



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

## **1H16 CONSOLIDATED RESULTS APPROVED:**

**REVENUE UP BY 3% YOY TO €32.8 MN, +7% ON A LIKE-FOR-LIKE BASIS AND AT CONSTANT EXCHANGE RATES**

**EBITDA<sup>1</sup> €5.9 MN, WITH 18% MARGIN ON REVENUE DESPITE COSTS INCURRED TO EXPAND THE CUSTOMER BASE (€6.0 MN IN 1H15)**

**EBIT UP BY 10% TO €2.6 MN, AMOUNTING TO 8% OF REVENUE (€2.4 MN IN 1H15, AMOUNTING TO 7% OF REVENUE)**

**POSITIVE NET PROFIT OF €0.4 MN (€0.3 MN IN 1H15, NET OF €2.2 MN IN GAINS FROM TRANSFER OF ProAdv/SIMPLY)**

**NET FINANCIAL POSITION IMPROVES TO -€25.8 MN (-€27.9 MN AT 31 DECEMBER 2015)**

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### **KEY BUSINESS METRICS GROW STRONGLY:**

**NEW CUSTOMERS ACQUIRED SURGE BY 49% YOY  
CUSTOMER BASE CLIMBS TO 590,000  
NEW DOMAIN REGISTRATIONS GROW BY OVER 40%  
MARKET SHARE INCREASES IN MAIN GEOGRAPHIES**

Florence, 28 July 2016 - Today, the Board of Directors of DADA S.p.A., listed in the STAR segment of the Milan Stock Exchange, at the head of a Group that is a European leader in digitization and online presence and business services tailored to SMEs, approved the consolidated Half-Year Financial Report at 30 June 2016.

Claudio Corbetta, CEO of DADA: *“We are satisfied with the strong business results achieved in 1H16: our customer base reached the 590,000 mark, increasing by +49% yoy in new customers acquired; the growth of new domain registrations outperformed the market in almost all our geographies of operation, allowing us to increase our market share in Europe. In 1H16, we also strengthened our position in virtual and dedicated server solutions, relying*

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NB: for the sake of clarity, changes in percentage and absolute terms appearing in this Press Release have been calculated using exact amounts.  
<sup>1</sup> EBITDA is before impairment losses and non-recurring items



*mainly on our proprietary datacenter, on which DADA Group places growing strategic focus, given the high potential of the European market.”*

Lorenzo Lepri, General Manager & CFO of DADA: *“We are satisfied with the results achieved in 1H16, which confirm the organic growth guidelines for the current year. Specifically, revenue grew by +7% yoy on a like-for-like basis and at constant exchange rates. EBITDA was basically in line with 1H15, reporting an 18% margin on revenue, despite the operating investments incurred in the period to expand the customer base, which we expect to bring benefits to Group results starting as early as the fourth quarter of this year.”*

### **CHANGES IN THE SCOPE OF CONSOLIDATION**

In order to compare figures for the two years more properly, mention should be made that in 2015 the DADA Group completed the **focusing process on the core business** of online presence and visibility services for SMEs. In this regard, 2015 saw the completion of a number of extraordinary transactions, which **changed the Group’s structure**.

Specifically, one of the key events in 1H15 was the **disposal** on 23 March 2015 by DADA S.p.A. to Italiaonline S.p.A. of the entire share capital of **Moqu Adv S.r.l.**. As a result of this agreement, the Performance Advertising segment had required the application of IFRS 5 “Non-current assets held for sale and discontinued operations”.

Furthermore, 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. To conclude, in 2H15, through its subsidiary Register.it S.p.A., DADA **acquired 100%** of the share capital of **Etinet S.r.l.**, a company that provides digital communication services to SMEs. The equity investment in Etinet was fully consolidated in the DADA Group’s financial statements as from 1 July 2015. 1H15, therefore, had no financial benefit from this company.

All the following comments and analysis on income statement and cash flow figures in this press release have been made in light of the abovementioned new Group structure.

### **GROUP RESULTS IN 1H16**

The DADA Group ended 1H16 with **consolidated revenue** of **€32.8** million, up by **+3.0%** versus €31.9 million in 1H15.

The revenue performance reflects the adverse trend of the appreciation of the Euro against the British Pound, which had a negative effect of approximately €0.7 million versus 1H15, as well as the following changes in the business scope:

- the disposal of ProAdv/Simply, the online advertising product, as from 1 July 2015, which had contributed €1.2 million to revenue in 1H15;
- the consolidation of the results of Etinet S.r.l. as from 1 July 2015, which contributed €0.7 million to revenue in 1H16.



**Net of these effects**, consolidated revenue would have grown by **7%** versus 1H15.

**Foreign-based activities** contributed **55%** to consolidated revenue at **30 June 2016**, in line with the figure in 1H15, confirming the significant weight of international contribution to the overall development of the Group.

In 1H16, consolidated **EBITDA** came to **€5.9 million**, with an **18% margin** on revenue, down versus €6.0 million in 1H15 (19% margin).

The EBITDA performance, as for revenue, reflects the adverse trend of the appreciation of the Euro against the British Pound, which accounted for approximately -€0.2 million versus 1H15, as well as the following changes in the business scope:

- the disposal of ProAdv/Simply, the online advertising product, as from 1 July 2015, which had contributed €35 thousand to the results in 1H15;
- the consolidation of the results of Etinet S.r.l., as from 1 July 2015, which contributed €0.2 million to the results in 1H16.

Looking at the impact of the main aggregates on each line of the income statement:

- **service costs** were basically in line with 1H15, representing **55% of revenue** from the previous 57%. Specifically, considering the greater impact of certain direct costs attributable to promotional sales policies launched in 3Q15 (details are found in the section below "*Business Performance in 1H16*"), mention should be made of the **benefits** from the full operation of the **new Datacenter in the UK** and from the **gradual disposal of the French datacenters** (with a total reduction of €0.3 million, or 13% less than in 1H15), and the **reduction in outsourcing costs** of customer care services and phone support in Italy and abroad (approximately €0.2 million, or 24% less than in 1H15);
- **payroll costs** amounted to €9.9 million in 1H16, up by 12% versus €8.8 million in 1H15, representing 30% of revenue from the previous 28%. The trend of this aggregate is ascribable to the **increase in staff** (432 units at 30 June 2016 versus 354 at 30 June 2015), due partly to the **consolidation of Etinet S.r.l.** and partly to the **insourcing of customer care and phone support services** in Italy and in other countries in 2015, aimed at supporting both the **strong expansion of the customer base** and at maintaining **high levels of customer retention**;
- "**Change in inventories and increase in own work capitalized**", amounting in 1H16 to €1.2 million, or 4% of consolidated revenue (**basically in line with 1H15**), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the DADA Group.

In 1H16, the DADA Group achieved **EBIT** of **€2.6 million**, with an **8% margin** on consolidated revenue, **up by 10%** versus €2.4 million achieved in 1H15 (7% margin).



In addition to the previous comments on EBITDA growth, EBIT's performance reflects the following elements:

- **depreciation and amortization**, amounting to **€3.2 million** (10% of revenue), **€1.8 million** of which for **tangible assets** and **€1.4 million** for **intangible assets**; the overall figure **dropped** by 6% versus 1H15 (€3.4 million), affecting almost equally tangible and intangible assets;
- EBIT in 1H16 was impacted by **impairment losses, provisions and other non-recurring income/charges** of **€0.2 million** versus **€0.3 million** in 1H15, referring for the most part to impairment losses and losses on trade receivables in the reporting period.

Consolidated **Financial activities** (the difference between financial income and charges, including the income statement effects of forex movements) came to **-€1.6 million** (-€1.4 million from net financial charges and -€0.2 million from the negative effect of forex) versus -€1.1 million in 1H15 (-€1.47 million from financial charges and +€0.35 million from the positive effect of forex). The trend of this aggregate was **impacted** - more markedly in 1Q16 - by the effects of **forex fluctuations**, especially those regarding the Euro/British Pound exchange rate. Mention should be made that the financial effects of these exchange rate movements are partly mitigated by non-speculative hedging made where possible in the reporting period as well. These transactions were made especially from 2Q16, and some are still active at the date of this press release.

The trend in **spreads and rates** charged on loans **improved slightly** versus both 1H15 and 2H15, thanks also to the **positive outcome of the renegotiation of outstanding long-term loans** made in 1Q15, the benefits of which began to be felt from 2Q15. Short-term loans and transactions also witnessed a general decline in spreads charged by banks to the DADA Group. Consequently, **overall financial charges**, net of exchange losses, amounted to **€1.4 million** in 1H16 versus **€1.47 million** in 1H15 (down by 8%), and refer mainly to: **interest expense on medium/long-term bank loans**, amounting to **€0.5 million** (€0.6 million in 1H15); interest owed on **bank overdrafts** and other bank commissions, amounting to **€0.79 million** (in line with 1H15), **€0.57 million** of which refer to bank commissions on **credit card payments**.

The consolidated **tax burden** at 30 June 2016 amounted to **-€0.56 million**, in line with the figure at 30 June 2015, and reflects: (i) current taxes of **-€0.5 million** (-€0.3 million at 30 June 2015), (ii) deferred taxes of **-€0.1 million** (-€0.2 million at 30 June 2015).

**Profit/(loss) from discontinued operations**, an item which is not included in 1H16, had amounted to **-€0.3 million** at 30 June 2015 and included income statement figures referring to the Performance Advertising division (as well as the costs incurred to carry out the transaction), sold to Italiaonline in March 2015, with financial effects from 28 February.

In 1H16, the DADA Group's net profit came to a positive **€0.4 million** versus a positive **€2.5 million** in 1H15, benefiting last year from the revaluation gains of **€2.2 million** from the transfer of Simply to 4W MarketPlace S.r.l.; net of this non-recurring event, net profit would have come to a positive **€0.3 million** at 30 June 2015.



## **GROUP BALANCE SHEET AND FINANCIAL POSITION AT 30 JUNE 2016**

The total **Net Financial Position** at 30 June 2016 came to **-€25.8 million**, improving versus **-€27.9 million** at 31 December 2015, thanks mainly to the contribution from cash flows from operations generated by the DADA Group in the reporting period.

In 1H16, the NFP trend reflects: (i) the **positive cash flows generated by operating activities** after changes in net working capital of **€6.5 million** (€5.3 million in 1H15, including the effects of discontinued operations); (ii) **investing activities** of **-€1.9 million**, including the exercise of earn-outs from investing activities made last year, which had brought a positive contribution of 0.9 million at 30 June 2015; the cash flow from investing activities had come to a positive €1.8 million and had included the positive effect of €5.0 million from the disposal of Moqu.

Cash outlays for interest and tax came to **-€1.5 million** at 30 June 2016 versus **-€1.4 million** at 30 June 2015.

The consolidated **Net Financial Position** at 30 June 2016 consisted of **current debt** of **€12.5 million** (€11.2 million at 31 December 2015), mortgage and other **medium/long-term loans** of **€17.3 million** (€20.4 million at 31 December 2015) and of **banks and financial assets** totaling **€4.0 million** (€3.7 million at 31 December 2015).

The structure of the net financial position changed in 1H16 versus the situation at 31 December 2015 following the repayment on 30 June 2016 of the first instalment of the main medium/long-term loans held; as a result (i), the non-current portion of debt decreased (by €3.1 million), while (ii) the current portion increased (by €1.3 million).

**Investments** in the period totaled **€2.9 million** (€3.3 million at 30 June 2015), **€1.3 million** of which for **intangible assets**, basically in line with the figure at 30 June 2015, and **€1.6 million** of which for **tangible investments in technology** versus €2.0 million in 1H15.

The DADA Group's **Net Working Capital** was **-€12.1 million** at 30 June 2016 versus **-€11.5 million** at 31 December 2015 and **-€10.8 million** at 30 June 2015. It should be noted that the trend of this aggregate over the four quarters is closely tied to the Group's operations, which generally report higher cash-ins in the first quarter of the year for service revenue than in subsequent quarters, part of which is recognized over 12 months as deferred income on a pro-rata basis. This trend begins to re-absorb and stabilize starting from the second quarter. The abovementioned deferred income (€13.7 million at 30 June 2016 versus €12.9 million at 31 December 2015 and €13.0 million at 30 June 2015) is included in other payables, but will not entail future financial outlays, rather the recognition of revenue in the income statement.

The DADA Group's **Shareholders' Equity** amounted to **€54.6 million** at 30 June 2016 versus **€59.3 million** at 31 December 2015; the change is explained mainly by the positive contribution of **profit for the period** of **€0.4 million**, and by the negative effects of the translation of goodwill of consolidated companies denominated in **GBP** of **-€5.3 million**.



## **BUSINESS PERFORMANCE IN 1H16**

In 1H16, the DADA Group **strengthened its position** as one of the **top European players** in services dedicated to the **digitization and online presence and visibility** of SMEs, and further **developed its customer base** by expanding its product portfolio with new **tailor-made services**.

DADA currently operates in **7 European countries** through highly-established **brands** such as **Register.it (Italy)**, **Nominalia (Spain)**, **Amen (France, Portugal and Holland)**, **Simply Hosting & Server - former Poundhost - Namesco.uk.co** and **Register365 (UK and Ireland)**, which **hold leadership positions** in their markets of operation, including in **Italy and the UK**, where the Group ranks as **second and fourth player**, respectively.

In 1H16, despite the persistently fierce competitive market environment, DADA reported a **strong growth in all key business metrics**; the **European customer base** topped the **590,000** mark (+7% yoy), with a **49% growth yoy** in new customers acquired. The expansion of the customer base is the result of both continued **development of the product portfolio**, and of greater efficiency in **marketing investments**, in line, in absolute terms in 1H16, with the value in 1H15, complemented with the virtuous **reduction in COA** (average cost of acquisition for each customer).

Furthermore, in the period under review, the Group reported a **solid growth** in domain name registrations, which typically represents the first major step in the digitization process of a SME; the **stock of domains** under management in the 7 countries of operation reached **1.86 million**, up by **9% yoy**. **New domain registrations grew by 40%**, outperforming the growth rates reported by the relevant markets, especially in Italy, UK and Spain, with resulting **sharp increases in market share** (measured on new registrations), which topped the **20% mark in Italy**.<sup>2</sup>

At 30 June 2016, the DADA Group managed over **1.8 million email accounts** and over **650,000 websites hosted on its servers** in Italy, the UK and Ireland, Spain, France, Portugal and Holland. In 1H16, the Group also increased its **market share** in solutions for the **creation, management and visibility of web and e-commerce sites for SMEs**, in custom services for **online brand protection (OBP)**, and in **virtual and dedicated server solutions**. Specifically, virtual and dedicated server solutions relying mainly on the **proprietary data center** grew in 1H16 by about **35%** on the Italian market; today **growing strategic focus** is placed on these solutions, given the high potential of the European market.

Additionally, in 1H16, the DADA Group demonstrated, once again, its solid ability to retain customers, with a **monthly churn steady at <1.2%**, despite the **expansion and diversification** of the **customer base** in the period. Customer retention also benefited from the success of the efforts to improve service performance levels and end-user **support and consulting**. In this sense, the Group further **extended** the interaction channels and contact time of the various **local customer care desks**, today fully **internalized** in all countries.

Additionally, in 1H16, the portfolio of solutions was further developed to offer growing levels of **performance, security and reliability** of services offered. Sharp focus was placed on **tailor-made solutions** to provide a **one-stop-shop** experience of digital services for the online presence and business of European SMEs.

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<sup>2</sup> Figure based on new ccTLD .it registrations in 1H16, company processing using Registro.it figures



The latest, most significant product development projects include:

- the **new, advanced cPanel hosting solution**, released in the second part of 2015 and **fully managed at the proprietary Datacenter located in Reading (UK)**, which posted positive volume results also in 1H16, confirming the keen interest of the European market in these specific services;
- the range of advanced **Cloud Hosting, Virtual and Dedicated Servers** solutions, highly performing and with highly flexible pricing policies, which have strengthened DADA's market share in this segment as well;
- the start of the necessary procedures for the development in Italy of the **SPID Platform (Public System for Digital Identity)** and the related accreditation;
- the expansion to new markets of dedicated services for **SMEs and SOHOs**, such as **online trademark registration**, e-invoicing in Italy or accreditation as Trade Mark Clearing House agents;
- the continued **integration of the technology platforms** located in the various countries in order to provide **better solutions** and improve future **profitability**.

Taking account of the above business trends, and notwithstanding the mentioned effects of Euro/British Pound exchange rate movements, operating profit dynamics are tied to the increase in labour costs and to the **initial offering sales strategies** adopted starting from the second half of 2015, driven by the growth in business.

As for **initial offering sales strategies**, these are based on **promotional offers** over a specific time period to broaden the base of new customers acquired, and tend to squeeze average revenue per user (ARPU) in the short term, while contributing to direct costs basically proportional to the increase in volumes, since the full contribution to revenue is made in the event the customer renews the service. These strategies, implemented strongly especially from the end of 3Q15, are expected to gradually bring benefits and increase revenue and margins from the **second half** of the current year.

**Labour cost** trends are a reflection of both the partial under-staffing that had marked 1H15, partly reabsorbed in the second half of the year, and the need to maintain **high quality standards** in the **provision of services**, in light of the **sharp rise in customers** acquired over the past few months. For reasons of expediency, human resources have been increased, including through in-sourcing policies, **to further develop off-line and telephone sales channels** in all geographies, in order to **broaden the customer base**, by combining the traditional "do it yourself" approach with a "we do it for you" service mode, offering a **high level of service customization** and customer interactivity.

## **SIGNIFICANT EVENTS IN 1H16**

On **28 April 2016**, 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 2015, as proposed by the Board of Directors at the meeting held on 14 March 2016. The Shareholders also resolved to carry forward the result for the year of €1,575,094.94;
- (ii) the confirmation, as Directors of the Company, of Youssef Mohamed Salah Abdelsalam Bassem and of Fadi Zafer Boulos Antaki, previously co-opted by the Board of Directors of DADA S.p.A. on 11 November 2015, following the resignation of Khaled Bishara and Antonio Converti on 8 September 2015;
- (iii) the approval of the Remuneration Report in accordance with art. 123-ter of Legislative Decree 58/98;
- (iv) the renewal of the authorization, after revoking the previous one granted on 28 April 2015, 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 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.

For further details, reference should be made to the press releases issued on the foregoing event.

## **EVENTS AFTER 1H16, STRATEGIC GUIDELINES AND BUSINESS OUTLOOK FOR THE YEAR**

### **EVENTS AFTER THE REPORTING PERIOD**

**On 6 July 2016** - DADA S.p.A. signed a binding agreement through its subsidiary Register.it S.p.A. for the acquisition of the business of Sfera Network S.r.l.. The transaction is 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, which are continually growing in demand, and to expand the customer base, offering the whole suite of the Group's digital solutions. In 2015, SFERA posted revenue of approximately €2 million, split up as follows: Virtual Hosting Services 41%, Network & Private Cloud 35%, Domains and Email 14%, other services 10%; adjusted EBITDA came to €0.620 million.





The purchase price for the acquisition of the entire share capital of the Newco, based at closing 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 to settle 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 to pay within 36 months from closing date, subject to the results achieved by the Newco.

**On 14 July 2016** - DADA S.p.A., through its subsidiary Register S.p.A., completed the acquisition of 100% of the share capital of Sfera Networks S.r.l., and paid the first tranche of the price amounting to €2 million.

The transaction was partly financed through a medium-long term bank loan amounting to €2.5 million granted by ICCREA Bancalmpresa. The 6-year loan has a 12-month grace period with a 3-month Euribor rate + 210 bps.

#### STRATEGIC GUIDELINES AND OUTLOOK FOR THE YEAR

The business outlook for the current year confirms the forecasts that point to a “mid-single digit” organic growth of **business volumes**, notwithstanding currency fluctuation effects, while **operating profit** is expected to grow more than proportionately from the fourth quarter of 2016, driven by the sales and technology initiatives launched in the second half of 2015.

There is no indication at this time to suggest that the recent events related to Brexit may have a markedly adverse impact on the Group’s operations; in the short term, the financial results may likely be affected by fluctuations in the Euro/British Pound exchange rate, for the most part in the translation of the financial statements of the foreign subsidiaries in DADA’s consolidated financial statements, given that, to date, business activities denominated in British Pounds account for about 30% of total revenue.

Mention should also be made that in the second half of the year, the **operating and financial results** of **Sfera Network S.r.l.** will be consolidated. Acquired through the subsidiary Register.it S.p.A. last July, as mentioned in the press release published on 6 July 2016, in 2015 Sfera reported revenue of approximately €2 million and adjusted EBITDA about of €0.6 million.

The **strategic** growth lines of the DADA Group remain valid and focused on **strengthening its position** as a **leading player** at a **European level** in **digitization and online presence and business services tailored to SMEs**.

Specifically, the Group’s strategic priorities seek to **further strengthen the market share** in the various **geographies of operation**, expanding the range of services in “**we do it for you**” mode and strengthening the **foothold in the cloud, and virtual & dedicated servers**



segment, placing growing attention on the quality of **advice and consulting** services for European SMEs.

Organic revenue growth is expected to 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), and on the **increase in ARPU** (average revenue per user) of established customers.

**Profit-wise**, future strategic priorities will be centered on the continued integration of the technology platforms and full implementation of the our data center, as well as on constant commitment to the optimization of other operating costs and overheads.



## **Statement by the Manager responsible for preparing the Company's Financial Reports**

Federico Bronzi, the Manager responsible for preparing the Company's financial reports, declares pursuant to art. 154 bis (2) of the Consolidated Finance Act (Testo Unico della Finanza or TUF) that the financial information contained in this press release corresponds to the Company's records, ledgers and accounting entries.

The consolidated Half-Year Financial Report at 30 June 2016 will be made available to the public at the Company's registered office, as well as on the Company's website [www.dada.eu](http://www.dada.eu) (Investors/Financial Reports section) within the time limits of law.

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## **CONFERENCE CALL**

The Company will present the results at 30 June 2016 to the financial community at the conference call to be held today at 3 PM (Italian time). The presentation will be made available before the start of the conference call on the authorized storage mechanism NIS-Storage [www.emarketstorage.com](http://www.emarketstorage.com), managed by Blt Market Services, as well as on the Company's website [www.dada.eu](http://www.dada.eu) (in the Investors/Financial Presentations section).

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This press release is also available on the Company's 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 590 thousand business clients, 1.86 million domains under management, 1.8 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, Simply Hosting & Servers, Register365, Nominalia and Amen brands, respectively.*

For further information:

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

**Chiara Locati**  
DADA Investor Relations  
Mob: (+39) 349 8636553  
[chiara.locati@dada.eu](mailto:chiara.locati@dada.eu)

**Cinzia Trezzi**  
Press Office  
Burson-Marsteller  
Tel. (+39) 02 72143813  
[cinzia.trezzi@bm.com](mailto:cinzia.trezzi@bm.com)



## ANNEXES

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2016

EUR/000	30-June-16 6 months		30-June-15 6 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
<b>Net revenue</b>	<b>32,807</b>	<b>100%</b>	<b>31,881</b>	<b>100%</b>	<b>927</b>	<b>3%</b>
Chg. in inventories, finished and semi-finished products, work in progress & inc. in own wk. capitalized	1,191	4%	1,210	4%	-19	-2%
Service costs and other operating expenses	-18,207	-55%	-18,248	-57%	41	0%
Payroll costs	-9,850	-30%	-8,808	-28%	-1,042	12%
<b>EBITDA</b>	<b>5,942</b>	<b>18%</b>	<b>6,035</b>	<b>19%</b>	<b>-93</b>	<b>-2%</b>
Depreciation and amortization	-3,182	-10%	-3,379	-11%	197	-6%
Non-recurring income/(charges)	-24	0%	-140	0%	117	-83%
Impairment losses and other provisions	-150	0%	-166	-1%	16	-10%
<b>EBIT</b>	<b>2,586</b>	<b>8%</b>	<b>2,350</b>	<b>7%</b>	<b>237</b>	<b>10%</b>
Financial income	206	1%	573	2%	-367	-64%
Financial charges	-1,783	-5%	-1,694	-5%	-89	5%
Other income/charges from financial assets and liabilities	-1	0%	2,184	7%	-2,185	-100%
Share of profit/loss of companies valued at equity						
<b>Comprehensive profit/(loss) before taxes</b>	<b>1,009</b>	<b>3%</b>	<b>3,413</b>	<b>11%</b>	<b>-2,404</b>	<b>-70%</b>
Income taxes	-561	-2%	-563	-2%	2	0%
<b>Comprehensive profit/(loss) from continuing operations</b>	<b>448</b>	<b>1%</b>	<b>2,850</b>	<b>9%</b>	<b>-2,402</b>	<b>-84%</b>
Profit/(loss) from discontinuing and discontinued operations	-	0%	-346	-1%	346	n.m.
<b>Group net profit/(loss)</b>	<b>448</b>	<b>1%</b>	<b>2,504</b>	<b>8%</b>	<b>-2,057</b>	<b>-82%</b>



## RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 2Q16

EUR/000	2Q16		2Q15		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
<b>Net revenue</b>	<b>15,966</b>	<b>100%</b>	<b>15,879</b>	<b>100%</b>	<b>87</b>	<b>1%</b>
Chg. in inventories & inc. in own wk. capitalized	603	4%	603	4%	-1	0%
Service costs and other operating expenses	-8,726	-55%	-9,018	-57%	291	-3%
Payroll costs	-4,875	-31%	-4,264	-27%	-611	14%
<b>EBITDA</b>	<b>2,967</b>	<b>19%</b>	<b>3,201</b>	<b>20%</b>	<b>-233</b>	<b>-7%</b>
Depreciation and amortization	-1,613	-10%	-1,721	-11%	108	-6%
Non-recurring income/(charges)	-24	0%	-120	-1%	96	-80%
Impairment losses and other provisions	-140	-1%	-74	0%	-66	88%
<b>EBIT</b>	<b>1,191</b>	<b>7%</b>	<b>1,286</b>	<b>8%</b>	<b>-95</b>	<b>-7%</b>
Financial income	119	1%	134	1%	-15	-11%
Financial charges	-818	-5%	-846	-5%	27	-3%
Other income/charges from financial assets and liabilities	0	0%	2,184	14%	-2,184	-100%
<b>Comprehensive profit/(loss) before taxes</b>	<b>492</b>	<b>3%</b>	<b>2,759</b>	<b>17%</b>	<b>-2,267</b>	<b>-82%</b>
Income taxes	-184	-1%	-250	-2%	66	-26%
<b>Comprehensive profit/(loss) from continuing operations</b>	<b>308</b>	<b>2%</b>	<b>2,509</b>	<b>16%</b>	<b>-2,201</b>	<b>-88%</b>
Profit/(loss) from discontinuing and discontinued operations	-	0%	-16	0%	16	-100%
<b>Group net profit/(loss)</b>	<b>308</b>	<b>2%</b>	<b>2,493</b>	<b>16%</b>	<b>-2,185</b>	<b>-88%</b>



## DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 30 JUNE 2016

EUR/000	30-June-16	31-Dec.-15	DIFFERENCE	
			Absolute	%
<b>Fixed assets</b>	<b>93,485</b>	<b>99,745</b>	<b>-6,259</b>	<b>-6%</b>
Current operating assets	15,645	13,652	1,993	15%
Current operating liabilities	-27,730	-25,113	-2,618	10%
<b>Net working capital</b>	<b>-12,086</b>	<b>-11,461</b>	<b>-625</b>	<b>5%</b>
Provision for termination indemnities	-712	-667	-45	7%
Provision for risks and charges	-310	-392	82	-21%
<b>Net capital employed</b>	<b>80,378</b>	<b>87,225</b>	<b>-6,847</b>	<b>-8%</b>
Medium/long-term financial payables and long-term derivatives	-17,260	-20,382	3,122	-15%
<b>Shareholders' equity</b>	<b>-54,571</b>	<b>-59,335</b>	<b>4,763</b>	<b>-8%</b>
Current bank debt	-12,433	-11,038	-1,395	13%
Current financial receivables and derivatives	515	1,500	-985	-66%
Current financial payables and derivatives	-86	-177	90	-51%
Cash and cash equivalents	3,457	2,206	1,251	57%
<b>Current net financial position</b>	<b>-8,547</b>	<b>-7,508</b>	<b>-1,039</b>	<b>14%</b>
<b>Total net financial position</b>	<b>-25,807</b>	<b>-27,890</b>	<b>2,083</b>	<b>-7%</b>



## GEOGRAPHICAL BREAKDOWN OF CONSOLIDATED REVENUE

Description	30/06/2016 (6 months)		30/06/2015 (6 months)	
	Amount	% of total	Amount	% of total
Revenue - Italy	14,661	45%	14,378	45%
Revenue - abroad	18,146	55%	17,503	55%
<b>Total</b>	<b>32,807</b>		<b>31,881</b>	



## DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2016

EUR/000	30 June 2016	30 June 2015
<b>Cash flow from operating activities before changes in working capital</b>	<b>5,898</b>	<b>5,935</b>
(Increase)/decrease in inventories	7	
(Increase)/decrease in receivables	-2,003	-1,539
Increase/(decrease) in payables	2,564	854
<b>Cash flow from operating activities</b>	<b>6,466</b>	<b>5,250</b>
Income taxes paid	-278	-171
Interest (paid)/received	-1,240	-1,269
<b>Net cash flow from operating activities</b>	<b>4,948</b>	<b>3,811</b>
<b>Investing activities</b>		
Sale of subsidiaries and associates	0	4,758
Financial effect of discontinued operations	0	-206
Earn out on disposal of Moqu and acquisition of Etinet in 2015	910	
Purchase of property, plant and equipment	-1,529	-1,443
Sale of fixed assets	0	1
Other changes in fixed assets	2	-8
Purchase of intangible assets	-96	-67
Product development costs	-1,198	-1,210
<b>Net cash flow used in investing activities</b>	<b>-1,911</b>	<b>1,825</b>
<b>Financing activities</b>		
Change in loans	-3,166	2,588
Other changes	-15	31
<b>Net cash flow from/(used in) financing activities</b>	<b>-3,181</b>	<b>2,619</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-144</b>	<b>8,254</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>-8,831</b>	<b>-16,792</b>
<b>Cash and cash equivalents at end of period</b>	<b>-8,975</b>	<b>-8,538</b>