



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

2016 CONSOLIDATED RESULTS APPROVED

**REVENUE UP BY +6% TO €63.7 MN ON A LIKE-FOR-LIKE BASIS¹ AND
AT CONSTANT EXCHANGE RATES
(€62.2 MN IN 2015)**

**EBITDA² INCREASES TO €10.7 MN, WITH 17% MARGIN ON REVENUE
(€10.5 MN IN 2015)**

**EBIT GROWS BY +26% TO €4.0 MN, ACCOUNTING FOR 6%
(€3.2 MN IN 2015)**

**NET PROFIT +€0.2 MN
(-€0.9 MN IN 2015, NET OF CAPITAL GAIN OF €2.2 MN)**

**NET FINANCIAL POSITION -€29.5 MN AT 31/12/2016
FOLLOWING ACQUISITION OF SFERA FOR €3.2 MN
(-€27.9 MN AT 31/12/2015)**

**KEY BUSINESS METRICS CONTINUE TO GROW:
CUSTOMER BASE INCREASES TO 630,000, +13% VS 2015
NEW DOMAIN REGISTRATIONS GROW BY +18%
MARKET SHARE CONSOLIDATES IN ALL MAIN GEOGRAPHIES**

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AGM CALLED TO APPROVE 2016 FINANCIAL STATEMENTS

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**RESOLUTION ON LIBERO ACQUISITION S.à r.l.
NOTICE OF 9 MARCH 2017**

Florence, 15 March 2017 - 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 DADA Group's Annual Financial Report and the Draft Statutory Financial Statements of DADA S.p.A. for the year ended 31 December 2016.

¹ The changes to the scope of operations regard: the disposal of ProAdv, 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, and the consolidation of the results of Sfera Networks as from 1 July 2016, which contributed €1.1 million in 2H16.

² EBITDA is gross of impairment losses and non-recurring items

NB: for the sake of clarity, changes in percentage and absolute terms appearing in this Press Release have been calculated using exact amounts.



Claudio Corbetta, CEO of DADA: *“2016 was a positive year in which we accomplished significant results despite a persistently challenging market environment. The measures to drive growth allowed us to strengthen our market shares in our main geographies of operation, while the customer base grew by 13% to over 630,000, maintaining high retention rates. Our priority is to become the trusted “One Stop Shop” for European SMEs in their digitization process, continuing to provide them with first-class products, highly customized solutions and a best in class level of service.”*

Lorenzo Lepri, General Manager and CFO of DADA: *“We are extremely satisfied with the results achieved in 2016, which increase YoY and are in line with the guidance disclosed to the market. Revenue grew, in organic terms, by 6% to reach €63.7 million, while we reported a sharp improvement in operating profit in the fourth quarter, triggering a positive trend we expect to continue in 2017. For the current year, we expect to remain on this virtuous path of growth, and we aim to achieve a mid-single digit increase in revenue with a further improvement in operating profit.”*

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. 2015 and the first nine months of 2016 saw the completion of the following extraordinary transactions, which **changed the Group’s structure**:

- on 23 March 2015, DADA S.p.A. sold to Italiaonline S.p.A. the entire share capital of **Moqu Adv S.r.l.** As a result, the Performance Advertising segment had required the application of IFRS 5 “Non-current assets held for sale and discontinued operations”;
- on 30 June 2015, the DADA Group completed the **transfer of the ProAdv BU to 4W MarketPlace S.r.l.**, acquiring 25% of the transferee’s share capital;
- on 8 July 2015, through its subsidiary Register.it S.p.A., DADA completed the **acquisition of 100%** of the share capital of **Etinet S.r.l.**, a company that provides digital communication services to SMEs. This investment is fully consolidated in the DADA Group’s financial statements as from 1 July 2015. Conversely, 1H15 had no financial benefit from this company;
- on **6 July 2016**, through its subsidiary Register.it S.p.A., DADA S.p.A. acquired **100%** of **Sfera Networks S.r.l.**, specialized in Virtual Hosting and Network & Private Cloud services. The investment is fully consolidated as from 1 July 2016; as a result, 2015 had no financial benefit from this company.

All the following comments and analysis on income statement and cash flow figures in this press release stem from the abovementioned new Group structure.



GROUP RESULTS IN 2016

The DADA Group ended 2016 with **consolidated revenue** of **€63.7** million, up by **+2.5%** versus €62.2 million in 2015.

The revenue performance specifically reflects the adverse trend of the appreciation of the Euro against the British Pound, which had a negative effect of approximately €2.8 million versus 2015, as well as the following changes in the business scope:

- the disposal of the ProAdv BU 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;
- the consolidation of the results of Sfera Networks S.r.l. as from 1 July 2016, which contributed €1.1 million to revenue in 2H16.

Net of these effects, consolidated revenue would have **grown** by **+6.2%** versus the prior year.

Foreign-based operations contributed **54%** to consolidated revenue in 2016, dropping slightly versus 56% in 2015, as a result of the depreciation of the British Pound against the Euro, which impacted negatively on the translation into Euro of revenue from UK companies.

In 2016, consolidated **EBITDA** came to **€10.7 million**, with an approximately **17% margin** on revenue, up by +2% versus 2015 (€10.5 million, 17% 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 -€0.6 million versus 2015, as well as the following changes in the business scope:

- the disposal of the ProAdv BU as from 1 July 2015, which had contributed €35 thousand to EBITDA 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;
- the consolidation of the results of Sfera Networks S.r.l. as from 1 July 2016, which contributed €0.3 million to the results in 2H16.

Net of these effects, EBITDA would have grown by **+2.7%** in 2016 versus 2015.

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

- **service costs** in 2016 amounted to **€35.4 million**, **down by 1%** versus €35.7 million in 2015, **representing 56% of revenue** from 57%. Specifically, mention should be made of the **benefits** arising from the full operation of the new Datacenter in the UK and from the disposal of the French datacenters (with a total reduction of €0.6 million, or 15% less than in 2015), and the **reduction in outsourcing costs** of customer care and phone



support services in Italy and in other countries (over €0.3 million, or 28% less than in 2015);

- **payroll costs** in 2016 amounted to **€19.8 million**, up by +9% versus €18.2 million in 2015, representing 31% of revenue from 29%. The trend of this item is mainly ascribable to the increase in staff (445 units at 31 December 2016 versus 398 at end 2015), due to the consolidation of **Sfera Networks S.r.l.** and to the **insourcing of customer care and phone support services** in Italy and in other countries, an **increase aimed at supporting both the expansion of the customer base and at maintaining high customer service levels**;
- **“Change in inventories and increase in own work capitalized”**, amounting in 2016 to €2.2 million, down to 3.5% of consolidated revenue (3.6% in 2015), consists of the portion of payroll costs incurred in the development of solutions and proprietary platforms needed to launch and manage the services provided by the DADA Group.

As mentioned in the Interim Report at 30 September 2016, product margins, especially in the first half of the year, were affected by the **initial offering sales strategies**, which are based on **promotional offers** over a specific time period and tend to squeeze average revenue (ARPU) in the short term, though implying 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, which is generally at full price. In 4Q16, the trend of the first renewals of the abovementioned initial offering sales strategies propelled EBITDA, which grew by +24% YoY in the last quarter.

Consolidated **EBIT** at 31 December 2016 amounted to **€4.0 million**, with a **6% margin** on revenue, **up by +26%** versus 2015 (€3.2 million, 5% margin).

In addition to the EBITDA trend, EBIT's performance reflects the following elements:

- **depreciation and amortization**, amounting to **€6.3 million** (10% of revenue), **€2.9 million** of which for **tangible assets** and **€3.4 million** for **intangible assets**; the overall figure **dropped by 8%** versus 2015 (€6.9 million, 11% margin on revenue), a reduction that affected almost equally tangible and intangible assets;
- EBIT was impacted by **impairment losses, provisions and other non-recurring income/charges** of €0.34 million versus €0.44 million in 2015, referring mostly to impairment losses and to severance from the efficiency measures on the organizational structure.

Consolidated **Financial activities** in 2016 (the difference between financial income and charges, including the income statement effects of forex movements) came to **-€2.8 million** versus -€2.5 million in 2015. The trend of this aggregate was **impacted** by the effects of **forex fluctuations**, especially those regarding the Euro/British Pound exchange rate, bringing a negative contribution of €0.2 million in 2016 versus the positive contribution of €0.3 million in 2015. Mention should be made that the financial effects of these exchange rate movements were partly mitigated by non-speculative hedging made, where possible, in the reporting period as well. **Overall financial charges**, net of exchange losses, **improved**



and amounted to €2.6 million in 2016 (including bank commissions on credit card payments of €1.1 million) versus €2.8 million in 2015, down by 7%.

The consolidated tax burden in 2016 amounted to -€1.0 million (-€1.2 million in 2015) and reflects: (i) current taxes of -€0.8 million (-€0.4 million in 2015), (ii) deferred taxes of -€0.2 million (-€0.8 million in 2015).

Profit/(loss) from discontinued operations, an item which is not included in 2016, had amounted to -€0.3 million at 31 December 2015 and included income statement figures referring to the Performance Advertising division (as well as the disposal costs), sold to Italiaonline in March 2015, with financial effects from 28 February.

Consolidated net profit came to a positive €0.2 million at 31 December 2016 versus a positive €1.3 million at 31 December 2015, benefiting last year from the revaluation gains of €2.2 million from the transfer of the ProAdv BU to 4W MarketPlace S.r.l.; net of this non-recurring event, net profit would have come to a negative €0.9 million at 31 December 2015.

GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 DECEMBER 2016

The consolidated **Net Financial Position** at 31 December 2016 came to -€29.5 million, increasing by approximately €1.6 million versus -€27.9 million at 31 December 2015. The figure reflects the **positive cash flows from operating activities of €11.0 million** generated by the Group in 2016 before outlays for tax and financial items (€10.7 million in 2015), and the investment of approximately €3.2 million to acquire Sfera Networks S.r.l.. The trend and composition of the current and non-current portion of the total net financial position in 2016 versus 2015 were affected by the **rescheduling of certain loans**, which provided **greater financial flexibility** by extending their duration, and reduced the cost of overall debt³.

Total **investments** in the reporting period amounted to approximately **€6.2 million**, **€3.8 million** of which for **tangible investments in technology** (€4.0 million in 2015), and **€2.4 million** of which for **intangible assets** (€2.5 million in 2015, net of the acquisition of Etinet). Added to this figure is goodwill for €3.5 million from the acquisition of Sfera. In 2015, total investments had amounted to €6.5 million, in addition to €0.8 million for the acquisition of Etinet.

The DADA Group's **Net Working Capital** was -€12.2 million at 31 December 2016 versus -€11.5 million at 31 December 2015. It should be noted that the trend of this aggregate over the four quarters is closely tied to operations, which normally report higher cash-ins in the first quarter of the year for service revenue than in subsequent quarters; part of this revenue is subsequently recognized over the full year as deferred income on a pro-rata basis. The abovementioned deferred income (€14.1 million at 31 December 2016 versus €12.9 million at 31 December 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 **Equity** amounted to **€52.9 million** at 31 December 2016 versus **€59.3 million** at 31 December 2015; the **change** is explained mainly by the positive contribution

³ For further details, reference should be made to the Press Release published on 22 December 2016



of net profit for the period of €0.2 million, and by the negative effects of the translation of the financial statements of consolidated companies denominated in GBP of -€6.7 million.

BUSINESS PERFORMANCE IN 2016

In 2016, the DADA Group strengthened its position in the European market of services for the **online presence, visibility and business development of SMEs**, reporting a **strong expansion of its customer base**, and adding **new tailor-made services to its suite of products**, such as **website building**, and high added value **IT managed solutions**.

DADA currently operates in 7 European countries through highly-established **brands** such as **Register.it (Italy)**, **Nominalia (Spain)**, **Amen (France, Portugal and Holland)**, **Namesco.uk.co**, **Simply Hosting & Server** 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 third player**, respectively.

The **growth strategies** adopted from the final months of 2015 on marketing investments, initial offering campaigns and product development, contributed in 2016 to **expanding the customer base**, to **increasing market shares** in the main geographies, and to **consolidating operating profit**, despite the continued **highly challenging** environment.

The **international D&H market** was, in fact, marked by **fierce competition**, especially in the acquisition of new customers. Most of the top international players reported weaker organic growth, and sought to grow also through intensive M&A activities, speeding up the combination process witnessed for some years now in the industry. On the financial markets front, the international economic and political events (see Brexit) rocked the currency markets, impacting significantly on the movements of the British Pound, which affected DADA's consolidated results following the translation of financial statements in foreign currency, despite the strong growth in the results in local currency reported by the Group in the UK.

Against this challenging backdrop, **DADA reported a strong growth in key business metrics**; the **customer base**, topping **630,000** at 31/12/2016, increased by **+13%** versus 2015, while **new customers** grew by over **+30%**. Additionally, despite the development and diversification of customers served, the **retention rate** remained **high**, with a monthly churn (defection rate) of existing customers below 1.5% in most of the cases.

On the **domains** front, the stock of domains under management at 31 December 2016, approximately **1.9 million**, grew by **+6%** YoY versus the overall growth of approximately **+2%**⁴ by DADA's European markets of operation. In 2016, **new domain name registrations** increased by **+18%** YoY; the growth in most of the Group's geographies **outperformed the market**, allowing the DADA brands to **increase their market share** (calculated on new registrations), which was above **20%** in **Italy** versus 17% in 2015.⁵

In 2016, DADA also strengthened its position in the **web building** business, offering a range of **ever-increasing quality** solutions for the **development, management and visibility of web, mobile and e-commerce sites** tailored to SMEs, thanks also to the contribution of Etinet S.r.l. acquired in July 2015 and now fully integrated in the Group's organization. In

⁴ Figures based on the stock of ccTLDs in DADA countries of operation: UK, Italy, France, Spain, Portugal and Ireland; the figures come from the official registries of ccTLDs.

⁵ Figure based on new ccTLD .it registrations in 2016, company processing using Registro.it figures



the reporting period, the presence was also **strengthened** in **custom services** for **online brand protection (OBP)**, as well as in **virtual and dedicated server solutions**. Specifically, the latter solutions, relying mainly on the proprietary Datacenter, grew by over **40%** on the **Italian market**.

In 2016, DADA continued to **invest** in **expanding** the **customer base**, also through effective **digital marketing** campaigns, and to **strengthen** the **customer support** desks on an international level. Today, the Group operates **four fully internalized local customer desks** (in Italy, Spain, Portugal and UK), dedicated not only to **assisting customers** in using its traditional products, but also to **supporting offline sales channels** and offering **consultancy services for higher added value** products, with **continually improving customer satisfaction indices (NPS⁶)**. Optimized marketing investments also allowed the Group in 2016 to **reduce the COA** (average cost of acquisition for each customer).

In July, through the subsidiary Register.it S.p.A., **DADA acquired 100%** of **Sfera Networks S.r.l.**, a **leading Italian digital player**, specialized in **virtual hosting, network & private cloud services** to SMEs. The acquisition was made to **strengthen its position** in **IT Managed services**, allowing DADA to better meet the increasingly growing demand for tailor-made digital services, and to expand its web service portfolio for SMEs with highly synergistic products. Mention should be made in this regard that the **European market of server and cloud solutions** maintains a **high growth potential**; in 2016, the segment grew by **+16% YoY** worldwide⁷; **DADA** is placing increased focus on these solutions to **strengthen its competitive position** in the field.

On the product and platform innovation front, all efforts are still geared on developing the portfolio of solutions to offer growing levels of **performance, security and reliability**. Strong growth was witnessed by **tailor-made solutions**, designed to provide a **one-stop-shop** experience to SMEs, which are assisted in the implementation of custom digital projects for online and mobile presence and business.

The latest, most significant releases of new solutions and development projects underway include:

- For **Domains**: the **launch** of **generic top-level domains** (new gTLDs), as well as the implementation of new channels for **online brand protection services**
- In 4Q16, the Group completed integration with the **Afternic** platform, aimed at enhancing the Premium domain product line
- A noteworthy feature for **Email** services is the release of **advanced WebMail** in France and Portugal
- The ongoing developments on **Website & Hosting** services, which witness the launch of the "**Build me a website**" service in the UK, as well as a new **website builder** with an editor to build **mobile-friendly websites**

⁶ NPS: Net Promote Score
⁷ Source: Netcraft report Nov 2016



- **Managed Websites** include, in particular, an innovative service in the UK to design logos, complementing the solutions for website creation and the development of online communication projects
- As for the suite of **Server** services, the past few months have seen the completion of the re-branding of **PoundHost**, the brand entirely dedicated to Server solutions, and the launch of "**Simply Servers & Hosting**", which complements the offering with **Private Cloud** solutions based on **proprietary network** infrastructure
- In 2016, the DADA Group, through Register.it, filed an **accreditation application** with the Digital Identity Agency (AGID) as **Identity Provider** of the **SPID (Public System for Digital Identity) in Italy**; in this regard, in September Register.it was awarded the ISO27001 certification
- In early 2017, **DADA** joined the group of **European leaders in cloud computing infrastructure services**, whose Cloud services comply with the **Data Protection Code of Conduct of CISPE** (Cloud Infrastructure Services Providers in Europe). The purpose of the CISPE Code of Conduct is to help cloud customers understand whether their infrastructure provider is adopting appropriate data protection standards, in accordance with the current European Directive on Data Protection and with the general data protection rules (GDPR), which will come into force in May 2018.

2016 PARENT STATUTORY FINANCIAL STATEMENTS

DADA S.p.A., the parent company, ended 2016 with **revenue** of €4.5 million, down by 4% versus €4.6 million at end 2015. Mention should be made that the parent's main activity is the provision of corporate services to Group companies. **EBITDA** came to -€0.6 million (versus -€0.4 million in 2015), while **EBIT** came to -€0.8 million (versus -0.7 million in 2015). The loss came to -€0.9 million (versus -€1.6 million at 31 December 2015). The total **Net Financial Position** at 31 December 2016 came to a positive €5.2 million versus €7.7 million at 31 December 2015.

SIGNIFICANT EVENTS IN 2016

On **28 April 2016**, the Annual General Meeting of Shareholders of **DADA S.p.A.** met and also 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 resolved to carry forward the loss 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 Zefer 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.

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 Networks S.r.l.. 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, which are continually growing in demand, and to expand the customer base, offering the whole suite of 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 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.

On 14 July 2016, DADA S.p.A., through its subsidiary Register.it S.p.A., completed the acquisition of 100% of the share capital of Sfera and paid the first tranche of the price amounting to €2 million. The transaction was 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, while the interest rate charged is the Euribor 3M + 210 bps.

On 22 December 2016, DADA S.p.A., through its subsidiary Register.it S.p.A., signed a medium/long-term cash pool loan agreement with the banks coordinated by Banca IMI: Banca Intesa Sanpaolo S.p.A., UniCredit S.p.A. and Banca Monte dei Paschi di Siena S.p.A. ("Banking Pool") for a total of €22.0 million. Specifically, the Banking Pool contributed to the Loan as follows: Intesa San Paolo €13 million, Monte dei Paschi di Siena €4 million and



Unicredit €5 million. The loan is unsecured with a term of 5 years and 3 months, and is based on a warrant to grant credit issued by DADA to Register.it. The prepayment plan envisages payment of principal in 10 half-yearly instalments, the first falling due on 30 September 2017; the first two instalments will be paid for an amount equal to approximately Euro 1 million each, while the final balloon payment will amount to 25% of the Loan. The rate charged is the Euribor 6M + 250 bps, with a 100 bps reduction on the spread for medium/long-term loans repaid earlier on the same date. Additionally, DADA has renegotiated the financial terms of the existing medium/long-term loan of €3.5 million between Register.it and Crédit Agricole - Cariparma, falling due in 2019, by reducing the spread to 240 bps from the previous 270 bps (the other terms of the loan are unchanged), and has also taken on a new unsecured line of credit with the same bank of €1 million; the rate charged is the Euribor 3M + 160 bps.

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

EVENTS AFTER YEAR END 2016, STRATEGIC GUIDELINES AND BUSINESS OUTLOOK FOR THE YEAR

EVENTS AFTER THE REPORTING PERIOD

On 24 January 2017, DADA S.p.A.'s Board of Directors executed the Shareholders' resolution of 18 January 2017, relating to the 2017-2019 share-based incentive plan, for a maximum of 950,000 shares intended for the executives and managers of DADA S.p.A. and/or its Subsidiaries.

For further details, reference should be made to the press releases issued on the above Stock Option Plan.

STRATEGIC GUIDELINES AND OUTLOOK FOR THE YEAR

The **2016 results** are fully **in line** with the guidance set out for the year, as explained in the Interim Report at 30 September, which had forecast a **mid-single digit organic growth in revenue** in the year, and an **increase in operating profit** starting from the fourth quarter.

The future **strategic growth lines** of the Group aim to **strengthen its position in the European D&H market** as a **leading player** in online presence, visibility and business development services tailored to SMEs. Specifically, the strategic priorities seek to **increase the market share in DADA's various geographies of operation**, maintaining a **standard of excellence** in service levels and **product reliability**, and broadening the range of services in "we do it for you" mode.

DADA also aims to **increase** the recognition of its **brands** as providers of **Cloud, Virtual & Dedicated Servers** and **IT Managed services**, developing the market share in the **IaaS segment**.

Revenue growth is expected to be achieved thanks not only to the acquisition of **new customers**, continuing marketing investments, but also by maintaining a **high retention of existing customers**. In 2017, growth is also expected to be sustained by the **upselling**



strategies (selling an increasing number of products to existing customers) and, as partly witnessed in 4Q16, by **renewals**, specifically those of **new customers acquired** in 2016, to the benefit also of future **operating profit**. On the **profitability** front, the strategic guidelines envisage a further improvement in **operating efficiency** through the **integration of the platforms** and maximum exploitation of the **proprietary Datacenter**, now fully operational.

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” revenue growth** (on a like-for-like basis and at constant exchange rates) for the coming year is to be reasonably expected, as well as an **increase in operating profit**, leveraging on the **increase in average revenue per unit (ARPU)** from recently acquired customers, and on the gradual benefits coming from **economies of scale**, along with a **constant, watchful eye on overhead costs**.

As for growth-through-acquisition strategies, the Group remains vigilant in considering any opportunities to acquire small and medium-sized businesses, especially in its geographies, that can help develop business, increase market shares, or strengthen the DADA product portfolio and skills.

CALLING OF THE GENERAL MEETING

The Board of Directors also resolved to call the General Meeting, in ordinary session, setting the agenda on 20 and 21 April 2017, on first and second call, respectively, at the Company's headquarters in Florence to:

- approve the Statutory Financial Statements of DADA S.p.A. for the year ended 31 December 2016; regarding the result for the year, the Board of Directors has proposed to carry forward loss for the year amounting to Euro 855,912.04;
- review the Remuneration Policy pursuant to art. 123-ter of Legislative Decree 58/98;
- resolve on the request to renew the authorization, after revoking the current one, to purchase and sell treasury shares for a period of up to 18 months from the resolution date and relating implementing provisions. The purpose of this authorization, up to a maximum of shares whose par value does not exceed one tenth of the share capital, is to give the Company a tool of strategic and operational flexibility which will allow it, among other things, to dispose of treasury shares previously acquired and to carry out transactions such as purchases, swaps, and contributions, including for the purpose of acquiring equity stakes. 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 Company currently holds no treasury shares.



The notice of call of the General Meeting and the documents relating to the items on the agenda will be made available to the public, according to the timing and procedures prescribed by current law, at the Company's registered office and on the authorized storage mechanism eMarket STORAGE www.emarketstorage.com, managed by Spafid Connect S.p.A.. Shareholders may view and obtain copy of the above documents, which will be made available within the time limits of law, also on the Company's website at www.dada.eu.

BoD RESOLUTION ON LIBERO ACQUISITION S.à r.l. NOTICE OF 09 MARCH 2017

Today, the Board of Directors of DADA S.p.A. resolved on the notice received from the controlling shareholder Libero Acquisition S.à r.l. ("**Libero Acquisition**"), previously disclosed to the market by the Company on 9 March 2017, and approved to cooperate in the possible procedure to sell the equity investment held by Libero Acquisition in the Company (currently 69.432% of the share capital), by also providing information on the Company and its Group to potential buyers.

CONFERENCE CALL

As previously announced, the Company will **present the results at 31 December 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 eMarket STORAGE www.emarketstorage.com, managed by Spafid Connect S.p.A., as well as on the Company's website www.dada.eu (in the Investors/Financial Presentations section).



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

Mr. Federico Bronzi, the Manager responsible for preparing the financial reports of DADA S.p.A., declares, pursuant to art. 154 bis (2) of the Uniform 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.

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The draft of the 2016 Statutory Financial Statements and the Consolidated Financial Statements, along with the Reports of the Board of Directors, Board of Statutory Auditors and the External Auditors, will be made available to the public at the Company's registered office and on the Company's website www.dada.eu within the time limits of law. The External Auditors are currently completing their audit and their report has not been issued yet. The report will be made available in accordance with the current regulations.

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This press release is also available on the Company's website 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 630 thousand business customers, 1.9 million domains under management, 2.0 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 and the recently acquired brands Etinet and Sfera, 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

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**RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT/LOSS
AT 31 DECEMBER 2016**

EUR/000	31-Dec.-16 12 months		31-Dec.-15 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	63,703	100%	62,167	100%	1,536	2%
Chg. in inventories, finished and semi-finished products, work in progress & inc. in own wk. capitalized	2,233	4%	2,269	4%	-36	-2%
Service costs and other operating expenses	-35,423	-56%	-35,732	-57%	309	-1%
Payroll costs	-19,849	-31%	-18,238	-29%	-1,612	9%
EBITDA	10,663	17%	10,466	17%	197	2%
Depreciation and amortization	-6,338	-10%	-6,866	-11%	528	-8%
Non-recurring income/(charges)	-169	0%	-203	0%	34	-17%
Impairment losses and other provisions	-173	0%	-235	0%	63	-27%
EBIT	3,984	6%	3,162	5%	822	26%
Financial income	322	1%	538	1%	-217	-40%
Financial charges	-3,138	-5%	-3,022	-5%	-117	4%
Other income/charges from financial assets and liabilities	-1	0%	2,184	4%	-2,185	-100%
Share of profit/loss of companies valued at equity	0		13			0%
Comprehensive profit/(loss) before taxes	1,167	2%	2,876	5%	-1,709	-59%
Income taxes	-989	-2%	-1,196	-2%	207	-17%
Comprehensive profit/(loss) from continuing operations	178	0%	1,680	3%	-1,502	-89%
Profit/(loss) from discontinuing and discontinued operations	0	0%	-346	-1%	346	-100%
Group net profit/(loss)	178	0%	1,333	2%	-1,156	-87%



RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT/LOSS 4Q16

EUR/000	4Q16		4Q15		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	15,987	100%	15,507	100%	480	3%
Chg. in inventories & inc. in own wk. capitalized	573	4%	580	4%	-7	-1%
Service costs and other operating expenses	-8,848	-55%	-9,249	-60%	401	-4%
Payroll costs	-5,226	-33%	-4,830	-31%	-395	8%
EBITDA	2,487	16%	2,008	13%	479	24%
Depreciation and amortization	-1,659	-10%	-1,795	-12%	136	-8%
Non-recurring income/(charges)	-20	0%	-58	0%	38	-66%
Impairment losses and other provisions	-38	0%	-30	0%	-8	28%
EBIT	769	5%	125	1%	644	514%
Financial income	102	1%	-88	-1%	189	-216%
Financial charges	-615	-4%	-512	-3%	-103	20%
Share of profit/loss of companies valued at equity	0	0%	10	0%	-10	-100%
Comprehensive profit/(loss) before taxes	256	2%	-465	-3%	721	155%
Income taxes	-269	-2%	-480	-3%	210	-44%
Comprehensive profit/(loss) from continuing operations	-13	0%	-944	-6%	931	99%
Profit/(loss) from discontinuing and discontinued operations	0	0%	-1	0%	1	-100%
Group net profit/(loss)	-13	0%	-945	-6%	932	99%



DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 DECEMBER 2016

EUR/000	31-Dec.-16	31-Dec.-15	DIFFERENCE	
			Absolute	%
Fixed assets	95,623	99,745	-4,122	-4%
Current operating assets	14,969	13,652	1,317	10%
Current operating liabilities	-27,139	-25,113	-2,027	8%
Net working capital	-12,170	-11,461	-709	6%
Provision for termination indemnities	-789	-667	-122	18%
Provision for risks and charges	-229	-392	163	-42%
Other payables due beyond one year	0	0	0	
Net capital employed	82,435	87,225	-4,790	-5%
Non-current financial receivables	150		150	
Medium/long-term financial payables and long-term derivatives	-28,623	-20,382	-8,241	40%
Equity	-52,910	-59,335	6,425	-11%
Current bank debt	-5,801	-11,038	5,237	-47%
Current financial receivables and derivatives	151	1,500	-1,350	-90%
Current financial payables and derivatives	-219	-177	-42	24%
Cash and cash equivalents	4,817	2,206	2,611	118%
Current net financial position	-1,052	-7,508	6,456	86%
Total net financial position	-29,525	-27,890	-1,635	-6%



GEOGRAPHICAL BREAKDOWN OF CONSOLIDATED REVENUE

Description	31/12/2016 (12 months)		31/12/2015 (12 months)	
	Amount	% of total	Amount	% of total
Revenue - Italy	29,006	46%	27,159	44%
Revenue - abroad	34,697	54%	35,008	56%
Total	63,703		62,167	



DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 31 DECEMBER 2016

EUR/000	31 DECEMBER 2016	31 DECEMBER 2015
Cash flow from operating activities before changes in working capital	10,503	10,212
(Increase)/decrease in inventories	-17	4
(Increase)/decrease in receivables	-873	710
Increase/(decrease) in payables	1,339	-261
Change in working capital on assets held for sale		
Cash flow from operating activities	10,953	10,665
Income taxes paid	-616	-533
Interest (paid)/received	-2,553	-2,748
Change in tax and interest paid on assets held for sale		
Net cash flow from operating activities	7,784	7,384
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	-2,000	-705
Financial effect of acquired operations	123	-10
Escrow account Sfera	-300	-
Earn out on disposal of Moqu in the prior year	1,000	-
Earn out from acquisition of Etinet in the prior year	-90	-
Purchase of property, plant and equipment	-3,763	-3,883
Sale of fixed assets	-	12
Other changes in fixed assets	3	-8
Purchase of intangible assets	-154	-163
Product development costs	-2,234	-2,273
Investing activities from assets held for sale		
Net cash flow used in investing activities	-7,417	-2,561
Financing activities		
Increase in medium/long-term loans	25,348	14,673
Repayment of medium/long-term loans	-18,306	-11,048
Other changes in medium/long-term loans	-62	14
Change in other financial receivables	500	-500
Net cash flow from/(used in) financing activities	7,480	3,138
Net increase/(decrease) in cash and cash equivalents	7,848	7,961
Cash and cash equivalents at beginning of period	-8,831	-16,792
Cash and cash equivalents at end of period	-984	-8,831



DADA S.p.A. FINANCIAL STATEMENTS

DADA S.p.A. RECLASSIFIED STATEMENT OF PROFIT/LOSS AT 31 DECEMBER 2016

EUR/000	31-Dec.-16 12 months		31-Dec.-15 12 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	4,469	100%	4,645	100%	-176	-4%
Service costs and other operating expenses*	-2,561	-57%	-2,700	-58%	140	-5%
Payroll costs	-2,477	-55%	-2,314	-50%	-163	7%
EBITDA*	-568	-13%	-369	-8%	-199	54%
Depreciation and amortization	-177	-4%	-252	-5%	76	-30%
Non-recurring income/(charges)	-128	-3%	-114	-2%	-15	13%
Reversal/provisions and impairment	44	1%	54	1%	-10	-19%
EBIT	-830	-19%	-681	-15%	-148	22%
Investment income and dividends	68	2%	72	2%	-4	-5%
Financial charges and impairment of equity investments	-349	-8%	-481	-10%	132	27%
Profit/(loss) before taxes	-1,110	-25%	-1,090	-23%	-20	-2%
Income taxes	255	6%	-485	-10%	739	-152%
Net profit	-856	-19%	-1,575	-34%	719	46%

* Gross of impairment losses and other non-recurring items



DADA S.p.A. NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 DECEMBER 2016

EUR/000	31-Dec.-16	31-Dec.-15	DIFFERENCE	
			Absolute	%
Fixed assets	30,428	30,535	-106	0%
Current operating assets	24,643	22,993	1,650	7%
Current operating liabilities	-2,314	-2,441	127	-5%
Net working capital	22,329	20,552	1,777	9%
Provision for termination indemnities	-124	-202	78	-39%
Provision for risks and charges	-187	-259	72	-28%
Net capital employed	52,446	50,626	1,821	4%
Non-current payables	-2,250	0	-2,250	-
Equity	-57,689	-58,307	618	-1%
Assets/liabilities held for sale	0	0	0	
Current bank debt	-2,250	-4,466	2,216	-50%
Net income/(charges) from cash pooling	8,031	11,006	-2,974	-27%
Other current financial receivables	0	1,000	-1,000	-100%
Cash and cash equivalents	1,711	142	1,569	1.106%
Current net financial position	7,493	7,681	-189	-2%
Total net financial position	5,243	7,681	-2,439	-32%