



Press release pursuant to CONSOB Regulation 11971/1999, as subsequently amended

## DADA ACQUIRES SFERA AND STRENGTHENS ITS POSITION IN VIRTUAL HOSTING, NETWORK & PRIVATE CLOUD SERVICES

Florence, 06 July 2016 - DADA S.p.A (“DADA”), listed in the STAR segment of the Milan Stock Exchange, and European leader in digital services for the online presence and visibility of SMEs, signed a binding agreement today through its subsidiary Register.it S.p.A. for the acquisition of the business of Sfera Network S.r.l. (“SFERA”).

Claudio Corbetta, CEO of DADA: *“The acquisition of SFERA strengthens our position in virtual hosting, network & private cloud services, allowing us to better meet the increasingly growing demand for tailor-made digital services, and expands our web service solutions to SMEs with highly synergistic products.”*

Lorenzo Lepri, General Manager and CFO of DADA: *“This deal gives us great satisfaction, because it will not only drive revenue and profitability, but it will also allow us to speed up the development of the Business Server and Cloud Area, leveraging on the proprietary data center, and to further develop our human capital.”*

### SFERA

Founded in 1997 by Michele Spadavecchia and Guido Dolci and headquartered in Treviolo/Bergamo, SFERA is a leading Italian digital player, specialized in virtual hosting, network & private cloud services to SMEs, and offers a rich lineup of products related to the domain and email business.

Additionally, the company has developed two cutting-edge software applications: *Surfree*, a solution for the statistical analysis of web metrics and for geomarketing; *eArchive*, a full cloud product for the backup and archiving of emails and company documents.

The scope subject to acquisition, which currently includes 15 employees, most of whom with a technical background, counts roughly 2,000 customers, who are mainly SMEs active in Northern Italy, and also multinationals and public-sector entities. SFERA’s business model is based mainly on renewal contracts; as a result, approximately 75% of revenue is recurring income.

In 2015, SFERA posted revenue of approximately €2 million, split up as follows: Virtual Hosting Services 40%, Network & Private Cloud 35%, Domains and Email 15%, other services 10%; adjusted EBITDA came to €0.620 million.



## RATIONALE OF THE TRANSACTION

The transaction is perfectly in line with the DADA Group's previously announced growth strategies, implemented also through acquisitions, which aim to complete the range of managed IT services dedicated to SMEs, and to expand the customer base, offering the whole suite of digital solutions. The acquisition will also allow the DADA Group to bring in highly skilled human capital that is essential to speed up the expansion of the scope of operations.

## STRUCTURE OF THE TRANSACTION

Under today's agreement, over the next 30 days or so, Sfera Network S.r.l., equally owned by its two founders, will transfer the SFERA business unit to a Newco, and at closing date (scheduled roughly by the end of July) Register.it S.p.A. will acquire 100% of the share capital of the Newco.

The purchase price for the acquisition of the entire share capital of the Newco, based at 30 June 2016 date on an adjusted positive Net Financial Position (cash) of the Newco of €275 thousand, ranges from a minimum of €3.3 million to a maximum of €3.7 million, subject to the financial performance achieved by the Newco over the three years after closing date.

The agreement includes the following terms of payment: €2 million will be settled at closing date, €0.3 million will be placed in escrow for the next 24 months to service the standard representations and warranties provided by the seller, and a final tranche ranging from a minimum of €1.0 million to a maximum of €1.4 million will be paid within 36 months from closing date, subject to the results achieved by the Newco.

DADA will finance the transaction by relying partly on equity and partly on medium/long-term loans.

Under the agreement, Michele Spadavecchia and Guido Dolci, will continue to cooperate as executive directors of the Newco for at least 36 months after closing date, developing its growth plan and supporting its integration in the DADA Group.

Any developments regarding the transaction will be disclosed in accordance with applicable law.

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This press release is also available on the Company website [www.dada.eu](http://www.dada.eu) in the Investors /Financial Press Releases section.

*DADA S.p.A. - listed in the STAR segment of the Milan Stock Exchange - is an international leader in online presence and visibility services (domains, hosting, servers, online brand protection) for European SMEs. With over 580 thousand business clients and 1.83 million domains under management, and 1.6 million email accounts and 650 thousand active hosting plans, DADA is one of the leading names in the European **Domain & Hosting** segment and is a key player in its markets of operation: in Italy through its established brand Register.it, as well as in the UK, Ireland, Spain, France, Portugal and Holland under the Namesco, PoundHost, Register365, Nominalia and Amen brands, respectively.*

For further information:

[www.dada.eu](http://www.dada.eu)

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