-178	0%	-169	-95%
Group net profit (loss)	**1,333**	**2%**	**-2,192**	**-4%**	**3,526**	**161%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2015

EUR/000	4th quarter 2015		4th quarter 2014		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**15,507**	**100%**	**15,017**	**100%**	**489**	**3%**
Chg. in inventories & inc. in own wk. capitalized	580	4%	675	4%	-94	-14%
Service costs and other operating expenses	-9,249	-60%	-8,852	-59%	-397	4%
Payroll costs	-4,830	-31%	-4,708	-31%	-122	3%
EBITDA	**2,008**	**13%**	**2,132**	**14%**	**-124**	**-6%**
Depreciation and amortization	-1,795	-12%	-1,915	-13%	120	-6%
Non-recurring income/(charges)	-58	-	-264	-2%	207	78%
Impairment of fixed assets	-	-	-	-	-	-
Impairment losses and other provisions	-30	-	260	2%	-290	112%
EBIT	**125**	**1%**	**213**	**1%**	**-88**	**-41%**
Financial income	-88	-1%	35	0%	-122	-352%
Financial charges	-512	-3%	-724	-5%	212	-29%
Other income/charges from financial assets and liabilities	-	-	-	-	-	-
Share of profit/loss of companies valued at equity	10	-	-	-	10	-
Comprehensive profit/(loss) before taxes	**-465**	**-3%**	**-477**	**-3%**	**12**	**3%**
Income taxes	-480	-3%	-117	-1%	-362	309%
Comprehensive profit/(loss) from continuing operations	**-944**	**-6%**	**-594**	**-4%**	**-350**	**-59%**
Profit/(loss) from discontinuing and discontinued operations	-1	-	-216	-1%	215	100%
Group net profit/(loss)	**-945**	**-6%**	**-810**	**-5%**	**-135**	**-17%**

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AT 31 DECEMBER 2015

(PREPARED IN ACCORDANCE WITH IAS/IFRS INTERNATIONAL ACCOUNTING STANDARDS)

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

DADA GROUP

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

EUR/000	Notes	31 December 2015	31 December 2014
Net revenue	4	**62,167**	**59,504**
Cost of raw materials and consumables		0	0
Chg. in inventories & inc. in own wk. capitalized		2,269	3,004
Service costs and other operating expenses		-35,590	-34,743
Payroll costs	6.2	-18,238	-18,457
Other operating revenue and income		26	37
Other operating expenses	6.3	-396	-642
Provisions and impairment losses	6.4	-211	-21
Depreciation and amortization	6.5	-6,866	-7,162
Impairment of fixed assets	6.5	0	-23
EBIT	**4**	**3,162**	**1,497**
Investment income	6.6	538	563
Financial charges	6.6	-3,022	-3,244
Other income/(charges) from financial assets & liabilities	12	2,184	0
Share of profit/loss of companies valued at equity	6.7	13	0
Comprehensive profit/(loss) before taxes	**4**	**2,876**	**-1,185**
Income taxes	7	-1,196	-829
Comprehensive profit/(loss) from continuing operations	**3**	**1,680**	**-2,014**
Profit/(loss) from discontinuing and discontinued operations	**8**	-346	-178
Group net profit/(loss)		**1,333**	**-2,192**
Basic earnings/loss per share	9	0,080	-0,131
Diluted earnings/loss per share	9	0,077	-0,126

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

EUR/000	**31 December 2015**	**31 December 2014**
Net profit/(loss) for the period (A)	**1,333**	**-2,192**
Other comprehensive profit/(loss) to be subsequently reclassified in profit/loss for the year (B):	**2,483**	**2,761**
Gains/(losses) on exchange rate derivatives (cash flow hedges)	-30	-69
Tax effect on other gains/(losses)	8	19
	-22	-50
Gains/(losses) from the translation of foreign currency financial statements	2,505	2,811
Other comprehensive profit/loss not to be subsequently reclassified in profit/(loss) for the year	**7**	**-70**
Gains/(losses) from discounting of termination indemnities	9	-97
Tax effect on other gains/(losses)	-3	27
	7	-70
Total comprehensive income/(loss) (A)+(B)	**3,823**	**498**
Total comprehensive income/(loss) attributable to:		
Shareholders of the parent company	3,823	498
Non-controlling interests	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

ASSETS	Notes	31 December 2015	31 December 2014
Non-current assets			
Goodwill	9.1-10	82,676	79,159
Intangible assets	10	5,799	7,689
Property, plant and equipment	11	8,878	8,333
Equity investments in non-consolidated subsidiaries, associates and other companies	12	2,198	- 0
Financial assets	13	194	183
Deferred tax assets	13	5,651	6,419
Total non-current assets		**105,395**	**101,783**
Current assets			
Inventories	15	11	-
Trade receivables	16	3,504	5,233
Tax and other receivables	16	4,486	5,933
Current financial receivables	17	1,500	-
Financial assets for derivative instruments		-	-
Cash and cash equivalents	17	2,206	1,391
Total current assets		**11,707**	**12,557**
TOTAL ASSETS		**117,103**	**114,341**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

EQUITY AND LIABILITIES	Notes	31 December 2015	31 December 2014
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,836	2,836
Other equity instruments		269	89
Share premium reserve		33,098	33,098
Legal reserve		950	950
Other reserves		17,152	9,492
Retained earnings/losses carried forward		3,696	5,877
Net profit/ (loss)		1,333	-2,192
Total equity, Group share	**18**	**59,335**	**50,150**
Non-controlling interests		-	-
Total shareholders' equity		**59,335**	**50,150**
Non-current liabilities			
Bank loans (due beyond one year)	19	20,332	16,674
Provision for risks and charges	20	392	544
Provision for termination indemnities	21	667	815
Non-current financial liabilities from derivatives	22	51	54
Other payables due beyond one year	22	-	17
Total non-current liabilities		**21,441**	**18,103**
Current liabilities			
Trade payables	23	6,758	10,148
Other payables	23	16,334	16,046
Taxes payable	23	2,020	1,657
Financial liabilities for derivative instruments	19	87	53
Account overdrafts, loans and other financial payables (due within one year)	19	11,128	18,183
Total current liabilities		**36,327**	**46,088**
TOTAL EQUITY AND LIABILITIES		**117,103**	**114,341**

CONSOLIDATED CASH FLOW STATEMENT AT 31 DECEMBER 2015

EUR/000	31 December 2015	31 December 2014
Operating activities		
Net profit (loss) for the period	**1,333**	**-2,192**
Adjustments for:		
Income from trading	-538	-563
Financial charges	3,022	3,244
Income taxes	1,196	829
Gains/losses	3	-8
Gains from disposal of investments/business units	-2,184	-
Valuation of associates at equity	-13	-
Depreciation	3,741	3,784
Amortization	3,125	3,378
Granting of stock options	191	84
Impairment of fixed assets	-	23
Other provisions and impairment losses	235	58
Increases/(decreases) in provisions	-246	-410
Adjustments on assets held for sale	-	626
Profit/(loss) from asset disposals/assets held for sale	346	178
Cash flow from operating activities before changes in working capital	**10,212**	**9,032**
(Increase)/decrease in inventories	4	-
(Increase)/decrease in receivables	710	539
Increase /(decrease) in payables	-261	-768
Change in working capital on assets held for sale		-1,265
Cash flow from operating activities	**10,665**	**7,537**
Income taxes paid	-533	-890
Interest (paid)/received	-2,748	-2,698
Change in tax and interest paid on assets held for sale		-342
Net cash flow from operating activities	**7,384**	**3,608**

CONSOLIDATED CASH FLOW STATEMENT AT 31 DECEMBER 2015

EUR/000	**31 December 2015**	**31 December 2014**
Investing activities		
Sale of subsidiaries and associates	4,758	-
Transfer of business units	-82	-
Financial effect of discontinued operations	-206	-
Acquisition of subsidiaries and associates	-705	-
Financial effect of acquired operations	-10	-
Purchase of property, plant and equipment	-3,883	-2,591
Sale of fixed assets	12	11
Other changes in fixed assets	-8	34
Purchase of intangible assets	-163	-184
Product development costs	-2,273	-3,004
Investing activities from assets held for sale		-581
Net cash flow used in investing activities	**-1,651**	**-6,314**
Financing activities		
Change in loans	3,638	-4,628
Other changes	-500	66
Financing activities from assets held for sale	-	-10
Net cash flow from/(used in) financing activities	**3,138**	**-4,573**
Net increase/(decrease) in cash and cash equivalents	**7,961**	**-7,279**
Cash and cash equivalents at beginning of period	**-16,792**	**-9,514**
Cash and cash equivalents at end of period	**-8,831**	**-16,792**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 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										1,333	**1,333**
Other comprehensive income (losses)						-22	7	2,505			**2,490**
Total comprehensive income (losses)				**-**	**-**	**-22**	**7**	**2,505**	**-**	**1,333**	**3,823**
Disposal of Moqu Group				5,171	-11				11		**5,171**
Other equity instruments					191						**191**
Balance at 31 December 2015	**2,836**	**33,098**	**950**	**19,215**	**269**	**-99**	**-70**	**-1,894**	**3,696**	**1,333**	**59,335**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2014

	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 2014	2,836	33,098	950	14,045	-	-26	-	-7,115	7,225	-1,348	**49,664**
Allocation of 2013 profit									-1,348	1,348	0
Profit/(loss) for the period										-2,192	**-2,192**
Other comprehensive income (losses)						-51	-77	2,716			**2,588**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**-51**	**-77**	**2,716**	**-**	**-2,192**	**396**
Other equity instruments					89						**89**
Balance at 31 December 2014	**2,836**	**33,098**	**950**	**14,045**	**89**	**-77**	**-77**	**-4,399**	**5,877**	**-2,192**	**50,150**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015 PURSUANT TO CONSOB RESOLUTION N. 15519 OF 27 JULY 2006

		31 December 2015		**31 December 2014**	
Net revenue	4		**62,167**		**59,504**
- of which: related parties	20	*1,679*		*1,579*	
Chg. In inventories & inc. in own wk. capitalized			2,269		3,004
Service costs and other operating expenses			-35,590		-34,743
- of which: related parties	20	*-918*		*-481*	
Payroll costs	6.2		-18,238		-18,457
- of which: related parties	20	*-753*		*-607*	
Other operating revenue and income			26		37
- of which non-recurring charges		-		*8*	
- of which: related parties	20	-		*3*	
Other operating expenses	6.3		-396		-642
- of which non-recurring charges	6.8	*-203*		*-418*	
- of which: related parties	20	*-28*		-	
Provisions and impairment losses	6.4		-211		-21
- of which non-recurring charges		-		-	
Depreciation and amortization	6.5		-6,866		-7,162
Impairment of fixed assets	6.5		0		-23
EBIT	**4**		**3,162**		**1,497**
Investment income	6.6		538		563
- of which: related parties		-		-	
Financial charges	6.6		-3,022		-3,244
- of which: related parties		-		-	
Share of profit (loss) of associates	6.7		13		
Other income/(charges) from financial assets & liabilities	12		2,184		
- of which: non-recurring		*2,184*			
Comprehensive profit/(loss) before taxes			**2,876**		**-1,185**
Income taxes	7		-1,196		-829
Comprehensive profit/(loss) from continuing operations	**4**		**1,680**		**-2,014**
Profit/(loss) from discontinuing and discontinued operations	8		-346		-178
Group net profit/(loss)			**1,333**		**-2,192**
Basic earnings/loss per share	9		0,080		-0,131
Diluted earnings/loss per share	9		0,077		-0,126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015 PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

ASSETS		**31 December 2015**	**31 December 2014**
Non-current assets			
Goodwill	9.1-10	82,676	79,159
Intangible assets	10	5,799	7,689
Property, plant and equipment	11	8,878	8,333
Equity investments in non-consolidated subsidiaries, associates and other companies	12	2,198	-
Financial assets	13	194	183
Deferred tax assets	13	5,651	6,419
Total non-current assets		**105,395**	**101,783**
Current assets			
Inventories	15	11	-
Trade receivables	16	3,504	5,233
- of which: related parties	20	*837*	*1,178*
Tax and other receivables	16	4,486	5,933
Current financial receivables	17	1,500	-
- of which: related parties	20	*1,000*	
Financial assets for derivative instruments		-	-
Cash and cash equivalents	17	2,206	1,391
Total current assets		**11,707**	**12,557**
TOTAL ASSETS		**117,103**	**114,341**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015 PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

EQUITY AND LIABILITIES		31 December 2015	31 December 2014
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,836	2,836
Other equity instruments		269	89
- of which: related parties		*121*	*49*
Share premium reserve		33,098	33,098
Legal reserve		950	950
Other reserves		17,152	9,492
Retained earnings/losses carried forward		3,696	5,877
Net profit/ (loss)		1,333	-2,192
Total equity, Group share	**18**	**59,335**	**50,150**
Non-controlling interests		**-**	**-**
Total shareholders' equity		**59,335**	**50,150**
Non-current liabilities			
Bank loans (due beyond one year)	19	20,332	16,674
Provision for risks and charges	20	392	544
Provision for termination indemnities	21	667	815
Non-current financial liabilities from derivatives	22	51	54
Other payables due beyond one year	22	-	17
Total non-current liabilities		**21,441**	**18,103**
Current liabilities			
Trade payables	23	6,758	10,148
- of which: related parties	20	*116*	*171*
Other payables	23	16,334	16,046
- of which: related parties	20	*300*	*286*
Taxes payable	23	2,020	1,657
Financial liabilities for derivative instruments	19	87	53
Bank overdrafts and financial payables (due within one year)	19	11,128	18,183
Total current liabilities		**36,327**	**46,088**
TOTAL EQUITY AND LIABILITIES		**117,103**	**114,341**

ACCOUNTING POLICIES AND 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 Report.

The Dada Group (www.dada.eu) is an international leader in professional online presence and visibility services.

See the Directors' report for further information.

2. Going concern

Against a persistently volatile economic and financial backdrop, the Group posted a net profit from continuing operations of €1.7 million in 2015 (total net profit of €1.3 million), a positive change in the net financial position of €5.7 million and a positive change in short-term cash flow of €9.4 million.

The Directors have approved the 2016 Budget. Actions have been identified to focus efforts on the more profitable businesses and to reorganize the less profitable ones, as explained in the "Business Outlook" section of the Directors' report. Based on the Directors' forecasts, such actions will allow the Group to maintain and strengthen economic balance and to gradually reduce financial debt as early as 2016, assuming no extraordinary transactions are made.

Accordingly, the Directors, confident that such goals are reasonably achievable, and heartened by the results posted in the first months of 2016, have prepared the consolidated financial statements for the year ended 31 December 2015 on a going concern basis, without identifying any material uncertainties.

3. Preparation criteria

Compliance with IFRS

The consolidated financial statements have 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 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).

The financial statements were prepared in accordance with the historical cost convention, with the exception of financial assets held for sale and derivatives, which were measured at fair value. They 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.

The consolidated financial statements at and for the year ended 31 December 2015 were approved by the Board of Directors of the Parent Company on 14 March 2016, and therefore authorized for publication as provided for by law. The draft financial statements are submitted for approval to the Annual General Meeting convened on 28 April 2016 in first call.

Reporting formats

The consolidated financial statements are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity, and these notes.

As required by applicable regulations, the full-year financial statements have been prepared in consolidated form and have been audited by KPMG S.p.A..

With regard to reporting formats:

- For the income statement, the Group has opted for the dual format:

* Income statement covering only revenue and costs, classified by type;

* Statement of comprehensive income including gains and losses recognized directly in equity, net of the tax effects.

- In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately, with two distinct items representing "Discontinued operations/assets held for sale" and "Liabilities relating to discontinued operations/assets held for sale";

- The statement of cash flows is prepared using the indirect method; as required by IAS 7 it presents cash flows for the year from operating activities, from investing activities and from financing activities, with a separate indication of total cash flows from discontinued operations/assets held for sale. Total cash and cash equivalents during the period consists of the sum of "cash on hand and banks" and "bank overdrafts and financial payables (due within one year)" in the statement of financial position.

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

Under IFRS 5, for the sake of comparison, all income statement and statement of financial position items from the prior year have been restated and reclassified, and are explained in the notes below.

Assets and liabilities of the prior year are, instead, still shown on a continuing operations basis.

The financial effects of this disposal run from 28 February 2015.

With reference to Consob Resolution 15519 of 27 July 2006 on reporting formats, special sections have been included to represent significant related party transactions, and the income statement includes separate lines to show any significant non-recurring transactions carried out during the ordinary course of business.

Consolidation procedures

The consolidated financial statements include the financial statements of the parent, Dada S.p.A., and those of its subsidiaries, at and for the year ended 31 December 2015, as approved by each company's Board of Directors. In accordance with the accounting standards followed, a company qualifies as a subsidiary if it is controlled by Dada S.p.A., meaning that Dada S.p.A. has the power to govern its financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement as from the effective date of acquisition or until the effective date of disposal.

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

Non-controlling interests, if any, in the net assets of consolidated subsidiaries are identified separately from Group equity,

and are determined based on the percentage held by non-controlling shareholders of the fair value of the assets and liabilities recognized on the date of the original combination and of changes in equity since that date

Subsequently, profit or loss is attributed to non-controlling interests according to their percent ownership, and losses are attributed to non-controlling interests even if this results in their having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

If the parent loses control of a subsidiary, it:

- derecognizes the assets (including any goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests in the former subsidiary;
- derecognizes exchange gains and losses relating to the former subsidiary included in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained in the former subsidiary;
- recognizes any resulting difference as a gain or loss;
- reclassifies its share of amounts previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Changes in the scope of consolidation

The scope of consolidation has changed following the disposal of Moqu Adv S.r.l. and Moqu Ireland Ltd to Italiaonline S.p.A.. As explained in the introduction to these consolidated financial statements, discontinued operations were booked in accordance with IFRS 5. Since the transaction is considered a “business combination of entities under common control”, in compliance with OPI 1, the difference between the transaction price and the pre-existing value of the assets under disposal was recognized as an adjustment to the equity reserves.

Furthermore, Dada acquired a 25% minority interest in 4w MarketPlace S.r.l. following the transfer of the Pro Adv. BU to this company. This company is measured according to the equity method; it had a minor impact on the income statement in these consolidated financial statements further to the capital gain following initial recognition in the first half of 2015.

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.

Mention should be made that on 7 January 2015 and 4 May 2015 respectively, Fuep's switch to limited liability status (S.r.l.) and reduction of the share capital from €1,500,000 to €10,000 came into effect.

Dada Group scope of consolidation at 31 December 2015

Name	Registered Office	Currency	Share capital	Company	% held	Consolidation period
Dada S.p.A. (Parent)	**Florence**	**Euro**	**2,835,612**	**Parent**		**Jan.-Dec. 2015**
Agence des Medias Numerique Sas	Paris	Euro	37,000	Register.it S.p.A.	100	Jan.-Dec. 2015
Amen Ltd.	London	GBP	2	Register.it S.p.A.	100	Jan.-Dec. 2015
Amen Nederland B.V.	Amsterdam	Euro	18,000	Register.it S.p.A.	100	Jan.-Dec. 2015
Amenworld Servicios internet	Lisbon	Euro	10,000	Register.it S.p.A.	100	Jan.-Dec. 2015
Clarence S.r.l.	Florence	Euro	21,000	Dada S.p.A.	100	Jan.-Dec. 2015
Fueps S.p.A.*	Florence	Euro	10,000	Dada S.p.A.	100	Jan.-Dec. 2015
Namesco Inc.	New York	USD	1,000	Namesco Ltd.	100	Jan.-Dec. 2015
Namesco Ltd	Worcester	GBP	100	Register.it S.p.A.	100	Jan.-Dec. 2015
Namesco Ireland Ltd	Dublin	Euro	1	Namesco Ltd.	100	Jan.-Dec. 2015
Nominalia Internet S.L.	Barcelona	Euro	3,000	Register.it S.p.A.	100	Jan.-Dec. 2015
Poundhost Internet Ltd	Worcester	GBP	200	Namesco Ltd.	100	Jan.-Dec. 2015
Register.it S.p.A.	Florence	Euro	8,401,460	Dada S.p.A.	100	Jan.-Dec. 2015
Simply Virtual Servers Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Dec. 2015
Simply Transit Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Dec. 2015
4w MarketPlace S.r.l. ***	Fisciano	Euro	22,436	Register.it	25	-
Moqu Adv S.r.l. **	Florence	Euro	10,000	Dada S.p.A.		Jan.-Feb. 2015
Moqu Adv Ireland Ltd **	Dublin	Euro	1	Moqu Adv S.r.l.		Jan.-Feb. 2015
Etinet S.r.l.****	Savigliano (CN)	Euro	22,000	Register.it S.p.A.	100	July-Dec. 2015

* Converted into a limited liability company, effective as from 7 January 2015. Reduction in the share capital effective as from 4 May 2015.

** Companies disposed of, effective 28 February 2015, and consolidated for two months in a single item named "Profit (loss) from discontinued operations".

*** Equity interest acquired following transfer of the ProAdv/Simply BU on 30 June 2015. Consolidated at equity.

**** Company acquired in July 2015 and fully consolidated starting from 1 July 2015.

Translation of foreign currency items

Transactions and balances

The consolidated financial statements are expressed in euro, which is the functional and presentation currency used by Dada S.p.A.

Each company defines its own functional currency, which is used to express all items in the separate financial statements. Transactions in foreign currency are initially recognized at the exchange rate in force (versus the functional currency) on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate in force at year end.

All exchange differences are recognized in profit or loss, except for those arising from foreign currency loans taken out to finance an investment in an overseas firm, which will be recognized in equity until the investment is sold and then reclassified to profit or loss. Deferred taxes pertaining to exchange differences on these loans are also taken directly to equity. Non-monetary items valued at historical cost in foreign currency are converted at the exchange rate ruling on the transaction date. Non-monetary items recognized at fair value in foreign currency are converted at the exchange rate ruling on the fair value measurement date.

Group companies

The separate financial statements of each Group company are prepared in the currency of the primary business environment in which it operates (functional currency). For purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in euro, which is the functional currency of the Group and the presentation currency of the consolidated financial statements.

All assets and liabilities of consolidated foreign companies that use a currency other than the euro are translated at the exchange rates in force at the close of the year (current rate method). Income and costs are translated at the average exchange rate for the year. Exchange gains and losses resulting from this method are recognized in equity until the investment is sold. In the consolidated statement of cash flows, average exchange rates have been used to translate the cash flows of foreign subsidiaries.

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.

When a foreign company is disposed of, the cumulative exchange differences recognized in equity that pertain to that particular company are transferred to profit or loss.

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

Currency	Exchange rate on 31.12.2015	Average exchange rate 2015
US dollar	1.0887	1.11020
British pound	0.7340	0.72641

Currency	Exchange rate on 31.12.2014	Average exchange rate 2014
US dollar	1.2141	1.3285
British pound	0.7789	0.8062

Summary of significant accounting policies

Business combinations and goodwill

Business combinations since 1 January 2009

Business combinations are accounted for using the purchase method.

The cost of an acquisition is the acquisition-date fair value of the consideration paid, plus the amount of any non-controlling interest held. For each business combination, the Group values any non-controlling interest in proportion to its share of the net identifiable assets of the company acquired. Acquisition costs are expensed.

When the Group acquires a business, it classifies the financial assets received and the liabilities assumed in accordance with the terms of the contract and the economic and other conditions in effect on the acquisition date.

If the business combination is achieved in stages, the Group re-measures the fair value of the interest previously held and recognizes any resulting gain or loss in the income statement.

Any contingent consideration is recognized at the acquisition-date fair value. A change in the fair value of contingent consideration classified as an asset or liability is recognized in accordance with IAS 39, in the income statement or in the statement of comprehensive income. If the contingent consideration is classified as equity, it need not be re-measured until settlement of the contingency is reflected within equity.

Goodwill is initially measured at cost, i.e. the positive difference between the amount paid and the assets acquired net of liabilities assumed. If the consideration paid is less than the fair value of the net assets acquired, the difference is taken to the income statement.

After its initial recognition, goodwill is valued at cost net of accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the Group's cash generating units expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of shall be included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill associated with the operation disposed of is measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations before 31 December 2008

Differences with respect to the policies stated above are as follows.

Business combinations that took place before 31 December 2008 were accounted for using the purchase method. Transaction costs directly attributable to the combination were treated as part of the purchase cost.

Business combinations achieved in stages were accounted for upon each separate acquisition. A new acquisition of shares had no effect on the previously recognized goodwill.

Contingent consideration was recognized if and only if the Group had a present obligation, the outlay was likely to be incurred, and the amount could be reliably estimated. Subsequent changes in the consideration affected goodwill.

Equity investments in associates

Investments in associates are valued using the equity method. An associate is a company over which the Group has significant influence that does not qualify as a subsidiary or a joint venture.

Under the equity method, an investment in an associate is recognized at cost plus post-acquisition changes in the Group's share of the associate's net assets. Goodwill pertaining to the associate is included in the carrying amount of the investment and is not amortized. After following the equity method, the Group determines whether it needs to recognize any additional impairment losses with reference to the Group's net investment in the associate. The income statement reflects the Group's share of the associate's profit or loss. If an associate makes adjustments in value and charges them to equity, the Group recognizes its share and represents it, if applicable, in the statement of changes in equity. Profits and losses arising from transactions between the Group and the associate are eliminated in proportion to the interest held.

Should the Group lose its significant influence over the associate, it shall recognize any remaining interest at fair value. Any difference between the carrying amount of the investment on the date significant influence is lost and the fair value of the remaining investment plus the consideration received is recognized in profit or loss.

Joint ventures

The Dada Group did not participate in joint ventures in 2015, 2014, 2013, and 2012.

Non-current assets held for sale

Non-current assets (or disposal groups) classified as held for sale are recognized at the lower of carrying amount and market value net of costs to sell.

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is expected to be recovered by way of sale rather than use in business operations.

This condition is only met when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current condition, and Management has committed to the sale, which should take place within 12 months of the classification as held for sale

Intangible assets

Intangible assets acquired separately are initially capitalized at cost, while those acquired through business combinations are capitalized at the acquisition-date fair value. Subsequently, intangible assets are carried at cost net of accumulated amortization and any impairment losses. Internally generated intangible assets, excluding development costs, are not capitalized and the expenditure is charged to the income statement the year it is incurred. The useful life of intangible assets is deemed to be finite. Intangible assets with finite useful lives are amortized over their useful life and tested for impairment any time there are indications of a possible loss in value. The period and method of amortization is reviewed at the end of each year, or more frequently if necessary. Changes in the estimated useful life or the manner in which the future economic benefits associated with the asset will be achieved by the Group are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Research and development costs

Research costs are charged to profit and loss as and when incurred. Development costs relating to an individual project are capitalized only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete the asset for use or sale, how the asset will generate future economic benefits, the availability of technical, financial or other resources to complete development, and the ability to reliably measure expenditure during the development process.

During the development phase, the asset undergoes impairment testing once a year. After initial recognition, development expenditure is measured at cost less accumulated amortization and any impairment losses. The asset starts to be amortized once development is completed and the asset is available for use. It is amortized over the estimated period in which the project will generate revenue for the Group. While the asset is not yet in use, it will undergo impairment testing once a year.

Other intangible assets

These are initially recognized at cost and amortized on a straight-line basis over their estimated useful life. Impairment losses may apply as a result of impairment testing (see below).

Gains or losses from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss at the time of the disposal.

Property, plant and equipment

Property, plant, machinery, equipment and other tangible assets are recognized at purchase or production cost, net of accumulated depreciation and any impairment losses. Cost includes related charges and a reasonable allocation of direct and indirect expenses. Repair and maintenance costs are recognized in profit or loss when incurred.

Fixed assets are depreciated on a straight-line basis over their estimated useful life, at the following average annual rates:

Plant and EDP machines: between 20% and 33%, whereas the Datacenter setup fee is amortized over 10 years.

Furniture and fittings: mainly 12%

Other: between 20% and 33%

A tangible asset is derecognized when it is sold or when no future economic benefits are expected from its use or disposal. Any losses or gains are recognized in the income statement the year the disposal takes place. Residual life, useful life and depreciation methods are reviewed each year and are revised if necessary at year-end.

Finance leases

Under finance lease contracts, all risks and benefits arising from ownership of assets are transferred to the Group. They are capitalized under property, plant and equipment from their effective date and at the fair value of the finance lease or, if lower, at the current value of the remaining lease instalments. Finance lease payments are proportionally allocated (based on the prepayment plan) between principal and interest in order to apply a constant interest rate on the remaining balance of the debt.

Capitalized leased assets are depreciated over the shorter period between estimated useful life of the asset itself and the duration of the lease, if there is no reasonable certainty that the Group will hold ownership of the asset at the end of the contract.

Operating lease instalments are recognized as costs in the income statement on a straight-line basis over the duration of the contract.

Financial charges

Financial charges directly attributable to the purchase, construction or production of an asset that takes a substantial amount of time to get ready for use must be capitalized as part of the asset's cost. All other financial charges are recognized as costs the year they are incurred. Financial charges are interest and other costs incurred by an entity in relation to loans received.

Impairment of non-financial assets

At every reporting date, the Group reviews the carrying value of its property, plant, equipment and intangible assets to determine if there are any indications of impairment. If so, the recoverable amount of the assets is estimated to determine any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives, including goodwill and equity investments, undergo impairment testing each year and whenever there are signs of possible impairment.

The recoverable amount is the higher of fair value less costs to sell and value in use. It is calculated for each individual asset, unless that asset generates cash flows that are not broadly independent of other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, it has suffered impairment and an impairment loss is recognized in profit or loss. In determining value in use, the estimated future cash flows are discounted to their current value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When impairment is reversed, the asset or cash-generating unit is written back to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the net carrying amount that the asset would have had if the impairment loss had not been charged. The reversal of an impairment loss is taken immediately to the income statement.

Goodwill

Goodwill undergoes impairment testing once a year, or more frequently if circumstances indicate that there may have been a loss in value.

Impairment is determined by measuring the recoverable amount of the cash generating unit (or group of units) to which the goodwill pertains. If the recoverable amount of the cash generating unit is less than the carrying amount of goodwill, an impairment loss is charged. Impairment losses on goodwill cannot be reversed in subsequent years.

Inventories

Inventories are comprised of contract work in progress outstanding at the close of the year. The value of contracts is measured on a percent of completion basis.

Financial instruments

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with IAS 39. At subsequent reporting dates, the financial assets that the Dada Group intends to and has the ability of holding to maturity (held-to-maturity investments) are measured at amortized cost using the effective interest rate method, net of write-downs to reflect impairment losses.

Financial assets other than those held to maturity are classified as held for trading or available for sale, and are measured at fair value at every reporting date.

For this purpose, financial assets are split into four categories:

- Financial assets measured at fair value through profit and loss
- Held-to-maturity investments

- Loans and receivables
- Available-for-sale financial assets.
- There are only two categories of financial liability:
- Financial liabilities measured at fair value through profit and loss;
- Financial liabilities measured at amortized cost.

The Group determines the classification of its financial assets and liabilities upon initial recognition.

Financial instruments are recognized and derecognized using trade date accounting.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred the right to receive cash flows from the asset or has a contractual obligation to pay them in full and without delay to a third party, and (a) has transferred substantially all risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the underlying obligation is expired, canceled or discharged.

Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences between carrying values recognized in profit or loss.

Receivables

After initial recognition, receivables are measured at cost and are written down by way of the provision for doubtful accounts in the event of impairment.

An impairment provision is made when there is an objective indication (e.g. the likelihood of insolvency or significant financial problems for the debtor) that the company will not be able to recover all amounts due under the original terms of the invoice.

The provision for doubtful accounts reflects recovery estimates carried out for each position as well as the overall riskiness of receivables, taking account of guarantees and insurance coverage.

Current receivables are not discounted to present value because the effect is irrelevant; those with maturities of over one year that do not bear interest or bear interest at lower than market rates are discounted at market rates.

Cash and cash equivalents

This item comprises cash on hand, current bank accounts, deposits payable at sight, and other short-term, highly liquid investments that are readily convertible into cash and subject to an insignificant risk of changes in value.

Non-financial payables

These are stated at face value, deemed to reflect their settlement value.

Bank loans and financial payables

Interest-bearing bank loans and account overdrafts are recognized at the fair value of the amounts received, net of transaction costs, and are subsequently valued at amortized cost using the effective interest method.

Current payables are not discounted because the effect is irrelevant.

Derivative financial instruments

Derivatives are classified as hedge derivatives if the conditions for hedge accounting are met; otherwise, even if contracted in order to manage exposure to risk, they are recognized as "Financial assets held for trading."

In keeping with IAS 39, derivative financial instruments may be accounted for using the rules of hedge accounting only if the relationship between the derivative and the item being hedged is formally documented and the hedge is highly effective.

The effectiveness of hedging transactions is documented at the inception of the transaction and periodically thereafter, and is measured by comparing the fair value changes of the hedging instrument with those of the item hedged.

When derivatives hedge the risk of fair value changes in the instrument being hedged (fair value hedge), the derivatives are recognized at fair value and gains/losses are taken to profit or loss.

When derivatives hedge the risk of cash flow changes in the instrument being hedged (cash flow hedge), changes in the fair value of the derivatives are initially recognized in equity and subsequently in profit or loss, consistently with the economic effects of the hedged transaction. The fair value change attributable to the ineffective portion is taken immediately to profit or loss for the period. If the derivative is disposed of or no longer qualifies as an effective hedge against the risk for which it was originally arranged, or if the underlying transaction is no longer highly likely to take place, the portion of the cash flow hedge reserve relating to that derivative is immediately released to profit or loss.

Fair value changes in derivatives that do not qualify as hedges are recognized in profit or loss.

Regardless of classification, all derivatives are measured at fair value, using methods based on market data.

Equity instruments

Equity instruments issued by the Company are recognized in the amount received, net of direct issue costs.

Provisions for risks and charges

Provisions are recognized when the Company has a present obligation as a result of a past event and it is likely that the expense will be incurred. They are based on management's best estimate of the cost of fulfilling the obligation as of the reporting date, and are discounted to present value when the effect is significant.

Revenue recognition

Revenue is recognized to the extent the Group is likely to enjoy the economic benefits and the amount can be reliably determined. It is shown at the fair value of the consideration received, excluding discounts, rebates and taxes. The following criteria must be satisfied before revenue is recognized in profit or loss:

Sale of goods

Revenue is recognized when the company has transferred to the buyer all risks and rewards of ownership, which generally coincides with the shipping date.

Company revenue is generated mainly by the sale of services for:

- Domain name registration
- Web hosting
- E-mail and Certified E-mail
- E-commerce solutions
- Website creation
- Online brand protection.

Revenue is recognized to profit and loss when is probable that the economic benefits associated with the transaction will flow to the entity and the amount can be reliably determined. It is shown at the fair value of the consideration received, excluding discounts, rebates and taxes.

Revenue is recognized in profit and loss based on the following criteria:

- Revenue from domain registration, which is considered a one-time service, is recognized (together with the directly attributable costs) when domain registration has taken place and the property has been transferred. The service is considered concluded once the registration process has been completed.
- Revenue from the provision of other services that are time-related (web hosting, e-mail, certified e-mail, online brand protection provided for an agreed period of one or more years) is recognized on an accruals basis; the portion of income received upon entry of the agreement but pertaining to future periods is recognized as deferred income.
- E-commerce solutions are treated as one-time services.

The Company also provides clients, under a single, fixed-fee agreement, with a range of services that may include (i) the sale of one or more domains and/or (ii) specific amounts of hosting space and/or (iii) one or more e-mail accounts for a given period of time; in this case, priority is normally given to the recognition of revenue from the sale of domains, which is considered the main element of the agreement; the revenue item relating to other time-related services is separately recognized where the item is considered significant based on management accounting surveys conducted by the Company.

Interest

Interest is recognized as financial income on an accruals basis, using the effective interest method (effective interest is the rate that exactly discounts estimated future cash receipts through the expected life of the asset to its net carrying amount).

Dividends

Dividends are recognized when the shareholders are entitled to receive payment.

Pension funds and other post-employment benefits

These funds and benefits are unfunded. The cost of benefits due under defined benefit plans is determined actuarially for each plan, using the projected unit credit method. Gains and losses arising from the actuarial calculation are recognized in profit or loss over the expected average remaining working lives of the employees participating in the plan.

Past service costs are recognized on a straight-line basis over the average vesting period. If the benefits are already vested upon the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less any past service costs not yet recognized and less the fair value of the plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

For defined contribution plans, the cost and the liability are recognized gradually as the employee renders service and the liability is presented net of payments already made to an external fund.

Share-based payments (stock options)

The cost of share-based payments to employees for benefits granted after 7 November 2002 is measured at fair value as of the grant date. Fair value is determined by an external appraiser using an appropriate valuation model. See the note on stock options, below, for further information.

The cost of equity-settled transactions, along with the corresponding increase in equity, is recognized over the period starting when the conditions relating to the achievement of targets and/or service performance have been notified to the beneficiaries and ending when the employees become fully entitled to the reward (the vesting date). The cumulative expense recognized for these transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the best available estimate of the number of awards that will ultimately vest. The cost or income recognized for the year is the change in the cumulative expense at the beginning and the end of the year.

The likely timing of the exercise of options is estimated by management, taking account of non-transferability, exercise restrictions and behavioral considerations.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon market conditions, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other conditions are met.

Where the initial conditions are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee; such an expense is measured at the date of modification.

Where an award is canceled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the new awards are treated as a modification of the original award as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share (see Note 8).

Taxes

Current taxes

Current tax liabilities for the year are measured as the amount expected to be paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date.

Current taxes relating to items recognized directly in equity are also recognized in equity and not in profit or loss.

Deferred taxes

Deferred taxes are calculated using the "liability method" on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the balance sheet, and on prior-year tax losses eligible for use in future years.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exception:

- when deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized for all deductible temporary differences and for tax assets and liabilities carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforwards can be utilized, with the following exception:

- the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

The carrying amount of a deferred tax asset is re-assessed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize part or all of that asset. Unrecognized deferred tax assets are also re-assessed every year at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes relating to elements recognized outside profit or loss are also recognized outside profit or loss, and therefore in equity or in other comprehensive income consistently with the element to which they refer.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax balances, when they pertain to the same tax authorities, and when the Group plans to settle its current assets and liabilities on a net basis.

Deferred tax assets for tax losses are recognized when it is probable that future taxable profit will be available against which prior losses can be utilized.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss attributable to the parent company's shareholders by the weighted average shares outstanding, factoring in possible share dilution (employee stock option plans).

Use of estimates

The preparation of the financial statements and notes in accordance with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date. Actual results may differ. Estimates are used to value property, plant and equipment and intangible assets tested for impairment and to recognize provisions for doubtful accounts, amortization and depreciation, asset impairment, employee benefits, and deferred tax assets and liabilities. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss.

Related-party transactions

Transactions with related parties are discussed in Note 26.

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.

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.

4. 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) in March 2015, with financial effects backdated to 28 February 2015. 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.

Based on this new structure, comparative figures have been restated.

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..

Notes on the main items in the following tables are shown in the Directors' report.

Income statement by business segment for the year ended 31 December 2015

31 December 2015 (12 months)			
Segment reporting	**Total continuing operations**	**Total discontinued operations**	**Total consolidated**
Revenue – Italy	27,159		27,159
Revenue - abroad	35,008		35,008
Revenue - interdivisional	-	-	-
Net revenue	**62,167**	**-**	**62,167**
Chg. In inventories & inc. in own wk. capitalized	2,269		2,269
Service costs	-35,732		-35,732
Payroll costs	-18,238		-18,238
Segment EBITDA	**10,466**	**-**	**10,466**
Depreciation, amortization and impairment of fixed assets	-6,866		-6,866
Impairment, provisions and non-recurring income/charges	-439		-439
EBIT	**3,162**	**-**	**3,162**
Net financial charges	-2,483		-2,483
Other income/charges from financial assets and liabilities	2,184		2,184
Share of profit/loss of companies valued at equity	13		13
Profit (loss) before taxes	**2,876**	**-**	**2,876**
Income taxes	-1,196		-1,196
Group & non-controlling interests profit (loss)	**1,680**	**-**	**1,680**
Non-controlling interests	-	-	-
Profit (loss) from discontinued operations		-346	-346
Group net profit/ (loss)	**1,680**	**-346**	**1,333**

Income statement by business segment for the year ended 31 December 2014

31 December 2014 (12 months)			
Segment reporting	**Total continuing operations**	**Total discontinued operations**	**Total consolidated**
Revenue – Italy	27,049		27,049
Revenue - abroad	32,454		32,454
Revenue - interdivisional			-
Net revenue	**59,504**	**-**	**59,504**
Chg. In inventories & inc. in own wk. capitalized	3,004		3,004
Service costs	-34,889		-34,889
Payroll costs	-18,457		-18,457
Segment EBITDA	**9,162**	**-**	**9,162**
Depreciation, amortization and impairment of fixed assets	-7,185		-7,185
Impairment, provisions and non-recurring income/charges	-480		-480
EBIT	**1,497**	**-**	**1,497**
Net financial charges	-2,682		-2,682
Other income/charges from financial assets and liabilities	-		-
Profit (loss) before taxes	**-1,185**	**-**	**-1,185**
Income taxes	-829		-829
Group & non-controlling interests profit (loss)	**-2,014**	**-**	**-2,014**
Non-controlling interests	-	-	-
Profit (loss) from discontinued operations		-178	-178
Group net profit/ (loss)	**-2,014**	**-178**	**-2,192**

Revenue by region

Description	**31/12/2015 (12 months)**		**31/12/2014 (12 months)**	
	Amount	**% of total**	**Amount**	**% of total**
Revenue – Italy	27,159	44%	27,049	45%
Revenue – abroad	35,008	56%	32,454	55%
Total	**62,167**		**59,504**	

Financial disclosures by business segment for the year ended 31 December 2015

31/12/2015 (12 months)				
Segment reporting	**Domain & Hosting**	**Discontinued operations**	**Unallocated portion and adjustments**	**Consolidated**
Segment assets	105,739	-	843	106,582
Unallocated financial assets			3,706	3,706
Unallocated tax assets			6,815	6,815
Non-current assets held for sale				
Total assets	**105,739**	**-**	**11,364**	**117,103**
Segment liabilities	-39,004	-	14,853	-24,152
Unallocated financial liabilities	-	-	-31,596	-31,596
Unallocated tax liabilities	-	-	-2,020	-2,020
Liabilities relating to assets held for sale				
Total liabilities	**-39,004**	**-**	**-18,764**	**-57,768**
Segment assets include:				
Equity investments in associates and joint ventures	2,198	-	-	2,198
Investments in non-current assets other than financial instruments and deferred tax assets	6,389	95	105	6,589

Financial disclosures by business segment for the year ended 31 December 2014

31/12/2014 (12 months)				
Segment reporting	**Domain & Hosting**	**Discontinued operations (Performance Adv.)**	**Unallocated portion and adjustments**	**Consolidated**
Segment assets	100,112	2,022	1,234	103,368
Unallocated financial assets	-	-	1,391	1,391
Unallocated tax assets	-	-	9,582	9,582
Total assets	**100,112**	**2,022**	**12,207**	**114,341**
Segment operating liabilities	-37,858	-4,004	14,309	-27,553
Unallocated financial liabilities	-	-	-34,981	-34,981
Unallocated tax liabilities	-	-	-1,657	-1,657
Total liabilities	**-37,858**	**-4,004**	**-22,329**	**-64,191**
Segment assets include:				
Equity investments in associates and joint ventures	-	-	-	-
Investments in non-current assets other than financial instruments and deferred tax assets	6,868	581	88	7,537

5. Profit (loss) from discontinued operations

Details on the disposal of Moqu S.r.l., completed in 1Q15, are found in the relevant Directors' report. Mention should be made that all the charges associated with the disposal of Moqu to Italiaonline S.r.l have been grouped in a single item named "Profit (loss) from discontinued operations", which also includes other income statement items that refer to the scope involved in the extraordinary transaction. The financial effects of this disposal have been backdated to 28 February 2015.

The table below shows the details of Profit (loss) from discontinued operations:

Description	**Balance at 28/02/2015**
Profit (loss) from discontinued operations	-233
costs associated with discontinued operations	*-96*
Costs associated with discontinued operations paid by the Parent	-114
Profit (loss) from discontinued operations	**-346**

The table below shows the breakdown of the income statement item related to profit (loss) from discontinued operations in this quarterly report:

Description	**Balance at 28/02/2015**
Revenue from discontinued operations	1,101
Increase in own work capitalized - discontinued operations	95
Costs for discontinued operations	-1,066
Depreciation and amortization of discontinued operations	-92
Non-recurring changes from discontinued operations	-96
Financial income/charges from discontinued operations	-233
Profit (loss) before taxes from discontinued operations	**-292**
Taxes for discontinued operations	59
Net profit (loss) from discontinued operations	**-233**

The overall effect on cash and cash equivalents associated with the disposal of the Moqu Group amounted to €4.6 million (net of the financial receivable from the earn-out of €1 million). Here are the details:

Description	**Moqu Group**
Cash consideration	4,758
Cash disposed of	-206
Overall effect on cash and cash equivalents	**4,551**
Earn-out	1,000
Total effect on net financial position	**5,551**

6. Other income and costs

6.1 Revenue

For a breakdown of revenue, see Section 4 (segment reporting) and the detailed information in the Directors' report.

Specifically, it should be noted that income statement and revenue figures have been prepared in accordance with IFRS 5; accordingly, 2014 figures have been restated by consolidating the result of Moqu (sold in February) under one single item in the income statement; revenue is, therefore, consistent in the two financial years. The other changes to the scope of consolidation (acquisition of Etinet and transfer of the Simply BU both from 1 July 2015) had an overall effect on consolidated revenue of -€1 million.

6.2 Payroll costs

The following table breaks down payroll costs in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Wages and salaries	14,379	14,365	14	0%
Social security charges	3,358	3,569	-211	-6%
Provision for termination indemnities	501	523	-22	-4%
Total	**18,238**	**18,457**	**-219**	**-1%**

Employees are hired under the national employment contract for the commercial sector.

The provision for termination indemnities is calculated using the projected unit credit method. See Note 15 for further information.

The value of stock options assigned in prior periods is calculated as required by IFRS 2. The overall impact on this item amounted to €191 thousand.

The following table shows the number of employees at the close of 2015 and 2014:

Description	31/12/15	31/12/14*	Change	% change
Employees	398	364	34	9%
Total	**398**	**364**	**34**	**9%**

* 31 December 2014 included 24 employees of the Moqu Group companies, sold in 1Q15

6.3 Other operating expenses

The following table breaks down other operating expenses in 2014 and 2015:

Description	31/12/15	31/12/14	Change	% change
Taxes and duties	82	69	14	20%
Other non-deductible costs	78	99	-21	-21%
Other	8	7	1	7%
Losses on receivables	24	49	-25	-51%
Restructuring costs	203	418	-215	-51%
Total	**396**	**642**	**-246**	**-38%**

Losses on receivables include positions for which final settlements have been reached.

Restructuring costs in 2015 amounted to €0.2 million (€0.4 million at 31 December 2014), and refer to those incurred for extraordinary transactions related to the acquisition of Etinet and to the transfer of the ProAdv/Simply BU described in the Directors' report, and to those incurred for the optimization of the Group structure. Non-recurring costs for the disposal of Moqu are classified under Profit/(loss) from discontinued operations in the income statement.

The remaining items of other operating expenses refer to duties and taxes or to costs that cannot be deducted from taxable income.

6.4 Provisions and impairment losses

The following table shows provisions and impairment losses in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Provisions and impairment losses	-269	-98	-170	173%
Provisions/Reversal for risks and charges	57	78	-20	-26%
Total	**-211**	**-21**	**-191**	**927%**

Provisions for impairment losses on receivables are discussed in Note 16, while further information on the provision for liabilities and charges and its recovery is given in Note 20.

6.5 Amortization, depreciation and impairment losses on fixed assets

A comparison between 2015 and 2014 is shown below:

Description	31/12/15	31/12/14	Change	% change
Depreciation	3,741	3,784	-42	-1%
Amortization of prod./serv. development costs	2,813	2,794	19	1%
Amortization of patents and brands	103	220	-117	-53%
Amortization of other intangible assets	209	365	-156	-43%
Total depreciation and amortization	**6,866**	**7,162**	**-296**	**-4%**
Amortization of other intangible assets	-	17	17	-
Impairment losses on tangible assets	-	5	5	100%
Total impairment losses on fixed assets	**-**	**23**	**23**	**100%**
Total	**6,866**	**7,185**	**-319**	**-4%**

Amortization for product and service development costs, related to the portions of costs for the internal development of products and processes, is substantially in line with 2014, despite the lower investments made in 2015 in internal development, due to the impact of capitalization of prior years still being amortized.

Amortization has dropped to a greater extent for brands and other intangible assets, since investments in this item have fallen in recent years.

For further information, see the details in Notes 10 and 11.

In 2015, as in 2014, there were no significant impairment losses on fixed tangible and intangible assets.

6.6 Financial income and charges

The tables below break down financial income and charges in 2015 and 2014:

FINANCIAL INCOME

Financial income	31/12/15	31/12/14	Change	% change
Interest on bank and postal accounts	7	6	1	23%
Exchange gains	531	557	-26	-5%
Subtotal	**538**	**563**	**-24**	-4%

FINANCIAL CHARGES

Financial charges	31/12/15	31/12/14	Change	% change
Interest on account overdrafts	-123	-465	342	-74%
Interest on loans	-1,227	-1,226	-1	0%
Bank fees and charges	-1,451	-1,286	-165	13%
Exchange losses	-222	-268	46	-17%
Subtotal	**-3,022**	**-3,244**	**222**	-7%
Net financial income (charges)	**-2,484**	**-2,682**	**198**	-7%

Financial income consists of interest on bank accounts (basically in line with the 2014 figure) and exchange gains over the period. No non-recurring financial income was recorded in 2015, as in 2014.

Exchange gains and losses of the Group refer to the translation at end 2015 of trade receivables and payables expressed in foreign currency other than the euro (British pound and US dollar), and to trade receipts/payments expressed in foreign currency settled during the year. Depending on the significance of the underlying transaction, the Dada Group sometimes hedges currency risk through currency forward purchase and sale. For this reason, exchange gains must be analyzed together with exchange losses in order to evaluate the overall net difference.

Specifically, the net difference of total exchange gains and losses resulted in a gain of approximately Euro 0.3 million in 2015 versus a gain of Euro 0.1 million in 2014. The variation was almost entirely attributable to the revaluation of the exchange rate of the British pound against the Euro (mainly in the first part of the year), the benefits of which were felt in particular by the UK subsidiary Namesco Ltd. Currency hedging transactions in 2015 were mainly on the Euro/Dollar exchange rate and referred to Performance Advertising activities, which were disposed of in 2015; the effects on the income statement were classified under “profit (loss) from discontinued operations”.

Financial charges consist mainly of interest on overdrafts on short-term bank accounts and long-term loans, as well as credit card fees, other charges imposed by banks and exchange losses.

Interest expense on loans (for details, see Note 19) remained basically unchanged versus 2014 and refers mainly to interest expense on borrowings taken out in prior years for acquisitions made. Financial charges from interest on short-term loans and interest on bank overdrafts, instead, dropped sharply in 2015 (by €0.3 million) versus 2014. The overall improvement should be considered by taking into account the reduced use of available credit lines (the net financial position of the Dada Group in 2015, in fact, improved considerably versus 2014), the overall reduction in both interest expense rates, resulting from the sum of the nominal interest rate (the Euribor key rate fell over the year to reach negative territory at end 2015), and the decrease in average spreads charged by banks on the various technical forms of funding, following the renegotiations made in the year.

Commissions on credit card payments rose slightly versus 2014 as a result of the increased business volumes of the Group in 2015; commissions and other banking charges followed the same pattern.

6.7 Share of profit (loss) of associates

The share of profit (loss) of associates amounted to €13 thousand at 31 December 2015, and refers to 25% of the 2H15 results alone of 4w MarketPlace S.r.l., given that the acquisition, as explained in the Directors' report, took place on 30 June 2015.

In the prior year, the Group held no investments in associates.

6.8 Non-recurring income and charges

Description	31/12/15	31/12/14	Change	% change
Other operating charges: non-recurring charges	-203	-418	215	-51%
Other revenue and income: non-recurring income	-	8	-8	-100%
Total	**-203**	**-411**	**207**	**-50%**

Non-recurring items had a negative effect of €0.2 million, €0.1 million of which refers to the costs for the acquisition of Etinet and the transfer of the ProAdv/Simply BU (see the Directors' report), and €0.1 million to the charges from the optimization of the Group structure. Non-recurring items amounted to €0.4 million in the prior year, and referred to charges from the optimization of the Group structure, while €8 thousand referred to non-recurring income from the disposal of a residual portfolio of assets by a UK subsidiary.

7. Taxes

The table below shows taxes in 2015 and 2014:

Description	31/12/2015	31/12/2014	Change	% change
IRAP	-105	-412	307	-74%
IRES and other income taxes	-441	-159	-282	178%
Prior-years' current taxes	89	-13	102	-766%
Other costs/tax recovery	81	-58	139	
Deferred tax assets	-820	-188	-632	336%
Total	**-1,196**	**-829**	**-367**	**44%**

Movements in 2015 in deferred tax assets were as follows:

Description	31/12/2014	Incr. in discontinued operations	Decreases	Exchange diff.	Other mov.	Discontinued operations	Entry in the Group	31/12/2015
Deferred tax assets	6,419	59	-820	33	6	-59	13	5,651
Total	**6,419**	**59**	**-820**	**33**	**6**	**-59**	**13**	**5,651**

The tax burden for current taxes on the Italian companies in 2015 refers exclusively to IRAP; the figure dropped versus 2014 (€0.1 million versus €0.4 million) as a result of the change in the relevant legislation which provides for deductibility, as from this year, of labour costs of permanent staff from IRAP taxable income. Most of the current taxes consists of tax accrued on certain foreign subsidiaries, which was higher than in 2014 owing mainly to the results achieved by these companies.

Prior-years' taxes include the corrections (positive in 2015 and negative in 2014) between the tax liability estimated at the time the financial statements were prepared and the actual charge at the time the Group's tax returns were prepared. In 2015, this figure is the result of regulatory changes for UK companies.

"Other tax costs/tax recovery" in 2015 came to a positive €81 thousand and referred to the benefit from the reversal to the income statement of a provision for risks set up in prior years for a tax dispute settled positively by the Group. In 2014, the item came to a negative €58 thousand and referred mainly to the acceptance of a tax settlement with the tax authorities by an Italian company.

Deferred tax assets in 2015 were recognized in the amount of €5.7 million, dropping sharply versus €6.4 million in 2014, and are the result of temporary differences between statutory and tax regulations, and of tax determined on tax losses expected to recovered in the short to medium term.

More specifically, deferred tax assets originate:

- for a total of €1.4 million versus €1.7 million in 2014, in reversals amounting to €0.3 million made in the year, and are the result of temporary differences expected to be recovered in subsequent years, for doubtful accounts, amortization of goodwill and brands, for provisions for risks and charges, and for all other tax adjustments to reverse in subsequent years ("temporary differences");
- for €4.2 million (€4.7 million in 2014) from tax losses expected to be recovered, referring mostly to those accrued by the Parent Company Dada S.p.A. in prior years. The reduction of €0.5 million is exclusively attributable to the recalculation of deferred tax assets from 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 reduction implies, under equal conditions, a lower benefit in terms of deferred tax assets, related to the use of tax losses on taxable income of future years; the Group has accordingly re-assessed deferred tax assets calculated on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

To calculate the recoverability of tax losses, reference was made to taxable income expected in subsequent years to be generated by Register.it S.p.A., which participates in Dada's tax consolidation scheme. Taxable income expectations are corroborated also by the fact that the budget forecasts and plans of Dada and Register give reasons to believe that a growing taxable income will likely be generated in the coming years. Mention must also be made that, under the Italian laws established by the current Legislative Decree 98/2011, tax losses can be fully carried forward indefinitely.
Additionally, the assessment on the recoverability of deferred tax assets was made using the same prior-years' criteria and based on the 2016 budget and 2017-2020 plan approved and adopted, for the purposes of the impairment test, by the boards of directors of the companies at the head of the two CGUs (Register.it for D&H EU and Namesco Ltd for D&H UK) who participate in the tax consolidation scheme, and by the board of directors of the parent Dada S.p.A.
Over this period of the plan, the projections show that the subsidiary Register.it S.p.A. in particular will generate a growing, positive taxable income and that the portion of recognized deferred taxes for tax losses carried forward will be fully recovered over a reasonably sustainable time period. This consideration and the mentioned laws allowing full recovery of tax losses indefinitely give reasons to conclude that the recognition of deferred tax assets complies with the requirements of the relevant accounting standard.

Mention should be made that the Dada Group has accrued tax losses over the years for a total of €40.1 million (€39.2 million in 2014), generated mostly by the Italian companies. Deferred tax assets were determined, however, only on a portion of such losses equivalent to €17.4 million (€17 million in 2014).

Utilization refers to the reversing of temporary differences against the tax charge for the year, while the increase was determined in accordance with the stated accounting standard.

The disposal of Moqu produced no significant balance sheet impact on deferred tax assets, while the income statement impact was classified under profit (loss) from discontinued operations.

"Other movements" includes the tax effect of the 2015 portion of "Cash flow hedge reserve" and the "Reserve for termination indemnity discounting".

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.

The following table reconciles the actual and theoretical tax charge:

RECONCILIATION BETWEEN TAX CHARGE SHOWN IN THE FINANCIAL STATEMENTS AND THEORETICAL TAX CHARGE AT 31 DECEMBER 2015

Description	2015	2014
Pre-tax profit	2,762	-1,331
Theoretical tax charge	760	-366
Permanent differences	-5,473	-1,119
Temporary differences	-110	-780
Taxable income	-2,820	-3,230
Adjustment/reinstatement of tax losses	1,218	2,653
IRES and income taxes of foreign companies	**-441**	**-159**
Prior-years' taxes	89	13
Other tax costs	81	58
IRAP	**-105**	**444**
Current taxes	**-376**	**356**

In calculating the theoretical tax charge, unlike the tax charge recognized in the financial statements, no account is taken of IRAP because it is charged on an earnings figure different from pre-tax profit, it would distort the comparison between one year and the next. Theoretical taxes are therefore determined by applying the corporate income tax rate in force in Italy (IRES, 27.5%) to the pre-tax profit.

The Dada Group participates in the Italian tax consolidation scheme, so that taxes can be managed centrally for IRES purposes and savings can be achieved as taxes are calculated on a unified base. In the 2013-2015 three-year period, in addition to the parent and consolidating company Dada S.p.A., the other participants are the subsidiaries Clarence S.r.l., Register.it S.p.A., and Fueps S.p.A.; Moqu Adv S.r.l. was deconsolidated following disposal in March.

Deferred tax assets are detailed below:

	IRES			IRES		
	2015			2014		
	Amount of temporary differences	**rate**	**Tax effect**	**Amount of temporary differences**	**rate**	**Tax effect**
Deferred tax assets:						
Taxed provision for doubtful accounts		27.50%		2,699	27.50%	742
Taxed provision for doubtful accounts	2,791	24.00%	670			
Other temporary differences	25	27.50%	7	35	27.50%	10
Other temporary differences		21.50%		2,331	21.50%	501
Other temporary differences	1,709	20.25%	346			
Provisions for risks and charges	276	27.50%	76	333	27.50%	92
Non-current assets	207	27.50%	57		27.50%	297
Non-current assets	716	24.00%	172			
Deferred tax assets on cash flow hedge reserve	139	27.50%	38	108	27.50%	30
Total	**5,863**		**1,366**	**6,587**		**1,672**
Deferred tax assets pertaining to prior-year tax losses	1,726	27.50%	475	17,016	27.50%	4,679
Deferred tax assets pertaining to prior-year tax losses	15,636	24.00%	3,753			
Total	**17,362**		**4,227**	**17,016**		**4,679**
Combined effect	**23,225**		**5,593**	**23,603**		**6,351**

	IRAP			IRAP		
	2014			2012		
	Amount of temporary differences	**rate**	**Tax effect**	**Amount of temporary differences**	**rate**	**Tax effect**
Deferred tax assets:						
Other temporary differences		4.82%				
Provisions for risks and charges	276	4.82%	13	333	4.82%	16
Non-current assets	891	4.82%	43	1,082	4.82%	52
Non-current assets	32	3.90%	1			
Combined effect	**1,200**		**58**	**1,415**		**68**

Total deferred tax assets	**24,425**		**5,651**	**25,018**		**6,419**

8. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net earnings/(loss) attributable to the owners of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings/(loss) per share are calculated by dividing the net earnings/(loss) attributable to the owners of the parent company by the weighted average number of shares outstanding during the year plus those potentially originating from the exercise of all options outstanding.

Details of profit and number of shares used to calculate basic and diluted earnings/(loss) per share are provided below:

Euro/1000 PROFIT	**31/12/15**	**31/12/14**
Profit/ (loss) for the calculation of earnings per share	1,333	-2,192
Total	**1,333**	**-2,192**

NUMBER OF SHARES	**31/12/15**	**31/12/14**
Number of shares for the calculation of earnings per share	16,680,069	16,680,069
Dilutive effect (options on shares)	615,000	705,000
Total	**17,295,069**	**17,385,069**

EARNINGS/(LOSS) PER SHARE	**31/12/15**	**31/12/14**
Basic earnings/(loss) per share	0.080	-0.131
Diluted earnings/(loss) per share	0.077	-0.126

9. Business combinations

On 2 July 2015, Dada signed a binding agreement through its subsidiary Register.it S.p.A. to acquire 100% of the share capital of Etinet S.r.l., completed on 8 July 2015.

The consideration for 100% of the Etinet shares is €700 thousand (net of adjusted NFP), based on a net financial position at break-even. Part was paid at the date of completion of the transaction, and part was placed in escrow to service the standard representations and warranties. An earn-out of a maximum of €90 thousand will be paid in the first half of 2016 should pre-established goals be met.

The amount of identifiable assets and liabilities of Etinet S.r.l. at acquisition date is shown below:

Description	**Amount at acquisition**
Fixed assets	80
Current assets	489
Non-current liabilities	-51
Current liabilities	-501
Total net assets/liabilities	**18**
Goodwill at acquisition	778
Total cost	**795**
Acquisition price	**795**
composed as follows:	
- Payment	705
- Remaining debt (Earn out)	90
Cash outflow from acquisition	**786**
Payment	705
Earn out	90
Cash and cash equivalents acquired	-10

9.1 Impairment test for intangible assets and goodwill

Movements in goodwill, split up by legal entity, from 31 December 2014 to 31 December 2015 are shown below:

Name	31/12/2014	Increases	Decreases	Exchange differences	31/12/2015
Register.it S.p.A.	**7,119**	-	-	-	**7,119**
Etinet S.r.l.	**-**	778	-	-	**778**
Nominalia SL	**8,061**	-	-	-	**8,061**
Namesco Ltd	**34,347**	-	-	2,104	**36,450**
Amen Group	**21,246**	-	-	122	**21,367**
Pound Host	**8,387**	-	-	514	**8,900**
Total	**79,159**	**778**	**-**	**2,739**	**82,676**

Goodwill by CGU	31/12/2015	31/12/2014
D&H EU CGU	37,325	36,425
D&H UK CGU	45,351	42,734
Total	**82,676**	**79,159**

At 31 December 2015, goodwill recognized in the Dada Group consolidated financial statements amounted to €82.7 million versus €79.2 million in 2014, and consisted solely of goodwill arising on first-time consolidation, as reported for business combinations taking place in prior years. The main movements in this item in 2015, as well as the impairment tests performed at the end of the year, are described below.

Increases

An increase of €0.8 million was reported in 2015, as a result of the acquisition of Etinet S.r.l., which was completed in July 2015 and fully consolidated as from 1 July 2015. Further details on the acquisition are found in the statement on business combinations at page 141 and in the Directors' report in the section on the most significant transactions completed in 2015.

Decreases

There were no decreases in goodwill during 2015.

Exchange differences

In accordance with the relevant accounting standards, goodwill in a currency other than the one used in the preparation of the consolidated financial statements is translated at the 2015 year-end exchange rates shown in Note 3. Specifically, the EUR/GBP translation (with the revaluation of the GBP against the Euro) of goodwill on Namesco Ltd, Amen UK and Poundhost Internet Ltd resulted in an increase in goodwill of €2.7 million, offset by the translation reserve recognized under consolidated equity. In 2014, exchange adjustments had a positive effect of €2.9 million.

Impairment test: general information on the process adopted by the Dada Group

a)

As required by IAS 36, impairment testing is carried out by the Group at least once a year upon preparation of the year-end financial statements, to assess whether an impairment loss has taken place. In this test, the recoverable amount of the cash generating units (CGUs) to which goodwill has been allocated is verified by calculating value in use. The amount is then compared against the carrying amount defined as net capital employed plus goodwill recognized in the consolidated financial statements, as reported in the table above.

Specifically, for all Group assets, split up by CGU, the recoverability of investments was verified by preparing financial and cash flow forecasts based on the 2016 budget approved by Dada S.p.A.'s Board of Directors in December 2015 and on the extrapolation of economic and financial projections for 2017-2020, whose assumptions were accepted by the Directors during the meeting on 14 March 2016 to approve these financial statements, but in a separate and previous item on the agenda.

These annual assessments are then reviewed at the close of interim reporting periods, through an analysis designed to verify the absence of external and internal impairment indicators.

The value in use of the different CGUs was estimated on the basis of projected cash flows and their discounting at an appropriate rate. More specifically, value in use was estimated by discounting the operating cash flows of the CGUs at a rate built on the weighted average cost of capital (WACC).

Expected cash flows for 2016-2020 were developed on the basis of the projections mentioned above. Recoverable amount was estimated as the sum of the present value of cash flows over the explicit forecast period and the terminal value.

Valuations were reached with assistance from a major consulting firm specialized in this activity (Deloitte).

b) Identification of cash generating units (CGUs)

A CGU is the smallest identifiable group of assets that generates an independent cash flow, either incoming or outgoing. The Dada Group has defined its CGUs mainly as individual companies or groups of companies, which are smaller entities than the Dada Group.

In 2014, the Dada Group revised its internal structure in terms of both organization and of management and provision of services related to the Domain & Hosting division (business segment), defining two geographical areas referred to respectively as “D&H EU” and “D&H UK”. Internal reporting of this business segment is presented in this dual context. The Performance Advertising CGU (a separate business segment included in last year’s impairment test) was eliminated following the disposal of Moqu S.p.A. and Moqu Ireland Ltd to Italiaonline S.p.A.

To conclude, impairment testing for the 2015 Dada Group consolidated financial statements was conducted on the following two CGUs:

- *D&H EU (domains and hosting Italy, France, Spain, Portugal and Holland)*: formed by consolidating the separate financial statements, prepared according to international accounting standards, of Register.it S.p.A. (heading the CGU), Amen France SAS, Amen PT, Amen NL, Amen UK, Nominalia Internet SL and Etinet S.r.l.;
- *D&H UK (domains and hosting UK)*: formed by consolidating the separate financial statements, prepared according to international accounting standards, of Namesco Ltd (heading the CGU), Namesco Ireland and the Poundhost Group companies (Poundhost Ltd, Simply Virtual Server Ltd, Simply Transit Ltd);

c) Determination of the discount rate (WACC)

It should be noted that the methods used for WACC determination explained below are identical to those used in prior years.

The discount rate used for future cash flows is the weighted average cost of capital (WACC). It was determined separately for the individual CGUs and takes account of the following parameters (among others): cost of money, market risk premium, risk-free rate in countries where each CGU operates, and marginal income tax rate. It respects the operations performed by each CGU, while also taking account of the trend in market rates and in the overall macroeconomic scenario.

The persisting financial situation, especially as concerns the Italian and Spanish markets, led to a number of considerations regarding the estimate of the risk-free rate and the market risk premium. In particular, there was an increase in the country risk component (the "macro" component of the discount rate, expressed by the risk-free rate).

Given the magnitude of the gap between risk-free rates currently existing in Italy and those in other virtuous countries, it was deemed necessary to neutralize the duplication of risk (first at the risk-free level and then in terms of market risk premium) so as not to distort the calculation of WACC. It was, therefore, deemed appropriate to lift this benchmark up to a slightly higher value for both D&H EU and D&H UK, in line with the market consensus on this segment.

Furthermore, regarding the yield on government bonds (10-year BTPs and Bonos) as another component of the discount rate, a sharp drop was reported in spreads and yields throughout 2015 (a trend that had started in 2014). This affected both the Italian and Spanish markets, resulting in a significant reduction in the risk free rate factor in the determination of the WACC.

The average yield over the 12 months of 10-year BTPs dropped from 2.87% in 2014 to 1.72% in 2015. The average yield of 10-year Bonos dropped from 2.73% to 1.75%.

Lastly, the cost of debt (the sum of the base rate and average spread charged by banks to the range of loans) for the Dada Group in 2015 dropped versus 2014, due also to the renegotiations made in the year. To conclude, the capital structure underlying the determination of the WACC was determined based on data regarding the net financial position of the Dada Group at 31 December 2015 and its market capitalization.

All of the parameters used to determine the discount rate were calculated based on average data calculated over a 12-month time frame.

These considerations led to the calculation of the following WACC rates, which are shown along with the prior-year rates below:

CASH GENERATING UNIT	WACC	
	31/12/2015	31/12/2014
D&H EU	6.48%	7.07%
D&H UK	6.55%	7.07%

The table clearly shows a decrease in the discount rates for the D&H EU CGU, a direct result of the abovementioned reduction in average spreads in the cost of money, particularly in Spain and Italy, in 2015 versus 2014. To corroborate this trend, it should also be noted that the downward pattern continued in the early months of 2016.

Likewise, the discount rates referring to the Anglo-Saxon market and used in evaluating the D&H UK CGU decreased versus 2014 when, instead, they had already benefited from a contraction in the yield of UK 10-year government bonds and in the cost of money.

d) Assumptions used to prepare plans

The table below shows the main assumptions taken as a benchmark to calculate discounted cash flow for the individual CGUs used to determine value in use. The terminal value was generally determined over an infinite horizon for all CGUs observed. The following clarifications are provided with regard to the main assumptions underlying the above economic and financial plans (approved by the Directors of the companies heading each CGU):

Cash Generating Unit	Explicit forecast period	Terminal value period	Growth rate (g) during terminal value period
	31/12/2015	31/12/2015	
D&H EU CGU	5 years	Perpetual	Zero
D&H UK CGU	5 years	Perpetual	Zero

As for growth envisaged during the explicit forecast period, the same rationale of 2014 was adopted (also for expected growth rates). The internal procedures underlying the values calculated for each CGU are reported below:

CASH GENERATING UNIT Growth rate:	**D&H EU**	**D&H UK**
Revenue	2015 figures from actual results approved by the BoD of each company forming the CGU; 2016 figures from the consolidated budget of the D&H EU CGU approved by the BoD of Register.it S.p.A. as the head of the CGU, which includes the Amen Group, Nominalia and Etinet S.r.l.; 2017-2018 two-year period determined by using growth rates envisaged in the Group's previous plan approved in 2014, updating them on the basis of further and latest business and target market information regarding growth rates; further two-year horizon covering 2019 and 2020, based on growth rates of main economic and financial aggregates extrapolated from the best available information on the specific business of the CGU and reviewed by the BoD of Register.it S.p.A..	2015 figures from actual results approved by the BoD of each company forming the CGU; 2016 figures from the consolidated budget of the D&H UK CGU approved by the BoD of Namesco UK Ltd. as the head of the CGU, which includes the Poundhost Group and Namesco Ireland; 2017-2018 two-year period determined by using growth rates envisaged in the Group's previous plan approved in 2014, updating them on the basis of further and latest business and target market information regarding growth rates; further two-year horizon covering 2019 and 2020, based on growth rates of main economic and financial aggregates extrapolated from the best available information on the specific business of the CGU and reviewed by the BoD of Namesco Uk Ltd.
Growth rate:		
EBITDA	As for the EBITDA trend of the D&H EU CGU over the period of the plan, the considerations above apply.	As for the EBITDA trend of the D&H UK CGU over the period of the plan, the considerations above apply.

With regard to the investment plan on tangible and intangible assets (and the resulting impact on the income statement as amortization and depreciation), YoY growth envisaged in the business plan used for the 2014 impairment remains valid, both at consolidated level and at the level of each CGU, since no new or different investment plans have been considered for the next five years. These growth observations are obviously applied to the investment plan in the 2016 budget, which was, instead, thoroughly revised based on nature and legal entity/CGU.

With regard to each CGU, here are the main assumptions adopted in building the three-year plan approved in 2014 for impairment tests only, also used in 2015 impairment tests, with an update on the rationale underlying growth.

With regard to the forward-looking consolidated figures, the main considerations used to build the plan itself are also described below:

- construction of a new Datacenter in the UK. The project was successfully completed in prior years, and the benefits started to be fully felt from the current one, thanks also to the conclusion of the contracts in place with third-party suppliers; the development of further synergies in the Group is envisaged over the years following the plan;

- measures continued to be taken to carefully manage overheads and operating costs, supporting the steady improvement of the efficiency and profitability of the Group;

When building the plans at the level of each CGU, inter-company chargeback mechanisms adopted in 2014 within the Group were kept, as the organizational setup of the Group remained unchanged. The main inter-company transactions regard: a) the chargeback of costs and centralized services provided by Dada S.p.A. to its subsidiaries; b) the chargeback of the platform costs of Register.it S.p.A., which charges back to the EU CGU companies (this in particular has no financial impact at CGU level); c) the chargeback of domain acquisition costs (for certain extensions) by Register to other Group companies; the chargeback of user acquisition costs by Register to other Group companies; the chargeback of Server services by Poundhost to other Group companies. Intercompany financial contracts are also in place for cash pooling (only for transactions between Dada and other Italian companies) and loans (between various Group companies) regarding both Italian and foreign companies.

More specifically, considerations follow on the individual CGUs:

D&H EU CGU: the 2016-2020 revenue trend of the D&H EU CGU was estimated based primarily on the following considerations:

• development and growth of the current customer base thanks to price repositioning and customer acquisition policies;

• growing focus on offline sales in "*We do it for you"* mode;

• stronger push on No Domain products, with a view to increasing assistance to the customer base, with positive effects on upselling volumes on existing customers.

Expanded offer of Email, Hosting and Servers (also in managed mode) and cloud-based solutions, as well as products and services for the safety of websites and online transactions, in order to meet the needs of business expansion and protection from growing cyber-attacks.

The growing margin trend over the period of the plan is also the result of the centralization process regarding overhead costs and of the optimization of operating offices and datacenters, with a consequent reduction in these costs. This applies to the Italian company and to the foreign subsidiaries under this CGU.

D&H UK CGU: the 2016-2020 revenue trend of the D&H UK CGU was estimated based primarily on the following considerations:

• development and growth of the current customer base thanks to price discounting and customer acquisition policies;

• sharper focus on the business customer segment (the most loyal on average), with higher renewal rates, and more eager to purchase the costlier solutions than the home-user segment;

• stronger push on No Domain, website builders and email (Exchange, Office365) products, as well as Linux/Windows hosting and server solutions;

• optimization and maximization of the investment made over the 2013-2015 three-year period for the creation and operation of a Datacenter in Reading (UK), to offer world-class virtual servers and expand the range of dedicated servers.

e) Value in use and summary of the impairment test results

As for the calculation of the CGUs' value in use, the recoverability of goodwill relating, as in prior years, to the D&H EU CGU and the D&H UK CGU was tested using the discounted cash flow method, by projecting the cash flows contained in the five-year economic and financial forecasts described above for each of the two CGUs.

With regard to the above CGUs, this process revealed no elements that would suggest an impairment of goodwill recognized in the financial statements. Therefore, their amounts recognized in the assets side of the consolidated statement of financial position are confirmed.

The following table provides a summary of the results of the 2015 impairment test, showing the comparative figures of Carrying Amount and Value in Use of the two CGUs at 31 December 2015 and 31 December 2014:

Cash Generating Unit	31 Dec.-15			31 Dec.-14		
	Value in use	Carrying amount	Difference	Value in use	Carrying amount	Difference
D&H EU	66,849	18,953	47,896	59,073	19,921	39,152
D&H UK	86,845	47,626	39,219	74,193	42,615	31,578

Based on the above results, both CGUs are considered to have passed the impairment test.

The improvement in the value in use of both D&H EU CGUs is also explained by the above improvement in WACC versus 2014.

Impairment testing included a detailed sensitivity analysis of all CGUs considered, measuring how the test results would vary along with changes in WACC and the growth rate (g). The outcome provided additional support for the recoverability of the amounts assigned to the CGUs. The following page contains information on the sensitivity analysis.

f) Further considerations

Further analysis on impairment tests was made in 2015 too, based on the guidelines published by the OIV (Italian Valuation Board) in the document "Goodwill impairment testing in times of real and financial crisis”, in accordance with IAS 36. The approaches followed by the Group in keeping with the above document are summarized below:

- Treatment of risk: the Dada Group has adopted a single, most-likely scenario that represents a reasonable estimate of cash flows. Accordingly, a risk premium was used to account for the possible failure to realize the plan;
- Sustainability of plans: a gap analysis was carried out to test the company's ability to produce reliable plans and forecasts, with a basically positive outcome;
- Determination of carrying amount: it was not necessary to adjust or normalize net working capital, as this aggregate is relatively stable in terms of both past performance and the plan data used for the calculations;
- Gap analysis of estimated flows: the company has revised its income statement and financial forecasts with respect to previous impairment exercises in light of the changed competitive context and the Group's new structure, updating them as per established practice.

The forecasts do not include the effects of restructuring to which the company has not yet committed.

As for the cost of capital and the terminal value growth rate, see the above comments with respect to WACC and future plans.

g) Market capitalization

Dada S.p.A. is listed on the MTA market of the Milan Stock Exchange (STAR segment); its market capitalization at 31 December 2015 stood at approximately €36 million (€43.3 million at 31 December 2014), and as of this writing at €44 million (recovering strongly versus the year-end figure), lower than the Group’s consolidated equity at 31 December 2015 (€59 million).

In the prior year’s consolidated financial statements, market capitalization was similarly lower than the Group’s equity at 31 December 2014, despite the lower results versus the prior year.

Furthermore, by extending the analysis period, the average market capitalization over the six months of 2015 prior to the balance sheet date stands at approximately €40 million; considering, instead, average market capitalization over the past 12 months, the figure rises to €43 million.

Nonetheless, it must be duly noted that the share price does not give a true picture as it does not fully reflect the consolidated income statement and balance sheet forecasts for 2016-2020, since these forecasts have not been disclosed to the market, therefore not considered by the market in the determination of stock prices.

These considerations can confirm and support the assessments made regarding the impairment tests above, and basically confirm the forecasts made by the OIV on analysis to be made in the event of a negative difference between equity and market capitalization.

h) CGU sensitivity analysis

Below are the key sensitivity results from the impairment test with respect to the WACC and g rate. Sensitivity was used in the evaluation of the two CGUs of the Dada Group, performed with the infinite terminal value and using the rates above:

- **D&H EU CGU**

Sensitivity Analysis - Value in use					
	Wacc				
g (growth rate)	5.5%	6.0%	**6.5%**	7.0%	7.5%
-1.0%	69,324	63,734	58,903	54,689	50,983
-0.5%	74,485	68,072	62,592	57,855	53,724
0.0%	80,588	73,136	**66,849**	61,475	56,831
0.5%	87,916	79,125	71,819	65,654	60,384
1.0%	96,881	86,316	77,695	70,531	64,485

- **D&H UK CGU**

Sensitivity Analysis - Value in use					
	Wacc				
g (growth rate)	5.5%	6.0%	**6.5%**	7.0%	7.5%
-1.0%	89,993	83,172	77,263	72,095	67,537
-0.5%	96,202	88,401	81,714	75,920	70,853
0.0%	103,531	94,494	**86,845**	80,289	74,608
0.5%	112,312	101,686	92,825	85,325	78,896
1.0%	123,025	110,302	99,882	91,193	83,838

These impairment testing procedures were expressly and independently approved by the Directors of the Parent Dada S.p.A..

10. Intangible assets

Movements in intangible assets in 2015 are reported below:

Description	Balance at 31/12/14	Incr. in continuing operations	Incr. in discontinued operations	Discontinued operations	Entry in the Group	Exchange diff.	Deprec. continuing operations	Deprec. discontinued operations	Balance at 31/12/15
Goodwill	79,159	778	-	-	-	2,739	-	-	82,676
Total goodwill	*79,159*	*778*	*-*	*-*		*2,739*	*-*	*-*	*82,676*
Product/service development costs	7,111	2,273	95	-1,246	20	17	-2,813	-90	5,367
Concessions, licenses, brands	52	108		-1	-	-	-103	-	56
Other	527	54		-4	9	-	-209	-	376
Rights and patents	-	-	-	-	-	-	-	-	-
Total intangible assets	*7,690*	*2,436*	*95*	*-1,251*	*28*	*16*	*-3,125*	*-90*	*5,799*
Total	**86,849**	**3,214**	**95**	**-1,251**	**28**	**2,755**	**-3,125**	**-90**	**88,475**

See previous note for information on the composition and measurement of goodwill and its movements during the year.

Increases in total intangible assets, net of the acquisition of Etinet S.r.l., which generated an increase in goodwill of €0.8 million, amounted to approximately €2.5 million and 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.

More specifically, these activities in 2015 referred to:

- the gradual implementation of the new suite of Microsoft products, the cPanel platform, the integration of services with social networks, OpenExchange professional service, dedicated servers, development of new shared hosting and the Dada store.

For further information, see the description of the performance of these two segments in the Directors' report.

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, deemed to reflect the estimated useful life of these projects.

Increases in “other” include software purchased during the year, while trademark registration costs and user licenses reflect the new extensions acquired by the Group for new activities launched in 2015.

Exchange differences cover the changes in intangible assets contributed by foreign companies due to exchange rate fluctuations.

11. Property, plant and equipment

Movements in property, plant and equipment in 2015 are reported below:

Description	Balance at 31/12/14	Incr. in continuing operations	Decreases	Discontinued operations	Other mov.	Entry in the Group	Exchange differences	Deprec. continuing operations	Deprec. discontinued operations	Balance at 31/12/15
Plant and EDP machines	7,793	3,909	-2	-11	-8	17	304	-3,577	-1	8,425
Furniture and fittings	241	21	-4	-1	-	7	2	-96	-1	170
Other	299	33	-	-2	-	12	9	-68	-	283
TOTAL	**8,333**	**3,963**	**-6**	**-13**	**-8**	**36**	**315**	**-3,741**	**-2**	**8,878**

Most of the increase in "Plant and EDP machines" (€4 million) in 2014 concerns the purchase of servers and installation of new plants to enhance the server farm, and for networking and storage systems referring mainly to the Register.it subsidiaries and to 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%.

Decreases refer to plant and equipment disposed of and derecognized in the year, while other movements include the equipment of staff relocated to 4W Marketplace S.r.l. following the transfer of the ProAdv/Simply BU to 4W.

Exchange adjustments refer to the translation of these items relating to subsidiaries as a result of currency fluctuations.

For the purposes of the cash flow statement, cash used in investments in property, plant and equipment, amounting to €3.9 million, refers to investments made in the current year, excluding purchases that did not lead to changes in cash flows, increased by investments made in the prior year and paid in the period under review.

12. Equity investments in non-consolidated subsidiaries, associates and other companies

Movements in financial assets between 31 December 2014 and 31 December 2015 are shown below:

Description	Balance at 31/12/14	Increases	Decreases	Other movements	Balance at 31/12/15
Equity investments in associates	-	2,184	-	13	2,198
Other financial assets	183	19	-10	3	194
Total	**183**	**2,203**	**-10**	**17**	**2,392**

Other financial assets include security deposits issued by the Group to various service providers, while "other movements" include the amount of other financial assets recognized in the opening balance of Etinet.

Equity investments in associates include the recognition of the amount of the 25% interest acquired in the share capital of 4w MarketPlace on 30 June 2015, following the transfer of the ProAdv/Simply BU to 4w.

The amount was assessed by a sworn appraisal that determined the value of the BU at approximately €2.2 million; since the book value at transfer was basically equal to zero, this amount was recognized as a gain in the income statement.

Other movements in equity investments in associates include the equity valuation, which was €13 thousand at 31 December 2015.

The following table shows the carrying amounts of equity investments in associates:

Equity investments in associates	4W MarketPlace S.r.l.
Balance at 31/12/2014	-
Acquisitions	2,184
Disposals	-
Share of profit (loss)	13
Balance at 31/12/2015	**2,198**

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

13. Deferred tax assets

The following table shows the balance of deferred tax assets at 31 December 2015 versus 31 December 2014:

Description	31/12/2015	31/12/2014	Change	% change
Deferred tax assets	5,651	6,419	-769	-12%
Total	**5,651**	**6,419**	**-769**	**0**

Deferred tax assets are discussed in these notes in the section on taxes.

14. Stock options

On 28 April 2014, the General Meeting of Dada approved the share-based incentive plan for 2014-2016, proposed by the Board of Directors and intended for Dada Group employees, in particular, for executives and/or managers of Dada S.p.A. and/or Subsidiaries, excluding option rights, pursuant to art. 2441, par. 8 of the Italian Civil Code, and authorizing the Board of Directors of the Company to execute the plan for a maximum nominal amount of €127,500 through issue of a maximum of 750,000 ordinary shares for a par value of €0.17 each.

On 4 August 2014, the Board of Directors of Dada S.p.A., exercising the powers it was granted, gave effect to the share-based incentive plan. The Board, upon proposal of the Company's Compensation Committee, approved the Regulations of the Plan and assigned a maximum of n. 705,000 options on the same amount of Dada ordinary shares at a subscription price of €3.596 per share, equal to the average official prices of Dada S.p.A. ordinary shares recorded at the close of each Italian Stock Exchange trading session in the previous calendar month.

The Board also determined that the exercise of the vested options is, inter alia, conditional upon achieving a Performance Condition, i.e. that the beneficiaries have successfully passed the variable incentive system (in the form of MBO) for 2016, and have successfully passed at least one of the MBOs for 2014 and/or 2015. For further information, see the Regulations of the Plan on the corporate website www.dada.eu.

Below are the main features of the Dada Group plan:

Main features	Plan of 04/08/2014
Term	2014-2016
Total options on issue date	705,000
Total remaining options at 31/12/2015	615,000
Issue price	3,596
Market price at issue date	3,284

The reduction of 90,000 options versus 2014 (and the issue date) is the result of a loss of right by two managers who left the Group in 2015, who were beneficiaries of the plan.

The plan had undergone valuation by an independent actuary. The following table presents the data used for those calculations:

Data used for valuation	Plan of 04/08/2014
Valuation date	Issue of the plan
Model used	Binomial
Risk-free interest rate	0.6964%
Expected volatility	30%
Estimated dividends	Zero
Vesting conditions	Individual performance condition associated with the MBO plan of each beneficiary
Vesting period	04/08/2014 – 31/03/2017

Expected volatility reflects the assumption that historical volatility is indicative of future trends, although actual outcomes may differ.

The fair value of the plan is measured as of the grant date. See the Directors' report for a detailed description of the plan.

The valuation of stock options in accordance with IFRS 2 had an impact of €191 thousand, accounted for under payroll costs with a balancing entry in a separate equity reserve. This is due to the fact that under the existing plan, the non-market vesting condition linked to the company’s business results is expected to be achieved. As a vesting condition, the beneficiaries are to remain with the Company until the vesting date.

15. Inventories

The following table shows the balance of inventories at 31 December 2015 versus 31 December 2014:

Description	31/12/15	31/12/14	Change
Inventories	11	-	11
Total inventories	**11**	**-**	**11**

The increase in inventories in the year is attributable to the entry in the Group of Etinet; they comprise contract work in progress outstanding at the close of the year.

16. Trade and other receivables

The following table breaks down trade and other receivables at 31 December 2015 versus 31 December 2014:

Description	Balance at 31/12/2015	Balance at 31/12/2014	Change	% change
Trade receivables	6,627	8,207	-1,580	-19%
Provision for doubtful accounts	-3,123	-2,974	-149	5%
Total trade receivables	**3,504**	**5,233**	**-1,729**	**-33%**
Tax receivables	1,164	3,162	-1,999	-63%
Other receivables	1,467	1,370	97	7%
Prepayments	1,855	1,401	454	32%
Total other receivables	**4,486**	**5,933**	**-1,447**	**-24%**
Total	**7,990**	**11,166**	**-3,176**	**-28%**

Movements in the provision for doubtful accounts are shown in the following table:

Description	Balance at 31/12/2014	Increases	Utilizations	Entry in the Group	Balance at 31/12/2015
Provision for doubtful accounts	2,974	269	-123	3	3,123
Total	**2,974**	**269**	**-123**	**3**	**3,123**

Consolidated trade receivables at 31 December 2015 amounted to €3.5 million, net of the provision for doubtful accounts, down versus €5.2 million at 31 December 2014.

Mention should be made that the figures at 31 December 2014 still included the balances of trade receivables from third parties of Moqu Adv. S.r.l. and Moqu Ireland (amounting to €0.5 million), companies disposed of in 1Q15, therefore with credit from third parties no longer contributed at 31 December 2015. Instead, this item was not affected by the transfer on 30 June 2015 of the ProAdv/Simply assets to 4w MarketPlace, as the trade receivables had not been included in the scope of the BU.

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.

In the reporting period, the provision for doubtful accounts increased by €0.3 million, reflecting the need to write down a few positions which arose during the year as a result of the financial problems of a number of clients.

The provision, which amounted to €3.1 million at 31 December 2015, was deemed sufficient to cover potential losses on trade receivables.

There are no trade receivables due beyond one year.

No receivables have a residual maturity over 5 years.

With regard to “other receivables”:

Tax receivables consist mainly of advances paid on direct taxes by various Group companies, as well as VAT advances paid at the end of the year, and the VAT credits of some Group companies. Tax receivables include tax credits and withholding tax charged in some of the countries where the Group operates, which will be recovered next year.

"Other" includes, among other items, deposits with domain registration authorities (€0.7 million) and receivables for down payments to various suppliers.

Prepayments consist of service costs pertaining to periods beyond the year end.

17. Cash and other financial receivables

The table below shows cash and cash equivalents at the close of 2015 and 2014:

Description	31/12/2015	31/12/2014	Change	% change
Bank and post office deposits	2,192	1,378	814	59%
Cash and valuables on hand	14	13	1	5%
Total **	**2,206**	**1,391**	**815**	**59%**

The total reflects liquidity for bank accounts, cash balances and short-term financial receivables held by the Dada Group at 31 December 2015. The increase in the item versus 2014 (up from €1.4 million to the current €2.2 million) is the direct result of the strong improvement in the total net financial position in 2015, which benefited, *inter alia*, from the disposal of a number of assets.

Description	31/12/2015	31/12/2014	Change	% change
Other financial receivables	1,500	-	1,500	n.m.
Total **	**1,500**	**-**	**1,500**	**n.m.**

**Note: Net of +4K for non-hedging foreign currency derivative

Other financial receivables of €1.5 million include €1 million from the portion of earn-out for the disposal of Moqu to Italiaonline, whose targets are considered to have been basically met at the end of 2015, and €0.5 million, part of the consideration of the loan granted by Unicredit in March 2015, kept, as per agreement, in an escrow account until 31 December 2016.

The interest earned on Italian bank deposits, most of them held at three banks, is the one-month Euribor minus 0.1%-0.25%; restricted deposits earn interest at the one-month Euribor minus 0.1%.

18. Share capital and reserves

18.1 Group equity

At 31 December 2015, 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 €2.8 million.

Movements in equity items are reported on page 103.

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 December 2015, it had a balance of roughly €1 million. There was no change versus the prior year.

Share premium reserve: this is a capital reserve generated by contributions from shareholders or the conversion of bonds into shares. There is no specific limit on its use, once the legal reserve has reached one fifth of the share capital. At 31 December 2015, it had a balance of roughly €33.1 million, unchanged versus 2014.

Other equity instruments: this item includes payroll costs accrued from the stock option plans issued by the Group. At 31 December 2015, it had a balance of €269 thousand versus €89 thousand at 31 December 2014. Movements in the year refer to the recognition of the portion of the stock option plan in the income statement, amounting to €191 thousand, and -€11 thousand to the deconsolidation of Moqu Adv S.r.l. and resignation of a Group employee who had been granted the stock options.

Other reserves:

- *FTA reserve:* built for the first-time adoption of IFRS, at 31 December 2015, it had a negative balance of -€6.2 million, unchanged versus 2014.
- *Extraordinary reserve* of €19.1 million, unchanged versus 2014.
- *Cash flow hedge reserve,* net of tax effects, it shows a negative balance of -€99 thousand at 31 December 2015 versus a negative balance of -€77 thousand in 2014.
- *Translation reserve,* containing the differences arising from the translation of subsidiaries' separate financial statements prepared in currencies other than the euro, with a negative balance at 31 December 2015 of -€1.9 million (versus a negative balance of -€4.4 million at 31 December 2014). Movements in the year, totaling roughly €2.5 million, arose mostly from the translation of the financial statements of the subsidiaries Poundhost and Namesco.
- *Termination indemnity discounting reserve,* net of tax effects, it shows a negative balance of -€70 thousand at 31 December 2015 versus -€77 thousand at 31 December 2014; movements in the year refer to the exit from the Dada Group.
- *Other reserves,* these amounted to €1.1 million at 31 December 2014, and included the reserves generated by the deconsolidation of the Dada.net Group, while at 31 December 2015, they amounted to €6.3 million; the net change of €5.2 million is attributable to the disposal of the Moqu Group. The disposal is 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, as they are equated to transactions with shareholders.

Note 18.2 reconciles the net profit and equity of the parent company with consolidated figures at and for the year ended 31 December 2015.

18.2 Non-controlling interests in equity

There were no non-controlling interests at 31 December 2015.

The following table shows the reconciliation between the separate financial statements of the Parent and the consolidated financial statements of the Dada Group:

RECONCILIATION BETWEEN THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/15

	31 Dec.-15			
	NET PROFIT		EQUITY	
	Group	Non-controlling interests	Group	Non-controlling interests
Per Parent Company's financial statements	**-1,575**	**-**	**58,307**	**-**
Translation reserve	-		-1,894	
Consolidation of subsidiaries	3,141		3,020	
Profit (loss) from disposed companies	-233		-	
Cash flow hedge reserve	-		-99	
Per consolidated financial statements	**1,333**	**-**	**59,335**	**-**

19. Loans and borrowing

The following tables break down loans and borrowing by source of finance at the close of 2015 and 2014:

Description	**31/12/2015**	**31/12/2014**	**Change**	**% change**
Payables:				
due to banks	-31,369	-34,858	3,488	-10%
Due to other sources of finance	-90	-	-90	-
Total**	**-31,459**	**-34,858**	**3,398**	-11%

**Note: excluding hedge derivative liabilities on interest rates of €145 thousand

The above amounts due to banks consist of: a) amortizing loans for a total of €26.4 million (€23 million in 2014); b) finance leases of €1.1 million (in line with €1 million in 2014); c) account overdrafts and credit facilities of €3.9 million (€10.8 million in 2014).

The situation shows a reduction in total debt to banks, but also a different timeframe of the debt, with greater medium/long term exposure to the benefit of short-term debt. Debt restructuring is also the result of the renegotiations made in 2015, the details of which are found below. Certain investments in property, plant and equipment were made by taking out finance leases held mainly by Namesco UK and, to a lesser extent, by Register.it S.p.A..

The following table shows details of short- and long-term loans of the Dada Group outstanding at 31 December 2015 and at 31 December 2014.

Company	**Bank**	**Remaining balance at 31/12/15**			**Remaining balance at 31/12/14**			**Maturity**
		Total	**Within 1 year**	**Beyond 1 year**	**Total**	**Within 1 year**	**Beyond 1 year**	
Medium/long-term loans								
Dada	CARIPARMA	677	677	-	2,000	1,323	677	2016
Register	Banca Intesa San Paolo	16,000	3,658	12,342	20,000	5,000	15,000	2019
Register	Unicredit	5,000	1,142	3,858	-	-	-	2019
Register	CARIPARMA	3,500	292	3,208	-	-	-	2019
Namesco Ltd	HSBC	489	489	-	1,043	582	461	2016
Namesco Ltd	HSBC	763	320	443	-	-		2018
TOTAL		26,429	6,578	19,851	23,043	6,905	16,138	
Finance leases								
Register	Mediocredito Leasing	169	103	66	265	96	169	2017
Register	MPS Leasing	-	-	-	277	89	188	2017
Namesco Ltd	Lombard Credit Facility	323	132	191	-	-	-	2018
Poundhost	LOMBARD/DELL	137	137	0	352	222	129	2016
Poundhost	LOMBARD	118	83	35	92	42	50	2017
Poundhost	DELL	323	136	187	-	-	-	2018
TOTAL		1,070	591	479	986	449	536	
TOTAL		**27,499**	**7,169**	**20,330**	**24,029**	**7,354**	**16,674**	
Short-term loans								
Dada	Unicredit	2,000	2,000	-	2,000	2,000	-	annual
Dada	MPS	1,212	1,212	-	5,779	5,779	-	annual
DADA spa	BPCI	115	115		1,497	1,497		annual
DADA spa	Banca CR Firenze	463	463		1,553	1,553		annual
DADA spa	CARIPARMA	23	23		-	-		
Etinet	other	57	57					
TOTAL		3,870	3,870	-	10,829	10,829	-	-
Other financial payables								
DADA spa		90	90	-	-	-	-	-
		31,459			**34,858**			

The following table shows movements in long-term loans and current payables to banks:

Description	31/12/2014	Increases	Decreases	Other changes	31/12/2015
PAYABLES					
Banks - non-current	16,674	14,673	-11,029	14	20,332
Banks – current	12,355	7,593	-9,817	49	10,180
Subtotal	**29,029**	**22,266**	**-20,846**	**63**	**30,512**
Account overdrafts	5,829	44	-5,039	-	834
Other payables	-	113	-	-	113
Subtotal	**5,829**	**157**	**-5,039**	**-**	**947**
Grand total	**34,858**	**22,423**	**-25,885**	**63**	**31,459**

Description of loans held by the Dada Group at 31 December 2015 and main changes in the year:

- Register.it S.p.A.
  On 23 March 2015, the subsidiary Register.it S.p.A. amended the loan agreement with Intesa Sanpaolo, which provided, on the one hand, for the repayment of €4 million, with a residual balance of the loan at 31 March 2015 of €16 million and, on the other, for amendments to improve the loan conditions, which include: a new maturity extended to 31 December 2019, with the schedule that calls for a bullet repayment for the first 15 months, 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 plus a spread of 3.50%. To partially hedge the interest rate risk, two IRS contracts are still in place with a 0.7775% rate, with the same half-yearly maturities of the loan of €0.6 million each and amortizing notional amount, and an additional IRS contract with a 0.631% rate and amortizing notional amount with the same structure as the previous.

On 31 March 2015, Register.it S.p.A. also entered into a loan agreement with Unicredit for a total of €5 million, calling for the repayment of 7 half-yearly instalments of €0.5 million starting from 30 June 2016, and a final instalment of €1 million due on 31 December 2019; the interest rate is the six-month Euribor plus a spread of 3.50%.

On 29 September 2015, Register.it entered into a loan agreement with Cariparma for a total amount of €3.5 million, repayable in 12 equal quarterly instalments starting on 31 December 2016 and expiring on 31 December 2019. The interest rate is the 3-month Euribor plus a spread of 270 bps. The loan is also secured with a guarantee by SACE on 35% of the amount funded.

The three abovementioned medium/long term loans are unsecured loans and provide for the customary clauses, regarding 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 prior 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.
One of the two finance leases outstanding at the end of 2014 was redeemed for the amount of €0.2 million, while the second at 31 December 2015 has a residual balance of €0.2 million.

- DADA S.p.A.
  Three loans are in place: a) a short-term loan (Hot - Money) taken out on 23 November 2015 with a major bank amounting to €1 million for a duration of 60 days (with the last instalment due on 25 January 2016 and interest charged at a 2-month Euribor rate plus a spread of 4.25%); b) a second loan of €2 million taken out with a major bank on 26 November 2014 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 30 June 2015 is €1.3 million; c) the third loan of €2 million taken out with a major bank on 30 November, renewable for a duration of 90 days, and 3-month Euribor rate plus a spread of 3.25%.
  Dada S.p.A. has account overdrafts with major banks which amount to €5.1 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%.

- Namesco Ltd.: Three loans are in place for a total initially of £2 million (approximately €2.37 million), taken out and granted in three tranches: the first on 24 October 2012, the second on 13 November 2013, the third in July 2015, with the final amount granted in December 2015. 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 HSBC. The residual debt of these three loans at 31 December 2015 amounted to approximately €1.3 million (£0.93 million).
  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 schedule calls for repayment of monthly instalments respectively from August 2013, January 2014 and August/December 2015; the interest rate charged is the Bank's Sterling Base Rate plus a spread of 3%.
  A credit facility is also in place for a new lease of the amount of €0.3 million (approximately £0.2 million), obtained by the Company in 2015.

  Poundhost: Finance leases are in place with a residual balance at 31 December 2015 of €0.6 million (€0.4 million at 31 December 2014). 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, starting from 31 December 2014, tied to EBITDA and net financial position 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 prior annual financial statements.

For further information on Group liquidity and debt in 2015, see the analysis contained in the Directors' report and the details appearing in the cash flow statement.

20. Provisions for risks and charges, disputes and potential liabilities

Movements in the provision for risks and charges from 31 December 2014 to 31 December 2015 are shown in the table below:

Description	Balance at 31/12/14	Increases	Utilizations	Recognition in the income statement	Exchange difference	Balance at 31/12/15
Provision for risks and charges	463	21	-15	-78	2	392
Provisions for tax disputes	81	-	-	-81	-	-
Total	**544**	**21**	**-15**	**-159**	**2**	**392**

At 31 December 2015, these amounted to €392 thousand and covered potential liabilities from pending contractual and legal disputes, as well as reorganization costs for some of the Group's business areas.
The increases are mainly due to the recognition of charges for the optimization of the Group structure.

"Recognition in the income statement" includes the recognition of prior provisions made for staff reorganization and for positively-settled legal and tax disputes. In this regard, at a consolidated level, provisions for risks and charges among the different companies of the Group have been re-allocated, which explains the presence of the increases and recognition in the income statement in the table above. The overall effect of these two items is the net positive recognition in the income statement of €57 thousand for the provision for risks and charges, and €81 thousand for the provision for tax disputes.

Utilizations refer to legal disputes settled in 2015.

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

At 31 December 2015, the provision for risks and charges was made up of €371 thousand for business/legal disputes, and of €21 thousand for reorganization costs.

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

For further information, see the details in the Directors' report.

21. Retirement and other post-employment benefits

Movements in the provision for employee termination indemnities from 31 December 2014 to 31 December 2015 are shown in the table below:

Description	Balance at 31/12/14	Increases in continuing operations	Increases in Discontinued operations	Utilizations for the year	Entry in the Group	Advances	Other movements	Discounting to equity	Discontinued operations	Balance at 31/12/15
Provision for termination indemnities	815	501	7	-101	32	-3	-501	-9	-73	667
Total	**815**	**501**	**7**	**-101**	**32**	**-3**	**-501**	**-9**	**-73**	**667**

At 31 December 2015, 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. The effects of the deconsolidation of Moqu are shown in the column of discontinued operations, while the first-time consolidation of Etinet is shown in “Entry in the Group" “Other movements” refers to payments made to INPS (Italian Social Security), and to the transfer at end June 2015 of the ProAdv/Simply BU to 4w MarketPlace S.r.l. (€15 thousand). The item “Termination Indemnity Discounting to Equity" refers to the “Remeasurement of actuarial profits and losses from defined benefit plans of Moqu” made before disposal. The offsetting item of this change is a specific reserve in equity reclassified under other reserves, net of the related tax effect, which is reflected in Other profit/loss in the statement of comprehensive income.

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.

In accordance with Finance Act no. 296 of 27 December 2006, for the purposes of IAS 19R only the liability for accrued TFR remaining with the company was considered, as the amount accruing later is paid to a separate entity.

This calculation was performed by an independent actuary using the following method:

- o projection for each employee on the payroll at 31 December 2014 of the TFR accrued until estimated retirement age;
- o computation, for each employee on the payroll at 31 December 2014 and for each year until estimated retirement age, of the probable TFR benefits the Company will have to pay in case of dismissal, requests for advances, voluntary resignation, death or retirement;
- o discounting of each probable payment to present value;

- re-proportioning for each employee on the payroll at 31 December 2014 of the probable, discounted benefit payments on the basis of seniority on the valuation date with respect to seniority on the date each payment is made.

Specifically, the following assumptions were used:

MEASUREMENT DATE	31/12/2015	31/12/2014
Mortality table	ISTAT 2004	ISTAT 2004
Disability	INPS (national statistics) by age and gender	INPS (national statistics) by age and gender
Retirement age	Achievement of retirement age under mandatory general insurance	Achievement of retirement age under mandatory general insurance
Advance request rate	2.00%	2.00%
Annual discount rate	2.03%	1.49%
Leaving rate (Dada)	3.8%	3.8%
Leaving rate (Register)	7.0%	7.0%

The method used to select the valuation rate complies with the provisions of the accounting standard set out at section 83.

As for 2014, the value was determined based on the time series of yields at 31 December 2015 of the iBoxx Corporate AA with a duration of over 10 years, which was 2.03% at end December 2015.

22. Other payables due beyond one year

The following table breaks down other payables due beyond one year at the close of 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Non-current financial liabilities from derivatives	51	54	-3	-6%
Other payables due beyond one year	-	17	-17	-100%
Total	**51**	**70**	**-20**	**-28%**

Regarding non-current derivative financial liabilities, see the specific section in IFRS 7, while “other payables due beyond one year” in 2014 included the portion owed beyond one year of the amount agreed in the assessment regarding the tax audit; in 2015, the amount came to zero as the residual portion is due entirely within one year.

23. Trade and other payables

The following table shows “trade payables” and “other payables” at 31 December 2015 and at 31 December 2014:

Description	Balance at 31/12/2015	Balance at 31/12/2014	Change	% change
Trade payables	6,758	10,148	-3,390	-33%
	6,758	**10,148**	**-3,390**	**-33%**
Taxes payable	2,020	1,657	363	22%
	2,020	**1,657**	**363**	**22%**
Other payables	3,078	3,632	-554	-15%
Due to social security institutions	402	496	-94	-19%
Deferred income	12,854	11,918	936	8%
	16,334	**16,046**	**288**	**2%**
Total	**25,113**	**27,851**	**-2,738**	**-10%**

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 amounted to €6.8 million at 31 December 2015 versus €10.1 million at 31 December 2014, dropping by 33%. The downward trend of this item is linked to both the greater re-balancing of payments and to the foregoing situation of trade receivables from the disposal of Moqu. Specifically, the effects of the deconsolidation of these companies on this item came to approximately €3 million.

Taxes payable (€2 million) include withholding tax on salaries and professional consultants' pay for the month of December and income taxes pertaining to the year. The latter consist mainly of IRAP (regional tax) for the Group's Italian companies and of local taxes for subsidiaries abroad.

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

The item “Due to social security institutions” includes the amount payable to INPS and other agencies with reference to December salaries and the “14th month” bonus.

"Other payables" refers mainly to accruals for the "14th month" bonus, amounts due for pay in lieu of holiday at 31 December 2015, and performance bonuses recognized during the year that will be paid in May 2016 in accordance with internal procedures.

Deferred income originates from contract revenue on domain, hosting, connectivity and other resale services pertaining to future periods, the details of which appear above.

24. Net change in financial payables and other financial assets in the statement of cash flows

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

Description	31/12/15	31/12/14
Change in net financial position	**5,683**	**-2,710**
Change in long-term loans	3,657	-4,629
Change in non-cash derivatives	30	60
Earn out Moqu and Etinet	-910	-
Change in other financial receivables	-500	-
Change in cash and cash equivalents per statement of cash flows	**7,961**	**-7,279**

25. Commitments and risks

Commitments and risks at the close of 2015 and 2014 are shown below:

Description	**Balance at 31/12/2014**	**Increase**	**Decreases**	**Other changes**	**Balance at 31/12/2015**
Guarantees	2,988	2,169	-1,838	-41	3,279
Total	**2,988**	**2,169**	**-1,838**	**-41**	**3,279**

Increases:

The main increases regarded:

A guarantee of approximately €1.3 million (approximately £1.1 million) issued by Monte dei Paschi di Siena to Banca HSBC for loans granted to the subsidiary Namesco Ltd. The guarantee has a one-year duration and is re-issued each time at a lower amount for the lower residual debt at the end of each financial year. Specifically, the amount increased in 2015, following the granting of a new tranche of the loan with HSBC (see Note 19) to repay the final tranche of the Datacenter in the UK.

An additional guarantee issued in 2015 refers to the one provided by Banca Intesa San Paolo for the Revenue Agency on behalf of Fueps regarding VAT refunds in 2014 of €42 thousand.

Decreases:

The main decreases regarded:

Extinction of the previous guarantee issued by Monte dei Paschi to HSBC (€1.1 million), replaced by the guarantee above;

Extinction of the letter of credit of €0.1 million issued by Banca Intesa San Paolo to Global Collect;

Other changes:
They refer to delta exchanges for guarantees issued in £ against the Euro.

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

26. Related party transactions

Transactions carried out with related parties fall within the Company's ordinary operations and are settled at arm's length. The Company engages in the purchase and sale of services with its own subsidiaries and with Orascom Group companies. At 31 December 2015, Libero Acquisition S.à r.l. (an Orascom Group company) owned 69.432% of Dada S.p.A.

The following table indicates the assets, liabilities, costs and income between the Dada Group and related parties in 2015, excluding intercompany transactions, which are eliminated in the interim consolidated financial statements.

Dada S.p.A.'s transactions with its own subsidiaries, as described in greater detail in the notes to the separate financial statements with reference to the individual items in the income statement and statement of financial position, can be broken down into:

- commercial transactions for the provision of services. These are centralized corporate services such as human resources management, legal services, administration and control, and the subletting of business premises;
- financial transactions, consisting of centralized treasury services and intercompany loans;
- tax-related transactions, in that Dada S.p.A. performs the national tax consolidation (for IRES purposes) for its Italian subsidiaries, as provided for by Legislative Decree 344 of 12 December 2008, over the 2013-2015 three year period. These transactions are governed by specific contracts inspired by the principles of neutrality and equal treatment.
  In 2015, the Dada Group continued to opt for consolidated VAT settlement for some of its Italian companies, in accordance with applicable law.

The following table indicates the assets, liabilities, costs and income between the Dada Group and related parties in 2014, excluding intercompany transactions, which are eliminated in the consolidated financial statements.

Dada Group's transactions with Orascom Group companies, regarding the individual items in the statement of financial position and the income statement, relate mainly to contracts for the provision of services and business-related activities, notwithstanding the disposal of Moqu, as previously explained. The Dada Group provides its former subsidiary

Moqu Adv S.r.l. and its associate 4w MarketPlace with certain IT, office and corporate services at arm's length.

Company	Trade receivables	Trade payables	Other payables	Revenue	Costs	Financial receivables	Non-recurring charges
Orascom Group	837	-44	-	1,599	-627	1,000	-
4w MarketPlace S.r.l.	-	-1	-14	80	-1	-	-28
TOTAL	**837**	**-45**	**-14**	**1,679**	**-628**	**1,000**	**-28**

See the Directors' report for further details regarding Directors. Transactions with Dada Group companies mainly concern the provision of services, the lending and borrowing of funds, and the settlement of tax liabilities, and are carried out at arm's length. In accordance with IAS 24 and the new related party procedure, related parties include the directors of the Parent Company as well as executives with strategic responsibilities. Mention must be made that in the current year, there are no other executives with strategic responsibilities aside of the CEO and the General Manager.

More information on the related party procedure is given in the Directors' report.

Description	31/12/2015		
	Service costs	Payroll costs	Other equity instruments
Board of Directors – fees	114	-	-
Board of Statutory Auditors - fees	77	-	-
CEOs and General Managers – other fees	97	753	121
Other executives with strategic responsibilities	-	-	-
Total related parties	**291**	**753**	**121**

27. Information pursuant to Art. 149-duodecies of the Consob Issuer Regulations

The following chart, prepared in accordance with Art. 149-duodecies of the Consob Issuer Regulations, shows the 2015 fees for external auditing and for services other than auditing rendered by the audit firm or by entities in its network.

Type of service	Performed by	Recipient	Fees
Auditing	KPMG SPA	Parent	150,000
Auditing	KPMG SPA	Subsidiaries	30,100
Auditing foreign subsidiaries	KPMG network	Subsidiaries	80,500
Other services	KPMG SPA (1)	Parent and Subsidiaries	93,200
TOTAL			354,200

(1) Mainly assistance with testing carried out in accordance with law 262/2005

28. IFRS 7 disclosures

The disclosures required by IFRS 7 are provided below:

1) Classification of financial instruments

IFRS 7 requires disclosures on available-for-sale financial assets measured at fair value, held-to-maturity investments, loans and receivables, and financial liabilities measured at fair value and at amortized cost. All details are provided in Table 1, while the main descriptions are as follows:

- In the "Loans and receivables" class, trade receivables have been entered net of the provision for doubtful accounts.

- in the "Loans and Receivables" class, other receivables do not include the tax receivables that are outside the scope of IAS 39; further information is provided earlier in this report.

On the liabilities side, in addition to trade payables:

The "Hedging Instruments" class includes two Interest Rate Swaps with a total negative fair value of €137 thousand which, having passed the effectiveness test and achieved the hedging parameters, are treated under hedge accounting. The table below summarizes movements in profit/loss and equity of the derivative instruments outstanding at the end of 2015:

		Fair Value			Amount recognized in equity 2015
Type of derivative	**Purpose**	**31/12/15**	**31/12/14**	**Change**	
CAP	Interest rate hedge on loan	0	0	0	0
IRS	Interest rate hedge on loan	-137	-107	-30	-30
FWD	Exchange risk hedge			0	0
Total		**-137**	**-107**	**-30**	**-30**

- In the "Loans and Receivables" class, the item "Bank account overdrafts" of €0.9 million includes Dada S.p.A. overdraft facilities and other financial liabilities with major banks of €0.8 million. In "Financial liabilities measured at amortized cost", the largest amount refers to the amortizing loans of Register.it S.p.A. (€24.5 million), to amortizing loans, term and hot-money credit lines (€3.7 million), to the amortizing loans of Namesco Ltd (€1.4 million or £1.1 million), and to finance leases of the Poundhost Group (€0.6 million or £0.4 million) and finance leases of Register.it spa (€0.1 million). The Dada Group's existing loan contracts include default covenants entitling the banks to call in the loans in advance if the following ratios are breached.

For Dada Group loans, the parameters are:

- Net Debt/EBITDA;
- EBITDA/net financial income/charges.

2) Collateral

IFRS 7 requires disclosures in the case of financial assets pledged as collateral and third-party assets held as collateral, most of which relate to office rentals. Carrying amounts at the end of 2015 and 2014 are shown in the table below; the Group has no liabilities for collateral received from third parties:

Collateral pledged (€/000)	**Carrying amount**	
	31/12/15	**31/12/14**
Security deposits	184	176

3) Allowance for credit losses

The table below summarizes movements in the provision for doubtful accounts in 2015 and 2014:

	Provision for doubtful accounts (€ /.000)	
	31/12/15	**31/12/14**
Balance at start of year	-2,974	-3,369
Allocation for the year:		
- for individual write downs	-269	-98
- for collective write downs		0
Utilizations	123	495
Exchange differences and other	-3	-1
Balance at end of year	-3,123	-2,974

4) Items of income, expense, gains, and losses on financial instruments

IFRS 7 requires disclosures on interest payments, commissions and fees relating to financial instruments. Gains and losses in 2015 and 2014 are shown below:

INCOME STATEMENT (€ /.000)	**Held-for-trading financial assets/liabilities**	**Hedging instruments**	**Loans and receivables**
NET GAIN (LOSS)	**31/12/15**	**31/12/15**	**31/12/15**
- Hedge derivatives		-65	
- Non-hedge derivatives	6		
- Commercial and financial assets/liabilities			304
Total	**6**	**-65**	**304**
NET GAIN (LOSS)	**31/12/14**	**31/12/14**	**31/12/14**
- Hedge derivatives		-66	
- Non-hedge derivatives	16		
- Commercial and financial assets/liabilities			115
Total	**16**	**-66**	**115**

- The loss on interest rate hedges refers to the interest rate swap, to which hedge accounting applies, which was €0.1 million in 2015, basically unchanged versus the amount in 2014, due to the spread between fixed interest paid by Register.it S.p.A. to the entity that issued the hedge and the variable interest paid to the bank that granted one of the non-current loans. For further details, see the section on interest rate risk.

- Forward exchange rate contracts (hedges against exchange rate risk) in 2015 basically produced no gain or loss; exchange gains were made from trade receipts/payments of €0.2 million in 2015 versus the exchange loss of about €0.1 million in 2014.

- Interest income includes interest on ordinary current accounts.

- Interest expense is shown separately for amounts due to banks and account overdrafts (€0.1 million in 2015 versus €0.5 million in 2014), and interest expense for amortizing loans (€1.2 million in 2015 versus €1.1 million in 2014); it does not include the effect of the IRS on the spread between fixed and variable interest, as mentioned above.

- "Other financial payables" in 2014 referred to interest paid to non-bank institutions for interest on arrears. A summary is presented below:

	Carrying amount	
INTEREST INCOME	**31/12/15**	**31/12/14**
Interest income on financial assets not measured at fair value[1]		
- Bank and post office deposits	3	1
- Escrow and other accounts		
Total	3	1
INTEREST EXPENSE	**31/12/15**	**31/12/14**
Interest expense on financial liabilities not measured at fair value[1]		
- Bank and post office deposits	-122	-465
- Other financial payables		
- Mortgage loans	-1,161	-1,140
- Other payables		
Total	-1,283	-1,605
GRAND TOTAL	-1,280	-1,604

- In the following table, bank fees and charges consist of actual bank fees of €0.4 million in 2015 (€0.3 million in 2014) and charges for handling customer credit card payments of €1 million in 2015 (basically in line with 2014).

	Carrying amount	
FEES AND CHARGES	**31/12/15**	**31/12/14**
- Bank charges and other fees	-1,453	-1,310

5) Qualitative disclosures about risk

The Dada Group is exposed to credit risk, liquidity risk and market risk, the latter comprised of exchange risk, interest rate risk and price risk.

Special forms have been developed in order to monitor these risks using appropriate policies and procedures. Financial risks are mapped, assessed and managed according to Group policies and tolerance of risk. All derivative assets for risk management purposes are supervised by a team of specialists with adequate knowledge and experience. The Group's policy is not to take on derivatives for speculative trading purposes.

- Credit risk

The Group's credit risk is more or less concentrated depending on the particular business. The following table shows maximum exposure to credit risk in 2015 and 2014. The table excludes amounts receivable from employees, social security institutions, and the tax authorities; employee benefits; and all instruments governed by IAS 12 and 19 that are outside the scope of IAS 39:

Maximum exposure to credit risk (€/000)	**31/12/15**	**31/12/14**
Bank accounts and deposits	2,192	1,391
Restricted financial assets	1,500	-
Trade receivables	3,504	5,233
Other receivables within 1 year	1,467	1,370
Other receivables due beyond one year	184	176
Receivables for derivative financial instruments[2]		
Irrevocable commitments for the provision of loans[3]		
Guarantees		
Total	8,848	8,170

- Bank accounts and deposits include current account balances of €2.2 million in 2015 versus €1.4 million in 2014.
- Trade receivables are shown net of the provision for doubtful accounts.
- “Other receivables” include security deposits with third parties.

The following table shows commercial credit risk by geographical area (Italy and international):

Concentration of commercial credit risk (€ /.000)	**Carrying amount**		**%**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
By region				
Europe (excluding Italy)	1,222	2,107	34.9%	40.3%
Italy	2,282	2,842	65.1%	54.3%
USA	0	284	0.0%	5.4%
Total	3,504	5,233	100.0%	100.0%

The table below shows the composition of trade receivables and use of the provision for doubtful accounts:

Aging analysis of overdue trade receivables (€ /.000)	Carrying amount		Percent of total	
	31/12/15	31/12/14	31/12/15	31/12/14
Trade receivables				
- Overdue by less than 30 days	660	210	42%	13%
- Overdue by 30-120 days	471	602	30%	38%
- Overdue by 120-150 days	82	101	5%	6%
- Overdue by 150-365 days	345	544	22%	34%
- Overdue for more than 1 year		137	0%	9%
Total	1,558	1,594	100%	100%

Below is the aging analysis of overdue receivables, net of the provision for doubtful accounts, and the analysis of customer credit rating, taking account of the debtor's geographical location and degree of solvency:

Credit quality analysis (€/000)	31/12/15	31/12/14
Trade receivables not overdue and not impaired	1,946	3,639
Trade receivables overdue and not impaired	1,558	1,594
Trade receivables overdue and impaired	3,123	2,974
Provision for doubtful accounts	-3,123	-2,974
Total	3,504	5,233

Rating analysis of performing loans not yet due (€ /000)	31/12/15	31/12/14
High Solvency Rating	1,548	2,896
Not Rated	398	743
Total	1,946	3,639

- Liquidity risk

Liquidity risk may arise due to the difficulty of obtaining loans to support operating activities when needed. IFRS 7 requires a maturity analysis for financial liabilities (including trade payables), as in the following tables for 2015 and 2014:

Maturity analysis at 31 December 2015 (€ /000)	**Less than 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade payables	6,778					6,778
Mortgage loans:						
- principal	6,569	3,098	6,282	13,682		29,631
- interest	497	441	613	641	-	2,193
Leasing:						-
- principal	301	214	301	66	-	881
- interest	30	19	16	1	-	66
Short-term credit facilities						-
Account overdrafts	947					947
Account overdrafts - interest	15					15
Other payables	1,020					1,020
Total	16,157	3,772	7,212	14,391	-	41,531
DERIVATIVE FINANCIAL INSTRUMENTS	**Less than 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Interest rate derivatives and exchange rate derivatives	27	27	40	13		107
Total	27	27	40	13	-	107
EXPOSURE AT 31 DECEMBER 2015	16,184	3,799	7,252	14,404	-	41,638

Maturity analysis at 31 December 2014 (€ /000)	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	10,148					10,148
Mortgage loans						
- principal	8,446	3,460	6,138	10,000		28,043
- interest	537	442	666	608		2,253
Leasing:						-
- principal	221	229	375	162		986
- interest	30	22	21	4		77
Short-term credit facilities						-
Account overdrafts	5,828					5,828
Account overdrafts - interest	262					262
Other payables	1,047					1,047
Total	26,518	4,153	7,200	10,773	-	48,644
DERIVATIVE FINANCIAL INSTRUMENTS	**Less than 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Interest rate derivatives and exchange rate derivatives	43	43	31	19		137
Total	43	43	31	19	-	137
EXPOSURE AT 31 DECEMBER 2014	26,561	4,196	7,231	10,792	-	48,781

The above maturity analysis considered non-discounted future cash flows, with loans split by principal and interest.

Group companies' cash flow, funding requirements and liquidity are monitored or managed centrally under the control of the Group Treasury, to ensure the efficient and effective management of financial resources.

- Market risk

Only two types of market risk are considered: exchange risk and interest rate risk. The Dada Group is not exposed to price risk, by which financial assets/liabilities or equity instruments might lose value due to changes in the price of commodities used by the Dada Group. To mitigate the impact of exchange rate and interest rate fluctuations, derivatives are contracted for hedging purposes and not for trading or speculation.

- Exchange risk

Exchange risk is considered for the foreign currency exposure of individual companies, and for intercompany commercial and financial accounts, which are eliminated in the consolidated financial statements but still generate exchange gains and losses for the company exposed to fluctuations in the foreign currency.

The following table breaks down the net financial position by currency (amounts are expressed in the €/000 equivalent at year-end exchange rates):

	2015			
DESCRIPTION (€/000)	**TOTAL**	**EUR**	**USD**	**GBP**
Non-current financial payables	-20,332	-19,697		-634
Current financial payables	-11,038	-9,739		-1,298
Derivative liabilities	-137	-137		
Other financial payables	-90	-90		
Cash and cash equivalents available at sight	2,206	1,175	6	1,025
Other financial receivables	1,500	1,500		
TOTAL	**-27,890**	**-26,989**	**6**	**-907**

	2014			
DESCRIPTION (€/000)	**TOTAL**	**EUR**	**USD**	**GBP**
Non-current financial payables	-16,674	-16,035		-640
Current financial payables	-18,183	-17,337		-846
Derivative liabilities	-107	-107		
Other financial payables	0			
Cash and cash equivalents available at sight	1,392	582	9	801
Other financial receivables	0			
TOTAL	**-33,573**	**-32,897**	**9**	**-685**

To mitigate exchange risk and anticipate potential losses, the Group has developed a reporting system to monitor foreign currency exposure and determine when to take out derivatives (limited to the forward purchase or sale of foreign currency).

Of the tables numbered 2 through 4 below, the first two present the Group's exposure to exchange risk by asset/liability item and by currency at the close of 2015 and 2014, while the third shows the gains and losses caused by a hypothetical upward or downward shift in exchange rates, according to the following shock analysis:

Exchange rate shock, 2015			**Exchange rates 31-12-2015**			**Exchange rates 31-12-2014**		
Currency	**UP**	**DOWN**	**Base**	**Shock UP**	**Shock Down**	**Base**	**Shock UP**	**Shock Down**
	+	-		+	-		+	-
USD	5%	-5%	1.2141	1.2748	1.1534	1.2141	1.2748	1.1534
GBP	5%	-5%	0.7340	0.7706	0.6973	0.7789	0.8178	0.74
Euro	5%	-5%		0	0		0	0

- Interest rate risk

IFRS 7 requires a sensitivity analysis only for interest-bearing assets and financial liabilities and a shock analysis incorporating a one-point increase or decrease in the key interest rate, as follows:

Shock		
	UP	DOWN
Delta	1%	-1%

The sensitivity of the income statement to these interest rate fluctuations is presented in Table 4.

At 31 December 2015, the interest rate risk on the loan of €16 million is hedged for a notional amount of €8 million by three IRS of 0.7775%, 6.31% and 0.200% respectively; the table shows that the effect on profit and loss of the shock up and shock down of the key rate is detailed for the part hedged by the interest rate swaps and the remaining unhedged part; the effect on profit or loss of a one-point increase in the key rate is a negative €0.2 million owing to the hedge derivatives. For Italy, the key rate is the one, three and six-month Euribor; for the GBP area it is the Bank of England base rate plus a spread of 3%. At 31 December 2015, including the effect of the interest rate swap, 51% of all financial payables are to be considered as fixed-rate and the remaining 49% as variable, compared with 32% fixed-rate and 68% variable the prior year, due basically to the new IRS hedges.

The table below breaks down the fair value of hedge derivatives into current (within one year) and non-current (beyond one year):

Type of derivative	Purpose	Fair Value			Amount recognized in equity 2015
		31/12/15	31/12/14	Change	
CAP	Interest rate hedge on loan	0	0	0	0
IRS	Interest rate hedge on loan	-137	-107	-30	-30
FWD	Exchange risk hedge			0	0
Total		**-137**	**-107**	**-30**	**-30**

This table shows the underlying at 31 December 2015 and the payment plan for the interest rate hedges described above:

Amount /000	Total	Key rate	Rate	<6 months	6 months>x<1 year	1-2 years	2-5 years
Interest rate swaps/cash flow hedge	-3,750	Euribor 6 M + Spread	0.7775%	-625	-625	-1,250	-1,250
Interest rate swaps/cash flow hedge	-3,750	Euribor 6 M + Spread	0.6310%	-625	-625	-1,250	-1,250
Interest rate swaps/cash flow hedge	-500	Euribor 6 M + Spread	0.2000%		336	1,007	900
Interest rate swaps/cash flow hedge	-1,750	Euribor 6 M + Spread	0.2650%	-146	-584	-584	-436
Interest rate swaps/cash flow hedge	-5,000	Euribor 6 M + Spread	0.3950%		-571	-1,142	-3,287
TOTAL	**-14,750**			**-1,396**	**-2,069**	**-3,219**	**-5,323**

Table 1							Carrying amount					
ASSETS	Hedging instruments		Loans and receivables		Financial liabilities measured at amortized cost		Total		of which: current		of which: non-current	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
- Cash on hand and other cash and cash equivalents			2,206	1,391			2,206	1,391	2,206	1,391		
- Trade receivables			3,504	5,233			3,504	5,233	3,504	5,233		
- Financial assets			0	0			0	0				
- Other receivables			1,467	1,370			1,467	1,370	1,467	1,370		
- Receivables for derivative financial instruments							0	0				
Total financial assets	**0**	**0**	**7,177**	**7,994**	**0**	**0**	**7,177**	**7,994**	**7,177**	**7,994**	**0**	**0**
							Carrying amount					
LIABILITIES	Hedging instruments		Loans and receivables		Financial liabilities measured at amortized cost		Total		of which: current		of which: non-current	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
- Trade payables			6,778	10,148			6,778	10,148	6,778	10,148		
- Banks for account overdrafts			857	5,828			857	5,828	857	5,828		
- Loans and borrowing					-9,784	22,489	-9,784	-3,783	10,181	12,355	-19,964	-16,138
- Other payables			1,020	1,047			1,020	1,047	1,020	1,047		
- Payables for derivative financial instruments	137	107					137	107	87	53	51	54
Total financial liabilities	**137**	**107**	**8,655**	**17,023**	**-9,784**	**22,489**	**-991**	**13,347**	**18,923**	**29,431**	**-19,914**	**-16,084**

TABLE 2								
Exposure to exchange risk (€/000)	**USD**		**GBP**		**EUR**		**Total**	
ASSETS	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**
Foreign currency cash and cash equivalents	5	8			1	1	6	9
Intercompany loans and borrowing in foreign currency							0	0
Trade receivables – intercompany	64	72			1,389		1,453	72
Foreign currency trade receivables	419	650					419	650
Total assets	488	730	0	0	1,390	1	1,878	731
	USD		**GBP**		**EUR**		**Total**	
LIABILITIES	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**
Foreign currency trade payables	-98	-2,930	-70		-42		-210	-2,930
Trade payables - intercompany			-1,241	-1,291	-1,603	-3,125	-2,844	-4,416
Intercompany loans and borrowing in foreign currency				-3,179	-3,179	-3,036	-3,179	-6,215
Other payables in foreign currency							0	0
Total liabilities	-98	-2,930	-1,311	-4,470	-4,824	-6,161	-6,233	-13,561
EXPOSURE AT 31 DECEMBER	390	-2,200	-1,311	-4,470	-3,434	-6,160	-4,355	-12,830

TABLE 3

Exchange rate difference effect	USD				GBP				EUR				Total			
	Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14	
ASSETS	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down
Foreign currency cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany loans and borrowing in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany trade receivables in foreign currency	-3	3	-3	4	0	0	0	0	66	73	0	0	63	76	-3	4
Foreign currency trade receivables	-20	22	-31	34	0	0	0	0	0	0	0	0	-20	22	-31	34
Total assets	-23	26	-35	38	0	0	0	0	66	73	0	0	43	99	-35	38
	USD				GBP				EUR				Total			
	Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14	
LIABILITIES	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down
Foreign currency trade payables	5	-5	140	-154	3	-4	0	0	-2	2	0	0	6	-7	140	-154
Intercompany trade payables in foreign currency	0	0	0	0	59	-65	61	-68	-76	84	-61	68	-17	19	0	0
Intercompany loans and borrowing in foreign currency	0	0	0	0	0	0	151	-167	-151	167	-145	160	-151	167	7	-8
Other payables in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	5	-5	140	-154	62	-69	213	-235	-230	254	-206	228	-163	180	146	-162
NET EFFECT	-19	21	105	-116	62	-69	213	-235	-164	327	-206	228	-120	278	112	-123

DERIVATIVE FINANCIAL INSTRUMENTS

	USD				GBP				EUR				Total			
	Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14		Dec.-15		Dec.-14	
	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down	Shock up	Shock Down
Non-hedge derivatives	0	0	0	0									0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET TOTAL EFFECT	-19	21	105	-116	62	-69	213	-235	-164	327	-206	228	-120	278	112	-123

Table 4 Interest rate sensitivity analysis (€ /000)	Key rate	Carrying amount		Income statement			
				Shock up		Shock down	
		31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Interest-bearing assets				0	0		
Other non-interest-bearing financial assets		3,706	1,391	0	0		
Total assets		**3,706**	**1,391**	**0**	**0**	**0**	**0**
Variable rate, unhedged financial liabilities	Euribor 1M + spread 6.00%	-115	-1,497	-1	-15	1	2
Variable rate, unhedged financial liabilities	Euribor 1M + spread 2.8%	-211	-1,552	-2	-16	2	2
Variable rate, unhedged financial liabilities	Euribor 1M + spread 4.75%	-464	-2,778	-5	-28	5	4
Variable rate, unhedged financial liabilities	Euribor 2M + spread 3.25%	-2,000	-2,000	-20	-20	20	3
Variable rate, unhedged financial liabilities	Euribor 2M + spread 4.25%	-1,000	-3,000	-10	-30	10	4
Variable rate, unhedged financial liabilities	Euribor 3M + spread 2.95%	-676	-2,000	-7	-20	7	3
Variable rate, unhedged financial liabilities	Euribor 6M + spread 3.50%	-8,000	-10,000	-160	-141	0	26
Variable rate, unhedged financial liabilities	Euribor 3M + spread 2.70%	-1,750		-53		42	
Variable rate, unhedged financial liabilities	Bank of England Base Rate + 3%	-1,252	-1,043	-13	-10	13	5
Total unhedged financial liabilities		**-15,468**	**-23,870**	**-270**	**-280**	**99**	**48**
Variable rate, hedged financial liabilities	IRS 0.7775%	-3,750	-5,000				
Variable rate, hedged financial liabilities	IRS 0.6310%	-3,750	-5,000				
Variable rate, hedged financial liabilities	IRS 0.295%	-5,000					
Variable rate, hedged financial liabilities	IRS 0.265%	-1,750					
Variable rate, hedged financial liabilities	IRS 0.200%	-500					
Fixed rate financial liabilities		-1,151	-987				
Other non-interest-bearing financial liabilities		-227	-107				
Total liabilities		**-16,128**	**-11,094**	**-270**	**-280**	**99**	**48**
Grand total		**-27,890**	**-33,573**	**-270**	**-280**	**99**	**48**

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STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

(pursuant to Article 81-ter of CONSOB Regulation n. 11971 of May 14, 1999 as subsequently amended)

- The undersigned, Claudio Corbetta, as Chief Executive Officer, and Federico Bronzi, as Manager in charge of preparing Company's Financial Reports, hereby certify, also with due regard for the provisions of Article 154-bis (paragraphs 3 and 4) of Legislative Decree No. 58 dated February 24, 1998:

  - the adequacy with respect to the Company's characteristics, and
  - the actual application

  of administrative and accounting procedures during 2015 for the preparation of the 2015 Consolidated Financial Statements approved by the Board of Directors on March, 14 2016.

- It is also stated that:

  1. the Consolidated Financial Statements of the DADA Group at December 31, 2015:
     - correspond to the Company's records, ledgers and accounting entries;
     - were prepared in accordance with applicable IFRS endorsed by the European Union and with the provisions issued to implement art. 9 Legislative Decree No. 35/2005;
     - are suitable for providing a true and fair view of the financial position and results of operations of the issuer and all companies included in consolidation.
  2. the Directors' Report contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Florence, March 14, 2016

Chief Executive Officer	Manager in charge of preparing Company's Financial Reports
Claudio Corbetta (signed on the original)	Federico Bronzi (signed on the original)

Partita IVA 04628270482
Capitale sociale sottoscritto e versato: € 2.835.611,73
N.ro iscrizione al Registro delle Imprese di Firenze e codice fiscale: 04628270482
Numero REA: 467460

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
DADA S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the DADA Group (the "group"), which comprise the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The parent's directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11.3 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Emphasis of matter

Without modifying our opinion, we bring your attention to note 3 to the consolidated financial statements where the parent's directors disclose that, following the sale of the performance advertising segment, they restated certain prior year corresponding figures, which were included in the 2014 consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the consolidated financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the parent's directors, with the consolidated financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the consolidated financial statements of the DADA Group as at and for the year ended 31 December 2015.

Florence, 5 April 2016

KPMG S.p.A.

(signed on the original)

Alberto Mazzeschi
Director of Audit

DADA S.p.A. SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(PREPARED IN ACCORDANCE WITH IAS/IFRS INTERNATIONAL ACCOUNTING STANDARDS)

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

DIRECTORS' REPORT

Dear Shareholders,

Dada S.p.A. ended 2015 with **revenue of €4.6 million**, down by 13% versus €5.3 million at end 2014. Mention should be made that, for some years now, following deep corporate restructuring, the parent company Dada S.p.A. has focused mainly on providing centralized corporate services to all of the other Group subsidiaries (specifically on services to the other Italian legal entities).

Dada S.p.A.'s revenue streams are thus generated solely by providing services to the directly- and indirectly-held subsidiaries, and consist primarily in charges for brand licenses and the use of software, and in the chargebacks of the general corporate services provided (administration, legal, purchasing, HR, control and others provided to the subsidiaries). Starting this year, it also provides a number of administrative, legal, HR and management services to Moqu (sold to IOL S.p.A. in 2015) and to 4W S.p.A. for Simply activities contributed in the year.

The downward trend in revenue is explained by the offsetting effect of the increase in related-party revenue and the reduction in chargebacks to Group companies. As mentioned, the reason for this trend is that Dada S.p.A. has started to provide a number of corporate and office services to Moqu and 4w MarketPlace, while the overall decrease is attributable to both the deconsolidation of Moqu (last year, in fact, it had benefited from a 12-month chargeback against this year's 2), and to the reduction in certain overall chargebacks to Group companies as a result of the decrease in corporate costs allocated.

The following table shows the restated income statement of the Parent Company Dada S.p.A. at 31 December 2015 and at 31 December 2014:

EUR/000	31 Dec.-15 12 months		31 Dec.-14 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**4,645**	**100%**	**5,286**	**100%**	**-641**	**-12%**
Increase in own work capitalized	-	-	-	-	-	-
Service costs and other operating expenses	-2,700	-58%	-2,935	-56%	235	-8%
Payroll costs	-2,314	-50%	-2,597	-49%	283	-11%
EBITDA*	**-369**	**-8%**	**-246**	**-5%**	**-123**	**50%**
Depreciation and amortization	-252	-5%	-428	-8%	176	-41%
Non-recurring income/(charges)	-114	-2%	-	0%	-114	-
Depreciation of fixed assets	-	0%	-	0%	0	-
Reversal/provisions and impairment	54	1%	2	0%	51	n.a.
EBIT	**-681**	**-15%**	**-672**	**-13%**	**-9**	**-1%**
Investment income and dividends	72	2%	36	1%	37	103%
Financial income/ (charges) and impairment of equity investments	-481	-10%	-647	-12%	166	-26%
Comprehensive profit/(loss) before taxes	**-1,090**	**-23%**	**-1,283**	**-24%**	**193**	**15%**
Income taxes	-485	-10%	-22	0%	-463	n.a.
Net profit	**-1,575**	**-34%**	**-1,305**	**-25%**	**-270**	**-21%**

* Gross of impairment losses and other non-recurring items

Dada S.p.A.'s EBITDA (before impairment losses and other non-recurring items) showed a negative €0.4 million versus a negative €0.2 million in 2014.

Costs and overheads, comprised primarily of utilities, connectivity, rents and leases, maintenance, legal and administrative consultancy, and hardware and software assistance, fell versus 2014 thanks to the careful measures to contain fixed costs, which had started in prior years.

Dada S.p.A.'s EBIT showed a negative €0.7 million in 2015, basically in line with 2014. The aggregate was affected by the non-recurring charges of €0.1 million for the costs incurred in the disposal of Moqu Adv S.r.l.; these expenses were partly offset by the release to the income statement of prior-years' provisions considered no longer justified.

Dada S.p.A.'s profit showed a negative €1.6 million versus a negative €1.3 million in 2014. Net financial activities improved versus 2014 (€409 thousand versus €611 thousand), following the improvement in the Company's net financial position, while the reduction in profit is ascribable to the release of deferred tax assets to the income statement, with a negative impact on profit for the year of €0.6 million. This amount includes €0.1 million from the release of the assessments made in prior years on temporary differences, and €0.5 million from further releases to the income statement following changes to the Italian IRES legislation. In this regard, under the 2016 Stability Law, from financial year 2017, the IRES tax rate will be lowered from 27.5% to 24%, with a resulting negative impact on expected future benefits in terms of deferred tax assets, accounted for in prior years with a higher rate. Following this change, the Company has revised the assessment of deferred tax assets, determined on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

The breakdown of the current total net financial position at 31 December 2015 versus 31 December 2014 is shown below:

FINANCIAL POSITION	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Cash on hand	4	3	0	5%
Bank and post office deposits	138	203	-65	-32%
Liquidity	**142**	**207**	**-65**	**-31%**
Net income/(charges) from cash pooling *	11,006	15,494	-4,488	-29%
Other current financial receivables	1,000	-	1,000	
Current financial receivables	**12,006**	**15,494**	**- 3,488**	**-23%**
Banks and account overdrafts	-790	-5,828	5,038	-86%
Due to banks for short-term loans	-3,677	-6,323	2,647	
Current debt	**- 4,466**	**- 12,151**	**7,685**	**-63%**
Current net financial position	**7,681**	**3,550**	**4,132**	**116%**
Due to banks for long-term loans	-	-677	677	
Non-current debt	**-**	**- 677**	**677**	
Total net financial position	**7,681**	**2,873**	**4,809**	**167%**

* including centralized treasury management (cash pooling) and loans to subsidiaries

Dada S.p.A.'s total net financial position at 31 December 2015 showed a positive €7.7 million versus a positive €2.9 million at 31 December 2014.

The financial pattern of 2015 is shown in the statement of cash flows appearing in the financial statements, to which reference is made.

Mention should be made that the disposal in March of Moqu Adv S.r.l. to Italiaonline S.p.A. by Dada S.p.A. resulted in a cash consideration of €5 million, and in the booking of the variable portion of the price of €1 million under short-term financial assets, having achieved the granting goals (the amount is classified under "other current financial receivables" in the table above).

For more details on the financial trend, reference should however be made to the consolidated figures, which do not show intercompany cash flows.

For further information on the dynamics of the consolidated net financial position of the Group in 2015, see the details provided in the consolidated side of the 2015 Directors' report.

No significant investments were made in 2015. Increases mainly regarded purchase of the management software and technology needed to provide corporate services.

The breakdown of Dada S.p.A.'s net working capital and net capital employed at 31 December 2015 and at 31 December 2014 is shown below:

EUR/000	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Fixed assets	**30,535**	**30,877**	**-342**	**-1%**
Current operating assets	22,993	23,234	-241	-1%
Current operating liabilities	-2,441	-2,211	-230	10%
Net working capital	**20,552**	**21,023**	**-470**	**-2%**
Provision for termination indemnities	-202	-224	22	-10%
Provision for risks and charges	-259	-394	135	-34%
Net capital employed	**50,626**	**51,282**	**-656**	**-1%**
Non-current payables	-	-677	677	-
Shareholders' equity	**-58,307**	**-54,155**	**-4,152**	**8%**
Current bank debt	-4,466	-12,151	7,685	-63%
Other current financial payables	0	0	0	-
Net income/(charges) from cash pooling	11,006	15,494	-4,488	-29%
Other current financial receivables	1,000	0	1,000	
Cash and cash equivalents	142	207	-65	-31%
Net short-term financial position	**7,681**	**3,550**	**4,132**	**116%**
Total net financial position	**7,681**	**2,873**	**4,809**	**167%**

The net working capital of Dada S.p.A. at 31 December 2015 amounted to €21 million, basically in line versus 31 December 2014.

Trade receivables consist mainly of receivables from Group companies, and the improvement in the net financial position of Dada S.p.A. in 2015, net of the cash-in from the disposal of Moqu, was, therefore, affected also by intercompany flows with certain directly-held subsidiaries.

For further details on the consolidated figure, which is more significant than that of the parent company alone, as in the case of the net financial position, see the consolidated side of the Directors' report.

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 must 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.

For financial risks, see Note 4.8.

Risks associated with the contract for the disposal of the Moqu Group

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.

Alternative performance indicators

This Report provides the following economic and financial indicators (in addition to those generally used) which are used by the management of the company to monitor and assess its operating performance, but as they are not recognized accounting measures under IFRS should not be considered alternative performance indicators for the company. 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.

EBITDA: operating profit before amortization, depreciation, impairment and non-recurring operating costs;

Below is a summary of how EBITDA is calculated:

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);

Net short-term 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

Purchase of treasury shares

The AGM on 28 April 2014 renewed the authorization, after revoking the previous one granted on 11 April 2013, to purchase treasury shares for up to a maximum of shares with a par value not exceeding one tenth of the share capital (even in light of changes made to applicable norms and regulations) and to sell shares as of the date of this authorization for a period of up to 18 months.

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. No treasury shares were traded by the Company or by its subsidiaries in 2014.

The Company did not hold any treasury shares at 31 December 2015.

Information on environmental policy and safety

Environmental policy

The objectives of the Dada Group's environmental policy are:

- to optimize the use of source of energy and natural resources by improving the technologies used in the Group's offices and spaces;
- to increase environmental awareness including through the use of specific in-house initiatives;
- to implement sustainable purchasing policies.

Waste

The Group companies provide services which produce a limited quantity of waste managed as follows:

Paper	Separate collection
Toner	Given to a specialized firm for disposal
Obsolete hardware	Given to a specialized firm for disposal
Non separated waste mixed with urban waste	Collected in communal containers

Water

The Group companies consume a limited amount of water for sanitary needs and personal hygiene.

Energy

The Dada Group pays careful attention to energy consumption. With regard to electricity, low consumption lighting systems, which still comply with regulations lighting requirements, have been installed at all the Dada Group company offices.

Security

The Group's policy with regard to safety in the workplace is focused on continuous improvement and dedicating the utmost attention to this issue.

All the Group's businesses are involved in and dedicated to office work.

Dada complies fully with applicable norms and regulations, updates its Risk Assessment Report and addendums constantly in order to reflect any organizational and technical changes that have taken place.

The Group's Integrated Workplace Safety Management System – based on the SGLS UNI-INAIL model - is part of the Group's overall Management System.

SIGNIFICANT EVENTS IN 2015

On 16 March 2015, Dada S.p.A. signed a binding contract with Italiaonline S.p.A. for the disposal of the 100% interest held in Moqu Adv S.r.l., which headed up the Performance Advertising business (holder, in turn, of a 100% interest in Moqu Ireland Ltd), which was a separate and independent business segment under IFRS 8.

The transaction is part of the strategy of the Dada Group to focus on the core business of digital services for SMEs, and aims to further strengthen Dada's role as a top European player in the business of domain name registration, hosting, and servers.

The agreement provided for the acquisition by Italiaonline of Dada's 100% investment in the share capital of Moqu, holder in turn of a 100% investment in Moqu Adv Ireland Ltd for a cash consideration of €5 million, fully paid at Closing date, in addition to a variable part of the price ("earn-out") of a maximum of €1 million, to be recognized at the beginning of 2016 on the basis of the results achieved by the Moqu Group in 2015. The price was determined on the basis of a consolidated net financial position of Moqu basically at breakeven at the date of execution of the transaction ("Closing"), and was subsequently adjusted based on the adjusted net financial position at 31 March 2015, calculated in accordance with the disposal contract.

Italiaonline has undertaken, among other things, to enhance the professional skills and experience of Moqu Group employees; no job losses are forecast. The Dada Group will also continue to provide Moqu with certain IT and corporate services at arm's length until 31 December 2015, and thereafter in case of agreement between the parties.

On 23 March 2015, in execution of and in addition to the above, the disposal to Italiaonline S.p.A. of the equity investment held in Moqu Adv S.r.l. was finalized for a cash consideration of €5 million.

On 24 April 2015, a strategic agreement was signed to combine Dada's business unit named ProAdv/Simply with 4w MarketPlace S.r.l., one of the top online advertising players in Italy.

The transaction took place through contribution in kind by Register.it S.p.A. of the ProAdv BU to 4w MarketPlace, and a related capital increase of the latter reserved to Register.it equal to 25% of the share capital. This allowed the Dada Group to become the second main shareholder of 4w MarketPlace. The value assigned to ProAdv as part of the contribution is approximately €2.2 million. Under the agreements, the Dada Group will continue to provide 4w MarketPlace, for a transitional period of at least 12 months at arm's length, with certain indirect services (IT, Corporate, etc.) in order to ensure the continuation of business.

On 28 April 2015, 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 2014, as proposed by the Board of Directors at the meeting held last 12 March. The Shareholders resolved to carry forward the loss for the year of €1,305,013.93. The Dada Group closed 2014 with consolidated revenue of €67.5 million, EBITDA of €9.8 million and a net loss of €2.2 million; the Net Financial Position at 31 December 2014 came to -€33.6 million.

(ii) the appointment of the Board of Directors As a result of the natural expiry of the three-year term of the previous body, the Shareholders renewed the Board of Directors of the Company, which will remain in office for financial years 2015 - 2017, that is, until approval of the financial statements for the year ending 2017. The number of board members has been set at 13. The new Board of Directors is composed as follows: Karim Beshara, Claudio Corbetta, Lorenzo Lepri, Khaled Bishara, Antonio Converti, Maurizio Mongardi, Sophie Sursock, Philip Tohme, Ragy Soliman, Sofia Maroudia, Carolina Gianardi, Barbara Adami Lami, and Cristiano Esclapon. The appointed Directors were candidates on the majority list, which included 5 female candidates, filed by shareholder Libero Acquisition S.à. r.l., owner of 69.43% of the share capital, with the exception of Director Cristiano Esclapon, candidate on the only minority list filed by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello, who together hold 2.725% of the share capital. Directors Sofia Maroudia, Carolina Gianardi, Barbara Adami Lami, and Cristiano Esclapon declared their independence in accordance art. 148, par. 3, of Legislative Decree n. 58/1998 and with the Corporate Governance Code for Listed Companies as currently adopted by Dada S.p.A. (allowing, in this respect, compliance with the provisions on STAR segment companies and with current regulations for Italian listed companies). The Shareholders also approved the appointment of the Chairman of the Board of Directors in the person of Karim Beshara, as well as the maximum total remuneration that the Board may distribute for the position among Directors with no special duties. The Shareholders also established the exemption from the non-compete obligation for the Directors appointed today, under art. 2390 of the Italian Civil Code.

(iii) appointment of the Board of Statutory Auditors. As a result of the natural expiry of the three-year term of the previous body, the new Board of Statutory Auditors was also appointed for financial years 2015 - 2017, that is, until approval of the financial statements for the year ending 2017. The Shareholders then approved the appointment of the Chairman and of the members of the Board of Statutory Auditors as follows: Massimo Scarpelli (Chairman), Maria Stefania Sala, Massimo Foschi (Standing Auditors) and Elisabetta Claudia De Lorenzi and Manfredi Bufalini (Alternate Auditors). The appointed statutory auditors were candidates on the majority list filed by shareholder Libero Acquisition S.à. r.l., with the exception of the Chairman of the Board of Statutory Auditors, Massimo Scarpelli, and of alternate auditor Manfredi Bufalini, candidates on the only minority list filed by shareholders Simona Cima, Alessandra Massaini and Jacopo Marello. The Shareholders also approved the remuneration of the members of the Board of Statutory Auditors

(iv) the Remuneration Report in accordance with art. 123-*ter* of Legislative Decree 58/98

(v) renewal of the authorization, after revoking the previous one granted on 28 April 2014, 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 thirty 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.

On 30 June 2015, Dada completed the transfer of the ProAdv/Simply BU from Register.it S.p.A. to 4w Marketplace S.r.l., with a corresponding capital increase of the latter reserved to Register.it S.p.A. equal to 25% of the share capital, which allowed the Dada Group to become the second main shareholder of 4w Marketplace S.r.l.. The value assigned to the ProAdv BU (on the basis of a sworn appraisal) as part of the transfer is approximately €2.2 million versus a book value basically equivalent to zero. The transaction resulted in a gain of €2.2 million recorded in the income statement. It should be noted that Dada has been recognized governance and asset rights typical of such transactions, as well as co-sale and drag-along rights/obligations in the event of disposal of the company.

On 2 July 2015, Dada signed a binding agreement through its subsidiary Register.it S.p.A. to acquire 100% of the share capital of Etinet S.r.l., completed on 8 July 2015.

The transaction aims to strengthen the Dada Group's strategy of expanding the range of services for digital communication tailored to SMEs. Etinet is one of the most innovative Web Factories in Italy, and provides businesses with advanced solutions to manage their presence in the digital world. In 2014, revenue achieved by the Etinet scope is estimated at about €850 thousand, with EBITDA at approximately €270 thousand and gross profit of roughly €150 thousand.

The consideration for 100% of the Etinet shares was €700 thousand, based on a net financial position at break-even. Part was paid at the date of completion of the transaction, and part was placed in escrow to service the standard representations and warranties. An earn-out of a maximum of €90 thousand will be paid in the first half of 2016 should pre-established goals be met; furthermore, a put option will be exercisable at the sole discretion of Dada at the start of 2016 to resell the entire equity investment to the selling shareholders at a pre-established price of €700 thousand.

On 8 September 2015, Khaled Bishara and Antonio Converti resigned with immediate effect as directors of the Company. At its meeting held on 11 November 2015, the Board of Directors resolved on the co-optation of Youssef Mohamed Salah Abdelsalam Bassem, born in Giza, Egypt, on 15 July 1973, and of Fadi Zefer Boulos Antaki, born in Cairo, Egypt, on 23 January 1975, as new Directors of Dada S.p.A..

SIGNIFICANT EVENTS AFTER YEAR END

There are no significant facts or events to report after the close of the fourth quarter of 2015.

BUSINESS OUTLOOK

The **strategic growth lines** of the DADA Group, 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 offered 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.

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/customer) 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 continuing the ongoing efforts to further optimize other operating costs and overheads.

Based on market trends and on the outlined strategic directions, and in the absence of unforeseeable events at this time, an average annual "mid-single-digit" (like-for-like) **revenue** growth is to be reasonably confirmed for the next three years, with a more than proportional increase in operating profit, especially in the second part of the year.

"Mid-single-digit" organic growth of business volumes is forecast in **2016**, while the benefits arising from the investments made in the second part of 2015 and implemented in the opening months of 2016, are expected to be likely felt starting from the second half, bringing a more than proportional increase in operating profit compared with revenue growth, especially from the third quarter of 2016.

ALLOCATION OF THE RESULT FOR THE YEAR

Dear Shareholders,

We hereby submit for your approval the separate financial statements at 31 December 2015, which closed with a loss of €1,575,094.14.

We propose to carry the loss forward and, therefore, submit the following resolution to you for your approval:

"The Annual General Meeting of Dada S.p.A.

- having examined the Directors' report;
- having acknowledged the reports prepared by the Board of Statutory Auditors and the external auditors KPMG S.p.A.;
- having examined the financial statements at 31 December 2015, which show a loss of €1,575,094.14:

RESOLVES

1) To approve the Directors' report and the separate financial statements at 31 December 2015, which show a loss of €1,575,094.14 as presented by the Board of Directors;
2) to carry forward the loss as resulting from the separate financial statements at 31 December 2015.

Florence, 14 March 2016

For the Board of Directors
The Chief Executive Officer
Claudio Corbetta

DADA S.p.A. RECLASSIFIED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

EUR/000	31 Dec.-15 12 months		31 Dec.-14 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**4,645**	**100%**	**5,286**	**100%**	**-641**	**-12%**
Increase in own work capitalized	-	-	-	-	-	-
Service costs and other operating expenses	-2,700	-58%	-2,935	-56%	235	-8%
Payroll costs	-2,314	-50%	-2,597	-49%	283	-11%
EBITDA*	**-369**	**-8%**	**-246**	**-5%**	**-123**	**-50%**
Depreciation and amortization	-252	-5%	-428	-8%	176	-41%
Non-recurring income/(charges)	-114	-2%	-	-	-114	-
Impairment of fixed assets	-	-	-	-	-	-
Reversal/provisions and impairment	54	1%	2	0%	51	n.a.
EBIT	**-681**	**-15%**	**-672**	**-13%**	**-9**	**-1%**
Investment income and dividends	72	2%	36	1%	37	103%
Financial income/ (charges) and impairment of equity investments	-481	-10%	-647	-12%	166	-26%
Gains from equity investments	-	-	-	-	-	-
Comprehensive profit/(loss) before taxes	**-1,090**	**-23%**	**-1,283**	**-24%**	**193**	**15%**
Income taxes	-485	-10%	-22	-	-463	n.a.
Comprehensive net income (loss)	**-1,575**	**-34%**	**-1,305**	**-25%**	**-270**	**-21%**

* Gross of impairment losses and other non-recurring items

DADA S.p.A. NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 DECEMBER 2015

EUR/000	31 Dec.-15	31 Dec.-14	DIFFERENCE	
			Absolute	%
Fixed assets	**30,535**	**30,877**	**-342**	**-1%**
Current operating assets	22,993	23,234	-241	-1%
Current operating liabilities	-2,441	-2,211	-230	10%
Net working capital	**20,552**	**21,023**	**-470**	**-2%**
Provision for termination indemnities	-202	-224	22	-10%
Provision for risks and charges	-259	-394	135	-34%
Net capital employed	**50,626**	**51,282**	**-656**	**-1%**
Non-current payables	-	-677	677	-
Shareholders' equity	**-58,307**	**-54,155**	**-4,152**	**8%**
Current bank debt	-4,466	-12,151	7,685	-63%
Net income/(charges) from cash pooling	11,006	15,494	-4,488	-29%
Other current financial receivables	1,000	-	1,000	
Cash and cash equivalents	142	207	-65	-31%
Net short-term financial position	**7,681**	**3,550**	**4,132**	**116%**
Total net financial position	**7,681**	**2,873**	**4,809**	**167%**

DADA S.P.A.

SEPARATE FINANCIAL STATEMENTS

DADA S.p.A. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(Euro)	Notes	31/12/15 (12 months)	31/12/14 (12 months)
Net revenue	**4.1**	**4,645,339**	**5,286,068**
- of which: related parties	*19*	*4,645,339*	*5,286,068*
Cost of raw materials and consumables	4.1.2.	-6,236	-6,015
Increase in own work capitalized			
Service costs and other operating expenses	4.1.2.	-2,609,723	-2,841,974
- of which: related parties	*19*	*-389,388*	*-140,283*
Payroll costs	4.2	-2,313,852	-2,597,041
- of which: related parties	19	*-1,748,909*	*-656,274*
Other operating revenue and income	4.3	4,410	9,709
Other operating expenses	4.4	-202,682	-96,908
- of which: non-recurring	4.10	*113,818*	-
Provisions and impairment losses	4.5	53,798	2,416
Depreciation and amortization	4.6	-252,276	-428,055
Impairment of fixed assets		-	-
EBIT		**-681,223**	**-671,800**
Investment income	4.7	72,097	35,562
- of which: related parties	19	*71,865*	*35,325*
Financial charges	4.7	-464,905	-629,979
- of which: related parties	19	*-9,233*	*483*
Other income/(charges) from financial assets & liabilities	4.9	-16,110	-17,134
Comprehensive profit/(loss) before taxes		**-1,090,141**	**-1,283,351**
Income taxes	5	-484,953	-21,663
Comprehensive net income (loss)		**-1,575,094**	**-1,305,014**
Basic earnings/loss per share	11	-0,094	-0,078
Diluted earnings/loss per share	11	-0,091	-0,075

DADA S.p.A. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

EUR/000	31 Dec.-15 12 months	31-Dec.-14 12 months
Net profit/(loss) for the period (A)	**-1,575**	**-1,305**
Termination indemnity discounting reserve	-	-26
Tax effect on termination indemnity discounting reserve	-	7
	-	-19
Total other income (loss), net of tax effect (B)	**-**	**-19**
Total comprehensive income/(loss) (A)+(B)	**-1,575**	**-1,324**

DADA S.p.A. STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

ASSETS (Euro)	Notes	31/12/15	31/12/14
Non-current assets			
Goodwill	6	-	-
Intangible assets	6	232,022	285,788
Property, plant and equipment	7	296,908	394,863
Equity investments in subsidiaries	8	29,989,101	30,184,687
Equity investments in associates and other companies		-	-
Financial assets	8	16,529	11,529
Deferred tax assets	5	4,901,989	5,472,495
Total non-current assets		**35,436,549**	**36,349,362**
Current assets			
Inventories			
Trade receivables	9	6,119,202	6,456,118
- of which: related parties	*19*	*6,119,202*	*6,450,892*
Tax and other receivables	9	11,972,143	11,305,397
- of which: related parties	19	*11,329,815*	*10,905,750*
Current financial receivables	10	31,814,422	35,405,539
- of which: related parties	19	*31,814,422*	*35,405,539*
Cash and cash equivalents	10	141,897	206,785
Total current assets		**50,047,663**	**53,373,838**
TOTAL ASSETS		**85,484,212**	**89,723,200**

DADA S.p.A. STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

EQUITY AND LIABILITIES (Euro)	Notes	31/12/15	31/12/14
Shareholders' equity			
Capital and reserves			
Share capital	12	2,835,612	2,835,612
Other equity instruments	12	269,037	89,403
- of which: related parties	19	*242,305*	*49,457*
Share premium reserve	12	33,098,153	33,098,153
Legal reserve	12	950,053	950,053
Other reserves	12	27,757,416	22,209,691
Retained earnings/losses carried forward		-5,028,070	-3,723,056
Net profit/ (loss)		-1,575,094	-1,305,014
Total shareholders' equity		**58,307,107**	**54,154,841**
Non-current liabilities			
Bank loans (due beyond one year)		-	676,760
Provision for risks and charges	13	258,700	393,522
Provision for termination indemnities	15	202,351	223,962
Total non-current liabilities		**461,051**	**1,294,244**
Current liabilities			
Trade payables	17	1,175,999	938,147
- of which: related parties	*19*	*73,499*	*64,259*
Other payables	17	902,268	1,110,280
- of which: related parties	*19*	*351,857*	*443,601*
Taxes payable	17	362,845	162,950
Bank overdrafts, loans and financial liabilities (due with one year)	17	24,274,941	32,062,737
- of which: related parties	19	*19,808,625*	*19,911,572*
Total current liabilities		**26,716,054**	**34,274,114**
TOTAL EQUITY AND LIABILITIES		**85,484,212**	**89,723,200**

DADA S.p.A. CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

EUR/000	31/12/15	31/12/14
Operating activities		
Net profit/(loss) for the period	**-1,575**	**-1,305**
Adjustments for:		
Impairment losses on equity investments	16	17
Income from trading and dividends from Group companies	-72	-36
Financial charges	465	630
Costs for share-based payments	149	61
Income taxes and other tax costs	485	22
Depreciation	146	212
Amortization	106	217
Other provisions and impairment losses, and reversals	-54	-2
Increases/(decreases) in provisions	-22	-182
Cash flow from operating activities before changes in working capital	**-355**	**-367**
(Increase)/decrease in receivables	-258	-3,511
Increase in trade payables	325	-516
Cash flow from operating activities	**-288**	**-4,395**
Income taxes paid	-42	-218
Interest paid	-561	-568
Net cash flow from operating activities	**-892**	**-5,181**
Investing activities		
Sale of subsidiaries and associates	4,758	0
(Purchase)/sale of property, plant and equipment	0	-86
(Purchase)/sale of financial assets	-5	2
(Purchase)/sale of intangible assets	-53	-58
Net cash flow used in investing activities	**4,700**	**-143**
Financing activities		
Change in loans	-677	677
Net cash flow from/(used in) financing activities	**-677**	**677**
Net increase/(decrease) in cash and cash equivalents	**3,131**	**-4,646**
Cash and cash equivalents at beginning of year	**3,550**	**8,196**
Cash and cash equivalents at 31/12/15	**6,681**	**3,550**

DADA S.p.A. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Description	Share capital	Share prem. res.	Legal res.	Other equity instruments	Termination indem. discounting reserve	Other reserves	Retained earn. losses carried forward	Net profit/loss	Total
Balance at 1 January 2015	2,836	33,098	950	89	-19	22,228	-3,723	-1,305	**54,155**
Allocation of 2014 profit							-1,305	1,305	-
Profit/(loss) for the period								-1,575	**-1,575**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1,575**	**-1,575**
Share-based payments				191					**191**
Disposal of Moqu Group				-11		5,548			
Balance at 31 December 2015	**2,836**	**33,098**	**950**	**269**	**-19**	**27,776**	**-5,028**	**-1,575**	**58,307**

DADA S.p.A. STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Description	Share capital	Share prem. res.	Legal res.	Other equity instruments	Termination indem.discounting reserve	Other reserves	Retained earn. losses carried forward	Net profit/loss	Total
Balance at 1 January 2014	2,836	33,098	950	-	-	22,228	-1,663	-2,060	**58,039**
Allocation of 2013 profit							-2,060	2,060	-
Profit/(loss) for the period								-1,305	**-1,305**
Other comprehensive income (losses)					-19				**-19**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-19**	**-**	**-**	**-1,305**	**-1,324**
Share-based payments				89					**89**
Balance at 31 December 2014	**2,836**	**33,098**	**950**	**89**	**-19**	**22,228**	**-3,723**	**-1,305**	**54,155**

ACCOUNTING POLICIES AND 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 Milan Stock Exchange. Its registered office and main operating locations are specified in the introduction to the annual report.

2. Going concern

Against a persistently volatile economic and financial backdrop, the Directors have approved the 2016 Budget. Actions have been identified to focus efforts on the more profitable businesses and to reorganize the less profitable ones, as explained in the "Business Outlook" section of the Directors' report. Based on the Directors' forecasts, such actions will allow the Group to maintain and strengthen economic balance and to gradually reduce financial debt as early as 2016, assuming no extraordinary transactions are made.

Accordingly, the Directors, confident that such goals are reasonably achievable, and heartened by the results posted in the first months of 2016, have prepared the consolidated financial statements for the year ended 31 December 2015 on a going concern basis, without identifying any material uncertainties.

3. Preparation criteria

Compliance with IFRS

The separate financial statements have 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 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFR IC), previously known as the Standing Interpretations Committee (SIC).

The financial statements were prepared in accordance with the historical cost convention, with the exception of financial assets available for sale, which were measured at fair value. The financial statements are expressed in euro (€) as this is the currency in which most of the Group's operations are conducted. 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.

The financial statements at and for the year ended 31 December 2015 were approved by the Board of Directors of Dada S.p.A. on 14 March 2016 and therefore authorized for publication as provided for by law. The draft financial statements will be submitted to the Shareholders' Meeting convened on 28 April 2016 in first call.

Reporting formats

The separate financial statements are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity, and these notes.

The full-year financial statements have been audited by KPMG S.p.A..

With regard to reporting formats:

- For the income statement, the Company has opted for the dual format:

* Income statement covering only revenue and costs, classified by type;

* Statement of comprehensive income including gains and losses recognized directly in equity, net of the tax effects.

- In the statement of financial position, current and non-current assets and current and non-current liabilities are shown separately;
- The statement of cash flows has been prepared according to the indirect method. Total cash and cash equivalents during the period consists of the sum of "cash on hand and banks" and "bank overdrafts and financial payables (due within one year)" in the statement of financial position.

Amounts in the statement of financial position and income statement are shown in Euros, while the statement of cash flows and statement of changes in equity are presented in thousands of Euro.

Equity investments in subsidiaries and associates

Equity investments in subsidiaries are measured at cost and undergo periodic impairment testing, conducted at least one a year or whenever there is evidence of possible impairment. The measurement is based on discounted cash flow, according to the method described below under "Impairment losses." Any impairment losses are charged to profit or loss the year they are recognized. If the reasons for the impairment loss cease to apply, the carrying amount of the investment is restored up to its original cost. This reversal is recognized in profit or loss.

Impairment losses

At every reporting date, Dada S.p.A. reviews the carrying amount of its intangible assets and its property, plant and equipment to determine if there are any signs of impairment. If so, the recoverable amount of the assets is estimated to determine any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives, including goodwill and equity investments, undergo impairment testing each year and whenever there are signs of possible impairment.

The recoverable amount is the higher of fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When impairment is reversed, the asset or cash-generating unit is written back to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the net carrying amount that the asset would have had if the impairment loss had not been charged. The reversal of an impairment loss is taken immediately to the income statement.

Non-current assets held for sale

Non-current assets (or disposal groups) classified as held for sale are recognized at the lower of carrying amount and market value net of costs to sell.

Non-current assets (and disposal groups) are classified as held for sale when their carrying amount is expected to be recovered by way of sale rather than used in business operations. This condition is only met when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current condition, and Management has committed to the sale, which should take place within twelve months of the classification as held for sale.

Intangible assets

Intangible assets acquired separately are initially capitalized at cost, while those acquired through business combinations are capitalized at the acquisition-date fair value. Subsequently, intangible assets are carried at cost net of accumulated amortization and any impairment losses. Internally generated intangible assets, excluding SW development costs, are not capitalized and the expenditure is charged to the income statement the year it is incurred. The useful life of intangible assets is deemed to be finite.

Intangible assets with finite useful lives are amortized over their useful life and tested for impairment any time there are indications of a possible loss in value. The period and method of amortization is reviewed at the end of each year, or more frequently if necessary. Changes in the estimated useful life or the manner in which the future economic benefits associated with the asset will be achieved by the Group are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Research and development costs

Research costs are charged to profit and loss as and when incurred. Development costs relating to an individual project are capitalized only when the company can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete the asset for use or sale, how the asset will generate future economic benefits, the availability of technical, financial or other resources to complete development, and the ability to reliably measure expenditure during the development process.

During the development phase, the asset undergoes impairment testing once a year. After initial recognition, development expenditure is measured at cost less accumulated amortization and any impairment losses. The asset starts to be amortized once development is completed and the asset is available for use. It is measured over the estimated period in which the project will generate revenue for the company. While the asset is not yet in use, it will undergo impairment testing once a year.

Other intangible assets

These are initially recognized at cost and amortized on a straight-line basis over their estimated useful life. Impairment losses may apply as a result of impairment testing (see below).

Gains or losses from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss at the time of the disposal.

Property, plant and equipment

Property, plant, machinery, equipment and other tangible assets are recognized at purchase or production cost, net of accumulated depreciation and any impairment losses. Cost includes related charges and a reasonable allocation of direct and indirect expenses.

Fixed assets are depreciated on a straight-line basis over their estimated useful life, at the following annual rates:

Plant and EDP machines: 20%
Furniture and fittings: 12%

Receivables

Receivables are stated at face value, and reduced to estimated realizable value by way of a provision for doubtful accounts. The provision reflects recovery estimates carried out for each position as well as the overall riskiness of receivables, taking account of guarantees and insurance coverage.

Receivables due beyond one year that do not bear interest or bear interest at lower than market rates are discounted at market rates.

Financial assets

Financial instruments are initially measured at fair value, and are subsequently measured depending on their classification, in accordance with IAS 39. Subsequently, the financial assets that Dada S.p.A. intends and is able to hold to maturity are recognized at amortized cost using the effective interest method, net of impairment losses.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each period end at fair value.

Cash and cash equivalents

This item comprises cash on hand, current bank accounts, deposits payable on demand, and other short-term, highly liquid investments that are readily convertible into cash and subject to an insignificant risk of changes in value. They are stated at face value. In the consolidated statement of cash flows, cash and cash equivalents are defined as above but are shown net of bank account overdrafts.

Payables

These are stated at face value, deemed to reflect their settlement value.

Bank loans

Interest-bearing bank loans and account overdrafts are recognized on the basis of the amounts received, net of transaction costs, and are subsequently valued at amortized cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recognized in the amount received, net of direct issue costs.

Provisions for risks and charges

Provisions are recognized when the Company has a present obligation as a result of a past event and it is likely that the expense will be incurred. They are based on management's best estimate of the cost of fulfilling the obligation as of the reporting date, and are discounted to present value when the effect is significant.

Translation of foreign currency items

The separate financial statements are expressed in euro, which is the functional and presentation currency used by Dada S.p.A. Transactions in foreign currency are initially recognized at the exchange rate in force (versus the functional currency) on the transaction date. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated into the functional currency at the exchange rate in force at year end.

All exchange differences are recognized in profit or loss, except for those arising from foreign currency loans taken out to finance an investment in an overseas firm, which will be recognized in equity until the investment is sold and then reclassified to profit or loss. Tax liabilities and credits attributable to exchange differences on such loans are also recognized in equity.

Revenue recognition

Revenue is recognized to profit and loss only when is probable that the economic benefits associated with the transaction will flow to the entity and the amount can be reliably determined. It is shown at the fair value of the consideration received, excluding discounts, rebates and taxes. The following criteria must be satisfied before revenue is recognized in profit or loss:

Sale of goods

Revenue is recognized when the company has transferred to the buyer all risks and rewards of ownership, which generally coincides with the shipping date.

Sale of services

Revenue from services is recognized when the service is rendered. If the outcome of the contract cannot be reliably measured, revenue is only recognized to the extent that the costs incurred are expected to be recovered.

Interest

Interest is recognized as financial income on an accruals basis, using the effective interest method (effective interest is the rate that exactly discounts estimated future cash receipts through the expected life of the asset to its net carrying amount).

Dividends

Dividends are recognized when the shareholders are entitled to receive payment.

Pension funds and other post-employment benefits

These funds and benefits are unfunded. The cost of benefits due under defined benefit plans is determined actuarially for each plan, using the projected unit credit method. Gains and losses arising from the actuarial calculation are recognized in profit or loss over the expected average remaining working lives of the employees participating in the plan.

Past service costs are recognized on a straight-line basis over the average vesting period. If the benefits are already vested upon the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less any past service costs not yet recognized and less the fair value of the plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Share-based payments (stock options)

The cost of share based payments to employees for benefits granted after 7 November 2002 are measured at fair value as of the grant date. Fair value is determined by an external appraiser using an appropriate valuation model. See Note 18 for further details.

The cost of stock options, along with the corresponding increase in equity, is recognized over the period starting when the options are assigned to the beneficiaries and ending when the employees become fully entitled to the reward (the vesting date). The cumulative expense recognized for these transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the best available estimate of the number of awards that will ultimately vest. The cost or income recognized for the year is the change in the cumulative expense at the beginning and the end of the year.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon market conditions, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other conditions are met. Where the initial conditions are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee; such an expense is measured at the date of modification.

Where an award is canceled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the canceled award and designated as a replacement award on the date that it is granted, the new awards are treated as a modification of the original award as described in the previous paragraph.

Taxes

Current taxes

Current tax assets and liabilities for 2015 and prior years are valued at the amount expected to be received from or paid to the tax authorities. The tax rates and laws used to calculate that amount are those that have been enacted or substantively enacted by the balance sheet date.

Current taxes relating to items recognized directly in equity are also recognized in equity and not in profit or loss.

Deferred taxes

Deferred taxes are calculated using the "liability method" on temporary differences existing at the reporting date between the value of assets and liabilities for tax purposes and the value reported in the balance sheet, and on prior-year tax losses eligible for use in future years.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:

- when deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the reversal of the temporary differences can be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and for tax assets and liabilities carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforwards can be utilized, with the following exception:

- the deferred tax asset associated with deductible temporary differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- where deductible temporary differences are associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of a deferred tax asset is re-assessed at each balance sheet date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilize part or all of that asset. Unrecognized deferred tax assets are also re-assessed every year at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes relating to elements recognized outside profit or loss are also recognized outside profit or loss, and therefore in equity or in other comprehensive income consistently with the element to which they refer.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax balances, when they pertain to the same tax authorities, and when the Group plans to settle its current assets and liabilities on a net basis.

Deferred tax assets for tax losses are recognized when it is probable that future taxable profit will be available against which prior losses can be utilized.

Use of estimates

The preparation of the financial statements and notes in accordance with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and disclosures on contingent assets and liabilities as of the reporting date. Actual results may differ. Estimates are used to value property, plant and equipment and intangible assets tested for impairment and to recognize provisions for doubtful accounts, amortization and depreciation, asset impairment, employee benefits, taxes, and other provisions and reserves. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss.

Related party transactions

Transactions with related parties are discussed in Note 19.

Seasonal trends

Dada's main operations are not affected by seasonal trends that could influence results for the period.

Changes in International Accounting Standards

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.

4. Other income and costs

4.1 Revenue

As in previous years, Dada S.p.A. mainly provides centralized and corporate services to other companies in the Group. Therefore, its revenue consists of chargebacks to subsidiaries, which are governed and quantified on the basis of contracts. Starting this year, Dada S.p.A. also provides a number of administrative, HR and management services to Moqu (sold to IOL S.p.A.) and to 4W MarketPlace for Simply activities contributed in the year.

4.1.2 Cost of services and overheads

The cost of services and overheads refers mainly to utilities, rent and leasing, corporate expenses, maintenance and consulting. The downward trend in 2015 reflects the cost-cutting efforts made.

4.2 Payroll costs

The following table breaks down payroll costs in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Wages and salaries	1,776	1,988	-212	-11%
Social security charges	437	497	-60	-12%
Provision for termination indemnities	101	112	-12	-10%
Total	**2,314**	**2,597**	**-283**	**-11%**

In 2015, payroll costs came to €2.3 million, down by 11% versus €2.6 million in 2014.

Employees are hired under the national employment contract for the commercial sector.

The provision for termination indemnities is calculated using the projected unit credit method. See Note 14 for further information.

The value of stock options assigned in 2015 under the plans approved in prior years is calculated as required by IFRS 2. The overall impact on this item amounted to €149 thousand.

4.3 Other operating revenue and income

The following table breaks down other operating revenue and income in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Operating grants	4	-	4	-
Other revenue	-	10	-10	-100%
Total	**4**	**10**	**-5**	**-55%**

Other revenue at 31 December 2015 consisted of operating grants, while in 2014 they referred to income falling outside the ordinary operations of Dada S.p.A.

4.4 Other operating expenses

Other operating expenses in 2015 and 2014 are shown in the table below:

Description	31/12/15	31/12/14	Change	% change
Taxes	31	28	4	13%
Non-deductible costs	19	25	-7	-27%
Other	39	44	-5	-11%
Non-recurring charges	114	-	114	-
Losses on receivables	-	-	-	-
Total	**203**	**97**	**106**	**109%**

Non-recurring charges include costs incurred in the disposal of Moqu Adv.

The remaining items of other operating expenses refer mainly to taxes and duties or to minor costs that cannot be deducted from taxable income.

4.5 Provisions and impairment losses

The following table presents provisions and impairment losses in 2015 and 2014:

Description	31/12/15	31/12/14	Change
Provision for doubtful accounts	-	-	-
Provisions /Reversal for risks and charges	54	2	51
Total	**54**	**2**	**51**

No provisions for doubtful accounts were made in 2014, as in the prior year. For information on the recovery in the income statement of provisions for risks and charges, see Note 12.

4.6 Depreciation and amortization

The following table breaks down depreciation and amortization in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Depreciation	146	212	-66	-31%
Amortization of other intangible assets	106	216	-110	-51%
Total	**252**	**428**	**-176**	**-41%**

This item decreased across almost all asset categories. The trend is explained by the reorganization of prior years, as a result of which investments (and therefore depreciation and amortization) pertain directly to the subsidiaries. In 2015, Dada S.p.A.'s investments referred mainly to the purchase of management software and technology needed to provide corporate services.

4.7 Financial income and charges

The table below breaks down financial income in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Interest on intercompany cash pooling	72	35	37	103%
Description	**72**	**36**	**37**	**103%**

Financial income is composed of interest earned on cash pooling accounts with other Group companies. These are governed by formal contracts whose terms and conditions are anchored to market parameters.

Financial charges in 2015 and 2014 are shown below:

Description	31/12/15	31/12/14	Change	% change
Interest on account overdrafts	-121	-465	344	-74%
Interest on loans	-191	-37	-154	421%
Interest on intercompany cash pooling	-9	-3	-7	267%
Interest to parent	-1	-1	0	0%
Other interest	1	1	0	-5%
Bank fees and charges	-144	-126	-18	14%
Description	**-465**	**-630**	**165**	**-26%**

In 2015, financial charges from interest on existing loans, interest on bank overdrafts, other short-term loans, and bank fees fell by approximately 26% versus 2014. The trend is explained by the reduced use of available credit lines (the net financial position of the Dada Group in 2015, in fact, improved considerably versus 2014), and by the overall reduction in both interest expense rates, resulting from the sum of the nominal interest rate (the Euribor key rate fell over the year to reach negative territory at end 2015).

4.8 FINANCIAL RISKS

The main risks the Company faces are described below (see also the risks mentioned in the notes to the consolidated financial statements).

Financial risks

The Company does not currently use derivatives to manage interest rate risk. Dada S.p.A. has limited exposure to credit risk, as most of its receivables are due from Group companies, and exposure to Interest rate risk, liquidity risk and price risk is also insignificant.

Credit risk

Exposure to credit risk is related to trade and financial receivables. Trade receivables arise exclusively from intercompany transactions with subsidiaries or from services provided to related companies.

Interest rate and liquidity risk

Dada S.p.A.'s exposure to the risk of fluctuations in market rates arises from occasional bank account overdrafts at variable rates (payable on demand) and short-term, floating-rate loans for which no hedge agreements are in force.

Liquidity risk is managed by investing available funds in positions that can be easily liquidated. 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., Clarence Srl and Fueps S.p.A.. Register.it S.p.A. also has a cash pooling agreement with its French subsidiary Amen SA, Spanish subsidiary Nominalia SL and British subsidiary Namesco UK. The use of short-term credit facilities generally covers a very small share of capital employed.

Price risk

The Company is not exposed to significant price volatility risk. For more details and information, see attached to this Report the part relating to disclosure under IFRS 7.

4.9 Other income and charges from financial assets and liabilities

The table below breaks down other income from financial assets in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
Impairment losses on equity investments	-16	-17	1	-6%
Total	**-16**	**-17**	**1**	**-6%**

The impairment of €16 thousand refers to the impairment losses of €8 thousand on each of the equity investments of Fueps and Clarence, while in 2014, they amounted to €15 thousand for Fueps and €2 thousand for Clarence.

No further income or charges are reported from financial assets and liabilities in 2015.

4.10 Non-recurring income and charges

The table below breaks down non-recurring income and charges in 2015 and 2014:

Description	31/12/15	31/12/14	Change
Non-recurring charges	-114	-	-114
Non-recurring income/charges	**-114**	**-**	**-114**

Non-recurring charges in 2015 refer exclusively to the costs incurred in the disposal of Moqu Adv S.r.l. to Italionline S.p.A..

There were no non-recurring charges in 2014.

5. Taxes

The table below shows taxes in 2015 and 2014:

Description	31/12/15	31/12/14	Change	% change
IRAP	-	-57	57	-100%
IRES	-	0	0	-
Prior-years' current taxes	5	-26	30	-117%
Other costs/tax recovery	81	-	81	-
Deferred tax assets	-571	62	-632	-1026%
Total	**-485**	**-22**	**-463**	**2139%**

The Company had no current taxes in 2015.

"Prior-year current taxes" includes the (negative) adjustments arising from the annual tax return.

"Other tax costs/tax recovery" in 2015 came to a positive €81 thousand and referred to the benefit from the reversal to the income statement of a provision for risks set up in prior years for a tax dispute settled positively by the Company.

Movements during 2015 in deferred tax assets were as follows:

Description	31/12/14	Increase for the year	Decrease for the year	31/12/15
Deferred tax assets	5,472	-	-571	4,902
Total	**5,472**	**-**	**-571**	**4,902**

Deferred tax assets in 2015 were recognized in the amount of €4.9 million versus €5.5 million in 2014.

This amount includes €0.1 million from the release of the assessments made in prior years on temporary differences, and €0.5 million from further releases to the income statement following changes to the Italian IRES legislation. In this regard, under the 2016 Stability Law, from financial year 2017, the IRES tax rate will be lowered from 27.5% to 24%, with a resulting negative impact on expected future benefits in terms of deferred tax assets, accounted for in prior years with a higher rate. Following this change, the Company has revised the assessment of deferred tax assets, determined on tax losses carried forward indefinitely, based on the analysis of expected future taxable income.

To calculate the recoverability of tax losses, reference was made to taxable income expected in subsequent years to be generated by Register.it S.p.A., which participates in Dada's tax consolidation scheme.

More specifically, assessment of the recoverability of deferred tax assets was determined using the same prior-years' criteria and based on the 2016 budget and 2017-2020 plan approved and adopted, for the purposes of the impairment test, by the boards of directors of the companies participating in the tax consolidation scheme and by the board of directors of the parent Dada S.p.A.

Over this time period, the projections show that Register.it in particular will generate a growing, positive taxable income and that the portion of recognized deferred taxes will be fully recovered over a reasonably sustainable time period. This assessment and the above-mentioned laws allowing full recovery of tax losses indefinitely give reasons to conclude that the recognition of deferred tax assets complies with the requirements of the relevant accounting standard.

This method of assessment was the same adopted in 2014 and before that.

The losses on which deferred tax assets were calculated amount to €17.4 million, while total tax losses of Dada S.p.A. that can be carried forward indefinitely to subsequent years amount to €25.7 million.

Deferred tax assets have been recognized in proportion to the income the Company is likely to achieve.

The following table reconciles the actual and theoretical tax charge:

RECONCILIATION BETWEEN TAX CHARGE SHOWN IN THE FINANCIAL STATEMENTS AND THEORETICAL TAX CHARGE AT 31 DECEMBER 2015

Description	2015	2014
Profit (loss) before taxes	-1,090	-1,283
Theoretical tax charge	**300**	**353**
Permanent differences	478	86
Temporary differences	152	234
Taxable income	**-460**	**-963**
Actual tax charge	**-**	**-**
IRES	**-**	**-**
Prior-years' taxes	**5**	**-26**
Other tax costs/recovery of other tax costs	**81**	**-**
Tax consolidation income	**-**	**-**
IRAP	**-**	**-57**
Current taxes	**86**	**-83**

Deferred tax assets are broken down below:

	IRES			IRES	
	2015			2014	
	Amount of temporary differences	Rate	Tax effect	Amount of temporary differences	Tax effect (at 27.5%)
Deferred tax assets:					
Taxed provision for doubtful accounts	1,487	24.0%	357	1,487	409
Provisions for risks and charges	259	27.5%	71	312	86
Non-current assets	81	27.5%	22	814	224
Non-current assets	652	24.0%	156		
Other temporary differences	74	27.5%	20	74	20
Total	**2,552**		**627**	**2,687**	**739**
Tax losses from consolidated tax consolidation scheme on which deferred tax assets have been calculated	1,726	27.5%	475	17,016	4,679
Tax losses from consolidated tax consolidation scheme on which deferred tax assets have been calculated	15,636	24.0%	3,753	-	-
Net	**19,914**		**4,854**	**19,703**	**5,418**

	IRAP			IRAP	
	2015			2014	
	Amount of temporary differences	Rate	Tax effect	Amount of temporary differences	Tax effect (at 4.82%)
Deferred tax assets:					
Provisions for risks and charges	259	4.82%	12	312	15
Non-current assets	733	4.82%	35	814	39
Net	**992**		**48**	**1,127**	**54**

Total deferred tax assets	**20,905**		**4,902**	**20,829**	**5,471**

Dada S.p.A. serves as the consolidating company for the Italian tax consolidation scheme, which includes, for the 2013-2015 three-year term, the subsidiaries Register.it S.p.A., Clarence S.r.l. and Fueps S.p.A.. Moqu Adv S.r.l. was deconsolidated following disposal in March.

6. Intangible assets

Movements in intangible assets from 31 December 2014 to 31 December 2015 are reported below:

Description	Balance at 31/12/14	Increases	Decreases	Amortization	Balance at 31/12/15
Concessions, licenses, brands	1	-	-	-	1
Other	284	53	-	-106	231
Total	**286**	**53**	**-**	**-106**	**232**

Following the reorganization in prior years, as a result of which investments pertain directly to the subsidiaries, Dada S.p.A. now invests only in intangible assets which exclusively regard management software and technology needed to provide corporate services.

7. Property, plant and equipment

Movements in property, plant and equipment from 31 December 2014 to 31 December 2015 are reported below:

Description	Balance at 31/12/14	Increases	Decreases	Other movements	Amortization	Balance at 31/12/15
Plant and EDP machines	97	51	-	-1	-68	79
Furniture and fittings	168	1	-4	-	-64	101
Other	130	1	-	-	-14	116
Total	**395**	**53**	**-4**	**-1**	**-146**	**297**

The increase in 2015 is due mainly to the purchases made in hardware essential to Dada S.p.A.'s business activities, and to improvements made to the Florence premises.

Other movements include equipment relocated to Moqu Adv staff prior to the company's disposal.

8. Equity investments and financial assets

The following table shows movements in equity investments from 31 December 2015 to 31 December 2014:

Description	31/12/14	Increases	Decreases	Impairment	Other movements	31/12/15
Equity investments in subsidiaries	30,185	-	-210	-16	31	29,989
Total equity investments in subsidiaries	**30,185**	**-**	**-210**	**-16**	**31**	**29,989**
Security deposits	12	5	-	-	-	17
Total financial assets	**12**	**5**	**-**	**-**	**-**	**17**
Total	**30,196**	**5**	**-210**	**-16**	**31**	**30,006**

The decrease in "investments in subsidiaries" refers to the mentioned disposal of Moqu Adv S.r.l., while other movements include those in the stock options granted to the executives of the subsidiaries, with a balancing entry in “equity instruments”, in accordance with IFRS 2. Specifically, €31 thousand are the result of the offsetting effect of a reduction of €11 thousand for the deconsolidation of Moqu Adv S.r.l., of the resignation of a Register.it S.p.A. employee, who had been granted stock options, and of the increase in provisions for the year of €42 thousand for stock options granted to Register employees.

To conclude, impairment losses recognized in the income statement amounted to €8 thousand for Fueps and to €8 thousand for Clarence.

Movements in equity investments in subsidiaries are summarized below:

Name	Balance at 31/12/14	Increases	Impairment	Discontinued operations	Other movements	Balance at 31/12/15	% held
Register.it SpA	27,783				36	27,819	100%
MOQU Adv Srl	216			-210	-6	0	-
Fueps SpA	1,835		-8			1,827	100%
Clarence Srl	351		-8			343	100%
Total	**30,185**	**-**	**-16**	**-210**	**31**	**29,989**	

As required by the accounting standards, the investments held by Dada S.p.A. have been tested for impairment. Impairment testing is carried out once a year upon preparation of the consolidated financial statements. The recoverable amount of the investments is verified by determining value in use based on the Discounted Cash Flow; the values recognized in the financial statements have been confirmed by impairment testing.

With regard to the main assumptions and parameters adopted by management in the impairment test, see Note 9 to the consolidated financial statements.

Regarding Dada S.p.A. investments, technically speaking, the value in use of the CGUs comprised of the investment held in Register.it S.p.A. was estimated on the basis of expected cash flows and their discounting at an appropriate rate. More specifically, value in use was estimated by discounting the CGU's operating cash flow projections for 2016-2020 at a rate equal to the weighted average cost of capital (WACC).

Cash flows for 2016-2020 were based on the above projections. The recoverable amount was estimated as the sum of the present value of cash flows over the explicit forecast period and the terminal value, assuming g=0 beyond the explicit forecast period.

Valuations were reached with assistance from a major consulting firm specialized in this activity (Deloitte).

Cash Generating Unit	Explicit forecast period	Terminal value period	Growth rate (g) during terminal value period
	31/12/2015	31/12/2015	
D&H EU CGU	5 years	Perpetual	Zero
D&H UK CGU	5 years	Perpetual	Zero

The following table shows the main assumptions adopted in preparing the impairment test:

CASH GENERATING Growth rate:	D&H EU	D&H UK
Revenue	2015 figures from actual results approved by the BoD of each company forming the CGU; 2016 figures from the consolidated budget of the D&H EU CGU approved by the BoD of Register.it S.p.A. as the head of the CGU, which includes the Amen Group, Nominalia and Etinet S.r.l.; 2017-2018 two-year period determined by using growth rates envisaged in the Group's previous plan approved in 2014, updating them on the basis of further and latest business and target market information regarding growth rates; further two-year horizon covering 2019 and 2020, based on growth rates of main economic and financial aggregates extrapolated from the best available information on the specific business of the CGU and reviewed by the BoD of Register.it S.p.A..	2015 figures from actual results approved by the BoD of each company forming the CGU; 2016 figures from the consolidated budget of the D&H UK CGU approved by the BoD of Namesco UK Ltd. as the head of the CGU, which includes the Poundhost Group and Namesco Ireland; 2017-2018 two-year period determined by using growth rates envisaged in the Group's previous plan approved in 2014, updating them on the basis of further and latest business and target market information regarding growth rates; further two-year horizon covering 2019 and 2020, based on growth rates of main economic and financial aggregates extrapolated from the best available information on the specific business of the CGU and reviewed by the BoD of Namesco Uk Ltd.
Growth rate:		
EBITDA	As for the EBITDA trend of the D&H EU CGU over the period of the plan, the considerations above apply.	As for the EBITDA trend of the D&H UK CGU over the period of the plan, the considerations above apply.

With regard to the investment in Register.it S.p.A., the main assumptions used to build plans for the purposes of impairment testing are described below.

<u>D&H EU CGU:</u> the 2016-2020 revenue trend of the D&H EU CGU was estimated based primarily on the following considerations:

• development and growth of the current customer base thanks to price repositioning and customer acquisition policies;

• growing focus on offline sales in "*We do it for you*" mode;

• stronger push on No Domain products, with a view to increasing assistance to the customer base, with positive effects on upselling volumes on existing customers.

Expanded offer of Email, Hosting and Servers (also in managed mode) and cloud-based solutions, as well as products and services for the safety of websites and online transactions, in order to meet the needs of business expansion and protection from growing cyber-attacks.

The growing margin trend over the period of the plan is also the result of the centralization process regarding overhead costs and of the optimization of operating offices and datacenters, with a consequent reduction in these costs. This applies to the Italian company and to the foreign subsidiaries under this CGU.

Finally, the analysis of the growth rates of revenue (which show a more coherent trend in line with 2014) regarding the two Domain & Hosting CGUs was also based on the average growth rates achieved by the Domain and Hosting segment in prior years. In light of the above considerations, the compound annual growth rate (CAGR) of Dada Group revenue was 10%.

The discount rate used for future cash flows is the weighted average cost of capital (WACC). It was determined separately for the individual CGUs and takes account of the following parameters (among others): cost of money, market risk premium, risk-free rate of return, and marginal income tax rate. It respects the operations performed by each CGU, while also taking account of the trend in market rates and in the overall macroeconomic scenario.

These considerations led to the calculation of the following rates, which are shown along with the prior-year rates below:

CASH GENERATING UNIT	WACC	
	31/12/2015	31/12/2014
D&H EU	6.48%	7.07%
D&H UK	6.55%	7.07%

The impairment test conducted at 31 December 2015 confirmed that there is no need to adjust the values recognized in the financial statements for the investment in Register.it S.p.A.. For further details of the analyses, see Note 9.1 of the consolidated financial statements of the Dada Group.

9. Trade and other receivables

The following table breaks down “trade receivables” at the close of 2015 and 2014:

Description	Balance at 31/12/15	Balance at 31/12/14	Change	% change
Due from customers: Italy	1,567	1,572	-5	0%
Trade receivables due from subsidiaries	6,015	6,451	-436	-7%
Trade receivables from other related parties	104	-	104	-
Less: provision for doubtful accounts	-1,567	-1,567	-	0%
Total	**6,119**	**6,455**	**-337**	**-5%**

Trade receivables are due mainly from subsidiaries. Related party receivables refer to Dada S.p.A. business activities prior to contribution and have been entirely written down.

For receivables from subsidiaries and other related parties, see the section on related parties.

Movements in the provision for doubtful accounts are shown in the following table:

Description	Balance at 31/12/2014	Increase for the year	Utilizations for the year	Balance at 31/12/2015
Provision for doubtful accounts	1,567	-	-	1,567
Total	**1,567**	**-**	**-**	**1,567**

At 31 December 2015, the provision was unchanged versus 2014 and was sufficient to cover potential losses on all trade receivables. The write-downs were charged on receivables overdue by more than four years when the Company still did business with third parties, and not exclusively within the Group or with related parties, as is now the case.

There are no new 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.

No receivables have a residual maturity over 5 years.

The following table shows "Other receivables" at the close of 2015 and 2014:

Description	Balance at 31/12/15	Balance at 31/12/14	Change	% change
Tax receivables	374	205	169	82%
Advances paid to suppliers	31	-	31	-
Other receivables	88	79	9	11%
Other from Group companies	11,330	10,906	424	4%
Accrued income and prepayments	150	116	34	30%
Total	**11,972**	**11,305**	**667**	**6%**

"Accrued income and prepayments" include the year's share of telephone line charges and other costs pertaining to both periods.

"Other receivables" includes down payments or advances.

Tax receivables cover the IRAP advance payment and withholding and other tax receivables, resulting from the latest tax return.

Other receivables from Group companies relate to receivables from Group-wide VAT with subsidiaries.

10. Current financial receivables and cash and cash equivalents

The table below shows current financial receivables at the close of 2015 and 2014:

Description	Balance at 31/12/15	Balance at 31/12/14	Change	% change
Financial receivables from Group companies	30,814	35,406	-4,591	-15%
Financial receivables from related parties	1,000	-	1,000	-
Total	**31,814**	**35,406**	**-3,591**	**-11%**

Financial receivables from Group companies derive from the Group cash pooling account, which had a balance in the Company's favour of €30.9 million at 31 December 2015, down versus €35.4 million in 2014. Interest is charged at market rates.

Financial receivables from related parties include the portion of the earn-out for the disposal of Moqu to Italiaonline, whose targets were basically met at year-end 2015.

The table below presents cash and cash equivalents at the close of 2015 and 2014:

Description	Balance at 31/12/15	Balance at 31/12/14	Change	% change
Bank and post office deposits	138	203	-65	-47%
Cash and valuables on hand	4	3	-	5%
Total	**142**	**2**	**-65**	**-46%**

The total represents liquidity and cash balances at the end of 2015.

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to owners of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit attributable to owners of the parent company by the weighted average number of shares outstanding during the year plus those potentially originating from the exercise of all options outstanding.

Details of profit and number of shares used to calculate basic and diluted earnings per share are provided below:

Euro/000 PROFIT	31/12/2015	31/12/2014
Profit/ (loss) for the calculation of earnings per share	-1,575	-1,305
Total	**-1,575**	**-1,305**

NUMBER OF SHARES	31/12/2015	31/12/2014
Number of shares for the calculation of earnings per share	16,680,069	16,680,069
Dilutive effect (options on shares)	615,000	705,000
Total	**17,295,069**	**17,385,069**

EARNINGS/(LOSS) PER SHARE	31/12/2015	31/12/2014
Basic earnings/(loss) per share	-0,094	-0,078
Diluted earnings/(loss) per share	-0,091	-0,075
Total	**16,680,069**	**16,680,069**

12. Share capital and reserves

At 31 December 2015, 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.

Movements in equity items are shown on page 209.

Description	Amount	Eligibility for use	Amount available	Utilizations in the last three years	
				for loss coverage	for other reasons
Share capital	**2,836**				
Share premium reserve	**33,098**	A-B-C	33,098		
Other equity instruments	**269**				
- Other reserves:					
Extraordinary reserve	19,143	A-B-C	19,143		
FTA reserve	3,085				
Write-up of termination indemnities	-19				
Reserve from transactions under common control	5,548	A-B-C	5,548		
Total other reserves	**27,757**				
Profit reserves:					
Legal reserve	**950**	B	950		
Profit/(loss) carried forward	**-5,028**			-5,358	330
Net profit/ (loss) for the year	**-1,575**				
Total	**58,307**		**58,739**		
Non-distributable portion			7,170		
Remaining distributable portion			**51,568**		

***Eligibility for use:**
Legend:
A: for capital increases
B: for loss coverage
C: for dividends

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 December 2015, it had a balance of roughly €1 million. There was no change versus the prior year.

Share premium reserve: this is a capital reserve generated by contributions from shareholders or the conversion of bonds into shares. There is no specific limit on its use, once the legal reserve has reached one fifth of the share capital. At 31 December 2015, it had a balance of roughly €33.1 million, unchanged versus 2014.

Other equity instruments: this item includes payroll costs accrued from the stock option plans issued by the Group. At 31 December 2015, it had a balance of €269 thousand versus €89 thousand at 31 December 2014. Movements in the year refer to the portion amounting to €149 thousand of the Stock Option Plan of Dada S.p.A. recognized in the income statement, €42 thousand to the portion attributable to the stock options granted to executives of other Dada Group companies, recognized in equity investments, and -€11 thousand to the deconsolidation of Moqu Adv S.r.l. and resignation of a Group employee who had been granted the stock options.

Other reserves:

- *FTA reserve:* built for the first-time adoption of IFRS, at the end of 2015 it had a balance of €3.1 million, unchanged versus 2014.
- *Extraordinary reserve* of €19.1 million, unchanged versus 2014.
- *Termination indemnity discounting reserve,* net of tax effects, it shows a negative balance of -€19 thousand at 31 December 2015, unchanged versus 2014.

13. Provisions for risks and charges

The table below shows movements in provisions in 2015:

Description	Balance at 31/12/2014	Increase for the year	Utilizations for the year	Recognition in the income statement	Balance at 31/12/2015
Provision for risks and charges	312	-	-	-54	259
Provisions for tax disputes	81	-	-	-81	-
Total	**394**	**-**	**-**	**-135**	**259**

At 31 December 2015, these amounted to €259 thousand and covered potential liabilities from pending contractual and legal disputes, as well as corporate restructuring costs and tax disputes.

No further provisions were made, while €54 thousand were recognized in the income statement for positively solved legal and tax disputes.

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

14. Stock options

On 28 April 2014, the General Meeting of Dada approved the share-based incentive plan for 2014-2016, proposed by the Board of Directors and intended for Dada Group employees, in particular, for executives and/or managers of Dada S.p.A. and/or Subsidiaries, excluding option rights, pursuant to art. 2441, par. 8 of the Italian Civil Code, and authorizing the Board of Directors of the Company to execute the plan for a maximum nominal amount of €127,500 through issue of a maximum of 750,000 ordinary shares for a par value of €0.17 each.

On 4 August 2014, the Board of Directors of Dada S.p.A., exercising the powers it was granted, gave effect to the share-based incentive plan. The Board, upon proposal of the Company’s Compensation Committee, approved the Regulations of the Plan and assigned a maximum of n. 705,000 options on the same amount of Dada ordinary shares at a subscription price of €3.596 per share, equal to the average official prices of Dada S.p.A. ordinary shares recorded at the close of each Italian Stock Exchange trading session in the previous calendar month.

The Board also determined that the exercise of the vested options is, inter alia, conditional upon achieving a Performance Condition, i.e. that the beneficiaries have successfully passed the variable incentive system (in the form of MBO) for 2016, and have successfully passed at least one of the MBOs for 2014 and/or 2015. For further information, see the Regulations of the Plan on the corporate website www.dada.eu.

Below are the main features of the Dada Group plan:

Main features	**Plan of 04/08/2014**
Term	2014-2016
Total options on issue date	705,000
Total remaining options at 31/12/2015	615,000
Issue price	3.596
Market price at issue date	3.284

The reduction of 90,000 options versus 2014 (and the issue date) is explained by the exit from the Group in 2015 of two managers, who were beneficiaries of the plan.

The plan had undergone valuation by an independent actuary. The following table presents the data used for those calculations:

Data used for valuation	Plan of 04/08/2014
Valuation date	Issue of the plan
Model used	Binomial
Risk-free interest rate	0.6964%
Expected volatility	30%
Estimated dividends	Zero
Vesting conditions	Individual performance condition associated with the MBO plan of each beneficiary
Vesting period	04/08/2014 – 31/03/2017

Expected volatility reflects the assumption that historical volatility is indicative of future trends, although actual outcomes may differ.

The fair value of the plan is measured as of the grant date. See the Directors' report for details of the plan.

The valuation of stock options in accordance with IFRS 2 had an impact in 2015 of €149 thousand, accounted for under payroll costs with a balancing entry in a separate equity reserve. This is due to the fact that under the existing plan, the non-market vesting condition linked to the company's business results is expected to be achieved. As a vesting condition, the beneficiaries are to remain with the Company until the vesting date.

15. Retirement and other post-employment benefits

Movements in the provision for employee termination indemnities from 31 December 2014 to 31 December 2015 are shown in the table below:

Description	Balance at 31/12/2014	Increase for the year	Utilizations for the year	Other movements	Balance at 31/12/2015
Provision for termination indemnities	224	101	-	-122	202
Total	**224**	**101**	**-**	**-122**	**202**

At 31 December 2015, the provision for termination indemnities (or TFR, *trattamento di fine rapporto*) amounted to €202 thousand, and covers the liability accrued to the employees of the Company, in accordance with the law and the collective employment contract.

"Other movements" refer to payment to INPS (Italian Social Security) of the TFR accrued in 2015, which in turn was included in the increase for the year.

There were no decreases in the provision for termination indemnities in 2015, since the employees who had left the Group in 2015 had entirely allocated their TFR to INPS or to pension funds.

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.

In accordance with Finance Act no. 296 of 27 December 2006, for the purposes of IAS 19R only the liability for accrued TFR remaining with the company was considered, as the amount accruing later is paid to a separate entity.

This calculation was performed by an independent actuary using the following method:

- projection for each employee on the payroll at 31 December 2015 of the TFR accrued until estimated retirement age;
- computation, for each employee on the payroll at 31 December 2015 and for each year until estimated retirement age, of the probable TFR benefits the Company will have to pay in case of dismissal, requests for advances, voluntary resignation, death or retirement;
- discounting of each probable payment to present value;
- re-proportioning for each employee on the payroll at 31 December 2015 of the probable, discounted benefit payments on the basis of seniority on the valuation date with respect to seniority on the date each payment is made.

Specifically, the following assumptions were used:

MEASUREMENT DATE	31/12/2015	31/12/2014
Mortality table	ISTAT 2004	ISTAT 2004
Disability	INPS (national statistics) by age and gender	INPS (national statistics) by age and gender
Retirement age	Achievement of retirement age under mandatory general insurance	Achievement of retirement age under mandatory general insurance
Advance request rate	2.00%	2.00%
Annual discount rate	2.03%	1.49%
Leaving rate (Dada)	3.8%	3.8%
Leaving rate (Register)	7.0%	7.0%

The method used to select the valuation rate complies with the provisions of the accounting standard set out at section 83.

As for 2014, the value was determined based on the time series of yields at 31 December 2015 of the iBoxx Corporate AA with a duration of over 10 years, which was 2.03% at end December 2015.

16. Other payables due beyond one year

There were no payables due beyond one year in 2015, as in 2014.

17. Trade and other payables

The following table shows "trade payables" and "other payables" at 31 December 2015 and the prior year:

Description	31/12/15	31/12/14	Change	% change
Payables:				
due to banks	4,466	12,151	-7,685	-63%
due to subsidiaries	19,809	19,912	-103	-1%
Account overdrafts, loans and other financial payables within one year	**24,275**	**32,063**	**-7,788**	**-24%**
due to suppliers	1,103	874	229	26%
due to subsidiaries	36	1	35	2410%
due to other related parties	37	63	-26	-41%
Trade payables	**1,176**	**938**	**238**	**25%**
Taxes	363	163	200	123%
Taxes payable	**363**	**163**	**200**	**123%**
Other	429	474	-44	-9%
Other to subsidiaries	52	52	-1	-1%
Other to other related parties	300	391	-91	-23%
due to social security institutions	48	71	-23	-32%
Deferred income	73	122	-49	-40%
Other payables	**902**	**1,110**	**-208**	**-19%**
Total	**26,716**	**34,274**	**-7,558**	**-22%**

The following table shows non-current financial payables:

Description	31/12/15	31/12/14	Change	% change
Non-current financial payables	-	677	-677	-100%
Total	**-**	**677**	**-677**	**-100%**

Bank overdrafts and other short-term loans amounted to €4.5 million at 31 December 2015, and consisted of: a) a short-term loan (Hot - Money) taken out on 23 November 2015 with a major bank amounting to €1 million for a duration of 60 days (with the last instalment due on 25 January 2016 and interest charged at a 2-month Euribor rate plus a spread of 4.25%); a second loan of €2 million taken out with a major bank on 26 November 2014 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 December 2015 is €0.7 million; c) a loan of €2 million taken out with a major bank on 30 November, renewable for a duration of 90 days, and 3-month Euribor rate plus a spread of 3.25%.

Dada S.p.A. has account overdrafts with major banks which amount to €0.8 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%.

Financial payables to subsidiaries refer to the Group's cash pooling arrangement. They charge interest at market rates.

Trade payables are amounts due for purchases of a commercial nature and other types of costs, which mainly include costs, overheads and fixed costs. The Company estimates that the carrying value of trade and other payables approximates their fair value.

Taxes payable (€363 thousand) include withholding tax on salaries and consultants' pay for the month of December, as well as VAT payment due in December.

"Other payables" refers mainly to accruals for the "14th month" bonus, amounts due for pay in lieu of holiday, and performance bonuses recognized during the year that will be paid in May 2016 in accordance with internal procedures.

"Other to subsidiaries" refers to payables generated by the management of Group-wide VAT and tax consolidation with subsidiaries, and to deferred income generated by the invoicing of services to Group companies pertaining to future periods.

18. Commitments and risks

Commitments and risks at the close of 2015 and 2014 are presented below:

Description	Balance at 31/12/2015	Balance at 31/12/2014	Change	% change
Guarantees	22,683	22,988	-305	-1%
Total	**22,683**	**22,988**	**-305**	**-1%**

At 31 December 2015, guarantees issued amounted to €22.7 million (€23 million at 31 December 2014), decreasing by €0.7 million. Most of the increase in the year is attributable to the guarantee issued by DADA spa on behalf of Register.it spa to a major bank for a new loan of €3.5 million; two new guarantees were opened in 2015, one issued for the amount of £0.4 million (about €0.6 million) on behalf of Namesco LTD for less than one year to HSBC for the granting of a loan, and the other issued in 2015 for the amount of £1 million (about €1.3 million) on behalf of Namesco LTD to HSBC for the granting of a

loan; a further guarantee in 2015 was issued by a major bank to the Revenue Agency on behalf of Fueps regarding VAT refunds in 2014 of €42 thousand.

The main decrease regarded the €4 million attributable to the reduction of the bank guarantee on behalf of Register.it spa following the concurrent reduction of the loan issued by a major bank; other significant decreases referred to the closure of two guarantees issued both on behalf of Namesco Ltd to HSBC, one of £0.9 million (about €1.1 million) and the other of £0.4 million (about €0.6 million); a further guarantee was reduced on behalf of Namesco Ltd to a foreign supplier for approximately €65 thousand.

The following table shows movements in guarantees during the year:

Description	**Balance at 31/12/2014**	**Increase**	**Decreases**	**Other changes**	**Balance at 31/12/2015**
Guarantees	22,988	5,573	-5,838	-41	22,683
Total	**22,988**	**5,573**	**-5,838**	**-41**	**22,683**

19. Related party transactions

Pursuant to the Regulations for Related Party Transactions, a related party of Dada S.p.A. is one that:

(a) directly or indirectly, including through subsidiaries, trustees or other intermediaries:

(i) controls the company, is controlled by it, or is an entity under common control;

(ii) holds a large enough share of the company to exercise a significant influence over it;

(iii) controls the company jointly with other parties;

(b) is an associate of the company;

(c) is a joint venture partly owned by the company;

(d) is a key executive of the company or its parent;

(e) is a close relation of a person falling under letter (a) or (d);

(f) is an entity over which a person falling under letter (d) or (e) has control, joint control or significant influence or directly or indirectly holds a significant share (no less than 20%) of voting rights;

(g) is a complementary, collective or individual pension fund, Italian or foreign, that covers employees of the company or of any other entity with which it is affiliated.

For these purposes, "key executives" are persons with authority and responsibility for planning, directing, and controlling the activities of Dada S.p.A., directly or indirectly, i.e. those directors of Dada S.p.A. or its direct and indirect subsidiaries included on a list of persons who have been expressly designated as such by Dada S.p.A.'s Chief Executive Officer, as well as other directors (whether executive or otherwise) of Dada and all standing members of the Board of Statutory Auditors.

Transactions carried out by the Dada S.p.A. with related parties in 2015 fall within the normal scope of operations and are settled at arm's length.

Dada S.p.A.'s transactions with Orascom Group companies and the related company 4w MarketPlace S.r.l., refer mainly to chargeback contracts for the provision of services.

Dada S.p.A.'s transactions with its own subsidiaries (direct and indirect) concern:

- corporate services: legal, administrative, taxation, purchasing, etc.
- centralized treasury management (cash pooling)
- Group-wide VAT and tax consolidation.

Company	Trade receivables	Other receivables	Financial receivables	Total receivables
Clarence Srl	-	-	-	-
Register.it SpA	4,998	11,330	28,851	45,179
Nominalia SL	410	-	-	410
Namesco Ltd	161	-	-	161
Namesco Ireland	19	-	-	19
Poundhost	44	-	-	44
Amen Group	384	-	-	384
Fueps S.r.l.	-	-	1,963	1,963
Total	**6,015**	**11,330**	**30,814**	**48,160**
4w MarketPlace	12		0	12
Orascom Group	92		1,000	1,092
Total	**6,119**	**11,330**	**31,814**	**48,264**

Company	Trade payables	Other payables	Financial payables	Total payables
Clarence Srl	1	5	329	336
Register.it SpA	27	0	15,684	15,712
Nominalia SL	-	-	-	-
Namesco Ltd	-	46	-	46
Namesco Ireland	-	-	-	-
Poundhost	-	-	-	-
Amen Group	-	-	-	-
Fueps S.r.l.	-	-	3,795	3,795
Moqu Adv S.r.l.	-	-	-	-
Moqu Ireland	8	-	-	8
Total	**36**	**52**	**19,809**	**19,897**
4w MarketPlace	0			0
Orascom Group	0			0
Total	**36**	**52**	**19,809**	**19,897**

Intercompany transactions mainly consist of the provision of services, the lending and borrowing of funds, and tax pooling arrangements (Group-wide VAT and tax consolidation) and take place at arm's-length. In this regard the parent, Dada S.p.A., acts as centralized treasury for the main Group companies.

In accordance with IAS 24 and the new related party procedure, related parties include the directors of the Parent Company as well as executives with strategic responsibilities. Mention must be made that in 2015, there were no other executives with strategic responsibilities aside of the CEO and the General Manager.

Description	**31/12/2015**		
	Service costs	**Payroll costs**	**Other equity instruments**
Board of Directors – fees	114		-
Board of Statutory Auditors - fees	43		-
CEOs and General Managers – other fees	-	753	121
Other executives with strategic responsibilities	-		-
Total related parties	**157**	**753**	**121**

21. Information pursuant to Art. 149-duodecies of the Consob Issuer Regulations

The following chart, prepared in accordance with Art. 149-duodecies of the Consob Issuer Regulations, shows the fees pertaining to 2015 for external auditing and for services other than auditing rendered by the audit firm or by entities in its network.

Type of service	**Performed by**	**Recipient**	**Fees**
Auditing	KPMG SPA	Parent	150,400
Other services	KPMG SPA (1)	Parent	60,000
TOTAL			210,400

(1) Assistance with testing carried out in accordance with law 262/2005

22. Disclosures pursuant to IFRS 7: Dada S.p.A.

The disclosures required by IFRS 7 are provided below.

Classification of financial instruments

IFRS 7 requires disclosures on available-for-sale assets measured at fair value, held-to maturity investments, loans and receivables, financial liabilities measured at fair value, and liabilities measured at amortized cost. Details for Dada S.p.A. are reported below:

ASSETS	Loans and receivables		Total		of which: current		of which: non-current	
	Dec.-15	Dec.-14	Dec.-15	Dec.-14	Dec.-15	Dec.-14	Dec.-15	Dec.-14
- Cash and cash equivalents	3	3	3	3	3	3		
- Financial assets	1,155	215	1,155	215	1,138	203	17	12
- Intercompany financial assets	30,814	35,406	30,814	35,406	30,814	35,406		
- Trade receivables - third parties	129	25	129	25	129	25		
- Trade receivables - intercompany	6,015	6,456	6,015	6,456	6,015	6,456		
- Other receivables	244	195	244	195	244	195		
Total financial assets	**38,360**	**42,300**	**38,360**	**42,300**	**38,344**	**42,288**	**17**	**12**

LIABILITIES	Loans and receivables		Total		of which: current		of which: non-current	
	Dec.-15	Dec.-14	Dec.-15	Dec.-14	Dec.-15	Dec.-14	Dec.-15	Dec.-14
- Bank account overdrafts and other financial payables	4,466	5,828	4,466	5,828	4,466	5,828		
- Loans and borrowing	-	7,000	-	7,000	-	6,323		677
- Intercompany financial liabilities	19,809	19,912	19,809	19,912	19,809	19,912		
- Trade payables - third parties	1,176	938	1,176	938	1,176	938		
- Trade payables - intercompany	-	-	-	-				
- Other payables	73	122	73	122	73	122		
Total financial liabilities	**25,524**	**33,800**	**25,524**	**33,800**	**25,524**	**33,123**	**-**	**677**

- In the "Loans and receivables" class, “Financial assets” includes the positive balance at major banks, and the financial receivable from the variable portion of the disposal of Moqu S.r.l. for an amount of €1 million.

- In the "Loans and receivables" class, "Intercompany financial assets" include the cash pooling arrangements with Group companies.
- In the "Loans and receivables" class, "Other Receivables" do not include the tax and social security receivables that are outside the scope of IAS 39.
- On the liabilities side, in addition to trade payables:
- In the "Liabilities at amortized cost" class, "bank account overdrafts and other financial payables" include €0.8 million in current account overdrafts with major banks; "loans and borrowing" refer to fixed-term and revocable credit lines, €0.7 million of which regard a loan granted by a major bank with quarterly repayments and last instalment due in May 2016; "intercompany financial liabilities" originate entirely in cash pooling arrangements.

Collateral

IFRS 7 requires disclosures in the case of financial assets pledged as collateral and third-party assets held as collateral. Owing to the fact that the Dada Group has given numerous security deposits but the amount in each case is immaterial, the following table shows only the total carrying amount at the end of 2015 and 2014. Dada S.p.A. has no liabilities for collateral received from third parties:

Collateral pledged	Carrying amount	
	Dec.-15	Dec.-14
Security deposits	17	12

Allowance for credit losses

The table below summarizes movements in the provision for doubtful accounts in 2015 and 2014:

	Provision for doubtful accounts	
	Dec.-15	Dec.-14
Balance at start of year	-1,567	-1,612
Allocation for the year		
- for individual write downs		
- for collective write downs		
Utilizations		45
Balance at end of year	-1,567	-1,567

Income, expense, gains, and losses on financial instruments

Interest income and expense are presented below:

	Carrying amount	
INTEREST INCOME	**Dec.-15**	**Dec.-14**
Interest income on financial assets not measured at fair value		
Bank and post office deposits		
Other financial receivables		
Intercompany loans		
Intercompany financial receivables	72	35
TOTAL	72	35
INTEREST EXPENSE	**Dec.-15**	**Dec.-14**
Interest expense on financial liabilities not measured at fair value		
- Bank and post office deposits	-121	-465
- Loans	-191	-37
- Other financial payables		
- Intercompany financial payables	-9	-3
TOTAL	-321	-504
GRAND TOTAL	-249	-469

- Interest income on intercompany financial receivables includes interest on the cash pooling accounts with Group companies. Interest expense refers to the total amounts of interest from overdrafts and amounts relating to credit lines and loans.

Bank fees and charges are reported below:

Fees and charges not included in the effective interest rate	Carrying amount	
	Dec.-15	**Dec.-14**
- Bank charges	-144	-126
TOTAL	**-144**	**-126**

Qualitative disclosures about risk

Dada is exposed to credit risk, liquidity risk, and (to a very small degree) market risk.

- Credit risk

Dada S.p.A.'s credit risk is more or less concentrated depending on the particular business. The following table shows maximum exposure to credit risk for counterparty default (excluding amounts receivable from employees, social security institutions, and the tax authorities, employee benefits and all instruments governed by IAS 12 and 19 that are outside the scope of IAS 39):

Maximum exposure to credit risk	**Dec.-15**	**Dec.-14**
Bank and other deposits	1,138	203
Trade receivables - third parties	129	25
Trade receivables – intercompany	6,015	6,456
Financial assets – intercompany	30,814	35,406
Other receivables	244	195
Other receivables due beyond one year	17	12
Irrevocable commitments for the provision of loans		
Total	38,357	42,296

"Intercompany financial assets" refers exclusively to receivables from cash pooling arrangements with Group companies.

The aging analysis of overdue trade receivables is presented below:

Aging analysis of overdue trade receivables	**Carrying amount**	
	Dec.-15	**Dec.-14**
Trade receivables from third parties		
- Not overdue		
- Overdue by less than 30 days	104	
- Overdue by 30-90 days		
- Overdue by 90-180 days		
- Overdue by 180-365 days		
- Overdue by 1-2 years		
Total overdue trade receivables from third parties	104	-
Intercompany trade receivables		
- Not overdue	1,275	770
- Overdue by less than 30 days		
- Overdue by 30-90 days	1,119	1,730
- Overdue by 90-180 days		1,563
- Overdue by 180-365 days	1,919	2,418
- Overdue by 1-2 years	1,598	
Total overdue intercompany trade receivables	5,911	6,481
Grand total	6,015	6,481

The table below shows the composition of trade receivables and use of the provision for doubtful accounts:

Credit quality analysis	Dec.-15	Dec.-14
Trade receivables from third parties not overdue and not impaired	104	
Intercompany trade receivables not overdue and not impaired	1,275	770
Intercompany trade receivables overdue and not impaired	4,636	5,711
Trade receivables from third parties overdue and impaired	1,567	1,612
Provision for doubtful accounts	-1,567	-1,612
Total	5,911	6,481

- Liquidity risk

Liquidity risk may arise due to the difficulty of obtaining loans to support operating activities when needed.

IFRS 7 requires a maturity analysis for financial liabilities (including trade payables), as in the following tables for 2015 and 2014:

Maturity analysis at 31 December 2015	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
LIABILITIES						
Trade payables - third parties	1,176					1,176
Trade payables - Intercompany	-					-
Financial liabilities - principal	4,466					4,466
Financial liabilities - interest	119					119
Intercompany financial liabilities - principal	19,809					19,809
Intercompany financial liabilities - interest	37					37
Other payables	73					73
Total	25,680	-	-	-	-	25,680

Maturity analysis at 31 December 2014	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
LIABILITIES						
Trade payables - third parties	938					938
Trade payables - Intercompany	-					-
Financial liabilities - principal	5,828					5,828
Financial liabilities - interest	539					539
Financial liabilities – intercompany	19,912					19,912
Intercompany financial liabilities - interest	16					16
Other payables	122					122
Total	27,356	-	-	-	-	27,356

The above maturity analysis presents financial and trade liabilities at year end, with estimated payment timeframes.

The funding requirements and liquidity of Dada S.p.A. and the other Group companies are monitored or managed centrally under the control of the Group Treasury, to ensure the efficient and effective management of financial resources.

- *Market risk*

At present there is no exchange risk or price risk for Dada S.p.A. There is an interest rate risk, as shown in the following table, which summarizes the impact on the income statement of an increase or decrease in the key rate:

Shock		
Key rates	UP	DOWN
Euribor	+1.00 point %	-1.00 point %

Interest rate sensitivity analysis	**Key rate**	**Carrying amount**		**Income statement**			
				Shock up		**Shock down**	
		Dec.-15	**Dec.-14**	**Dec.-15**	**Dec.-14**	**Dec.-15**	**Dec.-14**
Financial assets	Euribor 1M	1,138	203	0	0	0	0
Financial assets – intercompany	Euribor 1M	0	0	0	0	0	0
Intercompany financial assets from cash pooling	Euribor 1M	30,814	35,406	403	334	0	0
Financial liabilities	Euribor 1M	-4,466	-12,828	-398	-591	-225	-412
Intercompany financial liabilities from cash pooling	Euribor 1M	-19,809	-19,912	-208	-133	0	0
Total		**7,678**	**2,869**	**-203**	**-390**	**-225**	**-412**

Interest-bearing assets include current accounts with major banks, restricted current accounts, and the cash pooling current accounts at the one-month Euribor. Variable-rate financial liabilities include current accounts payable with major banks and cash pooling arrangements with Group companies that generate interest at the one-month Euribor.

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STATEMENT ON THE SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2015

(pursuant to Article 81-ter of CONSOB Regulation n. 11971 of May 14, 1999 as subsequently amended)

- The undersigned, Claudio Corbetta, as Chief Executive Officer, and Federico Bronzi, as Manager in charge of preparing Company's Financial Reports, hereby certify, also with due regard for the provisions of Article 154-bis (paragraphs 3 and 4) of Legislative Decree No. 58 dated February 24, 1998:

  - the adequacy with respect to the Company's characteristics, and
  - the actual application

  of administrative and accounting procedures during 2015 for the preparation of the 2015 Separate Financial Statements approved by the Board of Directors on March, 14 2016.

- It is also stated that:
  1. the Financial Statements of DADA S.p.A. at December 31, 2015:
     - correspond to the Company's records, ledgers and accounting entries;
     - were prepared in accordance with applicable IFRS endorsed by the European Union were prepared in accordance with applicable IFRS endorsed by the European Union and with the provisions issued to implement art. 9 Legislative Decree No. 35/2005;
     - are suitable for providing a true and fair view of the financial position and results of operations of the issuer and all companies included in consolidation;
  2. the report on operations contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Florence, March 14, 2016

Chief Executive Officer	Manager in charge of preparing Company's Financial Reports
Claudio Corbetta	Federico Bronzi
(signed on the original)	(signed on the original)

Partita IVA 04628270482
Capitale sociale sottoscritto e versato: € 2.835.611,73
N.ro iscrizione al Registro delle Imprese di Firenze e codice fiscale: 04628270482
Numero REA: 467460

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
DADA S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of DADA S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the separate financial statements

The company's directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11.3 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the company's financial position as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented in the report on corporate governance and ownership structure with the separate financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the company's directors, with the separate financial statements. In our opinion, the directors' report and the information presented in the report on corporate governance and ownership structure referred to above are consistent with the separate financial statements of DADA S.p.A. as at and for the year ended 31 December 2015.

Florence, 5 April 2016

KPMG S.p.A.

(signed on the original)

Alberto Mazzeschi
Director of Audit

Board of Statutory Auditors' Report to the Annual General Meeting of Dada S.p.A.

called on 28 April 2016 pursuant to art. 153 of Legislative Decree no. 58/1998 and to art. 2429, par. 2, of the Italian Civil Code

During the year ended 31 December 2015 - the new Board of Statutory Auditors, in office since 28 April 2015 - carried out the supervisory activity pursuant to applicable laws and regulations, complying with the tasks set out in art. 149 of Legislative Decree no. 58/1998 ("TUF"), and in accordance with the principles of conduct of the Board of Statutory Auditors recommended by the Italian Accounting Profession, to which we refer in this report, prepared also taking into account the indications provided by Consob Communication no. 1025564 of 6 April 2001, as amended.

*** *** ***

The current Board of Statutory Auditors was appointed by the AGM on 28 April 2015 and will remain in office until approval of the financial statements for the year ending 31 December 2017.

The members of the Board complied with the limits on the total number of offices held, under art. 144 terdecies of the Issuer Regulations, making the required communications to Consob, where due.

The newly-appointed Board immediately verified - with a positive outcome - the existence of the independence requirements of its members. The assessment was repeated on 11 March 2016, again with a positive outcome.

KPMG S.p.A. is tasked with the statutory audit for 2012-2020, to the report of which reference is made.

Mention should be made that the financial statements at 31 December 2015 are comparable with those at 31 December 2014, and that no changes were made to the accounting standards. As a result of the disposal of Moqu Adv S.r.l., the consolidated financial statements required the application of accounting standard IFRS 5 "Non-current assets held for sale and discontinued operations"; for the sake of comparison, the Company also restated and reclassified all the prior-year income statement amounts and cash flows.

*** *** ***

With regard to the procedures followed in performing our statutory tasks, we:

- attended the General Meeting, the meetings of the Board of Directors, of the Control and Risk Committee (CRC) and of the Compensation and Nominations Committee (CNC) held during the year, receiving prompt and adequate information from the Directors on activities carried out, in accordance with the regulatory provisions and the by-laws;

- obtained the appropriate information required to perform our task on the degree of adequacy of the Company's organizational structure, and on compliance with the principles of proper management and risk control through direct observation, gathering information from the relevant managers (specifically, from the Head of Audit, the Supervisory Body and the Manager responsible for preparing the Company's financial reports, Federico Bronzi), and exchanging information with the External Auditors and the boards of statutory auditors of the subsidiaries;

- oversaw the performance of the internal control and administrative-accounting systems, to assess whether they duly satisfied operating requirements, and whether the latter system provided a reliable picture of operations, by examining company documents, obtaining information from the relevant managers, and analyzing the results of the work performed by the External Auditors;

- verified compliance with the current regulations of law on the formation, layout and formats of the financial statements and of the consolidated financial statements, since the Company has prepared the financial statements and the consolidated financial statements in accordance with the provisions of the international accounting standards. Mention should be made that, following issue of joint document n. 4 of 3 March 2010 by Banca d'Italia/Consob/Isvap, the Company's Board of Directors verified the compliance of impairment test procedures on balance sheet assets with the requirements of IAS 36, approving them before the approval of the financial reports;

- ascertained that the Directors' Report for 2015 complied with current legislation and was consistent with the resolutions adopted by the Board of Directors, and with the figures reflected in the financial statements and the consolidated financial statements; in particular, in specific sections of the Report, the Directors describe the main events that marked 2015, and the main risks and uncertainties the Group is exposed to, indicating the market, financial, and contractual risks.

The interim reports of the Company and of the Group did not require examination by the Board of Statutory Auditors. The half-year and quarterly reports were published as required by law and regulations.

No significant events emerged during the course of our supervisory activities, which we performed in accordance with the methods described above, that would require notification to supervisory bodies. Based on our findings from the direct checks performed, and on the information obtained, the decisions taken by the Directors appear compliant with the law and the by-laws, as well as with the principles of correct management, and are consistent with and appropriate for the Company's size and assets, and in the Company's interest.

* * *

The specific information to provide in this report, in accordance with the abovementioned Consob Communication of 6 April 2001, is listed below.

1. We obtained appropriate information on transactions having a significant impact on the balance sheet, income statement and cash flows carried out by the Company and its subsidiaries, which were duly presented in the Directors' Report, to which reference is made. The main transactions included:

   a) on 23 March 2015, Dada S.p.A. sold to Italiaonline S.p.A. the entire share capital of Moqu Adv. S.r.l., the company at the head of the business segment named Performance Advertising. The transaction resulted in a gain of €5.2 million recognized in equity as it was executed by entities under joint control.

   b) on 30 June 2015, the Dada Group completed the transfer of the ProAdv/Simply BU to 4w MarketPlace S.r.l., acquiring 25% of the transferee's share capital.

   c) on 2 July 2015, through its subsidiary Register.it S.p.A., Dada signed a binding agreement for the acquisition of 100% of the share capital of Etinet S.r.l., a company that provides digital communication services to SMEs. The transaction was completed on 8 July 2015.

2. We had no report of any atypical and/or unusual transactions carried out during the year, including transactions with the Parent Company, intercompany transactions and those with other related parties.

   Ordinary financial and business transactions carried out within the Group with subsidiaries, affiliates or related parties, are exhaustively disclosed in the notes to the financial statements in section 19, highlighting the relevant accounting effects.

   Mention should be made that on 8.11.2010, the Board of Directors approved the Procedure governing Related-Party Transactions, in accordance with Consob instructions.

3. On the whole, the information provided in the Directors' Report, pursuant to art. 2428 of the Italian Civil Code on all the transactions, as per point 1 above, may be deemed appropriate to disclose the information required.

4. On 5 April 2016, the External Auditors KPMG S.p.A. issued their audit reports, pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27.1.2010, on the financial statements and the consolidated financial statements for the year ended 31 December 2015. In these reports, the External Auditors certify that the financial statements and the consolidated financial statements for the year ended 31 December 2015 comply with the regulations governing their preparation, give a true and fair view of the financial position, financial performance, the income statement and the cash flows at a Company and Group level of Dada S.p.A. in compliance with IFRS, and that the Directors' Report is consistent with them.

5. To date, no claims were brought to us.

6. We did not receive any complaints, pursuant to art. 2408 of the Italian Civil Code.

7. On 24 April 2012, the ordinary general meeting of the Company appointed KPMG S.p.A. as the External Auditors in charge of statutory auditing for financial years 2012-2020.

   During the year, no critical elements emerged on the independence of the External Auditors, taking into account the regulatory and professional requirements governing audit tasks. The External Auditors informed us that, based on the best information available, they had kept their position of independence and objectivity vis-à-vis Dada S.p.A. over the reporting period, and that there had been no changes to the absence of any reasons for incompatibility set out in art. 160 of the TUF and in Chapter I of Title IV of the Issuer Regulations.

   On 5 March 2016, the External Auditors issued the Annual Letter confirming their independence, pursuant to art. 17, par. 9, letter a) of Legislative Decree no. 39/2010.

8. The non-audit tasks received from Group companies and performed by KPMG S.p.A. and other entities in its network are summarized in the chart of the fees appearing in the financial statements, pursuant to 149-duodecies of the Issuer Regulations; the fees paid by Dada S.p.A. for services rendered amount to €60,000 and refer to assistance with testing carried out in accordance with law 262/2005.

9. In 2015, the Board of Statutory Auditors did not issue any opinion in accordance with law, except for those relating to remuneration policies.

10. In 2015, the supervisory activities described above were performed:

    in no. 7 meetings of the Board of Statutory Auditors, 4 of which by the current Board, as from 28 April 2015;
    in no. 8 meetings of the Board of Directors;
    in no. 4 meetings of the Control and Risk Committee (CRC);
    in no. 5 meetings of the Compensation and Nominations Committee (CNC).

11. We have no specific comments to make on the Company's compliance with the principles of correct management, which it appears to have consistently complied with.

12. The Board of Statutory Auditors constantly updated its knowledge of and oversaw the adequacy of the organizational structure of the Company, by examining the organizational charts formally approved and communicated to Consob, by gathering information from the relevant departments, and by meeting the subjects in charge of internal control and external audit. The organizational structure, which is divided into departments and functions, to date appears to be consistent with the size and operational requirements of the Group.

13. Regarding the adequacy of the Internal Control System, the Board of Statutory Auditors acknowledges that: it took part in the activities of the Control and Risk Committee (CRC), which involve, where appropriate, the Head of Internal Audit; it regularly received, from the Head of Internal Audit, written reports on the audits performed; it shared the External Auditors' work schedule; it received from the Manager responsible for preparing the Company's financial reports and from the External Auditors information on the accounting standards used and on auditing results.

    The Board of Statutory Auditors took note of the report of the Head of Internal Audit to the Control and Risk Committee on the appropriateness of the internal control and risk management system for 2015. Dada S.p.A. has long adopted the Organization and Management Model, pursuant to Legislative Decree no. 231/2001. The Model is designed to prevent the perpetration of the unlawful acts referred to in the abovementioned Decree and, consequently, shield the Company from administrative liability. The body responsible for implementing the abovementioned Model "231/01" of the Company, which has autonomous oversight, control and initiative powers and collegiate nature, is the Supervisory and Control Body (SCB) currently comprising the Head of Internal Audit, Carlo Ravazzin, Standing Auditor Maria Stefania Sala and Independent Director Carolina Gianardi (Chairman). The Board took note of the SCB reports of 22 July 2015 and 8 March 2016.

14. We have no particular observations to make on the adequacy of the administrative-accounting system, and on its reliability in properly representing information on operations. It should be noted that, in accordance with law 262/2005 (Savings Law), upon proposal of the Internal Control Committee, and with the favourable opinion of the Board of Statutory Auditors in office at the time, Federico Bronzi, the Manager responsible for preparing the Company's financial reports, was appointed. In the Board's opinion, he has the appropriate professional expertise for the office held.

    Furthermore, administrative-accounting protocols and procedures are in place regarding regular account closing, and the preparation of financial statements and reporting packages by subsidiaries.

    It follows that the Company maintains stringent information control over its subsidiaries, for the purpose of fulfilling the disclosure obligations regularly required. The Manager responsible for preparing the Company's financial reports carries out an assessment of the administrative-accounting internal control system, based on the testing activities performed with the assistance of KPMG S.p.A.

    Pursuant to Law 262/2005, the Company performed verification tests on account closing and administrative procedures in general, in order to confirm the accuracy of the accounting data appearing in the financial statements and in the documents and prospectuses.

15. An adequate flow of information between the Parent Company and its subsidiaries (including for the purpose of communication pursuant to art. 114.2 of Legislative Decree no. 58/98) is ensured

through specific instructions sent to the subsidiaries by Company Management. Coordination of the Group companies is also ensured by the presence in the corporate bodies of the main subsidiaries of the Parent Company's directors and senior executives.

To date, Dada S.p.A. is not subject to the direction and coordination of the parent Libero Acquisition S.à.r.l. (Orascom Group). According to the Board, Libero Acquisition S.à.r.l. does not exercise either formally or de-facto any such influence over Dada. In this regard, the Board of Directors has deemed that Dada S.p.A. has its own organizational, operational, trading and financial autonomy, given also that it independently examines and approves its own transactions and strategic plans, as well as its own procedures and organizational, management and control models. In fact, Libero Acquisition S.à.r.l. issues no guidelines for the Company, nor does it provide it assistance or technical, administrative or financial coordination.

We have no comments to make on the exchange of information with members of the boards of statutory auditors of the subsidiaries.

16. During the regular meetings held by the Board of Statutory Auditors with the External Auditors, pursuant to art. 150.2 of Legislative Decree no. 58/98, there were no significant aspects to report.

17. The Company has adopted the Corporate Governance Code for Listed Companies.

    We took note that the Directors' Report includes a specific section on the Annual Report on Corporate Governance and Ownership Structure, prepared pursuant to art. 123 bis of the TUF, to which reference should be made. The company tasked with statutory auditing certifies in its report that the information referred to in art. 123 bis, par. 1, lett. c), d), f), l), m) and par. 2, lett. b) of Legislative Decree 58/98, is consistent with the requirements of law.

    The Board of Statutory Auditors also takes note that during the year, the Board of Directors acknowledged that it positively performed a regular assessment of the existence of the independence requirements of its non-executive members, pursuant to art. 3.C.1 of the Corporate Governance Code, and to the assessment criteria set out therein; the Board of Statutory Auditors verified the correct application of the criteria and the assessment procedures of the independence requirements adopted by the Board of Directors. We have no comments to make in this regard.

    The Board of Statutory Auditors also verified compliance by its members with the independence requirements, pursuant to point 10.C.2 of the Corporate Governance Code of Borsa Italiana.

    Mention should be made that the Board of Directors of the Company, effective 8 November 2010, adopted the procedure on related-party transactions, prepared pursuant to article 2391 bis of the Italian Civil Code, based on Consob Resolution no. 17221 of 12 March 2010, as subsequently supplemented and clarified. The Board of Directors identified the Control and Risk Committee (CRC) as the committee qualified to express an opinion on related-party transactions.

18. In 2015, we carried out our supervisory activities regularly and no omissions, censurable events or irregularities arose that require comment herein.

19. With regard to the supervisory activities performed during the year, the Board of Statutory Auditors, having examined the content of the reports prepared by the External Auditors KPMG S.p.A., as well as the positive report, pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January 2010, and having taken note of the attestations jointly issued by the Chairman of the Board of Directors and by the Manager responsible for preparing the Company's financial

reports, has no proposals to make, pursuant to art. 153.2 of Legislative Decree no. 58/98, on the financial statements, their approval and other matters in its sphere of responsibility, and has no comments to make on the proposal of the Board of Directors regarding allocation of profit for the year.

*** *** ***

Under art. 144 quinquiesdecies of the Issuer Regulations approved by Consob resolution 11971/99 as subsequently amended and supplemented, the list of positions held by members of the Board of Statutory Auditors in the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, is published by Consob on its website (www.consob.it).

Milan, 5 April 2016

<u>The Board of Statutory Auditors</u>

Massimo Scarpelli – Chairman
(signed on the original)

Maria Stefania Sala – Standing Auditor
(signed on the original)

Massimo Foschi – Standing Auditor
(signed on the original)