



DADA GROUP CONSOLIDATED QUARTERLY REPORT AT 31 MARCH 2017

(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

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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, 10}	Director
Carolina Gianardi ^{4, 5, 7, 8, 9}	Director
Cristiano Esclapon ⁷	Director
Youssef Bassem ¹¹	Director
Fadi Antaki ¹¹	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 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.

¹⁰ Appointed Chairman of the Compensation and Nominations Committee during the meeting of the Board of Directors held on 13 May 2015.

¹¹ Directors co-opted during the meeting of the Board of Directors held on 11 November 2015, following the resignation of Khaled Bishara and Antonio Converti on 8 September 2015, and confirmed by the AGM held on 28 April 2016.

BOARD OF STATUTORY AUDITORS

Massimo Scarpelli ¹²	Chairman Board of Statutory Auditors
Maria Stefania Sala ¹²	Standing Auditor
Massimo Foschi ¹²	Standing Auditor
Elisabetta Claudia De Lorenzi ¹³	Alternate Auditor
Manfredi Bufalini ¹³	Alternate Auditor

¹² Standing Auditor appointed during the AGM held on 28 April 2015.

¹³ Alternate Auditor appointed during the AGM held on 28 April 2015.

EXTERNAL AUDITORS

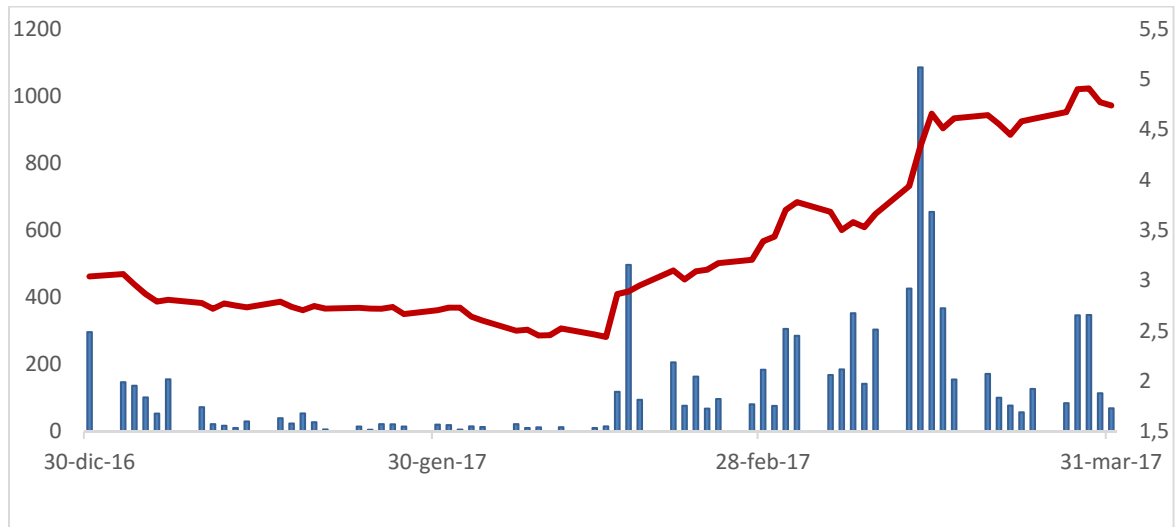
KPMG S.p.A.

DADA STOCK MARKET PERFORMANCE

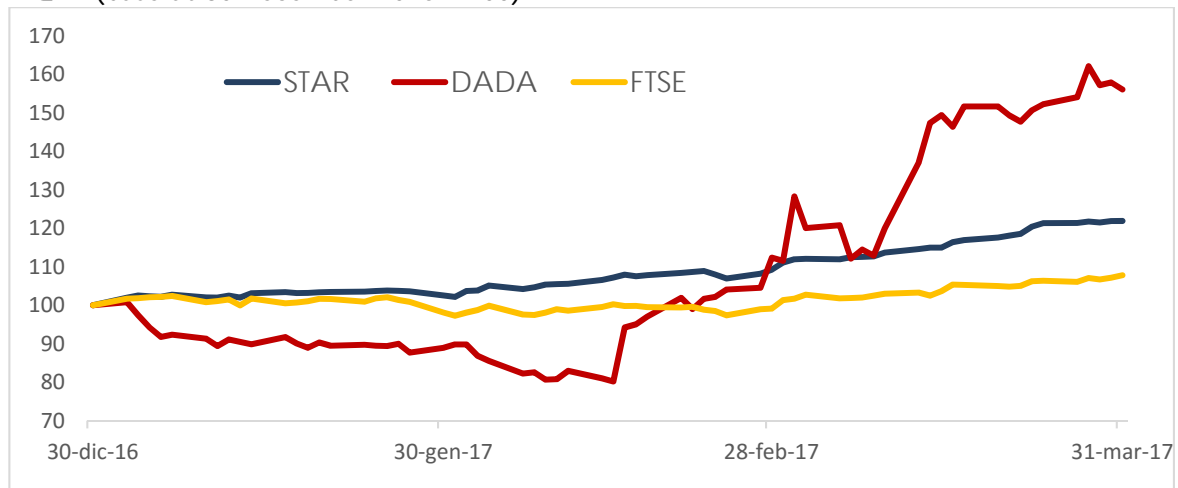
In 1Q17, the Dada share maintained a **bullish trend**, with an overall performance of **+55%**, increasing from €3.07 (official price at 30 December 2016) to €4.74 (official price at 31 March 2017), with **total volumes of trade of 8.7 million shares** for an average daily value of approximately €514 thousand. In 1Q16, total volumes of trade reached 2.0 million shares, with an average daily value of approximately €75 thousand.

In 1Q17, Italian stock exchange indices were on the upside, the Mid and Small Cap segment in particular. As for Dada, the share posted a **positive relative performance of +33%** versus the FTSE Italia STAR index and of **+47%** versus the FTSE Italia All-Share index. Both indices recorded an increase of **+22%** and **+8%** respectively in the reporting period.

DADA SHARE PERFORMANCE - OFFICIAL PRICES AND VOLUMES IN 1Q17



DADA SHARE PERFORMANCE VERSUS MAIN STOCK EXCHANGE INDICES 1Q17 (base at 30 December 2016 = 100)



Share and stock market indicators at 31 March 2017

DADA SHARE STATISTICS		1Q17
Official Price at 31 March 2017	€	4.74
Average Price ¹	€	3.30
Maximum Price	€	5.10 (29 March 2017)
Minimum Price	€	2.43 (14 February 2017)
Average daily volume (no. of shares traded)	no.	133,840
Average daily volume in Euro ²	€	513,896
Total volumes 1Q17 (no. of shares traded)	no.	8.7 million
Number of issued Ordinary Shares at 31 March 2017	no.	16,680,069
Market Capitalization at 31 March 2017	€	79.0 million

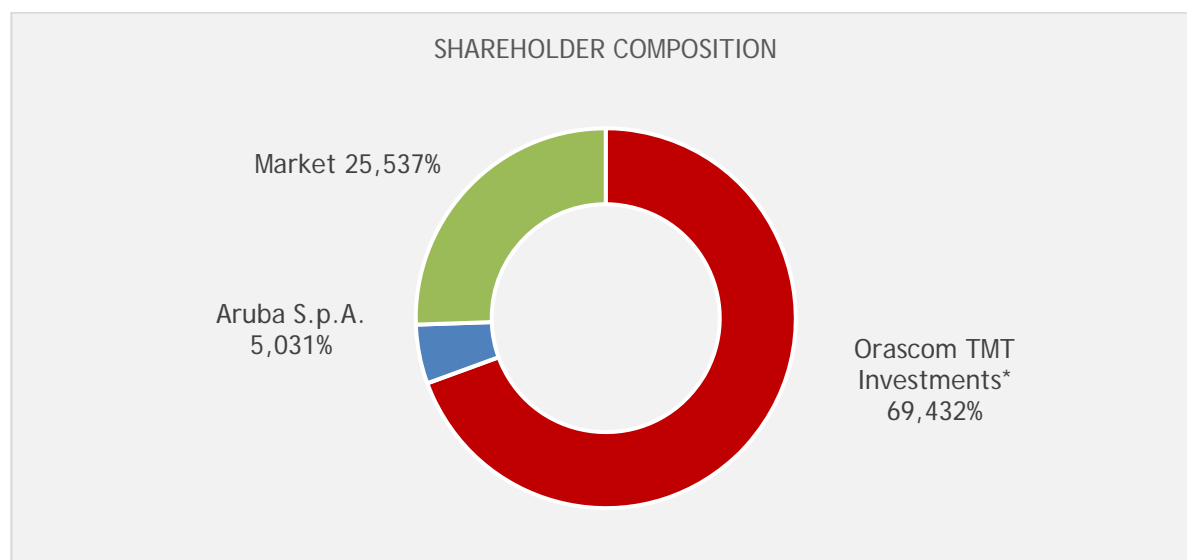
FINANCIAL RESEARCH - COVERAGE:

The Dada share is currently covered by **Banca IMI**, which also acts as Specialist, with Rating Hold and Target Price at €4.4 per share at 29 March 2017.

SHAREHOLDER STRUCTURE

At 31 March 2017, the issued share capital amounted to €2,835,611.73, equal to no. 16,680,069 issued ordinary shares with a par value of €0.17.

As at the same date, to the best knowledge of the Company, based on communications received pursuant to art. 120 of the TUF, the shareholder composition sees the following significant shareholdings above the 5% share capital threshold.



*Through the subsidiary Libero Acquisition SARL

¹ Average price calculated on the average official prices recorded at the close of trading days in 1Q17

² Average daily volumes in Euro, calculated on the official prices recorded at the close of trading days in 1Q17

DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated Income Statement (3 months)

(€mn)	31/03/2017	31/03/2016	Total difference	% difference
Revenue	18.0	16.8	1.1	7%
EBITDA*	3.2	3.0	0.2	7%
Depreciation and amortization	-1.4	-1.6	0.1	-9%
Non-recurring charges and other impairment	-0.1	-	-0.1	n.a.
EBIT	1.7	1.4	0.3	20%
Group net profit/(loss)	0.7	0.1	0.6	397%

* Gross of impairment losses and other non-recurring items

Consolidated Balance Sheet and Financial Position at 31 March 2017

(€mn)	31/03/2017	31/12/2016	Total difference	% difference
Fixed assets	95.4	95.6	-0.2	0%
Net Working Capital	-14.2	-12.2	-2.0	17%
Net Capital Employed	80.3	82.4	-2.1	-3%
Equity	53.7	52.9	0.8	2%
Cash and cash equivalents	0.4	-6.4	6.8	105%
Total Net Financial Position	-26.5	-29.5	3.0	10%
Cash flow from operating activities of cash and cash equivalents *	4.3	4.2	0.1	3%
Total cash flow of cash and cash equivalents	1.3	2.4	-1.1	-44%
Number of employees	438	445	-7	-2%

* including taxes and financial charges paid

DIRECTORS' REPORT

INTRODUCTION

The Quarterly Financial Report at 31 March 2017 has been prepared in accordance with International Accounting Standard 34 (IAS 34) on Interim Financial Reporting and, therefore, does not contain all the information required in the Full Year Financial Statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2016. It satisfies the provisions of Issuer Regulations no. 11971 of 14 May 1999, as subsequently amended.

Mention should be made that 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, 1Q16 had no financial benefit from this company.

All the following comments and analysis on income statement and cash flow figures in this Interim Report stem from the abovementioned new Group scope.

DADA GROUP PROFILE

Dada S.p.A. - listed on the STAR segment of the MTA managed by Borsa Italiana - is at the head of a leading European group in the Domain and Hosting market (D&H), specifically, in digital services for the online presence, visibility and business development of SMEs.

The Dada Group is basically organized around a single business unit falling under the "Domain and Hosting" division ("D&H"). It operates on the European market with a suite of products covering the entire value chain of the D&H segment: domain name registration and management, email, shared hosting, services for the development and management of web and e-commerce sites, online brand protection (OBP), virtual and dedicated server solutions, network & private cloud and IT Managed services.

The Dada Group currently operates in Italy, UK, Ireland, Spain, France, Portugal and Holland, respectively through its main brands Register.it and Etinet, Namesco.co.uk and Simply Hosting & Server, Register365, Nominalia and Amen.

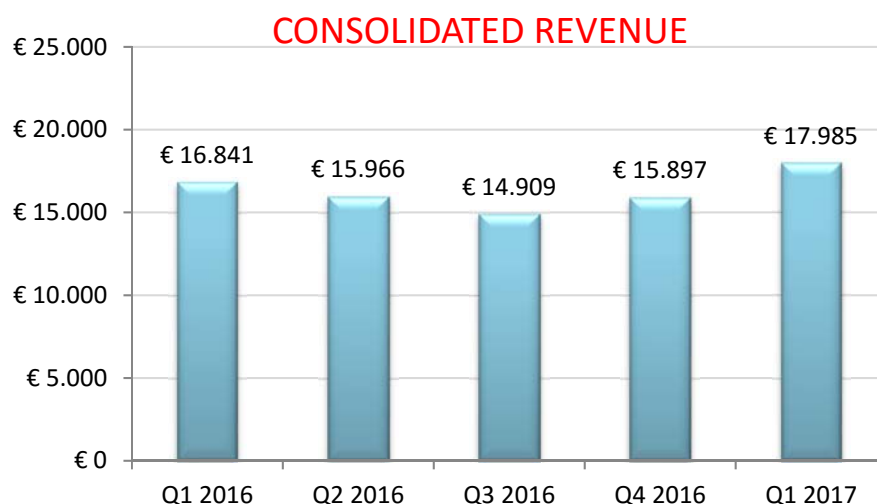
Alternative performance indicators

This Quarterly Financial Report uses certain alternative performance indicators (in addition to those generally used), which are adopted by the Dada Group Management to monitor and measure its business performance. Since these indicators are not recognized accounting measures under IFRS, they should not be considered alternative performance indicators for the Dada Group. As the composition of EBITDA and other alternative performance indicators is not governed by the relevant accounting standards, the Dada Group's calculation method may differ from the one used by other entities and may therefore make comparisons unreliable. As for their composition, details are found in the consolidated financial statements at 31 December 2016.

PERFORMANCE REVIEW

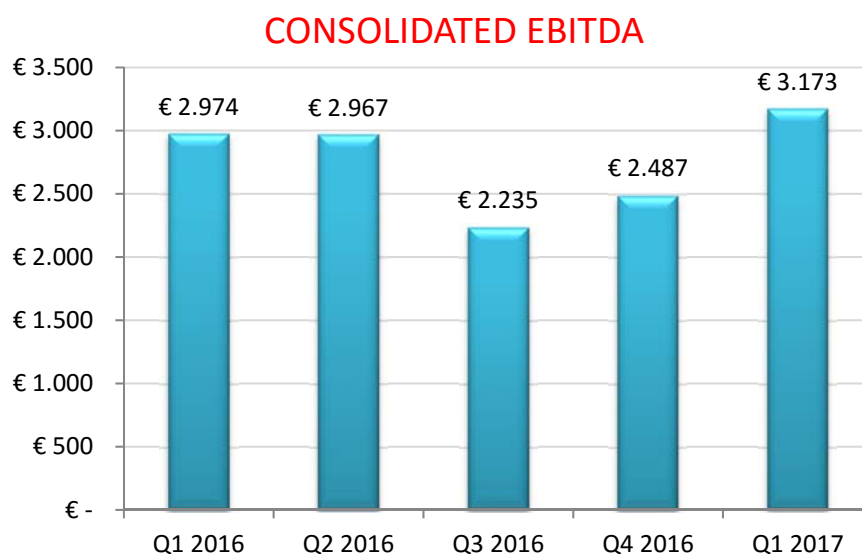
The Dada Group closed 1Q17 achieving consolidated revenue of €18.0 million, up by 7% versus €16.8 million in 1Q16. Net of exchange rate effects, which impacted negatively for approximately €0.6 million, due to the depreciation of the British Pound versus the Euro, revenue grew by 10.6%.

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



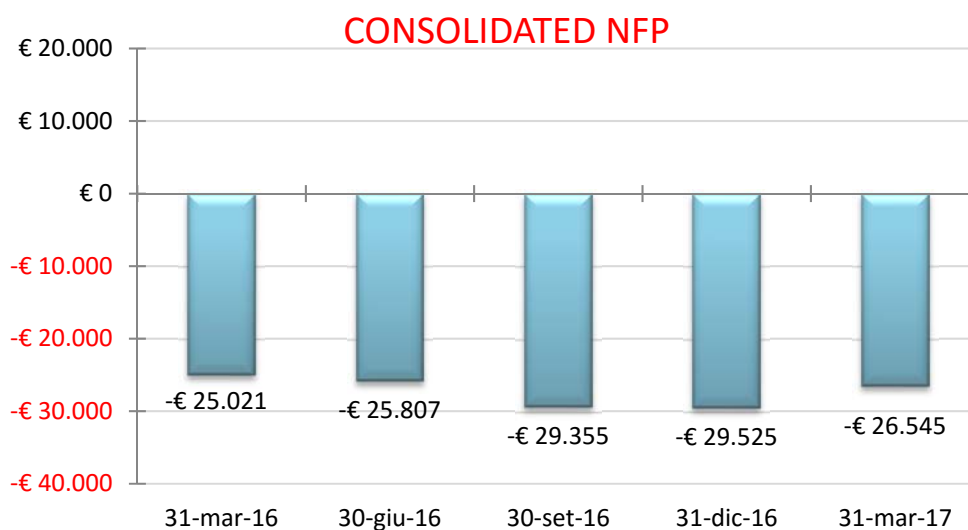
Consolidated EBITDA (gross of impairment losses and other non-recurring items) came to a positive €3.2 million in 1Q17, with an 18% margin on revenue, up by 7% versus the figure in 1Q16 (€3 million).

The following graph shows the trend in EBITDA of the Dada Group over the last 5 quarters:



The total consolidated net financial position of the Dada Group at 31 March 2017, which includes funding to be repaid within and beyond one year, came to **-€26.5 million, improving by approximately €3 million** versus -€29.5 million at 31 December 2016. The figure reflects the positive cash flows generated by Group operating activities in the reporting period.

The following graph shows the trend in the consolidated net financial position over the last 5 quarters:



Results

Regarding the key results of the Dada Group in 1Q17 versus 1Q16, see the Reclassified Income Statement in Annex 1 to this Quarterly Report.

The Dada Group ended 1Q17 with consolidated revenue of **€18.0 million**, up by +7% versus €16.8 million in 1Q16.

The revenue performance reflects in particular the trend of the appreciation of the Euro against the British Pound, which impacted negatively for approximately €0.6 million versus 1Q16, as well as the consolidation of the results of Sfera, as from 1 July 2016, which contribute €0.8 million to revenue in 1Q17.

Net of the impact of the Euro/British Pound exchange rate, revenue would have grown by approximately 11% versus 1Q16, while organic growth, at constant exchange rates, net of Sfera's contribution, would have amounted to 6%.

In 1Q17, the Dada Group strengthened its position in the European market of services for the **online presence, visibility and business development of SMEs**, continuing to **expand its customer base**, and **adding new tailor-made services to its suite of products**, such as **website building**, and **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** on marketing investments, initial offering campaigns and product development, contributed in 1Q17 to **expanding the customer base**, to **consolidating market shares** in the main geographies, and to **strengthening operating profit**, against an **increasingly challenging** backdrop marked by the **growing combination** of top players at international level.

Against this backdrop, Dada reported a **strong growth** in its customer base, which topped 650,000 at 31 March 2017, up by +12% YoY. New customers acquired grew by approximately +9% versus 1Q16, which had previously witnessed a strong expansion versus 2015 (+47%).

On the **domains** front, the stock of domains under management in 1Q17, approximately 1.9 million, grew by +4% YoY, allowing the Group brands to **consolidate their position in the main geographies**. New registered domains dropped by 17% versus 1Q16 which, in turn, had surged by over +40% versus 2015; however, new domains registered in 1Q17 increased by +20% versus 1Q15. The trend of the stock of domains and new registrations falls in the framework of a more selective strategy in sales policies, aimed at optimizing productivity through marketing strategies to reduce the negative impacts on unprofitable and non-strategic sales margins.

In 1Q17, 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, in line with the top international players. Additionally, the reporting period saw an increase in revenue from renewals of all product lines, with positive effects on the growth of profit margins, thanks mainly to the rising trend of renewals of customers acquired through initial offering campaigns.

In 1Q17, Dada also continued the activities aimed to **expand and support the customer base**, strengthening the **customer support desks** on an international level. The Group currently 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** (NPS³ and Satisfaction Score). Optimized marketing investments also allowed the Group in the reporting period to **reduce the COA** (average cost of acquisition for each customer).

In 1Q17, Dada continued to strengthen its **website building** business, leveraging on the contribution of Etinet, acquired in July 2015, thanks to products such as "*Il Sito è Servito*", designed to offer a range of **ever-increasing quality** solutions for the **development, management and visibility** of web, mobile and e-commerce sites. In the reporting period, the presence was also **strengthened in custom services for online brand protection (OBP)**. **Cloud and Dedicated Server solutions** also posted strong sales. These solutions, which rely mainly on the proprietary Datacenter, grew by over +30% on the **Italian market** alone and by +25% in Europe YoY.

Regarding the development of Server solutions, and given the growth potential of this segment in Europe, mention should be made of the acquisition by Dada in July 2016 of Sfera, a **leading Italian digital player**, specialized in **virtual hosting, network & private cloud services** to SMEs. The acquisition was made to **strengthen the Group's 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.

3 NPS: Net Promote Score

On the product and platform innovation front, all efforts are still geared towards 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:

- Regarding **Server & Cloud services**, the launch of new **Managed and Custom Solutions**, including: i) **IT Infrastructure management and monitoring services** for the **outsourcing of the management, maintenance and upgrading** of the architectures of SMEs, and ii) **custom consulting services based on specific customer needs** in terms of network architecture, performance, technical and security features; additionally, the Server and Cloud services area also expanded SSL certificate solutions;

- **Development and promotional launch**, initially on the Italian market, of "*Il Sito è Servito*", a product that offers solutions for building custom sites delivered in "*we do it for you*" mode (DIFY), providing SMEs with a site tailored to their **specific business needs** in a **highly rapid and efficient way**;

- The ongoing developments on **Hosting & Website 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 create **mobile-friendly websites**;

- **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;

- In 2016, the Dada Group 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 2016, Register.it was awarded the ISO27001 certification and, in February 2017, the EIDAS certification, issued for compliance with the requirements of the current European regulations;

- In early 2017, Dada joined **CISPE (Cloud Infrastructure Services Providers in Europe)**, the **group of European leaders in Cloud Computing Infrastructure Services**, whose Cloud services comply with the **Data Protection Code of Conduct**. The intent of the CISPE Code of Conduct is to guarantee cloud customers that the infrastructure provider is adopting appropriate **protection standards**, in accordance with the current European Directive and with the **general data protection rules (GDPR)**, which will come into force in May 2018.

Foreign-based activities contributed 52% to consolidated revenue in 1Q17, dropping slightly versus 55% reported in 1Q16 (due mainly to the depreciation of the British Pound and to the contribution of the domestic revenue of Sfera), confirming, however, the significant weight of international business in the overall development of the Group.

In 1Q17, consolidated **EBITDA** came to **€3.2 million**, with an approximately **18% margin** on revenue, up by +7% versus 1Q16 (€3.0 million).

The EBITDA performance, as for revenue, reflects the adverse trend of the appreciation of the Euro against the British Pound, which accounted for approximately -€1 million in 1Q17

versus 1Q16, as well as the consolidation of the results of Sfera, as from 1 July 2016, which contribute €0.2 million.

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

- **service costs** in 1Q17 amounted to **€9.9 million**, up by 5% versus €9.5 million in 1Q16, representing **55% of revenue** from 56%. Specifically, the cost of goods sold increased, due partly to the consolidation of Sfera Networks and partly to the continued promotional campaigns launched to support customer growth;
- **payroll costs** in 1Q17 amounted to €5.4 million, up by 9% versus €5.0 million in 1Q16, **steady at 30% of revenue**. The trend is mainly ascribable to the increase in staff (438 units at 31 March 2017 versus 416 at 31 March 2016), due mainly to the consolidation of Sfera Networks;
- Change in inventories and increase in own work capitalized, amounting in 1Q17 to €551 thousand, or 3% of consolidated revenue **down by approximately 6%** versus €589 thousand in 1Q16, consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the Dada Group.

In 1Q17, the Dada Group **consolidated EBIT** amounted to a **positive €1.7 million**, with a 9% margin on revenue, **up by 20%** versus €1.4 million in 1Q16 (8% margin).

The improvement, in addition to the abovementioned growth of EBITDA, is explained by the following elements:

- consolidated depreciation and amortization in 1Q17 amounted to €1.4 million, accounting for 8% of revenue, down by 9% versus 1Q16 (€1.6 million). Consolidated depreciation and amortization at 31 March 2017 was composed as follows: €0.8 million in tangible assets (€0.9 million at 31 March 2016) and €0.6 million in intangible assets (€0.7 million in 1Q16). The reduction in amortization and depreciation in the period is attributable to the lower amount of investments made by the Group over the past two years, and to the resulting implementation of the investments made through to 2014 to support the in-house development of the proprietary platforms and the creation of the Datacenter in the UK;
- impairment losses, provisions and other non-recurring income/charges amounted to €77 thousand in 1Q17 (€10 thousand in the prior year), and solely included charges related to the efficiency of the organizational structure.

Overall Financial Activities (the difference between financial income and charges, including the effects of forex movements) of the Dada Group came to -€0.6 million in 1Q17 (referring exclusively to financial charges, while forex effects were basically neutral in the quarter) versus -€0.9 million in 1Q16 (-€0.7 million from financial charges and -€0.2 million from the negative effects of forex).

In the reporting period, the British Pound exchange rate at 31 March 2017 was basically steady versus 31 December 2016, while in 1Q16, the Euro had appreciated by 9%, impacting on the translation of a number of debit items. Mention should also be made that the financial effects of these exchange rate movements were partly mitigated, where possible, by non-speculative hedging.

The trend in average spreads and rates charged in 1Q17 on outstanding medium-term loans improved versus 1Q16, thanks to the positive outcome from the renegotiation (the most significant completed at end 2016) of certain loans already made in the prior year, the benefits of which will be fully felt in 2017.

Short-term financial transactions also saw a general decline in the conditions applied by lenders.

As a result of the above and of the improvement in the net financial position in the quarter, overall financial charges, net of exchange losses, improved and amounted to €0.6 million in 1Q17 versus €0.7 million in 1Q16, down by an overall 8%, split up as follows:

- interest expense on medium/long-term loans, amounting to €0.2 million (€0.26 million in 1Q16);
- interest owed on bank overdrafts and other bank commissions, amounting to €0.4 million, basically in line with 1Q16, €0.3 million of which relating to bank commissions on credit card payments for both periods;
- IRS derivative differentials, amounting to €24 thousand in 1Q17 versus €21 thousand in 1Q16.

There was no financial income worthy to report in the period under review, as in the prior year.

The overall tax burden in 1Q17 came to €0.3 million, down slightly versus €0.4 million in 1Q16.

Current tax amounted to €0.2 million in 1Q17 versus €0.3 million in 1Q16, while deferred tax impacted negatively by €0.1 million, basically in line with 1Q16.

More specifically, current tax refers mainly to the tax burden on some foreign-based companies, which show a positive pre-tax income of €0.1 million (versus €0.2 million in 2016), while IRAP paid by Italian companies in 1Q17 amounted to €0.1 million, in line with 1Q16. The trend in deferred tax assets in the reporting period is explained by the use of receivables from prior-year pre-paid tax calculated on the temporary differences between statutory and tax regulations, and by the use of such receivables to cover (through prior-year tax losses) IRES taxable income of the current period.

The assessment of the recoverability of tax losses was made, with a positive outcome, in the preparation of the annual consolidated financial statements in 2016. Mention should be made that the Dada Group has accrued total tax losses of €38.9 million (on €16.9 million of which deferred tax assets were calculated), referring for the most part to the Italian companies, which may be carried forward indefinitely under the current laws for an amount equal to 80% of taxable income for each financial year.

In this regard, as from the previous financial statements, deferred tax assets had been recalculated following the change in the IRES tax rate, which has dropped, starting from 2017, from 27.5% to 24% as set out in the 2016 Stability Law.

In 1Q17, the Dada Group's consolidated net profit came to a positive €0.7 million, growing sharply versus €0.1 million in 1Q16.

The income statement at 31 March 2017, as in the prior year, does not include any non-controlling interests.

PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, the Dada Group is organized in a single business segment falling under the Domain & Hosting services. This is due to the fact that the current product lines related to the core business and corporate activities are completely integrated with each other; as a result, they no longer qualify as separate business segments under IFRS 8. Further information is also found in Note 3 in this Quarterly Financial Report.

Financial position

The table below shows the total Net Financial Position of the Dada Group at 31 March 2017 versus the position at 31 December 2016:

NET FINANCIAL POSITION					
EUR/000		31-Mar-17	31-Dec.-16	DIFFERENCE	
				Absolute	%
A	Cash on hand	12	18	-6	-33%
B	Bank and post office deposits	7,141	4,799	2,343	49%
C	Liquidity (A+B)	7,154	4,817	2,337	49%
D	Time deposits and other receivables - non-current	150	150		
E	Time deposits and other receivables - current	150	150		
F	Current portion of derivatives	1	1		
G	Financial receivables (D + E + F)	301	301		0%
H	Total Financial Assets (C+G)	7,455	5,118	2,337	46%
I	Current credit lines and account overdrafts with banks	-49	-	-49	18568%
L	Current bank borrowings	-6,752	-5,800	-952	16%
M	Other current financial payables	-150	-150	-	-
N	Current portion of derivatives	-107	-69	-38	56%
O	Current debt (I+L+M+N)	-7,058	-6,019	-1,039	17%
P	Non-current bank borrowings	-25,669	-27,312	1,643	-6%
Q	Other non-current financial payables	-1,150	-1,150	-	-
R	Non-current portion of derivatives	-123	-162	38	100%
S	Non-current debt (P+Q+R)	-26,942	-28,623	1,681	-6%
T	Total Financial Liabilities (O+S)	-34,000	-34,642	643	-2%
U	Cash and cash equivalents (C+I+L)	353	-983	1,336	136%
V	Total net financial position (H+T)	-26,545	-29,525	2,980	10%

At 31 March 2017, the Dada Group's total consolidated net financial position, which includes all short and medium/long-term funding and loans, came to -€26.5 million versus -€29.5 million at 31 December 2016.

“Cash and cash equivalents”, which takes account, under IAS, of financial positions formed of short-term items only, came, instead, to €0.4 million at 31 March 2017 versus -€1 million at 31 December 2016.

This trend in 1Q17 is due largely to the cash flows generated by the Dada Group in the period, which resulted in an increase in liquidity. The following is a summary of the cash flow trend in the period:

- Cash flows from operating activities (before outlays for tax and interest) amounted to €5 million in 1Q17 versus €4.6 million in the prior year. The improvement is explained by the abovementioned increase in operating profit, a consequence of seasonality factors as the first quarter normally reports higher cash-ins than in the following quarters;

- Investment outlays for tangible and intangible assets in the reporting period amounted to €1.4 million versus €1.3 million at 31 March 2016.

- The cash flow from outstanding loans, amounting in 1Q17 to €1.6 million (€0.5 million in 1Q16), composed by the: a) repayment of loans falling due in the quarter of €0.6 million; b) reclassification to the current portion (within 12 months) of the second instalment of the pool loan of €1 million.

Details on the main characteristics and conditions of the new pool loan coordinated by Banca IMI and taken out with Unicredit, Banca Intesa and MPS are found in the financial statements at 31 December 2016.

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 March 2017. Specifically, in 2016 new IRS contracts had been concluded, related to the new pool loan agreement; these contracts provide for an overall coverage of at least 50% of the risk of fluctuations on the base rate.

For further details on the items that marked cash flows on a cash and cash equivalents level, see the Cash Flow Statement included in this Quarterly Financial Report and the relevant notes. Lastly, regarding reconciliation between cash flow of the total consolidated net financial position and cash flow shown in the consolidated cash flow statement, see Note 18 in this Quarterly Financial Report. The following points provide detailed information on the main aggregates in the net financial position.

Investing activities

In 1Q17, total outlays for investing activities of the Dada Group came to -€1.4 million versus -€1.3 million in 1Q16.

Regarding investments (in terms of the increase in own work capitalized, not in cash flows):

- investments in intangible assets amounted to approximately €0.6 million versus €0.7 million in 1Q16, referring mainly (as in 2016) to costs for the development of the proprietary processes and platforms needed to provide Domain & Hosting services;

- investments in property, plant and equipment amounted to €0.7 million, up versus €0.4 million in 1Q16. Investments in property, plant and equipment in the period under review, as in 1Q16, referred mainly to the purchase of network servers and new systems, and to other electronic equipment needed for the provision of services. Investments in furniture and fittings and in other tangible assets are to be considered non-significant.

Financing activities

The consolidated cash flow statement at 31 March 2017 came to -€1.6 million (-€0.5 million at 31 March 2016) relating to “net difference in cash flow from financing activities”, composed as explained above, since 1Q17 saw no new medium/long-term loans.

The previously mentioned IRS differential had a minor impact.

The foregoing effects impact solely on “cash, cash equivalents and current bank borrowings”, but are clearly neutral on the “total Net Financial Position”.

Net Working Capital

The Dada Group’s Net Working Capital at 31 March 2017 was -€14.2 million versus -€12.2 million at 31 December 2016 and -€13.3 million at 31 March 2016.

In this regard, the change in the scope of consolidation following the acquisition of Sfera had a negative impact of €0.2 million on NWC.

It should additionally be noted that the dynamics of net working capital over the four quarters of a year are linked to Group operations, which generally report a larger portion of revenue from services provided in the first quarter of the year versus the following quarters; part of this revenue is recognized during the entire year as deferred income on a pro-rata basis. This situation reflects on net working capital in terms of deferred income included in other payables.

Looking at the single items forming NWC, trade receivables at 31 March 2017 amounted to €5 million, up versus €4.2 million at 31 December 2016, including certain Domain & Hosting services that have deferred collection conditions. Trade payables also increased to reach €7.1 million versus €6.8 million at 31 December 2016.

Other current liabilities include deferred income of approximately €15.6 million resulting, as mentioned, from certain services that are recognized in a period different from when cash is received; these will not entail future financial outlays, but rather the recognition of future revenue in the income statement. Deferred income at 31 December 2016 amounted to €14.1 million versus €13.8 million at 31 March 2016.

Other receivables and payables mostly include tax transactions (including deferred tax), INPS and dealings with authorities. The relevant information is found in the notes.

Other items included in net capital employed comprise other consolidated liabilities due beyond one year, which mainly include termination indemnities and provisions for risks and charges, amounting respectively to €0.8 million (in line with 31 December 2016) and €0.1 million (versus €0.2 million at 31 December 2016).

The Dada Group’s Equity amounted to €53.7 million at 31 March 2017 versus €52.9 million at 31 December 2016. The increase is mainly ascribable to the positive contribution of profit for the period of €695 thousand, and the rest to other changes. In 1Q17, the effects of the translation of the financial statements of consolidated companies denominated in GBP had no significant impact.

Group employees

The number of Dada Group employees, split up by geographical area, at 31 March 2017 and at 31 December 2016, is shown in the table below:

	Italy		Abroad		Total	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Employees	241	250	197	195	438	445

The Dada Group's headcount at 31 March 2017 totaled 438 employees versus 445 at 31 December 2016.

SIGNIFICANT EVENTS IN 1Q17

The events which had the most significant impact on the Dada Group in 1Q17 are described below:

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, see the press releases issued on the above stock option plan.

On 15 March 2017, the Board of Directors of Dada S.p.A. approved the letter received from the controlling shareholder Libero Acquisition S.à r.l. ("Libero Acquisition"), previously disclosed to the market by the Company on 09 March 2017, to cooperate in a 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.

For further details, see the press releases issued on the foregoing events.

SIGNIFICANT EVENTS AFTER 31 MARCH 2017

On 20 April 2017, the Annual General Meeting 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 2016, as proposed by the Board of Directors at the meeting held on 15 March 2017. The Shareholders resolved to carry forward the loss for the year of €855,912.04;
- (ii) the approval of the **Remuneration Report** in accordance with art. 123-ter of Legislative Decree 58/98;
- (iii) the **renewal of the authorization**, after revoking the previous granted on 28 April 2016, 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 the 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. Instead, treasury shares may be sold 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. To date, neither the Company nor its subsidiaries hold any treasury shares.

For further details, see the press release issued on the above event.

OUTLOOK FOR THE YEAR

The results of the first quarter are fully in line with the guidance for the current year, indicating an average annual "mid-single digit" revenue growth (on a like-for-like basis and at constant exchange rates) for 2017, as well as an increase in operating profit, leveraging on the increase in average revenue per unit (ARPU) of recently acquired customers, and on the gradual benefits coming from economies of scale, along with a constant, watchful eye on overhead costs.

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 and 1Q17, 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.

As for growth-through-acquisition strategies, the Dada 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 product portfolio and technological expertise.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2017

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP PROFIT/LOSS STATEMENT AT 31 MARCH 2017

EUR/000	31 March 2017	31 March 2016
Net revenue	17,985	16,841
Chg. in inventories, work in progress & inc. in own wk. capitalized	551	589
Service costs and other operating expenses	-9,913	-9,462
Payroll costs	-5,431	-4,975
Other operating revenue and income	9	7
Other operating expenses	-107	-38
Provisions and impairment losses	1	2
Depreciation and amortization	-1,425	-1,569
EBIT	1,670	1,396
Investment income	36	87
Financial charges	-662	-964
Other income/(charges) from financial assets and liabilities	-	-1
Comprehensive profit/(loss) before taxes	1,044	518
Income taxes	-349	-378
Comprehensive profit/(loss) from continuing operations	695	140
Profit/(loss) from discontinuing and discontinued operations	-	-
Group net profit/(loss)	695	140
Basic earnings/loss per share	0.042	0.008
Diluted earnings/loss per share	0.038	0.008

DADA GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME AT 31 MARCH 2017

EUR/000	31 March 2017	31 March 2016
Net profit/(loss) for the period (A)	695	140
Other comprehensive profit/(loss) to be subsequently reclassified in profit/loss for the year (B):	40	-3,405
Gains/(losses) on exchange rate derivatives (cash flow hedges)	6	-39
Tax effect on other gains/(losses)	-1	11
Gains/(losses) from the translation of foreign currency financial statements	36	-3,377
Total comprehensive income/(loss) (A)+(B)	735	-3,265
<i>Total comprehensive income/(loss) attributable to:</i>		
Shareholders of the parent company	735	-3,265
Non-controlling interests	-	-

DADA GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2017

ASSETS	31 March 2017	31 December 2016
<i>Non-current assets</i>		
Goodwill	79,442	79,411
Intangible assets	5,180	5,214
Property, plant and equipment	8,440	8,615
Equity investments in non-consolidated subsidiaries, associates and other companies	2,198	2,198
Financial assets and other non-current receivables	335	335
Deferred tax assets	5,355	5,467
Total non-current assets	100,950	101,241
<i>Current assets</i>		
Inventories	2	29
Trade receivables	4,999	4,187
Tax and other receivables	5,402	5,285
Current financial receivables	150	150
Financial assets for derivative instruments	1	1
Cash and cash equivalents	7,153	4,817
Total current assets	17,708	14,469
TOTAL ASSETS	118,658	115,709

DADA GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2017

EQUITY AND LIABILITIES	31 March 2017	31 December 2016
EQUITY AND LIABILITIES		
<i>Share capital and reserves</i>		
Share capital	2,836	2,836
Other equity instruments	558	461
Share premium reserve	33,098	33,098
Legal reserve	950	950
Other reserves	10,398	10,358
Retained earnings/losses carried forward	5,207	5,030
Net profit/(loss) for the period	695	178
Total equity, Group share	53,742	52,910
Non-controlling interests	-	-
Total equity	53,742	52,910
<i>Non-current liabilities</i>		
Financial payables (due beyond one year)	26,819	28,462
Provision for risks and charges	208	229
Employee benefits	768	789
Non-current financial liabilities from derivatives	123	162
Total non-current liabilities	27,918	29,641
<i>Current liabilities</i>		
Trade payables	7,101	6,788
Other payables	20,513	18,182
Taxes payable	2,326	2,169
Financial liabilities for derivative instruments	107	69
Account overdrafts, loans and other financial payables (due within one year)	6,951	5,951
Total current liabilities	36,997	33,158
TOTAL EQUITY AND LIABILITIES	118,658	115,709

DADA GROUP CASH FLOW STATEMENT AT 31 MARCH 2017

EUR/000	31 MARCH 2017	31 MARCH 2016
Operating activities		
Net profit/(loss) for the period	695	140
<i>Adjustments for:</i>		
Income from trading	-36	-87
Financial charges	662	964
Income taxes	349	378
Gains/losses	-5	-2
Depreciation	828	901
Amortization	597	667
Granting of stock options	98	48
Other provisions and impairment losses	-	10
Increases/(decreases) in provisions	-59	-68
Cash flow from operating activities before changes in working capital	3,129	2,952
(Increase)/decrease in inventories	27	7
(Increase)/decrease in receivables	-872	-2,097
Increase/(decrease) in payables	2,700	3,783
Cash flow from operating activities	4,985	4,644
Income taxes paid	-120	-81
Interest (paid)/received	-531	-367
Net cash flow from operating activities	4,334	4,197

DADA GROUP CASH FLOW STATEMENT AT 31 MARCH 2017

EUR/000	31 MARCH 2017	31 MARCH 2016
Investing activities		
Purchase of property, plant and equipment	-794	-580
Sale of fixed assets	3	-
Other changes in fixed assets	-	2
Purchase of intangible assets	-3	-95
Product development costs	-560	-595
Net cash flow used in investing activities	-1,354	-1,269
Financing activities		
Increase in medium/long-term loans	125	-
Repayment of medium/long-term loans	-1,767	-480
Other changes in medium/long-term loans	-1	-55
Net cash flow from financing activities	-1,643	-534
Net increase/(decrease) in cash and cash equivalents	1,336	2,394
Cash and cash equivalents at beginning of period	-984	-8,831
Cash and cash equivalents at end of period	352	-6,437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2017

Attributed to the shareholders of the parent company

Description	Share capital	Share prem. res.	Legal res.	Other reser.	Other equity instru.	Cash flow hedge reserve	Res. Discount. Term. indemn.	Translation reserve	Retained earnings/(losses)	Net profit/(loss)	Total equity
Balance at 1 January 2017	2,836	33,098	950	19,215	461	-174	-92	-8,592	5,030	178	52,910
Allocation of 2016 profit									178	-178	-
Profit/(loss) for the period										695	695
Other comprehensive income/(loss)						5		36			40
Total comprehensive income/(loss)						5		36		695	735
Other equity instruments					98						98
Balance at 31 March 2017	2,836	33,098	950	19,215	558	-170	-92	-8,556	5,207	695	53,742

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2016

Attributed to the shareholders of the parent company

Description	Share capital	Share prem. res.	Legal res.	Other reser.	Other equity instrum.	Cash flow hedge reserve	Res. Discount. Term. indemn.	Translation reserve	Retained earnings/(losses)	Net profit/(loss)	Total equity
Balance at 1 January 2016	2,836	33,098	950	19,215	269	-99	-70	-1,894	3,696	1,333	59,335
Allocation of profit									1,333	-1,333	-
Profit/(loss) for the period										140	140
Other comprehensive income/(loss)						-28	0	-3,377			-3,405
Total comprehensive income/(loss)						-28	0	-3,377	0	140	-3,265
Other equity instruments					48						48
Balance at 31 March 2016	2,836	33,098	950	19,215	317	-127	-70	-5,271	5,030	140	56,117

EXPLANATORY 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) managed by the Milan Stock Exchange. The address of its registered office is indicated on Page 1 of this Quarterly Financial Report.

The Dada Group (www.dada.eu) is an international leader in domain services, hosting, and advanced online advertising solutions.

See the Directors' Report for further information.

2. Preparation criteria

This Quarterly Financial Report has been prepared in accordance with the historical cost convention, with the exception of financial assets held for sale, measured at fair value.

This Quarterly Financial Report is 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.

It comprises the Profit/Loss Statement, the Statement of Other Comprehensive Income, the Balance Sheet and Financial Position Statement, the Cash Flow Statement, the Statement of Changes in Equity, and these notes.

The publication of this Quarterly Financial Report was authorized by the Board of Directors on 10 May 2017.

Statement of compliance with IAS/IFRS

This Quarterly Financial Report at 31 March 2017 has 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 Quarterly Financial Report has been prepared in summary form in accordance with IAS 34 and art. 154 ter of the Consolidated Finance Act (Legislative Decree no. 58/1998). Therefore, it does not include all of the information required of annual reports and should be read together with the consolidated financial statements for the year ended 31 December 2016.

The accounting standards adopted for the preparation of this Quarterly Financial Report at 31 March 2017 are the same as those used in the Group's annual financial statements for the year ended 31 December 2016, with the exception of the following new standards and interpretations applicable from 1 January 2017:

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.

For further details on the main changes and their potential effects, see the Annual Financial Report at 31 December 2016.

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.

Consolidation procedures

This Quarterly Financial Report includes the results of the Parent Company Dada S.p.A. and of its subsidiaries at 31 March 2017.

The financial results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual acquisition date until the actual date of sale.

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

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.

The exchange rates used to translate the financial statements of consolidated companies into Euro are shown below:

Currency	Exchange rate on 31.03.2017	Average exchange rate 1Q17
US Dollar	1.0691	1.06480
British Pound	0.8555	0.86009

Currency	Exchange rate on 31.03.2016	Average exchange rate 1Q16
US Dollar	1.1385	1.1041
British Pound	0.7916	0.7711

Scope of consolidation

The scope of consolidation had changed in the prior year following the full consolidation of Sfera Networks S.r.l., held 100% by the Group, as from 1 July 2016. For further information on the structure of this transaction, see the Directors' Report in the Annual Financial Report at 31 December 2016. The composition of the scope of consolidation is shown in Annex 3.

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 also subject to regulations on, *inter alia*, personal privacy, consumer protection, commercial communications and the TMT (Technology, Media & Telecommunications) business in general. These regulations, especially on a European level, are becoming increasingly stringent for our markets of operation. 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 prior 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 agreements 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

December 2016 explained in Note 19, previous covenants running from financial year 2016 have been redefined, based on consolidated half-year figures. At 31 December 2016, these covenants were fully met.

For details on the hedging of interests rate risks (IRS), see the financial statements at 31 December 2016.

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 March 2017, 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 €41.1 million, approximately €32.5 million of which drawn down (€38.6 million and €30.1 million, respectively, at 31 March 2016), with cash available amounting to €7.4 million versus €5.4 million at 31 March 2016.

Exchange risk

The Group's international expansion and scope of operations expose its results 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 30% of the Group's sales are denominated in a currency other than the primary one (mainly in GBP), while about 34% of its service costs are expressed in foreign currency (mainly GBP and USD). In early 2016, as it did previously, the Group engaged mainly in currency forwards in order to hedge its exchange rate risk.

Mention should additionally be made that Great Britain approved the withdrawal of the UK from the EU (Brexit), an event that led to a further marked depreciation of the British Pound against the Euro. This trend and the relating financial effects were less marked in 1Q17.

Additionally, a possibility not to rule out is that the event could bring even more adverse effects on the transactional flows denominated in GBP currency in the coming quarters. Further details are found in Note 4 on goodwill and impairment losses.

Credit risk

The Group's exposure to credit risk is mainly 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 and each credit position generally involves small amounts. With regard to financial receivables, liquidity is invested mainly with banks of the highest standing.

Price risk

The Group is not exposed to significant price volatility risk, outside of the considerations in the above market section.

For further details, see the information provided in accordance with IFRS 7 attached to this Report, appearing in the notes to the consolidated financial statements at 31 December 2016.

Risks associated with the contract for the disposal of the Dada.net BU (hereinafter referred to as “the Contract”)

Details are found in the consolidated financial statements at 31 December 2016.

Risks associated with the contract for the transfer of the ProAdv BU to 4W MarketPlace S.r.l.

Details are found in the consolidated financial statements at 31 December 2016.

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.

Seasonal trends

The Dada Group's main operations are not affected by seasonal trends that could influence results throughout the reporting period, except as outlined in the section on Net Working Capital.

3. Segment reporting pursuant to IFRS 8

For operational purposes, the Dada Group is organized in a single Business Unit (Domain & Hosting).

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
- Advanced online advertising solutions

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 Netherland B.V., Amenworld-Servicos Internet LDA, Agence des Medias Numeriques SAS, Namesco Ltd, Namesco Inc., Namesco Ireland Ltd, Poundhost Internet Ltd, Simply Virtual Servers Limited, Simply Transit Limited, Etinet S.r.l. and Sfera Networks S.r.l..

Income statement by business segment at 31 March 2017

31 MARCH 2017 (3 months)			
Segment reporting	Total continuing operations	Total discontinued operations	Total consolidated
Revenue - Italy	8,702		8,702
Revenue - abroad	9,283		9,283
Net revenue	17,985	-	17,985
Increase in own work capitalized	551		551
Service costs	-9,932		-9,932
Payroll costs	-5,431		-5,431
Segment EBITDA	3,173	-	3,173
Depreciation, amortization and impairment of fixed assets	-1,425		-1,425
Impairment, provisions and non-recurring income/charges	-77		-77
EBIT	1,670	-	1,670
Net financial charges	-626		-626
Other income/(charges) from financial assets and liabilities	-		-
Share of profit/(loss) of companies valued at equity	-		-
Profit/(loss) before taxes	1,044	-	1,044
Income taxes	-349		-349
Group & non-controlling interests profit/(loss)	695	-	695
Non-controlling interests	-		-
Profit/(loss) from discontinued operations	-		-
Group net profit/(loss)	695	-	695

Income statement by business segment at 31 March 2016

31 MARCH 2016 (3 months)			
Segment reporting	Total continuing operations	Total discontinued operations	Total consolidated
Revenue - Italy	7,598		7,598
Revenue - abroad	9,243		9,243
Net revenue	16,841	-	16,841
Increase in own work capitalized	589		589
Service costs	-9,481		-9,481
Payroll costs	-4,975		-4,975
Segment EBITDA	2,974	-	2,974
Depreciation, amortization and impairment of fixed assets	-1,569		-1,569
Impairment, provisions and non-recurring income/charges	-10		-10
EBIT	1,396	-	1,396
Net financial charges	-878		-878
Other income/(charges) from financial assets and liabilities	-1		-1
Share of profit/(loss) of companies valued at equity	-		-
Profit/(loss) before taxes	518	-	518
Income taxes	-378		-378
Group & non-controlling interests profit/(loss)	140	-	140
Non-controlling interests	-		-
Profit/(loss) from discontinued operations	-		-
Group net profit/(loss)	140	-	140

Geographical breakdown of Dada Group revenue

Description	31/03/2017 (3 Months)		31/03/2016 (3 Months)	
	Amount	% of total	Amount	% of total
Revenue - Italy	8.702	48%	7.598	45%
Revenue - Abroad	9.283	52%	9.243	55%
Total	17.985		16.841	

5. Related party transactions

Transactions carried out with related parties fall within the Company's **ordinary** operations and are settled at arm's length. They are similar to those described in the notes to the 2016 consolidated financial statements, to which reference is made. Related-party transactions are governed by a specific procedure approved by Dada S.p.A.'s Board of Directors. For further information, see the section on significant events in 1Q17.

6. Non-recurring income and charges

In 1Q17, non-recurring charges amounted to €0.1 million and refer to the costs for the optimization of the Group's organizational structure. No non-recurring income or charges were reported in 1Q16.

7. Share of profit/(loss) of associates

The share of profit/(loss) of associates at 31 March 2017, as in the prior year, had no significant impact on the consolidated income statement.

8. Other property, plant and equipment

Investments in property, plant and equipment in 1Q17 amounted to €0.7 million, up versus €0.4 million in 1Q16, and consisted almost exclusively of the purchase of network servers and the installation of new systems to expand the server farm, and to networking and storage systems mainly for the Register.it subsidiaries and for 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" mainly includes expenses incurred in prior years for the new premises of the Dada Group's Italian and foreign companies. No significant increases were reported during the first quarter of the year. Here the main depreciation rate is 12%.

9. Intangible assets

Increases in intangible assets in 1Q17 amounted to approximately €0.6 million versus €0.7 million in 1Q16.

Investments in intangible assets refer mainly to product development costs, specifically to the capitalization of internal payroll costs incurred by the Group to develop new products and services for the provision of domain and hosting services.

Specifically, these activities in 3M17 focused on the gradual implementation of the new suite of Microsoft products, on cPanel Hosting, dedicated servers, SPID, Email Provisioning, Site Lock and so forth, on the development of new shared hosting and the Dada store.

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, which represents the estimated useful life of these projects.

10. Equity investments, financial assets and deferred tax assets

Equity investments in associates

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 is based on a sworn appraisal prepared at transfer, which determined the value of the BU at approximately €2.2 million; since the book value at transfer was basically equal to zero, this amount generated a gain recognized in the income statement of the relevant financial statements.

There were no significant changes in the reporting period versus the situation at 31 December 2016.

The table below 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 the share capital increase made concurrent to the transfer of the ProAdv BU

Financial assets

Other financial assets, recognized in the amount of €0.3 million, mainly include security deposits issued by the Group to various service providers, as well as the medium/long-term escrow deposit for the acquisition of Sfera Networks.

Deferred tax assets

Deferred tax assets are recognized in this Quarterly Financial Report in the amount of €5.4 million (versus €5.5 million at 31 December 2016), and are the result of tax determined on tax losses expected to be recovered in the short to medium term, and of temporary differences between statutory and tax regulations. Tax losses that can be carried forward to subsequent years amount to €38.9 million. These can be fully carried forward indefinitely and are 80% recoverable in each financial year under the new Italian tax law.

Specifically, the tax losses on which deferred tax assets were calculated amount to €16.9 million. Utilizations refer to the recovery of the temporary differences in respect of the tax charge for the period, and to the use of the maximum coverage of up to 80% of taxable income generated by the Italian companies participating in the tax consolidation scheme in 1Q17.

For the sake of prudence, deferred tax assets have been recognized in proportion to the income the company is likely to achieve. In this regard, as from the 2015 financial

statements, deferred tax assets have been recalculated following the change in the IRES tax rate, which has dropped from 27.5% to 24% as set out in the 2016 Stability Law.

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.

11. Trade receivables

Consolidated trade receivables at 31 March 2017 amounted to €5 million, net of the provision for doubtful accounts, increasing by 19% versus €4.2 million at 31 December 2016.

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.

The provision, which amounted to €3.3 million at 31 March 2017, was deemed sufficient to cover potential losses on trade receivables.

12. Cash and cash equivalents and net debt

Description	Balance at 31/03/17	Balance at 31/12/16	Change	% change
Bank and post office deposits	7,141	4,799	2,343	49%
Cash and valuables on hand	12	18	-6	-45%
Total cash and cash equivalents	7,154	4,817	2,337	49%
Current portion of other financial receivables	150	150	0	0%
Total current financial receivables	150	150	0	0%
Total cash on hand and banks and current financial receivables	7,304	4,967	2,337	47%

- Total liquidity, which comprises liquidity at major banks, cash on hand and current financial receivables, amounted to €7.3 million at 31 March 2017 versus €5 million at 31 December 2016; the trend of this item is explained at page 14 in this Quarterly Financial Report. "Other financial receivables", split up into current and non-current portion, includes the amounts placed in escrow from payment of the second instalment for the acquisition of Sfera Networks S.r.l..

The table below shows loans and borrowings and their movements between 31 December 2016 and 31 March 2017:

Description	Balance at 31/12/16	Increases	Decreases	Other changes	Balance at 31/03/17
PAYABLES					
Banks - non-current	27,312	125	-1,767	-1	25,669
Other non-current financial payables	1,150				1,150
Total non-current financial payables	28,462	125	-1,767	1	26,819
Account overdrafts	-	49	-	-	49
Banks - current	5,799	1,840	-889	1	6,751
Other payables	150	-	-	-	150
Total current financial payables	5,949	1,889	-889	1	6,950
Grand total	34,411	2,014	-2,656	1	33,769

The Dada Group's non-current loan agreements are mainly those taken out to finance the acquisitions, investments in equity interests and other fixed assets made over the past few years. Details on outstanding loans and the trend in the reporting period are found in the financial statements at 31 December 2016.

Below is a description of the main increases and decreases in the period:

Increases:

- Banks and leasing companies for medium/long-term loans:
New finance lease of €0.1 million concluded with DELL Finance Lease;
- Banks and leasing companies for loans - current portion
Reclassification to the current portion of outstanding medium/long-term loans held mainly with Banca IMI of €1.0 million, with Cariparma of €0.3 million, and with Iccrea of €0.1 million.

Decreases:

- Banks and leasing companies for medium/long-term loans:
Reclassification to the current portion of the non-current portion of outstanding medium/long-term loans held mainly with Banca IMI of €1.0 million, with Cariparma of €0.3 million, and with Iccrea of €0.1 million.
- Banks and leasing companies for loans - current portion
Mainly repayment of the two loans with Cariparma respectively of €0.2 million and €0.3 million, and repayment of the first instalment of the loan with Banca Sella of €0.1 million.

13. Provisions for payroll, risks and charges

At 31 March 2017, the provision for termination indemnities (or TFR, *trattamento di fine rapporto*) amounted to €0.8 million (in line with the figure at 31 December 2016), and covers the liability accrued to employees, in accordance with the current law and the collective employment contract.

At 31 March 2017, the provision for risks and charges amounted to €0.2 million, decreasing by €22 thousand versus 31 December 2016, due to utilizations made in the first three months of the year. The provision for risks and charges referred entirely to charges from business/legal disputes.

14. Trade payables

“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 €7.1 million at 31 March 2017 versus €6.8 million in 1Q16.

The Company estimates that the carrying value of trade and other payables approximates their fair value.

15. Other payables and liabilities

Taxes payable, amounting to €2.3 million, up slightly versus €2.2 million at 31 December 2016, include withholding tax on salaries and consultants' pay for the month of March and income taxes pertaining to the period. The latter consist mainly of IRAP (regional tax) for the Group's Italian companies and of local taxes for subsidiaries abroad.

“Other payables”, amounting to €20.5 million (€18.2 million at 31 December 2016), mainly comprises:

- bonus salaries due to employees (*tredicesima* and *quattordicesima*), pay in lieu of holiday and other amounts payable, and bonuses to employees in the reporting period;
- €0.3 million in social security payments due;
- deferred income of €15.6 million (€14.1 million at 31 December 2016), originating from the accrual accounting of contract revenue on domain and hosting, and other resale services pertaining to future periods after this Quarterly Financial Report.

The Company estimates that the carrying value of other payables and liabilities approximates their fair value.

16. Non-current assets of relevance to the cash flow statement

The table below shows movements in non-current tangible and intangible assets between 31 December 2016 and 31 March 2017:

Description	31/12/16	Increases	Decreases	Other mov.	Exchange diff.	Amortization	31/03/17
Goodwill	79,411	-	-	-	31	-	79,442
Total goodwill	79,411	-	-	-	31	-	79,442
Product/service development costs	4,887	560	-	-	-	-554	4,894
Concessions, licenses, brands	15	-	-	-11	-	-1	3
Other	312	3	-	11	-	-43	284
Rights and patents	-	-	-	-	-	-	0
Total intangible assets	5,214	563	-	-	-	-597	5,180
Total	84,625	563	-	-	31	-597	84,622

Description	31/12/16	Increases	Decreases	Other mov.	Exchange diff.	Depreciation	31/03/17
Plant and EDP machines	8,252	621	-3	-	1	-801	8,070
Furniture and fittings	105	24	-	-	-	-12	116
Other	258	10	-	-	-	-14	254
TOTAL	8,615	654	-3	-	1	-828	8,440

the increase in "exchange differences" relating to goodwill is explained by exchange differences on goodwill expressed in other currencies, in particular for the UK company Namesco Ltd. (in British pounds), offset by the translation reserve recognized under consolidated equity reserves.

In this regard, at the end of the quarter, an assessment was made (with a negative outcome) to verify whether there were substantial differences between the quarterly forecasts used in the 2016 impairment test and the actual results achieved. For further details, see the Annual Financial Report at 31 December 2016.

With regard to the main increases in non-current tangible and intangible assets, see the above section relating to increases in property, plant and equipment and intangible assets (Notes 8 and 9, respectively).

Mention should be made that cash used in investing activities amounted to -€1.4 million and refers to investments made in 1Q17 for -€0.8 million in property, plant and equipment, and for -€0.6 million in intangible assets, net of purchases in the period not resulting in

changes in cash flows, increased by investments made in the prior year, but paid in the period under review.

17. Changes in equity reserves

At 31 March 2017, Dada S.p.A.'s share capital was comprised of no. 16,680,069 ordinary shares with a par value of €0.17 each, for a total of €2,836 thousand. There were no increases in 1Q17.

Movements in equity items in 1Q17 are found in the statements on page 30.

Here is a description of each item forming the Dada Group equity, together with the relevant changes:

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 March 2017, it had a balance of €33.1 million, unchanged versus 2016.

Legal reserve: this is a profit reserve built through allocation of net profit for the year from the approved separate financial statements of the Parent Company Dada S.p.A.. It can only be used in the amount exceeding one fifth of the share capital.

At 31 March 2017, it had a balance of approximately €1 million. There was no change versus the prior year.

Other reserves: amounting to €19.2 million at 31 March 2017, unchanged versus the end of the prior year. The amount comprises the following reserves:

- *FTA reserve:* built for the first-time adoption of IFRS, it had a negative balance of -€6.2 million;
- *Extraordinary Reserve* of €19.1 million;
- *Other reserves:* amounting to €6.3 million and consisting of: a) €1.1 million from reserves generated by the deconsolidation of the Dada.net Group; b) €5.2 million from the disposal of the Moqu Group in the prior year.

Other equity instruments: this item includes payroll costs accrued from the stock option plans issued by the Group (under IFRS 2). At 31 March 2017, it had a balance of €0.6 million versus €0.5 million at 31 December 2016. Increases in the year refer to the portion of costs for the stock option plans in place, recognized in the income statement.

Cash flow hedge reserve: under the relevant accounting standards, 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. The item, net of tax effects, amounted to -€0.2 million at 31 March 2017, in line with the prior year.

Termination indemnity discounting reserve: it includes the effects on termination indemnities in accordance with IAS 19; net of tax effects, it amounted to €0.1 million at 31 March 2017, in line with the figure at 31 December 2016.

Exchange differences reserve: containing the differences arising from the translation at year end of subsidiaries' individual financial statements prepared in currencies other than the Euro, with a balance at 31 March 2017 of -€8.6 million (basically in line, with a change of €36 thousand, versus the figure at 31 December 2016).

Profit carried forward: amounting to €5.2 million at 31 March 2017, it includes all the profit of prior years accrued by the Dada Group. The item increased by €0.2 million versus the prior year following allocation of the result achieved in 2016.

Profit for the year: it includes the profit of €0.7 million achieved by the Dada Group in 1Q17.

18. Net change in financial payables and other financial assets in the cash flow statement

The following table reconciles the change in consolidated net financial position with the change in cash and cash equivalents:

Description	31/03/17	31/12/16
Change in total consolidated Net Financial Position	2,980	-1,635
Increase in medium/long-term loans	125	25,349
Repayment (and reclassification to current portion) of medium/long-term loans	-1,767	-18,306
Other changes in medium/long-term loans	-1	-62
Change in non-cash derivatives	-1	92
Financial payables from acquisition of Sfera	-	1,300
Earn-out Moqu and Etinet	-	910
Change on financial receivables	-	200
Change in cash and cash equivalents per cash flow statement	1,336	7,849

Current account overdrafts, in accordance with the relevant accounting standards, are counted as part of the change in cash and cash equivalents, which also include the current portions of non-current loans.

The prior year was marked by the completion (including financially) of the extraordinary transactions, which had offered a different picture of NFP at a cash and cash equivalents level.

Other changes include the exchange rate effects on loans denominated in GBP in both periods.

19. Commitments

Commitments at 31 March 2017 amounted to €3.4 million, in line with the figure at 31 December 2016. The table below shows the movements between the two periods:

Description	Balance at 31/12/2016	Increases	Decreases	Other changes	Balance at 31/03/2017
Guarantees	3,399	396	-352	-	3,443
Total	3,399	396	-352	-	3,443

The increases and decreases refer exclusively to the renewal of the guarantee of €0.4 million issued by Monte dei Paschi di Siena in favour of the owners for the rental of the property hosting the Florence HQ;

There are no further potential commitments that are not recorded in the statement of financial position.

Florence, 10 May 2017

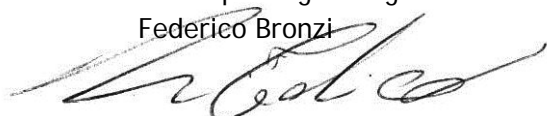
For the Board of Directors
The Chief Executive Officer
Claudio Corbetta



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

Pursuant to art. 154 *bis* (2) of the Consolidated Finance Act (*Testo Unico della Finanza* or TUF), it is hereby declared that the financial information contained in this Interim Report corresponds to the Company's records, ledgers and accounting entries.

Financial Reporting Manager
Federico Bronzi



ANNEX 1**RECLASSIFIED CONSOLIDATED PROFIT/LOSS STATEMENT AT 31 MARCH 2017**

EUR/000	31-Mar-17 3 months		31-Mar-16 3 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	17,985	100%	16,841	100%	1,144	7%
Chg. in inventories, finished and semi-finished products, work in progress & inc. in own wk. capitalized	551	3%	589	3%	-38	-6%
Service costs and other operating expenses	-9,932	-55%	-9,481	-56%	-452	5%
Payroll costs	-5,431	-30%	-4,975	-30%	-456	9%
EBITDA	3,173	18%	2,974	18%	198	7%
Depreciation and amortization	-1,425	-8%	-1,569	-9%	143	-9%
Non-recurring income/(charges)	-77	0%	-	0%	-77	-
Impairment losses and other provisions	-	0%	-10	0%	10	-97%
EBIT	1,670	9%	1,396	8%	274	20%
Financial income	36	-	87	1%	-51	-59%
Financial charges	-662	-4%	-964	-6%	303	-31%
Other income/(charges) from financial assets and liabilities	-	-	-1	-	1	-100%
Comprehensive profit/(loss) before taxes	1,044	6%	518	3%	526	102%
Income taxes	-349	-2%	-378	-2%	29	-8%
Group net profit/(loss)	695	4%	140	1%	555	397%

ANNEX 2

DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 MARCH 2017

EUR/000	31-Mar-17	31-Dec.-16	DIFFERENCE	
			Absolute	%
Fixed assets	95,445	95,623	-178	0%
Current operating assets	15,759	14,969	790	5%
Current operating liabilities	-29,940	-27,139	-2,800	10%
Net working capital	-14,181	-12,170	-2,010	14%
Provision for termination indemnities	-768	-789	20	-3%
Provision for risks and charges	-208	-229	22	-9%
Net capital employed	80,288	82,435	-2,147	-3%
Non-current financial receivables	150	150	-	0%
Medium/long-term financial payables and long-term derivatives	-26,942	-28,623	1,681	-6%
Equity	-53,742	-52,910	-833	2%
Current bank debt	-6,801	-5,801	-1,001	17%
Current financial receivables and derivatives	151	151	-	-
Current financial payables and derivatives	-257	-219	-38	17%
Cash and cash equivalents	7,153	4,817	2,337	49%
Current net financial position	246	-1,052	1,298	123%
Total net financial position	-26,545	-29,525	2,980	10%

ANNEX 3

Dada Group scope of consolidation at 31 March 2017

Name	Registered Office	Currency	Share capital	Company held by	% held	Consolidation period
Dada S.p.A. (Parent)	Florence	Euro	2,835,612	Parent		Jan.-Mar. 2017
Agence des Medias Numerique Sas	Paris	Euro	37,000	Register.it S.p.A.	100	Jan.-Mar. 2017
Amen Nederland B.V.	Amsterdam	Euro	18,000	Register.it S.p.A.	100	Jan.-Mar. 2017
Amenworld Servicios internet	Lisbon	Euro	10,000	Register.it S.p.A.	100	Jan.-Mar. 2017
Clarence S.r.l.	Florence	Euro	21,000	Dada S.p.A.	100	Jan.-Mar. 2017
Fueps S.p.A.	Florence	Euro	10,000	Dada S.p.A.	100	Jan.-Mar. 2017
Namesco Inc.	New York	USD	1,000	Namesco Ltd.	100	Jan.-Mar. 2017
Namesco Ltd.	Worcester	GBP	100	Register.it S.p.A.	100	Jan.-Mar. 2017
Namesco Ireland Ltd	Dublin	Euro	1	Namesco Ltd.	100	Jan.-Mar. 2017
Nominalia Internet S.L.	Barcelona	Euro	3,000	Register.it S.p.A.	100	Jan.-Mar. 2017
Poundhost Internet Ltd	Worcester	GBP	200	Namesco Ltd.	100	Jan.-Mar. 2017
Register.it S.p.A.	Florence	Euro	8,401,460	Dada S.p.A.	100	Jan.-Mar. 2017
Simply Virtual Servers Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Mar. 2017
Simply Transit Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Mar. 2017
4W MarketPlace S.r.l.*	Fisciano (SA)	Euro	22,436	Register.it S.p.A.	25	Jan.-Mar. 2017
Etinet S.r.l.	Savigliano (CN)	Euro	22,000	Register.it S.p.A.	100	Jan.-Mar. 2017
Sfera Networks S.r.l.	Bergamo	Euro	50,000	Register.it S.p.A.	100	Jan.-Mar. 2017

*Consolidated at equity