



Consolidated Financial Interim Report

as at 30 June 2021

Financial Statements prepared in accordance with IAS/IFRS principles*

- All amounts are in Euro -

DHH S.p.A.

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www.dhh.international

*These consolidated financial statements, making use of the option provided by art.19, Part I, of the Issuers Regulation AIM Italy, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Union (OJEU), as specified in notes to the financial statements. Financial statements are the result of consolidation of financial statements of companies detailed in the g rights in the ordinary shareholders, at the date.

INTRODUCTION

DHH S.p.A. ("DHH") is a technology group and a leading cloud hosting and cloud computing player in Southeast Europe headquartered in Italy.

Established in July 2015, DHH grew rapidly by completing 14 M&A transactions with local web hosting and cloud computing companies and supporting them in operating and developing the business. Since July 2016 DHH is listed on the Italian AIM stock market.

DHH Group is further expanding its expertise within cloud computing and is looking for local champions and innovative young companies focused on IaaS/PaaS/SaaS platforms in Emerging Europe.

DHH AT A GLANCE

1 Cross-border ecosystem of businesses with diversified offer

7 independent businesses with a broad array of products from simple web hosting packages to tailor-made cloud computing solutions

3 Proven business model with >90% customer retention rate...

...thanks to subscription-based contracts.
Over 100k clients on-board already with customer sourcing process organized inbound and 100% online

5 Experienced and motivated Management team

With tens of years of experience in building and scaling tech startups in the region and high motivation to make DHH a global player

2 Among quickest growing industries immune to COVID-19

Global cloud computing and web hosting industries have been growing double-digit in line with global digitalization trend further accelerated by the COVID-19 pandemic

4 Exposure to emerging geographies

Growing presence in the emerging SEE region with still lower than EU average digitalization level but high willingness to moving online among local businesses

6 Solid growth combined with best in-class margins and cash generation

38% '16-'21 H1 revenue CAGR, 36% EBITDA margin(*) and 118% EBITDA Cash Conversion Rate(**) in H1 2021 with moderate CAPEX requirements and low level of debt

(*) EBITDA indicates earnings before interest, taxes, depreciation and amortization of fixed assets and write-down of receivables. Therefore EBITDA represents the operating margin before choices in amortization policy and assessing trade receivables. EBITDA, as defined above, represents the index used by the Company's directors to monitor and assess business trends. EBITDA is not identified as an accounting measure under national accounting standard, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBITDA is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

(**) EBITDA Cash Conversion Rate indicates the ratio between Operating cash flow and EBITDA. This ratio assesses the efficiency of the Group to turn the EBITDA into cash.



GROUP OVERVIEW

Today, DHH is home to 7 independent and autonomous businesses across six countries (Bosnia and Herzegovina, Croatia, Italy, Italian Switzerland, Serbia and Slovenia), each with its own branding, market positioning, and leadership. The Group companies are supported across various functions incl. strategy, corporate governance, business plan, M&A, compliance, strategic sourcing, and executive search. DHH serves as an environment where businesses share knowledge and build bottom-up synergies.

The Group provides a wide range of cloud computing services in a subscription model (SaaS/IaaS/PaaS), where customers are either billed in advance with a fixed, typically, annual fee or based on service usage (metered). The group companies are characterized by high customer retention of ~90% and, thus, a large share of recurring revenues.

DHH Group developed a well-balanced portfolio of over 100.000 clients and 200.000 domains across different segments within the market. The target segments are SMEs and solo entrepreneurs with the share of the largest client of 1%. Each portfolio company has its own product offering with an ARPU for H1 2021 ranging from EUR 20 to EUR 3.500 across group companies (average EUR 800).

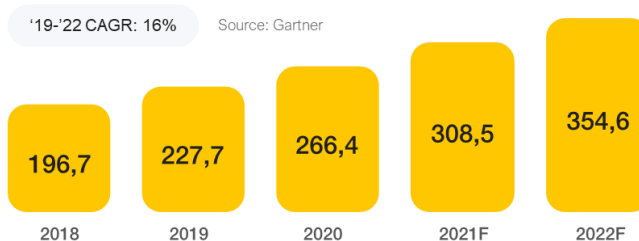
The offering spans from domain registration to cloud hosting, from cloud servers, housing, and colocation to ready IoT solutions. The comprehensive and well-balanced product portfolio is supported by extensive proprietary physical and network infrastructures managed by Seeweb.

MARKET OVERVIEW

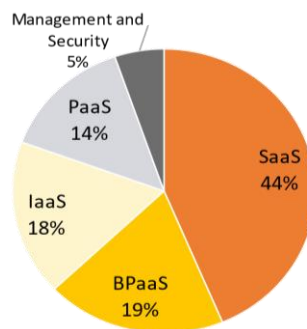
CLOUD COMPUTING

Cloud computing is an integral element of the global “going digital” trend and has experienced strong double-digit growth in recent years due to a surge in spending of buyers migrating from data centers to cloud operating systems.

Global Cloud Service revenue [USD b]



Global Cloud Service revenue breakdown [USD b, %]



The dynamic growth is expected to continue as more than a third of organizations see cloud investments as the top three investment priority. In consequence, license-based software consumption will further plummet, while subscription-based cloud consumption models continue their rise.

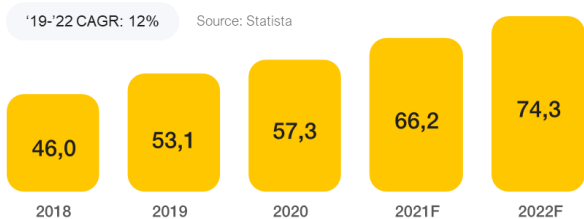
COVID-19 pandemic has further accelerated cloud transition with spending on cloud rising by 19% in '20 despite an overall decrease in IT services spendings by 8%. SaaS remains the most lucrative segment. IaaS, however, is likely to be the highest growing segment with '19-'22 CAGR of 23% followed by 22% growth of PaaS.

The US remains the largest market by revenue with a growing dominance of Asia. AWS, the subsidiary of amazon.com, is the leading player in the industry followed by Microsoft’s Azure, Google Cloud, IBM Cloud, and Alibaba Cloud.

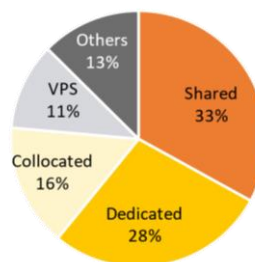
WEB HOSTING

The web hosting market is also expected to witness a compound annual growth of 12% reaching USD 74,3b in 2022.

Web Hosting revenue [USD b]



Global Web Hosting revenue breakdown [USD b, %]

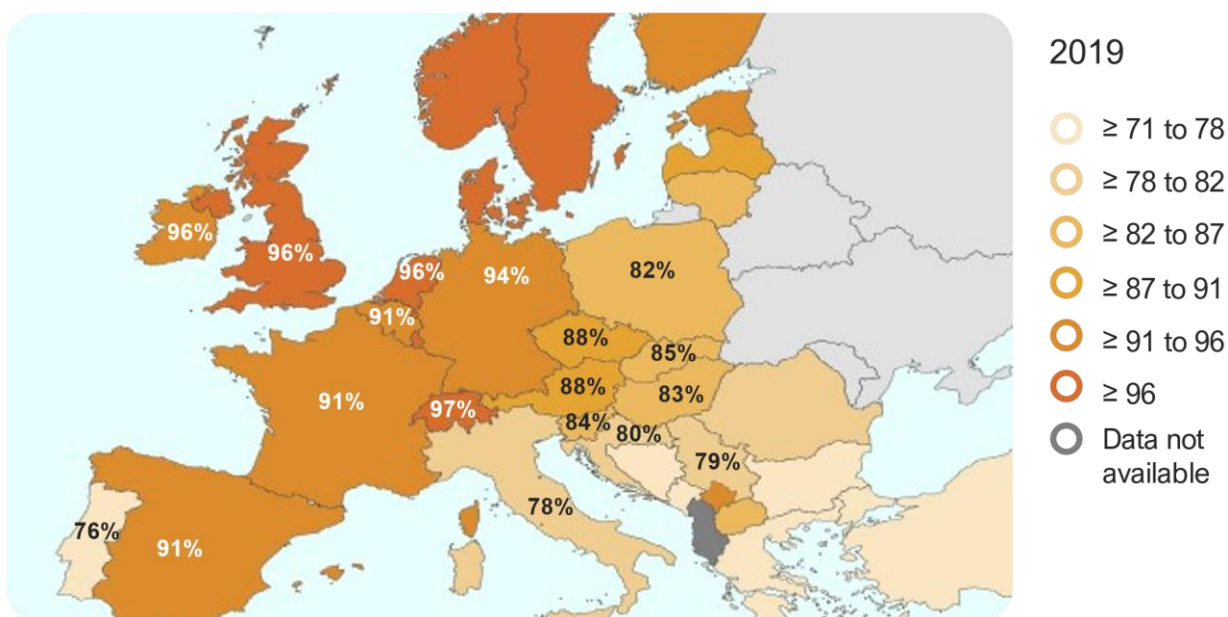


The COVID-19 outbreak has further accelerated the ongoing structural shift towards online as companies are quickly adopting services in order to continue operating. Shared hosting will remain the largest category (~33% share), followed by dedicated hosting (USD 12,8b) which is likely to witness slower growth compared to other segments (CAGR <10%). The VPS hosting dominated by managed VPS segment is expected to show over 16% CAGR in '19-'22 period. The key players include GoDaddy (16,8%), Google Cloud (10,0%), AWS (8,6%), 1&1 (5,6%) and Hostgator (3,6%).

SOUTHEAST EUROPE (SEE)

SEE region is still behind the EU average in terms of digital society and economy but with good prospects of catching up in certain areas and even leading in such areas as online sales, where great progress has already been seen.

Internet use by individuals [% of individuals]



Source: Eurostat

Analysts believe digital adoption will not be reverted after the restrictions disappear as consumers get used to contactless channels. The following changes force local SMEs who traditionally lag on digital adoption to transform the way they operate. Businesses will thus need an e-commerce website, online customer services, and cloud computing solutions to adapt to the new environment.

GROWTH STRATEGY

To effectively capture the opportunities arising on the local markets the Group's strategy encompasses both internal cooperation among companies to foster organic growth as well as a vigorous M&A plan to expand expertise and enter new segments within the cloud computing industry.

During the last 6 years, DHH has been effectively executing buy & build strategy and completed 14 M&A transactions growing from EUR 1m to EUR 18m of sales of which EUR 15m are M&A driven.

In order to continue the dynamic growth trajectory DHH outlines the following core directions:

M&A

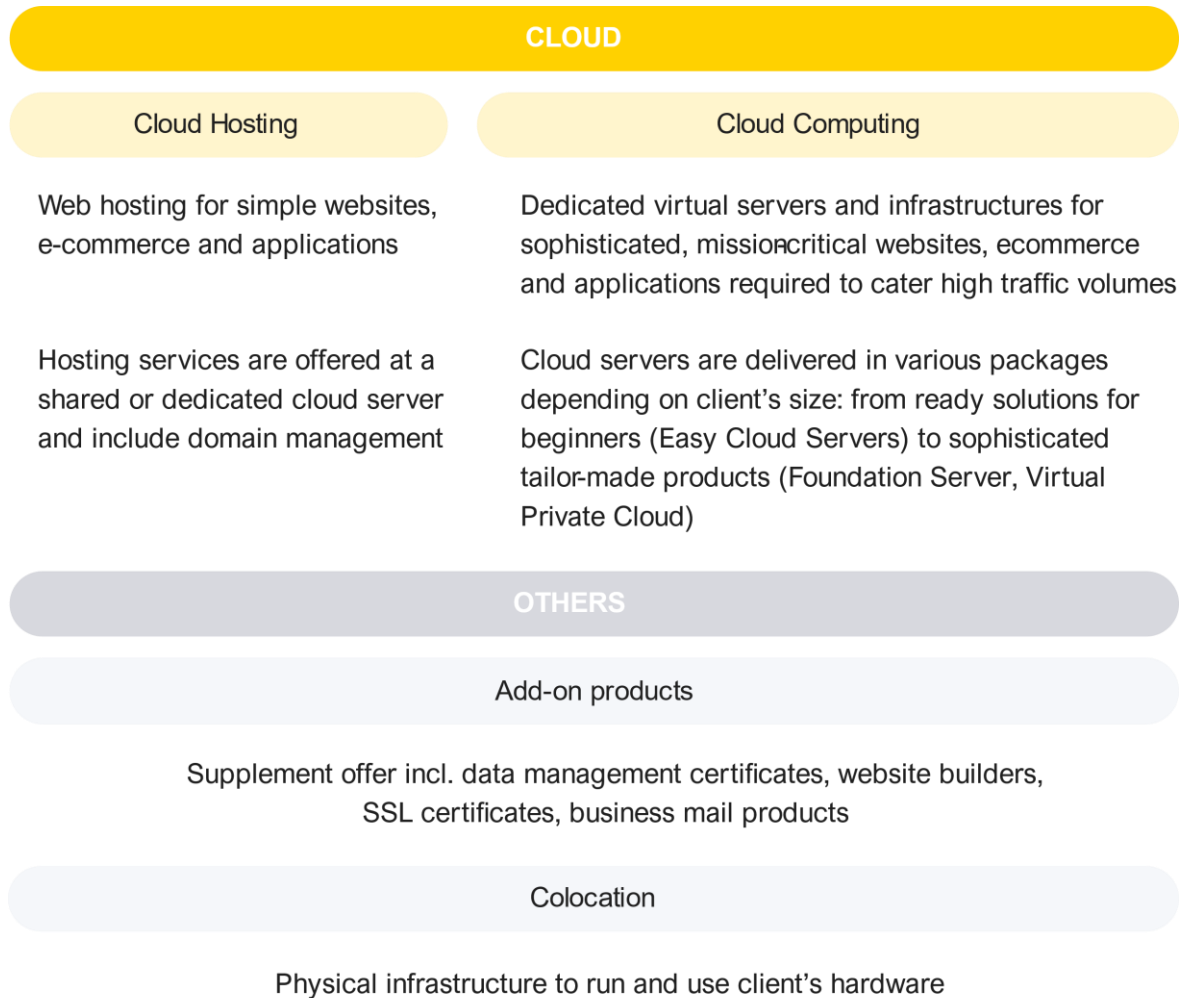
- Expanding into new geographies and market segments by acquiring IaaS, PaaS, SaaS providers from emerging markets with a particular focus on Southeastern Europe. DHH looks at cash-generating low-leveraged businesses where founders need support "in bringing the company to the next level".
- Consolidating existing markets by making add-on acquisitions to grow market share.
- Innovating by investing in early-stage businesses developing unique IaaS, PaaS, SaaS technologies with global potential. DHH provides promising teams with the required capital and shares its expertise and business know-how to help them grow.

ORGANIC

- Growing within an existing customer base by enhancing the offering and capitalizing on cross-selling opportunities.
- International footprint growth through leveraging DHH brand awareness by the portfolio companies to reach new clients internationally.
- Fostering innovation and developing R&D activities to introduce new internally developed products to the market.

SERVICES PROVIDED

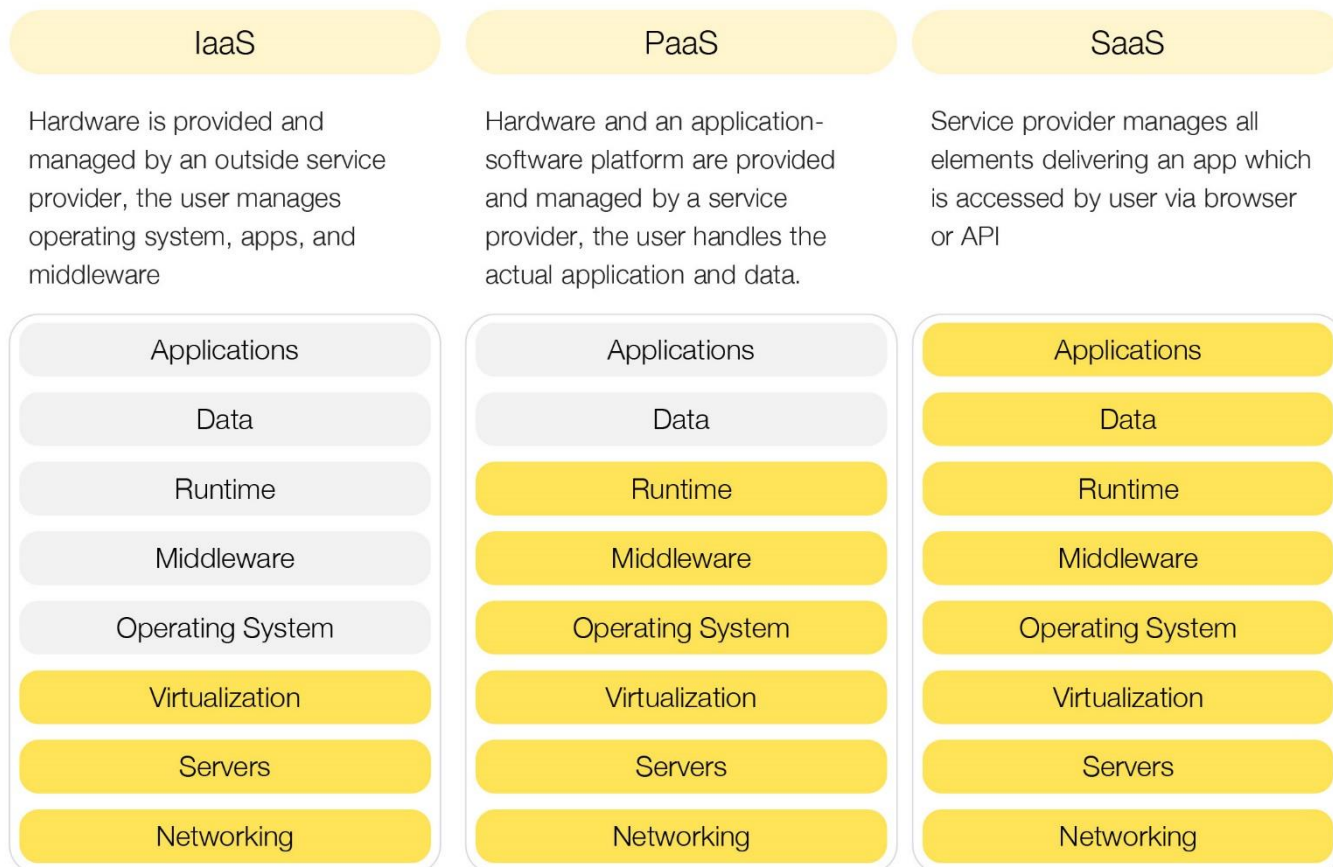
DHH provides comprehensive services for enterprises in the field of online presence and automation of business processes. Cloud computing and cloud hosting & domains are the core services offered by the Group companies and are supplemented by add-on products meant to complement the core offer.



Cloud computing

Following the merger with Seeweb cloud computing became the largest revenue contributor bringing in around half of the annual sales. It includes cloud servers offered in various configurations to match different client profiles and needs. The solutions span from easy pre-configured packages for professionals and small businesses (e.g. Easy Cloud Server by Seeweb, Cloud Server Basic by Artera) to sophisticated custom cloud environments for large websites, eCommerce stores, or applications (Foundation Server, Virtual Private Cloud, Foundation Server Smart). The pricing offer is diversified targeting different client segments. Depending on the configuration selected by the client the cloud services are delivered in the SaaS, PaaS, or IaaS models. Cloud computing is a strategic segment for DHH which it plans to further grow to become a leading provider in the region.

Cloud computing



Source: Redhat



Managed by client



Delivered by the company

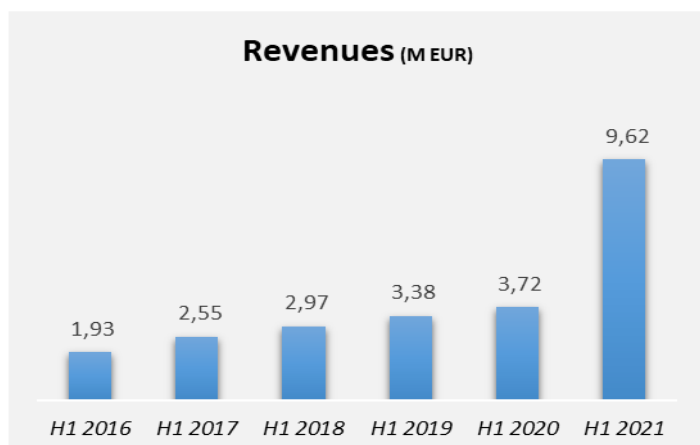
Cloud hosting

DHH is a leading player in a local hosting market with its portfolio companies having a solid presence and large customer base in Italy (Tophost and Seeweb), Slovenia (Domenca, Domovanje, and Si.Shell), Serbia (mCloud and Plus), and Croatia (S4W, Plus hosting, Infonet and Optima Hosting). Prior to the merger with Seeweb, hosting solutions were DHH core products now accounting for c. 42% of sales. The Group companies are focused on low- and mid-priced yet comprehensive solutions for individuals and SMEs. The packages are offered as pre-configured products usually varying by SSD and RAM size. The offer also includes domain management services.

Other

Other solutions include value-added services (VAS) complementing the cloud computing and cloud hosting offer e.g. SSL certificates, data management certificates, website builders, and business mail products. Seeweb apart from cloud services offers housing and colocation solutions at its state-of-the-art proprietary data centers.

FINANCIAL HIGHLIGHTS

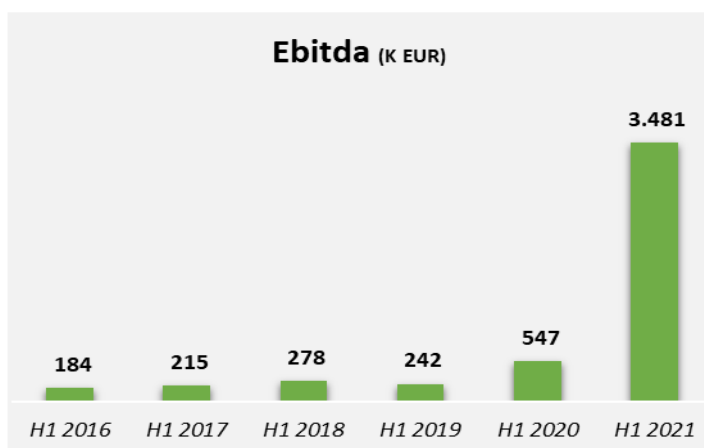


Consolidated

REVENUES

equal to
9,62M EUR

+159%

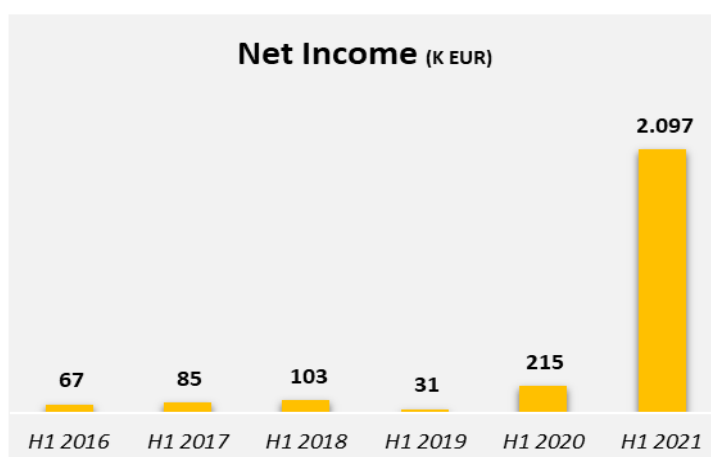


Consolidated

EBITDA

equals to
3,48M EUR

+536%



Consolidated

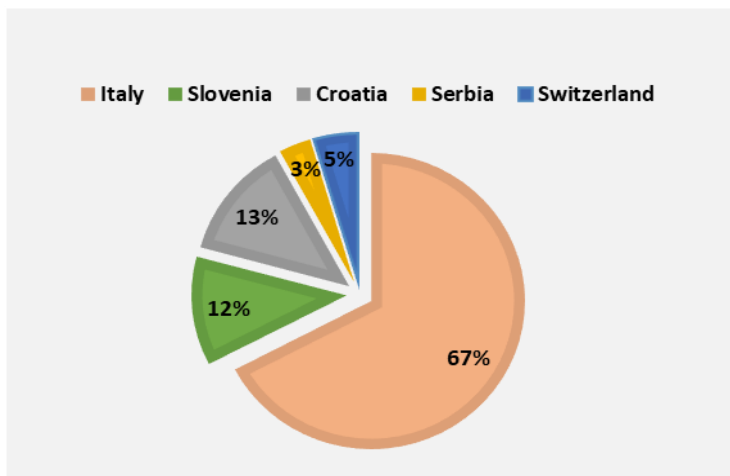
NET INCOME

equals to
2,1M EUR

+876%*

* Net Income H1-2021 is comprehensive of a positive impact of 0,83M Eur due to the Deferred tax assets originate from temporary differences between the carrying amount of assets (Trademarks) in the financial statements and the corresponding values recognized for the consolidated financial statements.

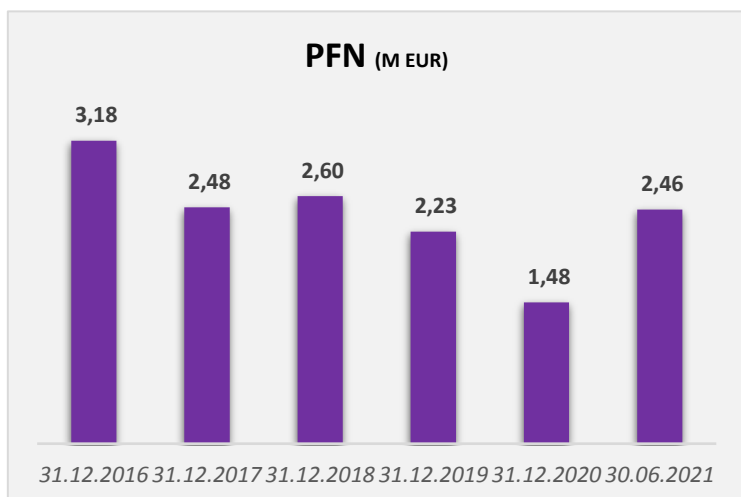
FINANCIAL HIGHLIGHTS



REVENUES

are approx.:

-  **6,48M EUR** in Italy (Tophost and Seeweb)
-  **1,14M EUR** in Slovenia (DHH.si)
-  **1,24M EUR** in Croatia (DHH, System Bee)
-  **0,32M EUR** in Serbia (mCloud)
-  **0,44M EUR** in Switzerland (DHH SWZ)



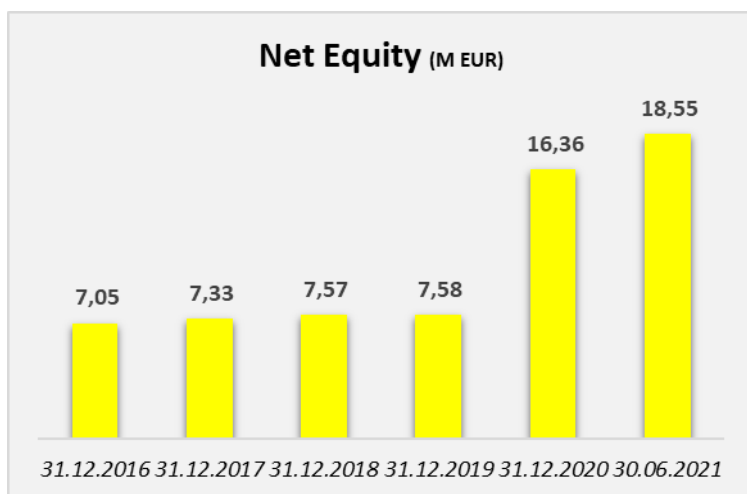
Consolidated

NET FINANCIAL POSITION

equals to

2,46M EUR

+66%



Consolidated

NET EQUITY

equals to

18,55M EUR

+13%

KEY FINANCIAL DATA

PROFIT AND LOSS STATEMENT

The reclassified Profit and Loss Statement of the Group as at June 30th, 2021 is provided below:

RECLASSIFIED CONSOLIDATED PROFIT and LOSS STATEMENT	30.06.2021	30.06.2020
All amounts are in Euro		
Revenues	9.624.034	3.719.855
Operating costs	(4.601.130)	(2.317.046)
VALUE ADDED	5.022.904	1.402.808
Personnel costs	(1.542.190)	(855.427)
GROSS OPERATING MARGIN (EBITDA)	3.480.714	547.381
Depreciation, Amortization and impairment	(1.604.503)	(216.661)
EBIT	1.876.210	330.720
Other non-operating income/expense	(3.336)	-
Financial income and expenses	(70.866)	(37.721)
EARNINGS BEFORE TAXES (EBT)	1.802.008	292.999
Income taxes	294.749	(78.115)
NET RESULT	2.096.757	214.884
OF WHICH:		
relating to the shareholders of the group	2.093.773	215.594
relating to the third-party shareholders	2.984	(709)

The Profit and Loss Statement as at June 30th, 2021 reflects the variation of the consolidation area due to the Reverse Take-Over of Seeweb Holding S.r.l. (and Seeweb S.r.l.), starting from 1st November 2020 according to IFRS 10 - "An entity includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the entity ceases to control the subsidiary".

During the financial semester ended 30 June 2021 the total consolidated revenues of the Group are equal to **9,6M EUR**, with an increase of 5,9M EUR; the increase referred to the variation of the consolidation area is about 5,6M EUR, due to Seeweb S.r.l.

The Group is focused on cloud hosting and cloud computing as core business lines and its revenues are approx. 6,48M EUR in Italy (Tophost and Seeweb), 1,14M EUR in Slovenia (DHH.si with the brands Domenca, Domovanje, Si.Shell), 1,24M EUR in Croatia (DHH with the brands Studio4web, Plus Hosting, Infonet, Optima Hosting and System Bee), 322K EUR in Serbia (mCloud with the brands Mcloud, Plus) and 442K EUR in Switzerland (DHH SWZ with the brand Artera).

Operating costs are the ongoing expenses incurred from the normal running the business and include selling, general and administrative expenses.

The consolidated EBITDA amounts to **3,48M EUR** and has registered an increase in the first semester of 2,9M EUR, due to the variation of the consolidation area for 2,4M EUR (Seeweb S.r.l.) and increase of the business of the other Group's companies for 560K EUR. The consolidated EBITDA of the period is comprehensive of an IFRS 16 positive impact of 1,2M EUR.

Income taxes are comprehensive of a positive impact of 831K EUR due to the Deferred tax assets originate from temporary differences between the carrying amount of assets (Trademarks) in the financial statements and the corresponding values recognized for the consolidated financial statements.

MAIN BALANCE SHEET DATA

The reclassified balance sheet of the Group as at June 30th, 2021 is provided below:

RECLASSIFIED CONSOLIDATED BALANCE SHEET	30.06.2021	31.12.2020
All amounts are in Euro		
Trade Receivables	2.344.702	2.193.909
Trade payables	(1.978.766)	(1.768.490)
OPERATING NET WORKING CAPITAL	365.936	425.418
Other current receivables	469.047	300.138
Prepaid expenses and accrued income	657.768	494.753
Other current liabilities	(430.783)	(368.368)
Accrued liabilities and deferred income	(2.841.006)	(2.621.458)
Taxes payables	(995.930)	(576.221)
<u>NET WORKING CAPITAL *</u>	(2.774.968)	(2.345.738)
Trademarks	3.087.307	3.087.307
Goodwill	8.118.009	7.956.819
Tangible fixed assets	1.824.786	1.782.841

Right of use assets	4.495.475	4.255.078
Intangible fixed assets	1.370.865	1.013.002
Investments in other companies	259.601	259.601
Non-current financial assets	18.193	18.302
Other non-current assets	-	-
Deferred tax assets	1.161.408	303.308
FIXED ASSETS	20.335.644	18.676.257
Employee benefits fund	(591.546)	(573.638)
Provisions for risks and future liabilities	-	-
Liabilities for deferred taxes	(881.114)	(881.621)
NET NON-CURRENT LIABILITIES	(1.472.660)	(1.455.259)
<u>NET INVESTED CAPITAL **</u>	16.088.016	14.875.260
Total net equity of the group	18.514.009	16.384.706
Net equity to the third-party shareholders	32.250	(25.583)
TOTAL NET EQUITY	18.546.260	16.359.123
Cash equivalents	(9.868.687)	(8.846.040)
Current financial assets	(210.039)	(209.932)
Non-current financial liabilities	5.157.579	5.334.532
Current financial liabilities	2.462.903	2.237.577
<u>NET FINANCIAL POSITION ***</u>	(2.458.244)	(1.483.863)
NET EQUITY AND NET FINANCIAL DEBT	16.088.016	14.875.260

(*) The Net Working Capital is the difference between current assets and liabilities without financial assets and liabilities. The Net Working Capital is not recognized as an accounting measure within the accounting standard adopted; it should be noted that such data has been established in accordance with Recommendation CESR 05-054b of 10 February 2005, as modified on 23 March 2011, "Guidelines for the Consistent Implementation of the European Commission's Regulations on Prospectuses".

(**) The Net Capital Invested is the algebraic sum of the Net Working Capital, assets and long-term liabilities. The Net Capital Invested is not recognized as an accounting measure within the accounting standard adopted.

(***) Pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006, it should be noted that the Net Financial Position ("Net Financial Position" or "NFP") is the algebraic sum of cash and cash equivalents, current financial assets and short/long term financial liabilities (current and non-current liabilities).

NET FINANCIAL POSITION

The Net Financial Position of the Group as at June 30th, 2021 is provided below:

CONSOLIDATED NET FINANCIAL POSITION*	30.06.2021	31.12.2020
All amounts are in Euro		
A. Cash	-	-
B. Cash equivalents	(9.868.687)	(8.846.040)
C. Other current financial assets	(210.039)	(209.932)
D. LIQUIDITY (A)+(B)+(C)	(10.078.728)	(9.055.972)
E. Current financial liabilities	99.794	75.955
F. Current part of non-current borrowing	2.363.109	2.161.632
G. CURRENT FINANCIAL DEBT (E)+(F)	2.462.903	2.237.576
H. NET CURRENT FINANCIAL DEBT (G)-(D)	(7.615.823)	(6.818.395)
I. Non-current financial liabilities	5.157.579	5.334.532
J. Bonds issued	-	-
K. Trade payables and other non-current liabilities	-	-
L. NON-CURRENT FINANCIAL DEBT (I)+(J)+(K)	5.157.579	5.334.532
M. NET FINANCIAL DEBT (H)+(L)	(2.458.244)	(1.483.863)

(*) Pursuant to ESMA32-382-1138 Guidelines On disclosure requirements under the Prospectus Regulation 04/03/2021, par. 1775

Net Financial Position is comprehensive of a 4,6M EUR lease debts related to IFRS 16, while at 31.12.2020 lease debt related to IFRS 16 was 4,3M EUR.

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CORPORATE BODIES

BOARD OF DIRECTORS

Executive Chairman: GIANDOMENICO SICA

Managing Director: MATIJA JEKOVEC

Managing Director: UROS ČIMŽAR

Director: ANTONIO DOMENICO BALDASSARRA

Independent Director: GUIDO BUSATO

BOARD OF AUDITORS

Chairman: UMBERTO LOMBARDI

Statutory Auditors: PIERLUIGI PIPOLO, STEFANO PIZZUTELLI

INDEPENDENT AUDITING FIRM

Auditing firm: BDO ITALIA S.P.A

STRUCTURE OF THE GROUP



DHH S.P.A. (ITALY)

The holding company acting as a governing entity providing business and administrative support to portfolio companies. DHH S.p.A. is listed on AIM Italia since 2016.



TOPHOST S.R.L. (ITALY)

100% controlled by DHH S.p.A.

Established in 2004 with a goal of becoming a major Italian player in the "mass" web hosting industry. In a short period of time, the company gained a notable position in the market providing entry-level web hosting services. Tophost joined DHH in 2015 and today offers comprehensive and innovative solutions at competitive prices to more than 46.000 customers across Italy.

DHH.SI D.O.O. (SLOVANIA)

100% controlled by DHH S.p.A.

DHH acquired Klaro (owner of Domenca, Domovanje brands) in Oct 2015. Following the acquisition of Si-Shell, a competitor focused on VPS and cloud servers, the Slovenian entity became a leading player on the local market serving >27.000 customers and holding ~31% market share. Domenca is a domain registration provider, while Domovanje and Si-Shell are mostly involved in the cloud computing field. High-end products like WordPress and hybrid hosting were introduced to the market in 2019.



DHH D.O.O. (CROATIA)

100% controlled by DHH S.p.A.

Established in 2001 as IT Plus d.o.o. and later renamed to Plus hosting d.o.o., the company joined DHH in 2015. Following the (1) repositioning of the company on the market, (2) completing acquisitions of local competitors, and (3) spinning off one of the business activities into a separate company, the Croatian entity is today the largest local player recognized for its technical expertise and high-quality customer service.



DHH SWITZERLAND S.A. (SWITZERLAND)

100% controlled by DHH S.p.A.

Acquired in May 2017, Artera is a Swiss company providing cloud computing services targeting premium segment Italian Swiss customers.



SYSTEM BEE D.O.O. (CROATIA)

80% controlled by DHH S.p.A.

Systembee was established in May 2018 as a spin-off of DHH d.o.o. engaged in the business of web hosting and IT solutions. Systembee is made up of a group of system engineers and infrastructure architects dedicated to bringing DevOps culture to SMEs in Croatia. It currently counts ca. 50 active clients.



MICLOUD D.O.O. (SERBIA)

100% controlled by DHH S.p.A.

mCloud, a Serbian cloud computing provider founded in March 2018, became part of DHH in October 2018. The company is focused on delivering advanced hosting services.



SEEWEB S.R.L. (ITALY)

100% controlled by DHH S.p.A.

Seeweb is a cloud computing company that offers SaaS, IaaS, and PaaS services, as well as a wide range of additional IT services such as shared hosting, dedicated servers, housing, and colocation, relying on six physical datacenters and a proprietary fiber optic network. The company is part of DHH group since November 2020 following the reverse takeover.

BOARD OF DIRECTORS REPORT

SECTION A: SIGNIFICANT EVENTS DURING THE SEMESTER

12th JANUARY 2021

Borsa Italiana authorizes DHH to trade its ordinary shares (ISIN IT0005203622) with a minimum lot size equal to 1.

18th JANUARY 2021

Seeweb, DHH fully owned portfolio company – www.seeweb.it, is awarded the Legality Rating with a score ★★ by AGCM, the Italian Competition Authority.

10th MARCH 2021

DHH identifies MIT SIM S.p.A. as the new specialist and enters into an agreement with the same, pursuant to which MIT SIM S.p.A. will take on such office from 14 June 2021.

16th MARCH 2021

DHH communicates the variation of share capital.

As a result of the exercise period no. 1.500 warrants were exercised and consequently issued no. 38 regular new DHH shares with no indication of nominal value, for a total value of Euro 448,40. The share capital of DHH is now equal to Euro 451.866,90, represented by no. 4.518.669 ordinary shares without par value.

29th MARCH 2021

DHH consolidates its presence in the Croatian market and enters the Bosnian market thanks to the acquisition of Optima Hosting.

DHH doo (“DHH Croatia”), one of the two Croatian subsidiaries, consolidates its presence on the Croatian market by signing an agreement with Info Jurman doo acquiring “Optima Hosting”, its business line focused on low-cost cloud hosting.

30th MARCH 2021

DHH announces its participation in the “SMART TECH Investor Day” (2 April), the virtual road-show organized by IR Top Consulting and meets the financial community with the mission to present the economic and financial results for 2020 and the strategic development of the company.

7th APRIL 2021

DHH promotes and sponsors the research entitled “The reachability of data: a legal perspective”, under Creative Commons license.

In this Study the authors, Eugenio Prosperetti and Innocenzo Genna (with the collaboration of Giulio Pascali and Davide Tuzzolino), examine the issue in relation to the role of US operators in the European cloud sector.

8th APRIL 2021

DHH announces its participation in the 16th Edition of the “SmallCap Event” (14-15 April) organized, in virtual mode, by CF&B Communication.

The event allows selected mid-cap companies listed on European markets to meet investors from France, Germany, Denmark, Luxembourg, the Netherlands, Spain, Switzerland, and the UK.

14th APRIL 2021

DHH announces its participation in the “MID & SMALL IN LONDON 2021” (20-22 April), by Virgilio IR in virtual mode.

The event offers the opportunity to present the entrepreneurial project, the achieved results, and the future perspectives to domestic and international investors in one-to-one and group meetings.

23rd APRIL 2021

DHH is one of the sponsors of the first ANIX Meeting held in virtual mode on 27 April 2021.

The meeting is powered by Namex (Nautilus Mediterranean Exchange), a neutral, non-profit, member-based Internet Exchange Point located in Rome, Italy. Its mission, for over 25 years, is to provide network interconnection services to members, ranging from physical L1 interconnection to public and private IP peering. As such, Namex works as a crucial node in the overall Internet infrastructure of Italy. Among Namex members are major national and international Network Carriers and Internet Service Providers, aggregated traffic for public peering established through the exchange reaches 12 Gbps.

29th APRIL 2021

Seeweb, DHH fully owned portfolio company, acquires the assets of MondoServer (www.mondoserver.it), a cloud hosting and cloud computing provider active on the Italian market since 2003. It is the fourteenth M&A deal executed by the DHH group since the foundation in 2015 and makes its positioning in the South of Italy stronger.

12th MAY 2021

DHH announces its participation in the 1st Edition of the "TECH SECTOR DAY" (19 May) organized, in virtual mode, by CF&B Communication thanks also to the support of Intermonte SIM S.p.A., as the main partner.

The event allows selected Tech Companies listed on European markets to meet investors from France, Germany, Denmark, Luxembourg, the Netherlands, Spain, Switzerland, and the UK.

20th MAY 2021

DHH acquires the remaining 38% share of mCloud d.o.o. from Boško Radivojević (30%) and Jelena Opačić (8%) and thanks to this transaction DHH now owns 100% of mCloud d.o.o.

As a consideration for the abovementioned deals, the amount is not relevant and the transaction is not classified as a substantial transaction (ref. "AIM Italia – Rules for companies").

21th MAY 2021

DHH announces its participation in the 4th edition of "AIM Italia Conference 2021 – Virtual Edition" (25-27 May), organized by Borsa Italiana; The event is dedicated to the dynamic and competitive SMEs, which are looking for capital in order to finance their growth.

4th JUNE 2021

DHH communicates the variation of share capital.

As a result of the exercise period no. 1.213.473 warrants were exercised and consequently issued no. 322.051 regular new DHH shares with no indication of nominal value, for a total value of Euro 32.205,10.

The share capital of DHH is now equal to Euro 484.072, represented by no. 4.840.720 ordinary shares without par value.

The shareholder Giandomenico Sica communicates to the issuer that he has exceeded the 5% threshold due to the exercise of the warrants and that his shareholding currently consists of 261.797 shares equal to 5,41% of the share capital.

14th JUNE 2021

DHH announces its participation in the "Mid & Small Virtual | SPRING", organized by Virgilio IR from 15 to 17 June in virtual mode.

The event offers the opportunity to present the entrepreneurial project, the achieved results, and the future perspectives to domestic and international investors in one-to-one and group meetings.

SECTION B: PRINCIPAL RISKS

Disclosure relative to risks and uncertainties pursuant to article 2428, paragraph 2, no. 6-bis, of the Italian Civil Code.

The company is potentially exposed to the following relevant risks.

INTERNAL RISKS

RISK LINKED TO THE COMPANY BEING ONLY RECENTLY INCORPORATED

Although the key persons of the Company have a multi-year professional experience in the IT field and all subsidiaries have recorded a steady and intense development in recent years, there is no guarantee that the future growth goals of the Company can be achieved or that the Company, as a holding company, will be able to record the growth rates which the individual subsidiaries have recorded in previous years, also in the light of the fact that the Company will have to face typical risks and difficulties of companies with recent operational history which might cause adverse effects on its economic, equity and financial situation.

RISK LINKED TO CERTAIN KEY PERSONS

The success of the Group depends on some of its key managers who, thanks to solid experience and skills, have played over time a key role in the management of the Group, contributing significantly to the development of the Group's activities. It should be noted that the key persons of the Group continue to work within the Company.

Although the Group has an operating and managerial structure capable of ensuring continuity in the management of the Group's business, termination of the professional contribution brought by one or more key persons could have negative effects on the development of the business and the timeframe for the implementation of the Group's growth strategy.

EXTERNAL RISKS

RISK RELATING TO COVID-19

The situation referred to as "Coronavirus" and its economic effects can have an important economic repercussion on the operating turnover of the main customers of the companies controlled by DHH S.p.A. which could impact negatively the entity business.

The coronavirus emergency is still ongoing worldwide, and many countries are going through the peak of the pandemic which is still rising in some areas of the globe. Governments and institutions across the world agree that we are facing one of the most severe economic crises in a century.

The situation in the European Union seems to be improving day by day, with countries progressively exiting from lockdown and reopening state borders. Many countries have begun to put in place cautious and progressive plans for a gradual return to a 'new normal', which is still expected to differ materially from the pre-COVID-19 situation.

However, the overall scenario still appears to be deeply uncertain as regards the possible future development of the pandemic, within a radically changed global environmental context.

With regard to DHH Group, while the initial outcome looks favorable, a high level of uncertainty remains, as the economy may take a very long time to recover to pre-COVID-19 levels.

RISK RELATED TO THE GENERAL ECONOMIC SITUATION

The persistent crisis affecting the banking system and the financial markets, as well as the subsequent worsening of the macro-economic conditions, which resulted in a contraction in consumption and industrial world-wide production, have in the last years caused the restriction on access to the credit and a low level of liquidity in the financial markets within in the Eurozone. The crisis of the banking system and financial markets led, along with other factors, to a scenario of economic recession in the countries where the Group operates. Considering the business model features that the Group adopted, the Group's business is mainly funded through the re-use of cash resources generated by the business itself. However, the demand for the Group's products is to some extent related to the general economic situation of the countries where the companies of the Group operate. In this difficult macro-economic situation the Group has successfully grown and achieved positive results. However, it cannot be excluded that such a crisis might continue in the Eurozone countries. In such a case there might be negative effects on the Group's economic, equity, and financial position.

RISKS RELATING TO THE COMPETITION IN THE MAIN MARKET

The Company operates in a competitive and dynamic area. The domain registration and hosting market is characterized by high competition which is caused by, among others, the significant growth margins recorded in recent years. In particular, in Italy the market is characterized not only by a high level of competition, but also by the presence of operators holding higher market shares than the Company. Furthermore, legal and natural persons with a seat or place of residence in Croatia may record for free a domain name identifying such legal/natural person. Although the Group companies operating in Croatia will continue to provide additional services to domain registration, maintaining an adequate marginality, it cannot be excluded that, due to competition, Group companies will be forced to lower their prices of domain registration.

In addition, there is a risk that the Company will not be able to properly address the strategies and offers of competitors or the entry of new national or international operators on the market losing progressively their customers and/or market shares. Such a situation could generally have a negative effect on the market position of the Group and its economic, equity, and financial position.

RISK RELATING TO TECHNOLOGICAL PROGRESS

The main sector in which the Company operates is characterized by rapid technological development, high competition as well as rapid obsolescence of existing products. Therefore, the success of the Company in the future will depend, among others, on the capacity to innovate and strengthen its technologies, in order to respond to the technological and emerging progress in the field in which it operates and to satisfy the clients' needs, through the development of new services and products.

In order to maintain its competitiveness in the market and to respond to the rapid technological changes, the Group will invest in research and development.

Should the Group be unable to innovate its services and, therefore, adjust to the needs of clients, negative effects may affect the company's economic, equity, and financial position.

RISK RELATING TO CYBER ATTACK

The Group is exposed to potential risks linked to fraudulent events connected to Cyber attacks. These risks may trigger interruptions of production and sales activities or compromise the confidentiality of personal data managed by the Group. In order to mitigate these risks, DHH has implemented a control system aimed at improving the Group's IT security.

FINANCIAL RISKS

The main financial risks of the Group depend on fund raising in the market (liquidity risk) and customer's capacity to face their obligations (credit risk).

LIQUIDITY RISK

Liquidity risk refers to the potential inability to raise sufficient financial means to support investments required for the development of the business and the Company's ongoing business and for the development of operational activities.

The Company's objective is to maximize the return on net invested capital maintaining the ability to operate over time and ensuring adequate returns for shareholders and benefits for other stakeholders with a sustainable financial structure.

CREDIT RISK

Credit risk is the exposure to potential losses arising from the non-fulfillment of obligations undertaken by trade counterparties.

Most of the services of the Group are available with an annual or multi-year subscription. Therefore, clients (especially companies) may not fulfill their obligations.

MARKET RISKS

EXCHANGE RATE RISK

The Group operates in countries that use currencies other than Euro. In every country they operate, the Group companies offer the price lists of their services in local currencies. However, these price lists are often based on the purchase of services in various currencies and, mainly, on the US dollar from third parties.

The exchange risk is the risk of incurring losses due to adverse changes in foreign exchange rates on profitability. The Group companies, in fact, supply and buy products and services both in Euro and in other currencies (mainly US Dollar, Croatian Kuna, Serbian Dinar and Swiss Franc). Therefore, many transactions carried out by the Group companies may be subject to foreign exchange risks due to money market fluctuations.

SECTION C: RELATED PARTY TRANSACTIONS

The transactions carried out with Group companies and other related parties mainly involve the provision of services, obtaining and using of financial resources; they are part of normal operations and are regulated by market conditions, meaning the conditions that would be applied between two independent parties.

The following is a breakdown of relations with related parties as at June 30th, 2021 taken from the half year's Financial statements:

DHH Group (EUR)		Receivables	Payables	Costs	Revenues	
1. Antonio Domenico Baldassarra	Director and shareholder of DHH	0	11.386	81.654	0	
2. Giandomenico Sica	Director and shareholder of DHH	0	11.998	47.500	0	
3. Uros Čimžar	Director and shareholder of DHH	0	8.584	38.309	0	
4. Matija Jekovec	Director and shareholder of DHH	0	9.255	47.026	0	
5. Petra Kotlušek	Wife of 3)	900	1.138	15.284	640	
6. Quadrant S.r.l.	Supplier of Seeweb owned by 1) and 9)	1.830	0	343.859	3.000	
7. Enrico Vona	Significant Shareholder of DHH	0	6.267	46.400	0	
Total		2.730	48.629	620.031	3.640	
Total		Balance Sheet/Profit & Loss	2.344.702	1.978.766	7.747.823	9.624.034
		%	0,12%	2,46%	8,01%	0,04%

Additional relationships with associated parties are entertained with subsidiaries of the DHH group.

Costs and payables related to the Board of Directors (Mr. Sica, Mr. Baldassarra, Mr. Čimžar and Mr. Jekovec) equal to Euro 500,00 for each Board meeting in which each director will take part in the first semester 2021.

Cost and payables related to Mr. Čimžar and Mr. Jekovec are associated with their position as consultants of DHH SpA with their companies Uros Čimžar s.p. and Trimi d.o.o.; cost and payables related to Mrs. Kotlušek are associated with her position as an employee of DHH.si doo.

Costs and payables related to Mr. Sica are associated with the contract signed between Grafoventures and Giandomenico Sica for professional strategic services.

Mr. Baldassarra is also director of Seeweb S.r.l. and Mr. Vona acts as consultant for Seeweb S.r.l.

Costs and payables related to counterpart Quadrant S.r.l. relate to the lease and service contracts.

SECTION D: LABOUR & ENVIRONMENT

The Group employed 94 people as of 30.06.2021 compared to 63 at 30.06.2020, not changed if compared to 31.12.2020. There were no job fatalities or work accidents in the period covered by this report. During the period there were no claims regarding occupational diseases of employees or former employees and causes of mobbing, for which the companies of the Group were declared liable.

The basic principle governing the Group operation is the continuous training and education of its personnel with the goal of providing the best service to the company's' customers and a positive work environment for all employees.

The Group recognizes the need for continuous improvement of its environmental performance based on the principles of sustainable development and in compliance with legislation and international standards aiming to achieve a balanced economic development in harmonization with the natural environment. Following the mentioned principles, the Group carries out its activities in a manner that ensures both the protection of the environment and preservation of the health and safety of its personnel.

During the period of this report, there were no environmental issues for which one or more companies were liable, nor there were any penalties awarded by the local authorities.

SECTION E: EVOLUTION, PERFORMANCE AND POSITION OF THE COMPANY AND GROUP

This section includes a proper and concise representation of the development, performance activity, and position of the whole business included in the consolidation. This display has been created in such a way as to provide a balanced and comprehensive analysis of the above categories of issues, which corresponds to the size and complexity of these companies' activities. Furthermore, at the end of this display some indicators are being provided which the Board of Directors evaluates as useful.

GROUP FINANCIAL INDICATORS

The main financial numbers for the Group are as follows.

CONSOLIDATED KEY FINANCIALS	30.06.2021	31.12.2020	variation	
All amounts are in Euro				
Total Assets	33.885.886	30.721.028	3.164.858	10%
Total Equity	18.546.260	16.359.123	2.187.137	13%
CONSOLIDATED KEY FINANCIALS	30.06.2021	30.06.2020	variation	
All amounts are in Euro				
Net sales	9.574.920	3.666.621	5.908.299	161%
Gross Margin	5.277.482	1.507.106	3.770.376	250%
EBITDA	3.480.714	547.381	2.933.333	536%
EBT	1.802.008	292.999	1.509.009	515%
Net Profit	2.096.757	214.884	1.881.873	876%

The Net Profit amounts to **2,1M EUR** and has registered an increase in the current half year of 1,9M EUR, due to the variation of the consolidation area (Seeweb S.r.l.) and to the increase of the business of the other Group's companies.

GROUP PERFORMANCE INDICATORS

Below several ratios are listed and are related to the essential performance, position, and economic situation of the Group.

CONSOLIDATED KEY INDICATORS	30.06.2021	31.12.2020	30.06.2020	
Fixed Assets Ratio	60%	61%	65%	This ratio shows the ratio of fixed assets to total assets
Total Fixed Assets to Equity Ratio	110%	114%	95%	This ratio shows the capital structure of the Group
Total Liabilities to Liabilities and equity ratio	45%	47%	32%	Debt percentage ratio
Total equity to total liabilities and equity	55%	53%	68%	Debt percentage ratio
Debt to Equity ratio	16%	20%	0%	The percentage of debt to equity
Working Capital ratio	1,56	1,59	1,18	This ratio shows how many times the current assets cover the current liabilities
CONSOLIDATED KEY INDICATORS	30.06.2021	31.12.2020	30.06.2020	
All amounts are in Euro				
Assets return ratio	10%	5%	4%	Net profit after tax as a percentage of the equity
EBITDA margin	36%	20%	15%	EBITDA as a percentage of sales
Net profit margin	22%	7%	6%	Net profit as a percentage of sales

SECTION F: SIGNIFICANT EVENTS BETWEEN THE SEMESTER AND PUBLISHING OF THIS REPORT

5th JULY 2021

DHH communicates the variation of share capital.

As a result of the exercise period no. 6.066 warrants were exercised and consequently issued no. 1.401 regular new DHH shares with no indication of nominal value, for a total value of Euro 140,10.

The share capital of DHH is now equal to Euro 484.212,10, represented by no. 4.842.121 ordinary shares without par value.

12th JULY 2021

DHH announces the beginning of a share buyback program, previously authorized by the Shareholders' Meeting of April 28th, 2021.

The program will take place through purchases made by an independent financial intermediary, MIT SIM S.p.A., which will take the operating decisions concerning the purchases fully independently, also with regards to the timing of the purchasing operations, following the applicable laws and in line with the above-mentioned decision by the Shareholders' Meeting.

20th JULY 2021

DHH announces its participation in the "Mid & Small 2021 | SUMMER", organized by Virgilio IR from 26 July to 6 August 2021 in virtual mode.

The event offers the opportunity to present the entrepreneurial project, the achieved results, and the future perspectives to domestic and international investors in one-to-one and group meetings.

28th JULY 2021

DHH communicates the variation of share capital.

As a result of the exercise period no. 195.432 warrants were exercised and consequently issued no. 50.651 regular new DHH shares with no indication of nominal value, for a total value of Euro 5.065,10.

The share capital of DHH is now equal to Euro 489.277,20, represented by no. 4.892.772 ordinary shares without par value.

30th JULY 2021

The Board of Directors approves the investment in the innovative start-up Errera Technology Srl (hereinafter also "Errera"). Errera is a start-up that aims to invest in a fast-growing SaaS/cloud software company with the goal of listing it on a Multilateral Trading Facility and growing the business. To finance this project, issued Participatory Financial Instruments up to 3M Euro.

The transaction provides for (i) the subscription by DHH of a share of 500.000 Euro of participating financial instruments convertible into shares issued by Errera and governed by the Regulation of Participatory Financial Instruments called "Convertible Note – Errera 2021" (hereinafter also "SFP Errera"), and (ii) the entry into the share capital of Errera by DHH through subscription – to the nominal – of a quota until a maximum of 10.000 Euro of the capital increase of 15.000 Euro.

The subscription by DHH of the participating financial instruments issued by Errera for a value of 500.000 Euro constitutes a related party transaction qualifying as "of minor importance" pursuant to the OPC Procedure.

The investment will allow DHH to participate in the company's capital not only as an investor, and thus have a potential economic advantage, but also as an industrial partner with the prospect of amplifying this position following the proposed listing of the target company. From an industrial point of view, the operations have the

objective of establishing a commercial synergy between the companies of the DHH Group and the target company with which Errera should carry out the investment in case of success of the initiative.

5th AUGUST 2021

DHH announces that Seeweb, its fully owned portfolio company, promotes the launch of the “Consorzio Italia Cloud” founded on August 4, 2021.

“Consorzio Italia Cloud” brings together some of the most important companies in Italy in the area of Cloud Computing (Seeweb, Nitalia, Sourcesense, Infordata, Babyloncloud, ETH) with the aim of promoting the Italian cloud industries and skills at any level of the cloud stack (IaaS/PaaS/SaaS).

The main objective of the Consortium is to organize the offer and skills to best support private entities and, as a primary focus, the government sector in the journey towards digitization and cloud adoption within a framework of secure and resilient use of domestic technologies and expertise coming from the industrial and research sectors as envisaged in the PNRR (Piano Nazionale di Ripresa e Resilienza).

SECTION G: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE MODEL

The corporate governance structure adopted by DHH S.p.A. is articulated according to the traditional system that features:

- the shareholders' meeting;
- the board of directors entrusted with the management of the Company;
- the board of statutory auditors.

BOARD OF DIRECTORS

The Board of Directors of the Company, re-appointed by the Shareholder's meeting held on April 30th, 2019, is entrusted with the management of the Company and is made of four members plus an independent director.

The members of the Board of Directors (with a brief professional profile of each of them) are the following:



**GIANDOMENICO
SICA**
President



**MATIJA
JEKOVEC**
Managing Director



**UROŠ
ČIMŽAR**
Managing Director



**ANTONIO
BALDASSARRA**
Director



**GUIDO
BUSATO**
Independent Director

GIANDOMENICO SICA, CHAIRMAN OF THE BOARD OF DIRECTORS

Giandomenico is a co-founder of DHH. He is also the founder of Grafoventures, his own investment company focused on Small Caps across Southeast Europe. He is co-founder and board member of Creatives Group, an Applied AI company in the field of supply chain listed on the Vienna Stock Exchange.

He was an investor and executive director of MailUp, a marketing technology company listed on the Italian Stock Exchange, which he supported in scaling by M&A from 8M EUR to 27M EUR in 3 years. He was a shareholder and partner of Digital Magics, a start-up incubator listed on the Italian Stock Exchange, where he originated the investment in Talent Garden (80% IRR).

He is a graduate in Philosophy (cum laude) at the University of Milan.

MATIJA JEKOVEC, MANAGING DIRECTOR

Matija co-founded the Klaro group in 2003 and worked as a developer and later R&D manager. Through his technical career, he acquired an intimate knowledge of development, software architecture, implementation of development processes (agile development, test-driven development continuous integration), and system administration.

As the company shifted its focus to hosting and acquired some of its competitors, Matija managed the operations of the group and played an active role in building the largest hosting group in Slovenia. His background is in Computer Science and he is still actively involved in the developer community in Slovenia.

UROŠ ČIMŽAR, MANAGING DIRECTOR

Uroš Čimžar has over 15 years of experience in the web and hosting industry. While still at university, he co-founded Klaro where he worked as CEO. Klaro was one of the top 10 Slovenian web agencies, but the team also worked on its own internal projects such as Domovanje.com.

Over the years, Uroš has accumulated extensive entrepreneurial experience, mostly in the fields of finance, marketing, and business development. He also shares his knowledge with the Slovenian business community as a guest speaker at various events. He is particularly passionate about promoting entrepreneurial thinking, especially among young people.

ANTONIO BALDASSARRA, DIRECTOR

With over 25 years of experience in Electronics, Telecommunication and Computer Science, Antonio is the founder and CEO of Seeweb, a leading Italian company in the field of IT services, cloud computing and data centers.

Antonio is currently the President of the Hosters and Registrars Association, a member of the Technical Committee and the Board of Directors at Rome Nautilus Mediterranean Exchange (Namex), and was formerly a member of the ccTLD Steering Committee (CIR) of .IT registry at IIT-CNR in Pisa.

Antonio is also committed to business creation and enhancement and harbors a great passion for the development of start-ups and nascent companies operating in the world of Internet and cloud computing through business angel activities and business relationships.

GUIDO BUSATO, INDEPENDENT DIRECTOR

Born in 1963, Mr. Guido Busato is an entrepreneur and managing director with over 25 years of working experience in finance, environmental and energy markets. Specialized in a new business start-up with an excellent track-record in banking and asset management.

Since 2003 he is the founder, owner, and manager of EcoWay S.p.A., the first Italian trading and advisory firm on environmental markets and finance, the leader in CO2 trading for Italy, and from 2014 active also on power markets with a focus on renewable energy.

From 2015, through the family Holding BREG, he is managing a small Family Office with equity investments in Italian SMEs.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is the governance body charged with ensuring that the Company is operating in compliance with the law and the By-laws and performs a management oversight function.

Pursuant to Article 40 of By-laws, the Board of Statutory Auditors performs all the functions provided for Italian law. It has been re-appointed by the Shareholders' meeting held on 30th April 2019 and is made of three Standing Auditors and two Alternate Auditors.

The Board of Statutory Auditors will remain in office for three fiscal years from the date of appointment (so, until the approval of financial statements for 2021).

The current Auditors are listed below:

NAME	ROLE
Umberto Lombardi	Chairman
Stefano Pizzutelli	Standing Auditor
Pierluigi Pipolo	Standing Auditor
Umberto Capogna	Alternate Auditor
Cesare Cinelli	Alternate Auditor

PROCEDURES

In order to establish and maintain good standards of corporate governance, Dominion Hosting Holding S.p.A. has adopted the following procedures:

INTERNAL PROCEDURE FOR THE MANAGEMENT AND HANDLING OF CONFIDENTIAL INFORMATION AND FOR THE EXTERNAL COMMUNICATION OF DOCUMENTS AND INFORMATION: this procedure regulates the management and handling of confidential information about the Company, with a special reference to the inside information (as defined pursuant to article 7 of the M.A.R.), bearing in mind the current laws and regulations concerning the prevention and the repression of any form of market abuse. This procedure has been approved pursuant to articles 17, 24, 25, and 31 of AIM Italia Issuers' regulations – Mercato Alternativo del Capitale, as well as in compliance with all applicable law and regulations such as the Regulations (EU) No. 596 of 2014 on market abuse ("**M.A.R.**").

INTERNAL DEALING PROCEDURE: this procedure, deals with the practice of internal dealing, i.e. the transparency of all transactions performed by Relevant Persons and Close Associates of Relevant Persons (both as defined in such procedure) that involves shares, as well as financial instruments linked to shares issued by Dominion Hosting Holding S.p.A.; such procedure aims at regulating all disclosure requirements and conditions to which the Relevant Persons, the Close Associates of Relevant Persons and the Company itself are subject, with the goal to ensure a timely, correct and proportional disclosure to the public.

NOMAD COMMUNICATION OBLIGATIONS PROCEDURE: this procedure regulates the process through which the Company provides the Nomad with any information which may be necessary, opportune, or reasonably requested by the latter to fulfill its duties according to the AIM Italia Issuers' Regulations and according to the AIM Italia – Alternative Capital Market Nominated Advisers Regulations, as amended and integrated from time to time.

TRANSACTIONS WITH RELATED PARTIES PROCEDURE: this procedure relating to the governance of transactions with related parties is aimed at identifying the rules which govern the approval and execution of transactions with Related Parties (as defined in such procedure) put in place by Dominion Hosting Holding S.p.A. directly or through Subsidiary (as defined in such procedure), in order to ensure the transparency and the substantial and procedural correctness of such transactions following the trading of the Company's shares on AIM Italia – Mercato Alternativo del Capitale ("AIM Italia"), a multilateral trading facility organized and managed by Borsa Italiana.

PROCEDURE FOR SETTING UP AND KEEPING A REGISTER OF PERSONS WITH ACCESS TO INSIDE INFORMATION: this procedure regulates the institution and the keeping of the register of persons with access to inside information which, pursuant to article 7 of the M.A.R., means any information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or one or more of its financial instruments listed on AIM Italia and which, if it were made public, would be likely to have a significant effect on the prices of such financial instruments or the price of related derivative financial instruments prices.



Group Consolidated Financial Statements

as at 30 June 2021

prepared in accordance with IAS/IFRS principles*

- All amounts are in Euro -

DHH S.p.A.

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*These consolidated financial statements, making use of the option provided by art. 19, Part I, of the Issuers Regulation AIM Italy, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Union (OJEU), as specified in notes to the financial statements. Financial statements are the result of consolidation of financial statements of companies detailed in the chapter "Structure of the group" (the "Group") in which DHH S.p.A. directly or indirectly controls the majority of voting rights in the ordinary shareholders, at the above date.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	NOTE	30.06.2021	OF WHICH RELATED PARTIES	31.12.2020	OF WHICH RELATED PARTIES
All amounts are in Euro					
Trademarks	1	3.087.307		3.087.307	
Goodwill	2	8.118.009		7.956.819	
Tangible fixed assets	3	1.824.786		1.782.841	
Right of use assets	4	4.495.475		4.255.078	
Intangible assets	5	1.370.865		1.013.002	
Investments in other companies	6	259.601		259.601	
Non-current financial assets	7	18.193		18.302	
Other non-current assets		-		-	
Deferred tax assets	8	1.161.408		303.308	
NON-CURRENT ASSETS		20.335.644		18.676.257	
Trade receivables	9	2.344.702	1.830	2.193.909	1.830
Current financial assets	10	210.039		209.932	
Other current assets	11	85.177	900	46.531	
Tax receivables	12	383.870		253.607	
Cash and cash equivalents	13	9.868.687		8.846.040	
Prepaid expenses and accrued income	14	657.768		494.753	
CURRENT ASSETS		13.550.242		12.044.772	
TOTAL ASSETS		33.885.886	2.730	30.721.028	1.830

LIABILITIES and NET EQUITY	NOTE	30.06.2021	OF WHICH RELATED PARTIES	31.12.2020	OF WHICH RELATED PARTIES
All amounts are in Euro					
Share Capital		484.212		451.867	
Reserves		14.589.771		14.586.586	
Retained Profit (Loss)		1.346.253		733.603	
Year's profit (loss) relating to the shareholders of the Group		2.093.773		612.651	
TOTAL NET EQUITY OF THE GROUP		18.514.009		16.384.706	
Capital and Reserves relating to the third-party shareholders		29.266		(27.941)	
Year's Profit/loss relating to the third-party shareholders		2.984		2.358	
NET EQUITY TO THE THIRD-PARTY SHAREHOLDERS		32.250		(25.583)	
TOTAL NET EQUITY	15	18.546.260		16.359.123	
Non-current financial payables	16	5.157.579	4.000	5.334.532	4.000
Severance reserves	17	591.546		573.638	
Provisions for risks and future liabilities		-		-	
Other non-current liabilities		-		-	
Liabilities for deferred taxes	18	881.114		881.621	
NON-CURRENT LIABILITIES		6.630.239		6.789.791	
Trade payables	19	1.978.766	22.338	1.768.490	25.447
Other current liabilities	20	430.783	22.291	368.368	23.718
Current financial liabilities	21	2.462.903		2.237.577	
Tax payables	22	995.930		576.221	
Accrued liabilities and deferred income	23	2.841.006		2.621.458	
CURRENT LIABILITIES		8.709.387		7.572.114	
TOTAL LIABILITIES		15.339.626		14.361.905	
TOTAL LIABILITIES and NET EQUITY		33.885.886	48.629	30.721.028	53.165

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2021

CONSOLIDATED INCOME STATEMENT	Note	30.06.2021	OF WHICH RELATED PARTIES	30.06.2020	OF WHICH RELATED PARTIES
All amounts are in Euro					
Revenues	24	9.574.920	3.000	3.666.621	33.968
Other Revenues	25	49.114	640	53.234	
Internal project		-		-	
OPERATING REVENUES		9.624.034		3.719.855	
Material costs	26	(505.119)		(11.966)	
Service costs and use of third-party assets	27	(3.841.433)	(558.347)	(2.200.782)	(713.234)
Personnel costs	28	(1.542.190)	(61.684)	(855.427)	(93.688)
Other expenses	29	(254.578)		104.298)	
TOTAL OPERATING COSTS		(6.143.320)		(3.172.474)	
OPERATING INCOME - EBITDA		3.480.714		547.381	
Amortization and impairment	30	(1.604.503)		(216.661)	
EBIT		1.876.210		330.720	
Financial income (expenses)	31	(70.866)		(37.721)	
Other non-operating income/expense		(3.336)		-	
EARNINGS BEFORE TAXES		1.802.008		292.999	
Total current and deferred income taxes	32	294.749		(78.115)	
NET INCOME (LOSS) FOR THE YEAR		2.096.757		214.884	
OF WHICH:					
Relating to the shareholders of the Group		2.093.773		215.594	
Relating to the third-party shareholders		2.984		(709)	
EARNINGS per SHARE (in EURO)	33	0,458		0,145	
DILUTED EARNINGS per SHARE (in EURO)	33	0,456		0,145	

OVERALL CONSOLIDATED INCOME STATEMENT	30.06.2021	30.06.2020
All amounts are in Euro		
PROFIT (LOSS) FOR PERIOD (A)	2.096.757	214.884
Components which should be subsequently classified in the Income Statement		
Components which should not be classified in the Income statement		
Profit/(losses) arising from the translation of the consolidated companies' financial statements in currencies other than Euro	9.523	5.730
TOTAL OTHER INCOME (LOSS), NET OF FISCAL EFFECT (B)	9.523	5.730
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR PERIOD (A+B)	2.106.280	220.614

(*) EBITDA indicates earnings before interest, taxes, depreciation and amortization of fixed assets and write-down of receivables. Therefore EBITDA represents the operating margin before choices in amortization policy and assessing trade receivables. EBITA, as defined above, represents the index used by the Company's directors to monitor and assess business trends. EBITDA is not identified as an accounting measure under national accounting standards, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBITDA is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

(**) EBIT indicates earnings before interest and taxes. Therefore EBIT represents the year's results before third party and treasury share dividend distribution. EBIT, as defined above, represents the index used by the directors of the Company to monitor and assess business trends. EBIT is not identified as an accounting measure under national accounting standards, consequently, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBIT is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2021

CHANGES EQUITY	01.01.2020	Result allocation	Other variations	Earnings/losses reported in OCI	Net Result of the year	30.06.2020
Share capital	148.855	-	-	-		148.855
Share Premium Reserve	6.681.189	-	528	-		6.681.717
Legal Reserve	28.400	-	-	-		28.400
OCI Reserve	3.796	-		2.246		6.042
Retained earnings (Accum. losses)	633.938	99.665	-	-		733.603
Group Net Result	99.665	(99.665)	-	-	215.594	215.594
TOTAL NET EQUITY - GROUP	7.595.843	-	528	2.246	215.594	7.814.212
Capital and eserves relating to the third-party shareholders	20.250	(38.933)	132	(1.196)	-	(19.747)
Net Result relating to the third- party shareholders	(38.933)	38.933	-	-	(709)	(709)
NET EQUITY TO THE THIRD-PARTY SHAREHOLDERS	(18.683)	-	132	(1.196)	(709)	(20.456)
TOTAL NET EQUITY	7.577.161	-	660	1.048	214.115	7.793.756

CHANGES EQUITY	01.01.2021	Result allocation	Other variations	Earnings/losses reported in OCI	Net Result of the year	30.06.2021
Share capital	451.867	-	32.345	-	-	484.212
Share	11.186.250	-	-	-	-	11.186.250
Premium Reserve	28.400	-	61.973	-	-	90.373
Legal Reserve	5.102.922	-	(61.973)	-	-	5.040.949
Negative reserve for own shares	(1.738.397)	-	-	-	-	(1.738.397)
OCI Reserve	7.410	-	-	3.186	-	10.596
Retained earnings (Accum. losses)	733.603	612.651	-	-	-	1.346.254
Group Net Result	612.651	(612.651)	-	-	2.093.773	2.093.773
TOTAL NET EQUITY GROUP	16.384.706	-	32.345	3.186	2.093.773	18.514.010
Capital and Reserves relating to the third-party shareholders	(27.942)	2.358	55.086	(237)	-	29.266
Net Result relating to the third-party shareholders	2.358	(2.358)	-	-	2.984	2.984
NET EQUITY TO THE THIRD-PARTY SHAREHOLDERS	(25.583)	-	55.086	(237)	2.984	32.250
TOTAL NET EQUITY	16.359.123	-	87.431	2.949	2.096.757	18.546.260

The "Other variations" mainly refer to:

- the capital increase of 32K EUR, due to the warrants exercised and to the regular new DHH shares (with no indication of nominal value) issued;
- the acquisition of the remaining 38% of mCloud d.o.o. from Mr. Boško Radivojević (30%) and Jelena Opačić (8%) for a total value of Euro 135.000.

ANNUAL STATEMENT OF RECONCILIATION BETWEEN SHAREHOLDER'S EQUITY AND THE RESULT OF THE PARENT COMPANY

STATEMENT of RECONCILIATION	NET PROFIT	NET EQUITY	TOTAL
BALANCES OF THE PARENT COMPANY	2.608.158	10.901.456	13.509.614
Elimination of gains from intra-group disposals	-	-	-
Adjustment for Consolidation	(2.953.832)	2.951.184	(2.648)
Difference between the value of the consolidated investments and their own net equity value	(3.336)	2.567.597	2.564.261
Net profit of consolidated companies	2.442.783	-	2.442.783
Third-party shareholders	2.984	29.266	32.250
TOTAL NET EQUITY	2.096.757	16.449.503	18.546.260

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

CONSOLIDATED CASH FLOW STATEMENT	30.06.2021	30.06.2020
All amounts are in Euro		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for period	2.096.757	214.884
Income taxes	(294.749)	78.115
Interest payables/(receivables)	70.866	37.721
(Capital gains) / losses from sales of assets	-	-
(Capital gains) / losses from Business Combinations	-	-
1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES	1.872.874	330.720
Adjustments for non-cash items that are not accounted for in net working capital change:		
- Allocation to reserves	17.920	1.221
- Amortization and depreciation of assets	1.604.102	216.380
- Permanent loss write-down	401	281
- Other adjustments on non-monetary items	2.949	1.050
2. Cash Flow before NWC changes	3.498.246	549.653
Changes in NWC:	392.985	209.226
- Decrease (increase) in inventories	-	-
- Decrease (increase) in customer receivables	(128.241)	(428.078)
- Increase (decrease) in supplier payables	187.322	471.417
- Decrease (increase) in prepaid expenses and accrued income	167.497	(140.431)
- Increase (decrease) in accrued expenses and deferred income	(110.964)	328.045
- Other changes to the NWC	277.371	(21.727)
3. Cash flow after NWC changes	3.891.232	758.878

Other changes:	223.363	(118.327)
- Interests collected/(paid)	(70.866)	(37.721)
- (income taxes paid)	294.229	(80.606)
- Dividends received	-	-
- (Use of reserves)	-	-

Cash flow from operating activities [A]	4.114.595	640.551
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B. CASH FLOW FROM INVESTING ACTIVITIES

(Investments) disinvestment in tangible assets	(327.329)	(192.376)
(Investments) disinvestment in right of use assets	(1.391.253)	-
(Investments) disinvestment in intangible assets	(496.830)	(264.028)
(Investments) disinvestment in financial assets	(957.255)	1.162

Cash flow from investing activities [B]	(3.172.667)	(455.242)
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C. CASH FLOW FROM FINANCING ACTIVITIES [C]

Increase (decrease) current payables to banks	10.334	3.588
New loans (Loan repayments)	38.039	(62.987)
Paid capital increase	32.345	660
Treasury share sale (purchase)	-	-
(Dividends paid)	-	-

Cash flow from financing activities [C]	80.719	(58.738)
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Increase (decrease) in liquidity [A]+[B]+[C]	1.022.647	126.570
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Liquid funds at the beginning of the period	8.846.040	2.537.357
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Liquid funds at the end of the period	9.868.687	2.663.927
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NOTES TO FINANCIAL STATEMENTS

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

DHH S.p.A., availing itself of the option set out under article 19, First Part, of the AIM Regulations for Issuers elected to adopt the international accounting principles (IFRS) issued by the International Accounting Standards Board (IASB) and published in the Gazzetta Ufficiale della Comunità Europea (G.U.C.E.) for the preparation of its own financial statements.

The central body of IFRS encompasses all IFRS, up-to-date accounting principles, and the interpretations drawn-up by the International Financial Reporting Interpretations Committee (IFRIC) formerly known as Standing Interpretations Committee ("SIC"). It should be noted that the accounting principles applied for the preparation of the financial statements as at June 30th, 2021 are those in force at such date.

FINANCIAL STATEMENTS FORMATS

The DHH Group consolidated Financial statements as at June 30th, 2021 are approved by the Board of Directors on 28.09.2021.

This half-year report is prepared in order to comply with disclosure requirements pursuant to Article 18, First Part, of the AIM Italia Issuers Rules.

The Consolidated Interim Financial Statement as at June 30, 2021 is prepared in accordance with IAS 34 on interim financial reporting. IAS 34 allows for the preparation of financial statements in form that is based on a minimum level of information significantly lower than that is required by the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union.

The Consolidated Interim Financial Statement, with Euro units, is made up of mandatory accounting principles (the statement of financial position, the statement of comprehensive income the statement of changes in equity, the statement of cash flow) and relevant explanatory notes. The prospect of the balance sheet and financial report has been drawn up on the basis of the classification criteria of assets and liabilities "current/not current". An asset/liability is classified as "current" depending on the following criteria:

- It is expected it will be collected/paid or will be assigned or utilized in the normal operating cycle or when it is held mainly for negotiation purposes;
- Or it is expected it will be collected/paid within twelve months from the end of the financial year.

As to the prospect of the overall economic results, the revenues and costs are classified according to their nature. The gross margin is calculated as the difference between net revenues and operating costs, excluding the non-monetary costs relevant to amortizations and devaluations, net of any value restoration. The operating result is calculated as the difference between net revenues and operational costs including non-monetary costs relevant to amortizations and devaluations of current assets, net of any value-restoration. The criterion adopted for the accounting of assets and liabilities is the historical cost.

The drawing up of the financial statements and explanatory notes required certain estimates and assumptions both in the determination of assets and liabilities and the evaluation of contingent assets and liabilities.

The Interim Financial statements have been drawn up pursuant to the general principle of presenting a reliable and true balance sheet, financial balance sheet, economic result, and financial flow of consolidated companies, in

accordance with the general principles of going concern, accrual principle, materiality, and aggregation, offsetting prohibition and comparative information.

The Group Financial Statements for DHH (the “Group”) as at June 30th, 2021 have been drawn up on the basis of the financial statements of the holding company and of the companies in which D.H.H. S.p.A. (the “Consolidating Company”) holds -directly or indirectly- the majority of votes exercisable in the Ordinary Shareholders’ Meeting, with reference to the same date, as detailed below:

CONTROLLED COMPANIES IN THE CONSOLIDATION AREA	OFFICE	SHARE CAPITAL (in EUR)	SHARE
TOPHOST s.r.l.	Italy	10.000	100%
DHH.si d.o.o.	Slovenia	13.813	100%
DHH d.o.o.	Croatia	2.618	100%
DHH SWITZERLAND s.a.	Switzerland	92.327	100%
SYSTEM BEE d.o.o.	Croatia	3.384	80%
MICLOUD d.o.o.	Serbia	9	100%
SEEWEB s.r.l.	Italy	103.000	100%

SUBJECTIVE ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial statements in accordance with the applicable accounting principles requires the use by the management of estimates, which may have a material effect on the amounts set out in the financial statements. Estimates and the relevant assumptions are based on the historical experience and other factors which are deemed reasonable with reference to the current circumstances and knowledge at the reference date for the Financial Statements. The actual results may differ from estimates. The estimates and relevant assumptions are reviewed on an ongoing basis. The effects of the estimate reviews are recorded in the period in which such estimates have been reviewed. Decisions by management, having significant effects on the balance sheet and estimates and showing a significant risk of material review to the accounting value of assets and liabilities affected in the following financial years are discussed in the comments to the relevant financial statement items.

The main estimates are utilized to track the provisions for risks on receivables, amortizations, devaluations, lasting reduction of the value of non-financial assets (“impairment”), benefits for employees, recovery of anticipated taxes, taxes, and other provisions, fair value determination of financial instruments.

With reference to the financial statement presentation the Group made the following choices:

1. the consolidated profit or loss statement has been drawn up according to the format with cost allocation by nature, highlighting the intermediate result as to operational result and result before taxes. The operational result is determined as the difference between the net income and operational costs (including non-monetary costs relevant to amortization and devaluation of current and non-current assets, net of any restoration of



value). In order to allow a better measurement of normal operation management cost and revenue items arising from events or transactions, non-recurrent by nature and value materiality are indicated separately.

2. The consolidated aggregated profit or loss statement shows the cost and revenue items, net of the fiscal effect which, as requested or allowed by various international accounting principles are directly recorded within money reserves.
3. The consolidated statement of financial position has been drawn up according to the format evidencing the split of assets and liabilities between current and non-current. An asset/liability is classified as “current” according to one of the following criteria:
 - It is expected it will be collected/paid or will be assigned or utilized in the normal operating cycle or when it is held mainly for negotiation purposes;
 - Or it is expected it will be collected/paid within twelve months from the end of the financial year.

Impairment of assets

Goodwill and other intangible assets with indefinite useful lives are not amortized; the recoverability of their carrying amount is reviewed at least annually and whenever there is an indication that the asset may be impaired. Goodwill is tested for impairment at the lowest level (cash-generating unit “CGU”) within the entity at which management assesses, directly or indirectly, the return on the investment that includes such goodwill. When the carrying amount of the cash-generating unit, including the attributed goodwill, is higher than its recoverable amount, the difference is an impairment loss that is charged first against the value of goodwill until fully absorbed; any loss not absorbed by goodwill is allocated pro-rata to the carrying amount of the other assets in the cash-generating unit.

Business combination

The recognition of business combinations involves allocating to the acquired company's assets and liabilities the difference between the purchase price and the net book value of the net assets acquired. For most of the assets and liabilities, the allocation of this difference is performed by recognizing the assets and liabilities at their fair value. The unallocated portion is recognized as goodwill if positive, and if negative, it is taken to profit or loss. Management uses available information for the purposes of the allocation process and, in the case of the most significant business combinations, external valuations.

Lease

The new IFRS 16 – Lease standards, requires several judgments, assumptions and estimates applied in determining how to measure the lease liability at the commencement date, as well as on reassessment that shall be done every year.

CONSOLIDATION PRINCIPALS

PARTICIPATIONS IN CONTROLLED COMPANIES

Companies, in which the Group has the power to exert, directly or indirectly, the control determining the financial and management choices and obtaining the relevant benefits, are consolidated with the global integration method.

According to such method assets and liabilities, income, and expenses of controlled companies are fully assumed in the consolidated financial statements; the accounting value of participations is deleted in exchange for a corresponding fraction of the net worth, grating the relevant assets and liabilities the current value at the time of the control acquisition.

Any difference, if positive, is registered in the assets as "goodwill" if not depending on the increased value of other assets or, if negative, to the profit and loss statement.

EVALUATION CRITERIA

The main criteria for drawing up the interim financial statements are set out below.

INTANGIBLE ASSETS

Intangible assets are assets without a physical substance, they are recognized only if they are identifiable, controllable and they can be predicted to generate future economic benefits and their cost can be determined in an accurate way. Intangible assets with a defined life are evaluated at their purchase or production cost net of amortization and accumulated losses of value.

Amortization is variable, depending on the expected residual life and it starts when the activity is available for use. Useful life is re-examined yearly and any changes are made with prospective application.

Intangible assets with residual undefined life are not amortized but are subject annually or more often, if necessary, to checks to identify any value reduction (impairment test) even in the absence of value-loss indicators. Such check is run at the level of the cash-generating unit, to which the same immaterial asset is attributed.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE - TRADEMARKS

Trademarks, item arising from the Reverse Take-Over of Seeweb according to IFRS 3, represents a partly allocation of the positive excess of the acquisition due to the Purchase Price Allocation process.

Trademarks are accounted for assets with residual indefinite life and are not amortized but annually subject – even in the absence of value-loss indicators or even more frequently if necessary – to checks to identify any value reduction (impairment test), as well as to verify the indefinite duration requirement. Value-losses are immediately recognised in the profit and loss statement and are not subsequently restored. After the initial recording trademarks are evaluated at the cost net of any accumulated losses. For purposes of running the impairment test trademarks are attributed to the cash generating units or CGU or CGU groups which are expected to benefit from the aggregation.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE - GOODWILL

The goodwill, arising from the acquisition of a controlled company or other merger transactions, represents the positive excess of the acquisition cost compared to the percentage due to the Group of current values, fair value, assets, liabilities, and potential liabilities identifiable at the acquisition date.

The goodwill is accounted for assets with a residual indefinite life and is not amortized but annually subject – even in the absence of value-loss indicators or even more frequently if necessary- to checks to identify any value reduction (impairment test), as well as to verify the indefinite duration requirement. Value losses are immediately recognized in the profit and loss statement and are not subsequently restored. After the initial recording, the goodwill is evaluated at the cost net of any accumulated losses. In case of transfer of a controlled company the net value of the goodwill attributable to it is included in the determination of capital gain or capital loss arising from the transfer. For purposes of running the impairment test, the goodwill is attributed to the cash-generating units or CGU or CGU groups which are expected to benefit from the aggregation.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – DEVELOPMENT COSTS

Development costs, essentially relevant to the development of new products are capitalized if and to the extent such costs may be determined in an accurate way, the generated activity is identifiable and there is evidence that their bearing will give rise to future economic benefits. In particular, for purpose of capitalization what matter is (i) the technical feasibility and (ii) the intention to complete the activity to make it sustainable for use or sale, (iii) the existence of adequate technical and financial resources to complete the development and (iv) the sale and reliability of cost evaluation with reference to activity during the development. Upon checking these conditions, costs are recognized within the assets of the balance sheet and amortized, at constant rates, since the beginning of commercial production of the product. Useful life is determined with reference to a prudent estimate of the relevant economic benefits and it is initially estimated at five years, depending on the features of the relevant product.

The development costs for which the above conditions are not met are recognized in the profit or loss statement when they are accrued and may not be capitalized in subsequent years.

INTANGIBLE ASSETS WITH FINITE USEFUL LIFE – OTHER IMMATERIAL ACTIVITIES

Other immaterial activities are recorded in the statement of financial position only to the extent it is likely the use of the activity will give rise to future economic benefits and the cost of the activity can be recorded in an accurate way. If such conditions are met immaterial activities are recorded at their purchase cost, corresponding to the price paid increased by side costs and, for goods contributed in kind, the values ascertained in the relevant deeds. Other immaterial activities due to the purchase of going concerns are recorded separately from the goodwill if their fair value can be determined in a reliable way. The gross accounting value of other intangible activities with defined useful life is regularly spread across the financial years in which they are being used through the provision of constant amortization costs, with reference to the estimated useful life. Amortization starts when the activity is ready for use. For contributed activities amortization is determined on the basis of the useful residual life.

RIGHT OF USE ASSETS – LEASE DEBTS ACCORDING TO IFRS 16

IFRS 16 defines the principles for the recognition, measurement, presentation and reporting of leases and requires lessees to recognize in the balance sheet all lease contracts, including contracts qualified according to current practice as operational (such as some rentals), on the basis of a single model substantially similar to that used to account for financial leases in accordance with IAS 17. At the start date of the lease, the lessee will recognize a liability for future lease payments (that is, the lease liability) and an asset that represents the right to use the underlying asset for the duration of the contract (that is, the right to use the activity). The lessor will have to separately account for the interest expenses on the lease liability and the amortization of the right to use the asset.

The lessors will also have to remeasure the liability linked to the lease contracts upon the occurrence of certain events (for example: a change in the conditions of the lease, a change in future lease payments resulting from the

change of an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as a correction of the right to use the asset.

The principle provides for two exemptions for the survey by lessors:

- leases related to low value assets;
- short-term leases (for example contracts expiring within 12 months or less).

The Group has various contracts for the use of data center equipment owned by third parties. Lease contracts are generally stipulated for a duration of 3 to 5 years but may have extension options. The lease terms are individually negotiated and provided different conditions. The contracts do not include covenants.

With reference to options and exemptions provided by IFRS 16, the Group will adopt the following choices:

- IFRS 16 is generally not applied to intangible assets, short-term contracts (i.e. less than 12 months) and contracts with low unit value;
- rights of use and financial liabilities relating to leasing contracts are classified on specific items in the statement of financial position;
- the lease term is calculated considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement, if it is reasonably certain that it will be exercised;
- contracts with similar characteristics are valued using a single discount rate;
- the incremental debt rate is defined as the interest rate that DHH would pay to borrow funds necessary to purchase an asset of a similar value, considered for the right to use other things being equal, for a similar period, with the same level of risk and in a similar economic context;
- the leasing contracts previously valued as finance leases pursuant to IAS 17 maintain the values previously recorded.

The main impacts on the Group's financial statements can be summarized as follows:

- Statement of financial position: greater non-current assets for the recognition of the "right to use the leased asset" in counterpart for higher financial liabilities of approximately 340k Eur.
- Separate income statement: different nature, qualification and classification of expenses (amortization of the "right of use of the asset" and "financial charges for interest" compared to "Costs for the use of third-party assets - operating lease payments", as by IAS 17). On the contract portfolio basis (and the related fees) as at 1st January 2019 the increase in EBITDA for 2019 amounts in 117k Eur.

Furthermore, the combination of the amortization on a straight-line basis of the "right of use of the asset" and the effective interest rate method applied to the payables for leasing, compared to IAS 17, is based on a different time distribution of the total cost of the contract leasing, with higher charges in the income statement in the first years of the leasing contract and decreasing charges in recent years.

- Cash flow statement: lease installments, for the principal portion of debt repayment, is reclassified from «cash flow from operating activities» to «cash flow from financing activities».

TANGIBLE ASSETS

Tangible assets are registered at their purchase or production or contribution cost, including any additional expenses necessary to make the asset ready for use. In case an extended time is necessary to make the asset ready for use, the purchase or production cost includes the financial cost which theoretically could be avoided without an investment.

No revaluation has been made, including pursuant to specific laws. The above said activities are specifically amortized on the basis of certain economical-technical parameters determined with reference to the theoretical usability of the goods. In case a tangible asset includes more than a significant element with a different useful life amortization is done for each component.

The amortizable value is represented by deducting book value from the net value of its residual life, if significant and if it can be reasonably ascertained. The amortization ratio applied to any unit is reviewed at least at the closing of any financial year and, if there are significant changes in the expected consumption of the future economic benefits generated by an asset the ratio is modified to reflect this change as contemplated under IAS 8.

Gains and losses arising from transfers or dismissals of assets are determined as the difference between the sale revenue and the net book value of the asset and recognized in the profit and loss statement. The costs relevant to renewals, changes, and transformation which extend the useful life of an asset are capitalized. If there are events leading to a presumed reduction of the accounting value of material assets their recovery is controlled by comparing the book value to the recoverable value, represented by the higher between (i) fair value less disposal costs and (ii) current value.

PARTICIPATIONS

Participations in controlled companies, in Parent Company's Financial Statements, are valued with the cost method. By applying such method, they are subject to impairment test with the rules set out under IAS 36 to the extent there is objective evidence of a loss of value of the participation due to one or more events that occurred after the initial recognition having an impact on future cash flows of the participated company and dividends which it may distribute. Such objective evidence arises if there is a persistent negative trend. In such cases devaluation is determined as the difference between the book value of the participation and its recoverable value, normally determined on the basis of the higher between use value, determined discounting future cash flows, and fair value net of sale costs.

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are those which are non-derivative financial assets, which are classified as:

- Loans and receivables (L&R);
- Investments held to maturity (HTM)
- Financial assets at fair value recorded in the profit and loss statement and valued using the fair value method (FVTPL).

Fair value generally corresponds to the market value. If there is no active market value fair value is determined utilizing evaluation techniques e.g. the actualized future cash flow method at a market interest rate. Differences arising from such evaluations are recorded in a specific net worth reserve. The suspended evaluation effects of such reserve are recognized in the profit or loss statement at the time of disposal of the financial transaction leading to such disposal, the realization of sale thereof. In case the loss of value is durable, such amount is reclassified from equity to profit and loss.

As indicated in the Annual Report 2018, from management analysis and because of the type of financial assets of the Group, no significant impacts have been identified from the application of IFRS 9 “Financial Instruments”.

CURRENT ASSETS

The drafting of the statement of cash flow, the statement of financial position, and the profit or loss statement requires estimates and assumptions having an effect on the value of assets and liabilities and relevant report, as well as on contingent assets and liabilities at the reference date. Estimates and relevant assumptions are based on the preceding experiences of the Company and other factors deemed reasonable in the circumstances and have been adopted to determine the accounting value of assets and liabilities the value of which may not be easily discerned from other objective sources. The final results may therefore differ from such estimates. Estimates and assumptions are reviewed periodically and the effects of the relevant variations are reflected in the profit and loss statement.

TRADE RECEIVABLES

Trade receivables are recorded at their fair value, corresponding generally to their nominal value, net of value-loss referred to sums which may not be collected, recorded in specific provisions for doubtful receivables. Receivables, with an expiry date that falls within the normal commercial terms, are not actualized. Receivables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

CASH AND EQUIVALENT INSTRUMENTS

Cash and equivalent instruments are recorded at their nominal value and include the nominal value, i.e. those values having availability on-demand and short-term requirements, good outcome, and absence of expenses for their collection.

TRADE PAYABLES

Trade payables are recorded at their nominal value which is normally approximated at the amortized cost. Payables expressed in a currency other than Euro have been evaluated at the end of period currency registered by the European Central Bank.

FINANCIAL LIABILITIES

Financial liabilities, other than derivative financial instruments, are recorded at the settlement date measured at the fair value of liabilities, net of directly related transaction costs according IFRS 9.

EMPLOYEES BENEFITS

Severance Indemnity Reserve (TFR), which is mandatory for Italian companies pursuant to art. 2120 of the Civil Code, is considered as deferred remuneration and is based on the years of service and the salary earned by the employee during his service period. For benefits subject to actuarial valuation, liabilities relating to TFR must be calculated by projecting on a forward basis the amount already accrued at the time when the relationship between employer and employee is terminated and by subsequently proceeding with its time-discounting on the date of a financial statement under the actuarial method “Projected Unit Credit Method”. Such an actuarial method is based on demographic and financial assumptions to reasonably estimate the amount of benefits that each employee has already accrued as a result of his employee service.

Through actuarial valuation, the current service cost, which represents the amount of rights matured by an employee at the reporting date, is recorded in the profit or loss statements. Among financial (Gain)/Losses is also recorded the interest cost which represents the figurative expenditure that the company would bear by securing a market loan for an amount corresponding to TFR. The actuarial gain and losses resulting from changes in the actuarial assumptions adopted are directly recorded in the balance sheet.

RECOGNITION OF REVENUES

Revenues are recorded - according to territorial competence principle - when the Group is likely to benefit from future economic benefits and such benefits may be reliably determined. In particular, revenues from sales and services are recorded when the transfer of all the risks and benefits arising from the passage of title takes place or upon execution of a service. Revenues are recorded net of discounts, allowances, settlement discounts, and rebates.

As indicated in the Annual Report 2020, from management analysis no differences in the revenues recognition cut-off have been identified from the application of IFRS 15 "Revenues from Contracts with Customers".

EXPENSES

Expenses are recorded when they are incurred, in accordance with the principle of matching expenses and revenues that directly and jointly derive from the same transactions or events. Expenses that may not be associated with revenues are immediately recorded in the profit or loss statement. Value losses are recorded in the profit or loss statement of the financial year in which such value losses occurred.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are considered on an accrual basis, recorded interest matured on the net value of the relevant financial assets and liabilities using the effective interest rate.

TAXES

Current and deferred taxes are recognized in the profit or loss statement if not related to the transactions directly recorded in the net equity. Income taxes are determined on the basis of taxable income for the period in accordance with laws. The "deferred tax liabilities" and the "receivables for advanced taxes" are calculated - in accordance with IAS 12 - on the temporary differences between the fiscal value of an asset or liability and its balance sheet value, to the extent likely that - in the foreseeable future - such differences will disappear. The amount of the "deferred tax liabilities" as well as the "receivables for deferred tax" is determined on the basis of the tax rate which - according to the tax regulations in force on the accounting entry reference date - will apply at the time when the tax asset will be realized or the tax liabilities will be due. The recognition of deferred tax assets is made when their recovery is probable. Receivables for advanced taxes and deferred tax liabilities are offset whenever such compensation is allowed by law.

ESTIMATES AND VALUATIONS

The preparation of the consolidated financial statements and related notes require estimates and assumptions affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period. The final results may differ from such estimates.

In particular, estimates are used to make the impairment tests, as well as to record the amortization and depreciation, the impairment of assets, the provisions for risks. Estimates and assumptions are periodically reviewed and the effects of any variation are periodically recognized in the profit or loss statement.

CHANGES IN THE ACCOUNTING PRINCIPLES

The main changes in the relevant accounting principles are described below.

A. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE BEEN RATIFIED AND HAVE BEEN ADOPTED BY THE GROUP

As indicated in the Annual Report 2020, the following accounting standards, amendments and interpretations are applicable from the 1st of January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform.
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 - applicable for annual periods beginning on or after 1 April 2021 but not yet endorsed in the EU.

These accounting standards, amendments and interpretations are not significant or have not produced effects for the Group.

B. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET IN FORCE

Among the principles issued by the IASB, but not yet in force for the preparation of these financial statements, attention is focused on:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use - applicable for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract - applicable for annual periods beginning on or after 1 January 2022.
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework - applicable for annual periods beginning on or after 1 January 2022.
- IFRS 17 Insurance Contracts - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction - applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU.

OTHER INFORMATION

MATERIAL NON-RECURRING EVENTS AND TRANSACTIONS – ATYPICAL AND/OR UNUSUAL TRANSACTIONS

When material non-recurring events and transactions and atypical and/or unusual transactions occur, the notes to the financial statement disclose the impact of these events on the statement of financial position and the statement of comprehensive income. Atypical or unusual transactions mean transactions whose significance/relevance, nature of the counterparts, subject matter of the transaction, transfer pricing method, and timing of the event (near the end of the financial year) can give rise to doubts as to correctness/completeness of information recorded, conflicts of interests, protection of the company equity, protection of minority interests.

COMPENSATION OF THE STATUTORY AUDITOR AND AUDITOR FIRM

The overall compensation paid by the Group to the auditor firm is equal to 19.132 EUR for auditing activities and 2.330 EUR for other activities. The compensation for the Board statutory auditors is equal to 12.870 EUR.

RELATED PARTIES

The Explanatory Notes provide information on the effect that operations with related parties have on the economic and financial situation.

TRANSLATION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

Exchange rates used to translate in Euros the financial statements prepared in currencies other than Euro are set out below (source National Bank of Italy):

CURRENCY	EXCHANGE RATE AS AT 30.06.2021	AVERAGE EXCHANGE RATE FIRST HALF OF THE YEAR 2021
Croatian Kuna (HRK)	7,4913	7,5439
Serbian Dinar (RSD)	117,4597	117,4977
Swiss Franc (CHF)	1,0980	1,0969

SCOPE OF CONSOLIDATION

The subsidiaries included in the scope of consolidation are listed below.

PARENT COMPANY

Name

DHH S.P.A.

REGISTERED OFFICE

MILANO - VIA CALDERA, 21 - ITALIA

Direct subsidiaries which are consolidated with the "integral method":

NAME	REGISTERED OFFICE	SHARE CAPITAL (in EUR)	SHARE
TOPHOST s.r.l.	Italy	10.000	100%
DHH.si d.o.o.	Slovenia	13.813	100%
DHH d.o.o.	Croatia	2.618	100%
DHH SWITZERLAND s.a.	Switzerland	92.327	100%
SYSTEM BEE d.o.o.	Croatia	3.384	80%
M-CLOUD d.o.o.	Serbia	9	100%
SEEWEB s.r.l.	Italy	103.000	100%

CHANGE IN THE SCOPE OF CONSOLIDATION

With regard to the changes in the scope of consolidation, compared to the consolidated report as at 31.12.2020 it should be noted the acquisition of the remaining 38% share of mCloud d.o.o..

INTRA-GROUP TRANSACTIONS

All balances and transactions between the companies which were consolidated with the integral method as well as any unrealized gains on intercompany transactions have been deleted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: TRADEMARKS

The item "Trademarks" recorded in the Financial Statements reports a total amount of 3.087.307 EUR. They refer to the Reverse Take-Over of Seeweb Holding S.r.l. led by DHH S.p.A., as partial allocation of the goodwill originated by the operation.

As mentioned in the section related to the accounting principles, Trademarks are not amortized, but subject to impairment tests and written-off for impairment losses. The DHH Group half-yearly verifies the recoverability of goodwill and the other assets with an indefinite useful life by specific evaluations (impairment test) on each cash-generating unit (Cash Generating Units or "CGU"). Impairment test has been executed according to the latest economic and financial forecasts for future financial years. The recoverability of the assets recorded in each CGU is verified by comparing the net book value attributed to the single CGU with the recoverable value that is determined as usage value (recoverable amount). Such value is represented by the current value of the future cash flows which may result from the continuous use of the CGU.

NOTE 2: GOODWILL

The item "Goodwill" is equal to 8.118.009 EUR, with a net increase of 161.189 EUR compared to the same value recorded in the consolidated as at 31.12.2020. The increase refers for 190.000 EUR to the acquisition of the remaining 38% of mCloud d.o.o. from Boško Radivojević (30%) and Jelena Opačić (8%).

The decrease refers to the part of goodwill with a defined useful life by specific evaluations, in particular, it's related to the fair value of DHH Italia and DHH Switzerland's customer list with an estimated residual life of 3 years.

As mentioned in the section related to the accounting principles, goodwill is not amortized, but subject to impairment test and written-off for impairment losses. The DHH Group half-yearly verifies the recoverability of goodwill and the other assets with an indefinite useful life by specific evaluations (impairment test) on each cash-generating unit (Cash Generating Units or "CGU"). Impairment test has been executed according to the latest economic and financial forecasts for future financial years. The recoverability of the assets recorded in each CGU is verified by comparing the net book value attributed to the single CGU with the recoverable value that is determined as usage value (recoverable amount). Such value is represented by the current value of the future cash flows which may result from the continuous use of the CGU.

As required by IAS 36 paragraph 12, at the date of the interim financial statements, DHH assessed, on the basis of information from external and internal sources, whether there were indications of impairment of assets and decided to perform the impairment test on goodwill and to determinate if the effects of COVID-19 should be reflected in the impairment calculations. The results as at 30 June 2020 appear to be substantially aligned with those laid out in the budget set forth for the impairment test at the end of the year; however, these trends will be carefully monitored in the upcoming months in order to promptly identify the elements that may compromise the recoverable value.

NOTE 3: TANGIBLE ASSETS

Tangible assets are equal to 1.824.786 EUR.

The details of the movement of tangible assets during the half-year 2021 are provided below.

TANGIBLE ASSETS	Computers and electronic equipment	Vehicles	Other assets	Assets under construction & payments on account	TOTAL
Value at 01.01.2021	5.516.893	-	1.985.862	-	7.502.755
Variation area	-	-	-	-	-
Investments	310.064	-	937	17.180	328.180
(Disposals)	(1.434)	-	(216)	-	(1.650)
Impairments and other movements	-	-	-	-	-
Cost at 30.06.2021	5.825.523	-	1.986.583	17.180	7.829.285
Accumulated depreciation at 01.01.2021	4.632.354	-	1.087.561	-	5.719.914
Variation area	-	-	-	-	-
Depreciation	272.726	-	12.657	-	285.383
(Disposals)	(582)	-	(216)	-	(798)
Impairments and other movements	-	-	-	-	-
Accumulated depreciation at 30.06.2021	4.904.498	-	1.100.002	-	6.004.499
Net Book Value					
At 01.01.2021	884.540	-	898.301	-	1.782.841
At 30.06.2021	921.025	-	886.581	17.180	1.824.786

NOTE 4: RIGHT OF USE ASSETS

Right of use assets are equal to 4.495.475 EUR. The effects of the application of IFRS 16 - "Leases", applied from January 1st, 2019, are provided below. For further information please refer to the comments in "Evaluation criteria".

RIGHT OF USE ASSETS	Land and Buildings	Data center equipment	Vehicles	Other assets	TOTAL
Value at 01.01.2021	2.023.962	7.507.944	26.617	-	9.558.523

Variation area	-	-	-	-	-
Investments	743.605	648.239	-	-	1.391.844
(Disposals)	-	(34)	(557)	-	(591)
Impairments and other movements	-	-	-	-	-
Cost at 30.06.2021	2.767.567	8.156.149	26.060	-	10.949.776

Accumulated depreciation at 01.01.2021	749.129	4.549.199	5.117	-	5.303.445
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Variation area	-	-	-	-	-
Depreciation	287.278	860.499	3.078	-	1.150.856
(Disposals)	-	-	-	-	-
Impairments and other movements	-	-	-	-	-

Accumulated depreciation at 30.06.2021	1.036.407	5.409.698	8.195	-	6.454.301
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Net Book Value					
At 01.01.2021	1.274.833	2.958.745	21.500	-	4.255.078
At 30.06.2021	1.731.160	2.746.451	17.865	-	4.495.475

NOTE 5: INTANGIBLE ASSETS

Intangible assets are equal to 1.370.865 EUR as at 30 June 2021.

The details of movement in intangible assets during the half-year 2021 are provided below.

INTANGIBLE ASSETS	Software licenses	Internally developed software	Other assets	Customer List	Assets under construction & payments on account	TOTAL
Value at 01.01.2021	406.347	422.915	58.507	1.134.976	2.080	2.024.824
Variation area	-	-	-	-	-	-
Investments	2.471	-	336.126	160.000	(1.767)	496.830

Impairments and other movements	-	-	-	-	-	-
Cost at 30.06.2021	408.818	422.915	394.633	1.294.976	313	2.521.655
Accumulated amortization at 01.01.2021	195.268	263.381	19.338	533.835	-	1.011.823
Variation area	-	-	-	-	-	-
Amortization	37.223	35.708	23.295	42.742	-	138.967
Impairments and other movements	-	-	-	-	-	-
Accumulated amortization at 30.06.2021	232.491	299.089	42.633	576.577	-	1.150.790
Net Book Value						
At 01.01.2021	211.078	159.534	39.169	601.141	2.080	1.013.002
At 30.06.2021	176.326	123.826	352.000	718.399	313	1.370.865

NOTE 6: INVESTMENTS IN OTHER COMPANIES

Company	Legal seat	Share Capital (in EUR)	Share (%)	Investment book value
Sync S.r.l.	Roma	13.289	3,38%	50.102
Baasbox S.r.l.	Roma	13.489	5,21%	99.999
Materialuce S.r.l.	Terni (TR)	10.250	4,76%	100.000
Others				9.500
Total				259.601

NOTE 7: NON-CURRENT FINANCIAL ASSETS

Such item, equal to 18.193 EUR as at 30 June 2021, is referred and to guarantee deposits.

NOTE 8: DEFERRED TAX ASSETS

Deferred tax assets are equal to 1.161.408 EUR and records only advanced taxes calculated on:

- the temporary differences arising between assets and losses recorded for the purpose of drawing up of this balance sheet according to International Accounting Standards and corresponding values relevant for tax purposes;
- the deductible temporary differences relating to directors' fees, posted on an accrual basis but not paid at the date of 30.06.2021.

The increase of 858K EUR in mainly referred to Deferred tax assets originate from temporary differences between the carrying amount of assets (Trademarks) in the local financial statements and the corresponding values recognized for the consolidated financial statements: in the local balance sheets trademarks "Tophost" and "Seeweb" has been revaluated based on the provisions of Law 126/2020 while according to the International Financial Reporting Standards applied for the consolidation revaluation is not permitted.

NOTE 9: TRADE RECEIVABLES

Trade receivables are equal to 2.344.702 EUR as at 30.06.2021 with an increase of 150.793 EUR compared to the same item recorded on 31.12.2020.

The distribution of receivables by geographical area is as follows.

TRADE RECEIVABLES	30.06.2021	31.12.2020	DELTA
Italy	2.061.212	2.012.064	49.148
EU countries	288.352	188.455	99.897
Other countries	108.668	106.991	1.677
Total	2.458.232	2.307.510	150.722
Fund for bad debt	(113.530)	(113.602)	72
TOTAL NET TRADE RECEIVABLES	2.344.702	2.193.909	150.793

NOTE 10: CURRENT FINANCIAL ASSETS

Current financial assets are equal to 210.039 EUR referred to as securities.

NOTE 11: OTHER CURRENT ASSETS

Other current assets are equal to 85.177 EUR, with an increase of 38.646 EUR compared to 31.12.2020.

NOTE 12: TAX RECEIVABLES

Tax receivables are equal to 383.870 EUR as at the end of the first semester 2021 with an increase of 130.263 EUR compared to 31.12.2020 and are composed as follows.

TAX RECEIVABLES	30.06.2021	31.12.2020	DELTA
VAT	187.821	230.424	(42.603)
Other tax receivables	196.049	23.183	172.866
Total	383.870	253.607	130.263

NOTE 13: CASH AND CASH EQUIVALENTS

The item includes the credit balance of bank and postal deposits and cash-in-hand.

The total amount of this item is equal to 9.868.687 EUR, with an increase of 1.022.647 EUR compared to 31.12.2020.

NOTE 14: PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses and accrued income are equal to 657.768 EUR as at 30 June 2021, with an increase of 163.015 EUR compared to 31.12.2020. Such item is mainly linked to costs for wholesale services incurred in the financial period, but attributable to subsequent financial periods.

NOTE 15: NET EQUITY

SHARE CAPITAL

The amount reflects the increase due to the exercise of the warrants; in particular, pursuant to Article 3 of the warrant DHH S.p.A. 2016 – 2021 Regulation:

- n. 1.213.473 warrants for May 2021 were exercised onto no. 322.051 DHH's new ordinary shares, with no indication of nominal value, for a total value of EUR 32.205,10.
- n. 6.066 warrants for June 2021 were exercised onto no. 1.401 DHH's new ordinary shares, with no indication of nominal value, for a total value of EUR 140,10.

Consequently, on 30 June 2021 the share capital of DHH is equal to EUR 484.212,10, represented by no. 4.842.121 ordinary shares without par value.

RESERVES

The following table provides a breakdown of the reserves.

RESERVES	31.12.2020	increase	(decrease)	30.06.2021
Share Premium Reserves	11.186.250	-	-	11.186.250
Legale Reserve	28.400	61.673	-	90.373
Other reserves	5.102.922	-	(61.673)	5.040.949
Negative reserve for own shares	(1.738.397)	-	-	(1.738.397)
OCI Reserve	7.410	3.186	-	10.596
Total	14.586.586	64.859	(61.673)	14.589.771

NOTE 16: NON-CURRENT FINANCIAL LIABILITIES

The amount encompasses bank loans and financings for 2.568.483 EUR, non-current lease debt for 2.585.096 EUR, and other financial liabilities for 4.000 EUR.

NOTE 17: SEVERANCE RESERVES

The reserve for severance indemnities is calculated in compliance with Article 2120 of the civil code, taking into account the applicable legislative provision and based on the existing employment contracts.

Provision for employee termination benefits has been evaluated in accordance with IAS 19R and has been considered as a post-employment-benefit in a defined-benefit plan kind, that is a defined benefit, calculated for accounting purposes with actuarial methodologies.

The amount is equal to 591.546 EUR with an increase of 17.909 EUR compared to 31.12.2020.

NOTE 18: LIABILITIES FOR DEFERRED TAXES

This item is equal to 881.114 EUR and records the tax effect arising from the elimination of shareholding for the purpose of the consolidation by integral method and the temporary differences arising between assets and losses recorded for the purpose of drawing up this balance sheet according to International Accounting Standards and corresponding values relevant for tax purposes. The amount of 861.359 EUR is related to the item Trademarks, arising from the Purchase Price Allocation process due to the Reverse Take-Over of Seeweb Holding.

NOTE 19: TRADE PAYABLES

On 30.06.2021 trade payables are equal to 1.978.766 EUR, with an increase of 210.275 EUR compared to the same item recorded on 31.12.2020. The distribution of payables by geographical area is as follows.

TRADE PAYABLES	30.06.2021	31.12.2020	DELTA
Italy	1.489.943	1.511.797	(21.854)
EU countries	331.795	133.722	198.072
Other countries	157.028	122.972	34.057
TOTAL PAYABLES	1.978.766	1.768.490	210.275

NOTE 20: OTHER CURRENT LIABILITIES

Other current liabilities are equal to 430.783 EUR on 30.06.2021, with an increase of 62.415 EUR compared to 31.12.2020.

NOTE 21: CURRENT FINANCIAL LIABILITIES

Current liabilities to bank and other lenders are equal to 2.462.903 EUR on 30.06.2021, with a net increase of 225.327 EUR compared to 31.12.2020. This item includes 2.005.987 EUR the current lease liabilities and for 456.916 EUR the bank loans of the Group.

NOTE 22: TAX PAYABLES

Tax payables are equal to 995.930 EUR on 30.06.2021, with an increase of 419.709 EUR compared to 31.12.2020, and its composition is as follows.

TAX PAYABLES	30.06.2021	31.12.2020	DELTA
VAT	143.745	104.651	39.094
Income tax	790.181	384.717	405.464
Withholding tax	62.003	86.853	(24.849)
Total	995.929	576.221	419.709

NOTE 23: ACCRUED LIABILITIES AND DEFERRED INCOME

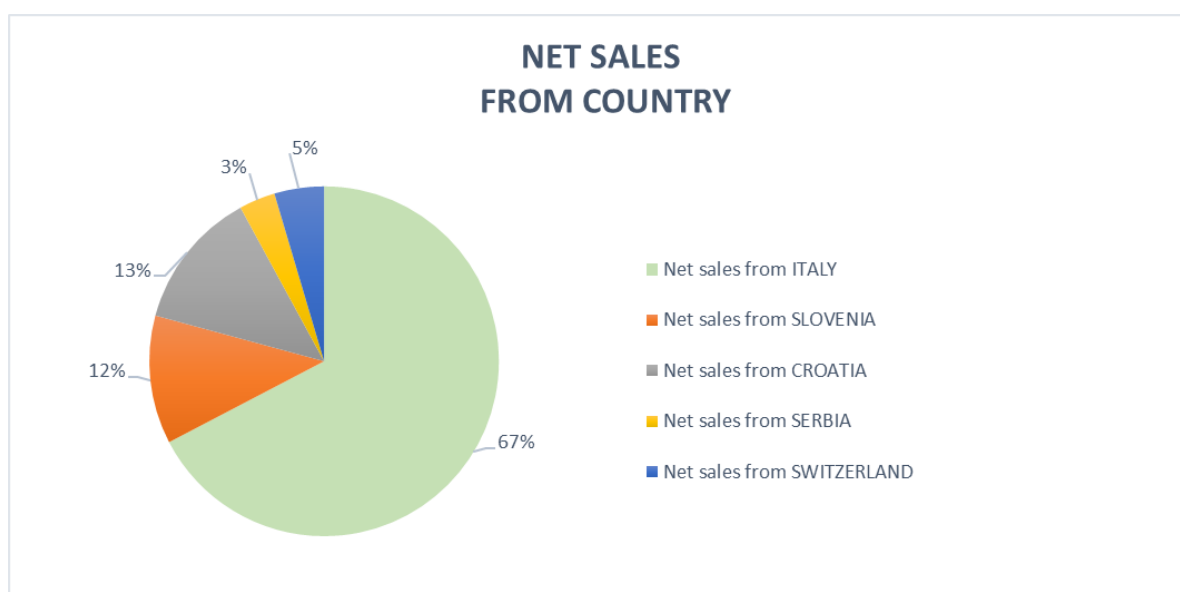
Accrued liabilities and deferred income are equal to 2.841.006 EUR as at 30 June 2021, with an increase of 219.547 EUR mainly linked to advanced revenues for hosting.

NOTE 24: NET SALES

The revenues from sales and services of the Group for the half-year ended 30 June 2021 are equal to 9.574.920 EUR, with an increase of 5.908.300 EUR compared to 30.06.2020, as follows:

	30.06.2021	30.06.2020	DELTA
TOPHOST s.r.l.	889.426	794.228	95.198
DHH.si d.o.o.	1.139.794	1.025.537	114.257
DHH d.o.o.	1.025.921	918.128	107.793
DHH Italia s.r.l.	-	108.442	(108.442)
DHH Switzerland SA	437.250	306.117	131.133
SYSTEM BEE d.o.o.	186.961	199.942	(12.981)
MICLOUD d.o.o.	315.830	314.227	1.603
SEEWEB s.r.l.	5.579.738	-	5.579.738
Total	9.574.920	3.666.620	5.908.300

On 30 June 2021 revenues by geographical area are the following.



NOTE 25: OTHER REVENUES

Other revenues are equal to 49.114 EUR as at 30.06.2021 with a decrease of 4.121 EUR compared to 30.06.2020.

NOTE 26: MATERIAL COSTS

Costs for materials and consumables are equal to 505.119 EUR on 30 June 2021 with an increase of 493.152 EUR compared to 30.06.2020, related to software, hardware and other materials.

NOTE 27: SERVICE COSTS AND USE OF THIRD-PARTY ASSETS

Service costs are equal to 3.841.433 EUR on 30 June 2021, with an increase of 1.640.650 EUR compared to 30.06.2020, and are composed as follows.

	30.06.2021	30.06.2020	DELTA
Datacenter Service	986.465	338.262	648.203
Wholesale Costs	1.430.248	1.309.850	120.398
Commercial and marketing expenses	412.756	73.775	338.981
Professional services	901.037	472.972	428.064
Other costs for services	110.927	5.924	105.003
Total	3.841.433	2.200.783	1.640.650

NOTE 28: PERSONNEL COSTS

Personnel cost is equal to 1.542.190 EUR on 30 June 2021, with an increase of 686.763 EUR compared to the half-year 2020 consolidated and is divided among the Group as follows.

	30.06.2021	30.06.2020	DELTA
DHH S.p.A.	20.205	-	20.205
TOPHOST s.r.l.	36.298	28.117	8.181
DHH.si d.o.o.	330.037	311.022	19.015
DHH d.o.o.	254.453	199.034	55.419
DHH Switzerland SA	139.224	142.853	(3.630)
SYSTEM BEE d.o.o.	82.211	63.170	19.040
MICLOUD d.o.o.	101.696	111.231	(9.535)
SEEWEB s.r.l.	578.067	-	578.067
Total	1.542.191	855.427	686.763

The average number of employees is as follows:

	Managers 30.06.2021	Employees 30.06.2021	total	Managers 30.06.2020	Employees 30.06.2020	total
DHH S.p.A.	-	1		-	-	
TOPHOST s.r.l.	-	2		-	2	
DHH.si d.o.o.	1	18		1	17	
DHH d.o.o.	1	23		1	21	
DHH Switzerland SA	1	5		1	5	
SYSTEM BEE d.o.o.	1	7		1	5	
MICLOUD d.o.o.	1	7		2	7	
SEEWEB s.r.l.	1	25		-	-	
Total	6	87	94	6	57	63

The variation in the average number of employees is mainly due to Seeweb.

NOTE 29: OTHER EXPENSES

Other expenses are equal to 254.578 EUR on 30 June 2021, with an increase of 150.280 EUR compared to 30.06.2020, and such expenses are structural costs.

NOTE 30: AMORTIZATIONS AND IMPAIRMENTS

Amortization and depreciation is equal to 1.604.503 EUR on 30 June 2021, with an increase of 1.387.843 EUR compared to 30.06.2020. The part referred to the amortization of right of use assets amounts to 1.150.856 EUR. A part of this amortizations relates to the customer list of DHH Italia S.r.l. and DHH Switzerland S.a. with an estimated life of 3 years and of the internal projects accomplished in-house.

The value of amortization and depreciation is provided below.

	30.06.2021	30.06.2020	DELTA
Depreciations	288.461	51.704	236.758
Amortizations	1.315.641	164.676	1.150.965
Impairment	401	281	120
Total	1.604.503	216.661	1.387.843

NOTE 31: FINANCIAL INCOME (EXPENSES)

On 30 June 2021 net financial expenses are equal to (70.866) EUR, with an increase of 33.145 EUR compared to the previous half-year.

FINANCIAL INCOME	30.06.2021	30.06.2020	DELTA
Bank and postal interests/income	298	202	96
Interests on loans	64	-	64
Other interests	4.869	1.707	3.162
Positive foreign currency valuation	7.071	17.313	(10.242)
Total	12.301	19.222	(6.921)

FINANCIAL EXPENSES	30.06.2021	30.06.2020	DELTA
Bank and postal interests/expenses	13.379	2.647	10.732
Lease interests	54.844	6.137	48.707
Other financial expenses	1.584	1.088	496
Negative foreign currency valuation	13.359	47.071	(33.712)
Total	83.167	56.943	26.223

NOTE 32: TOTAL CURRENT AND DEFERRED INCOME TAXES

At the end of the half-year 2021 total current and deferred income taxes of the Group are equal to a positive amount of 294.749 EUR, based on the applicable provisions of the local current tax legislation and based on temporary differences between accounting and tax treatment of deductible costs and taxable revenues for deferred taxes.

The amount of deferred taxes is recognized only to the extent of probable future taxable profit against which the deductible temporary differences can be utilized.

The positive sum of 831K EUR mainly originates from the Deferred tax assets related to the revaluation of trademarks "Tophost" and "Seeweb", occurred in the local balance sheet and permitted under specific legislative indications, which usually set the applicable framework for the related accounting and fiscal treatment, thus generating a temporary difference in the consolidation financial statements.

NOTE 33: EARNINGS PER SHARE

BASE

The earnings/(losses) per share are calculated as the ratio between the Group's profit multiplied by the weighted average number of outstanding shares, net of any own shares.

DILUTED

The diluted earnings/(losses) per share are calculated as the ratio between the Group's profit multiplied by the weighted average number of outstanding shares, net of any own shares. For the purposes of calculating the diluted earnings per share, the weighted average of outstanding shares is adjusted assuming the conversion of all the potential shares having a dilutive effect, particularly warrants.

CATEGORY	30.06.2021	30.06.2020
Consolidated net income attributable to the Group's shareholders	2.093.773	215.594
Number of ordinary shares	4.842.121	1.488.550
Average weighted number of outstanding shares	4.572.048	1.488.550
BASE EARNINGS PER SHARE - EPS	0,458	0,145
Average weighted number of outstanding warrants	198.961	1.420.000
Average weighted number of outstanding shares plus warrants	4.587.122	1.488.550
DILUTED EPS	0,456	0,145



DHH S.P.A.

Parent Company

Financial Statements

as at 30 June 2021

prepared in accordance with IAS/IFRS principles

- All amounts are in Euro -

SEPARATE FINANCIAL STATEMENTS

Here below the Separate Financial Statements of the Parent Company DHH S.p.A. as at 30 June 2021.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	NOTES	30.06.2021	OF WHICH RELATED PARTIES	31.12.2020	OF WHICH RELATED PARTIES
(ALL AMOUNTS ARE IN EURO)					
Goodwill	1	2.174.160		2.174.160	
Investments	2	9.341.606		9.206.606	
Intangible assets	3	588		834	
Non-current financial assets		-		-	
Deferred tax assets	4	103.451		115.039	
NON-CURRENT ASSETS		11.619.804		11.496.639	
Trade receivables	5	105.281		24.309	
Other current financial assets	6	308.630		-	
Other current assets		8		-	
Tax receivables	7	280.661		238.686	
Cash and cash equivalents	8	2.455.662		270.093	
Prepaid expenses and accrued income	9	9.818		17.919	
CURRENT ASSETS		3.160.060		551.007	
TOTAL ASSETS		14.779.864		12.047.646	
LIABILITIES AND NET EQUITY	NOTES	30.06.2021	OF WHICH RELATED PARTIES	31.12.2020	OF WHICH RELATED PARTIES
(ALL AMOUNTS ARE IN EURO)					
Share Capital		484.212		451.867	
Reserves		10.417.244		10.671.788	
Year's result		2.608.158		(254.544)	
NET EQUITY	10	13.509.614		10.869.111	
Non-current financial liabilities	11	64.000	4.000	64.000	4.000
Severance reserves		1.068		-	
Other non-current liabilities		-		-	
Liabilities for deferred taxes	12	861.359		861.359	
NON-CURRENT LIABILITIES		926.427		925.359	

Current financial debt		843		25	
Trade payables	13	311.987	22.338	192.669	21.787
Other current liabilities	14	24.641	10.000	33.530	9.940
Tax payables	15	6.184		26.812	
Accrued liabilities and deferred Income		167		140	
CURRENT LIABILITIES		343.823		253.176	
TOTAL LIABILITIES		1.270.250		1.178.535	
TOTAL LIABILITIES AND NET EQUITY		14.779.864	36.338	12.047.646	35.727

STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2021

PROFIT AND LOSS STATEMENT	NOTES	30.06.2021	OF WHICH RELATED PARTIES	30.06.2020	OF WHICH RELATED PARTIES
(ALL AMOUNTS ARE IN EURO)					
Revenues	16	57.680		143.229	
Other revenues		449		-	
TOTAL REVENUE		58.129		143.229	
Material costs		(453)		-	
Service costs and use of third-party assets	17	(398.569)	(135.335)	(270.972)	(138.318)
Personnel costs		(20.205)		-	
Other operating costs	18	(6.148)		(9.814)	
TOTAL OPERATING COSTS		(425.375)	(135.335)	(280.786)	(138.318)
OPERATING RESULT - EBITDA*		(367.246)		(137.557)	
Amortizations and impairment	19	(246)		(1.585)	
EBIT**		(367.492)	(135.335)	(139.142)	(138.318)
Financial income (expenses)	20	2.987.237		167.543	
EARNINGS BEFORE TAXES		2.619.746	(135.335)	28.401	(138.318)
Total current and deferred income taxes	21	(11.588)		(2.994)	
NET PROFIT (LOSS)		2.608.158	(135.335)	25.407	(138.318)
OF WHICH:					
attributable to equity holders of the Parent company		2.608.158		25.407	
attributable to minority interests		-		-	
EARNINGS (LOSS) PER SHARE	22	0,570		0,017	

DILUTED EARNINGS (LOSS) PER SHARE	22	0,568	0,017
OVERALL PROFIT AND LOSS STATEMENT		30.06.2021	30.06.2020
(ALL AMOUNTS ARE IN EURO)			
NET PROFIT (LOSS) (A)		2.608.158	25.407
Components that should be classified in the Profit and loss statement		-	-
Components that should not be classified in the Profit and loss statement		-	-
TOTAL OTHER PROFIT (LOSS) NET TO FISCAL EFFECT (B)		-	-
TOTAL NET OVERALL PROFIT (LOSS) (A+B)		2.608.158	25.407

(*) EBITDA indicates earnings before interest, taxes, depreciation and amortization of fixed assets and write-down of receivables. Therefore EBITDA represents the operating margin before choices in amortization policy and assessing trade receivables. EBITA, as defined above, represents the index used by the Company's directors to monitor and assess business trends. EBITDA is not identified as an accounting measure under national accounting standards, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBITDA is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

(**) EBIT indicates earnings before interest and taxes. Therefore EBIT represents the year's results before third party and treasury share dividend distribution. EBIT, as defined above, represents the index used by the directors of the Company to monitor and assess business trends. EBIT is not identified as an accounting measure under national accounting standards, consequently, it should not be considered as an alternative measure to evaluate the results of the Company. Because the composition of EBIT is not regulated by the main reference accounting, the criteria used by the Company may not be identical to those used by other companies and therefore cannot be used for comparative purposes.

STATEMENT OF CASH FLOW AS AT 30 JUNE 2021

CASH FLOW STATEMENT	30.06.2021	30.06.2020
(ALL AMOUNTS ARE IN EURO)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for period	2.608.158	25.407
Income taxes	11.588	2.994
Interest payables/ (receivables)	(2.987.237)	(167.543)
(Capital losses)/gains from sales assets	-	-
1. EARNING BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES	(367.492)	(139.142)
Adjustments for non-cash items that are not accounted		
In net working capital change:	1.314	1.585
- Allocation to provisions	1.068	-
- Amortization and depreciation of assets	246	1.585
- Permanent loss write-downs	-	-
- Other adjustments on non-monetary items	-	-
2. CASH FLOW BEFORE NWC CHANGES	(366.178)	(137.557)
Changes in NWC:	(25.024)	(13.167)
- Decrease (increase) in inventories	-	-
- Decrease (increase) in customer receivables	(80.972)	31.346
- Increase (decrease) in supplier payables	119.318	5.239
- Decrease (increase) in prepaid expenses and accrued income	8.102	13.428
- Increase (decrease) in accrued expenses and deferred income	27	30
- Other changes to the NWC	(71.498)	(63.210)
3. CASH FLOW AFTER NWC CHANGES	(391.201)	(150.724)
Other changes:	2.975.649	164.549
- Interest collected/ (paid)	209	3.240
- (Income tax paid)	(11.588)	(2.994)
- Dividends received	2.987.028	164.303
- (Use of provisions)	-	-
CASH FLOW FROM OPERATING ACTIVITIES [A]	2.584.448	13.825
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Investments) in tangible assets	-	-
(Investments) in right of use assets	-	-
(Investments) in intangible assets	-	(259.575)
(Investments) in financial assets	(432.042)	324.497

CASH FLOW FROM INVESTING ACTIVITIES [B]	(432.042)	64.922
C. CASH FLOW FROM FINANCING ACTIVITIES [C]		
Third-party resources	-	-
Increase (decrease) current payables to bank	818	(48)
New loans	-	-
Loan repayments	-	-
Own resources	-	-
Paid capital increase	32.345	-
Treasury share sale (purchase)	-	-
(Dividends paid)	-	-
CASH FLOW FROM FINANCING ACTIVITIES [C]	33.163	(48)
INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]	2.185.569	78.699
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	270.093	376.064
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2.455.662	454.764

NET FINANCIAL POSITION AS AT 30 JUNE 2021

NET FINANCIAL POSITION*	30.06.2021	31.12.2020
(ALL AMOUNTS ARE IN EURO)		
A. Cash	-	-
B. Cash equivalents	(2.455.662)	(270.093)
C. Other current financial assets	(308.630)	-
D. LIQUIDITY (A)+(B)+(C)	(2.764.292)	(270.093)
E. Current financial liabilities	843	-
F. Current part of non-current borrowing	-	-
G. CURRENT FINANCIAL DEBT (E)+(F)+(H)	843	25
H. NET CURRENT FINANCIAL DEBT (G)-(D)	(2.763.449)	(270.068)
I. Non-current financial liabilities	64.000	64.000
J. Bond issued	-	-
K. Trade Payables and other non-current liabilities	-	-
L. NON-CURRENT FINANCIAL DEBT (I+(J)+(K)	64.000	64.000
M. NET FINANCIAL DEBT (H)+(L)	(2.699.449)	(206.068)

(*) Pursuant to ESMA32-382-1138 Guidelines On disclosure requirements under the Prospectus Regulation 04/03/2021, par. 1775

STATEMENT OF CHANGES IN NET EQUITY

	VALUE AS AT 01.01.2020	OTHER VARIATIONS INCREASE	OTHER VARIATIONS DECREASE	FINANCIAL RESULT	VALUE AS AT 30.06.2020
Share Capital	148.655	-	-	-	148.655
Share premium reserves	6.681.189	-	-	-	6.681.189
Legal reserves	28.400	-	-	-	28.400
Retained profit/(loss)	23.488	(166.563)	-	-	(143.075)
Net profit (loss)	(166.563)	166.563	-	25.407	25.407
TOTAL	6.715.370	-	-	25.407	6.740.777

	VALUE AS AT 01.01.2021	OTHER VARIATIONS INCREASE	OTHER VARIATIONS DECREASE	FINANCIAL RESULT	VALUE AS AT 30.06.2021
Share Capital	451.867	32.345	-	-	484.212
Share premium reserves	11.186.250	-	-	-	11.186.250
Legal reserves	28.400	61.973	-	-	90.373
Other reserves	1.338.608	-	(61.973)	-	1.276.635
Negative reserve for own shares	(1.738.397)	-	-	-	(1.738.397)
Retained profit/(loss)	(143.075)	(254.544)	-	-	(397.619)
Net profit (loss)	(254.544)	254.544	-	2.608.158	2.608.158
TOTAL	10.869.111	94.318	(61.973)	2.608.158	13.509.614

EVALUATION CRITERIA

The main criteria for drawing up the interim financial statements are the same used for the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: GOODWILL

The item "goodwill" is equal to 2.174.160 EUR and refers to the residual goodwill generated by the RTO of Seeweb Holding S.r.l.

As mentioned in the section related to the accounting principles, goodwill is not amortized, but subject to impairment tests and written-off for impairment losses. The DHH Group half-yearly verifies the recoverability of goodwill and the other assets with an indefinite useful life by specific evaluations (impairment test) on each cash-generating unit (Cash Generating Units or "CGU"). Impairment test has been executed according to the latest economic and financial forecasts for future financial years. The recoverability of the assets recorded in each CGU is verified by comparing the net book value attributed to the single CGU with the recoverable value that is determined as usage value (recoverable amount). Such value is represented by the current value of the future cash flows which may result from the continuous use of the CGU.

NOTE 2: INVESTMENTS

This item amounts to 9.341.606 EUR, with an increase of 135.000 EUR as compared to the value as at 31.12.2020.

During the period there have been these changes in shareholdings values:

- shareholding in mCloud d.o.o. had an increase of 135.000 EUR because of the purchase of company share for the remaining percentage of 38% from Boško Radivojević (30%) and Jelena Opačić (8%).

	VALUE AS AT 01.01.2021	INCREASE	DECREASE	VALUE AS AT 30.06.2021
TOPHOST S.r.l.	1.687.178	-	-	1.687.178
DHH.SI d.o.o.	2.776.243	-	-	2.776.243
DHH d.o.o.	2.199.957	-	-	2.199.957
DHH Switzerland s.a.	1.354.872	-	-	1.354.872
SYSTEM BEE d.o.o.	441.406	-	-	441.406
M-CLOUD d.o.o.	411.648	135.000	-	576.406
SEEWEB s.r.l.	85.199	-	-	85.199
Other companies	250.101	-	-	250.101
TOTAL	9.206.606	135.000	-	9.341.606

The shareholdings in subsidiaries are valued at cost. By applying this method, they are subjected to impairment testing following the IAS 36 rules if, and only if, there is objective evidence of the shareholding's value loss due to one or more events that occurred after its initial subscription that impact the subsidiary's future cash flows and on the dividends that the same subsidiary may distribute.

Such objective evidence exists in the case of a persistent negative performance of the subsidiary. In these cases, the write-down is equal to the difference between the shareholding's carrying value and its recoverable amount, which is normally determined on the basis of the value in use quantified by discounting future cash flows and the fair value net of selling costs, whichever is the higher. The impairment test has been carried out considering the most recent economic-financial forecasts for future financial years, as resulting from the budget data developed by the Group's Management and making projections of such data.

The evaluations made revealed no need for a write-down of the carrying amounts of the investments.

The following schedule details the other investments:

Company	Legal seat	Share Capital (in EUR)	Share	Investment book value
Sync S.r.l.	Roma	13.289	3,38%	50.102
Baasbox S.r.l.	Roma	13.489	5,21%	99.999
Materialuce S.r.l.	Terni (TR)	10.250	4,76%	100.000
			Total	250.101

NOTE 3: INTANGIBLE FIXED ASSETS

Intangible fixed assets are equal to 588 EUR as at 30.06.2021. The following table provides a breakdown of movements regarding intangible fixed assets that occurred in the first half-year 2021:

INTANGIBLE ASSETS	
VALUE AT 01.01.2021	15.935
Investments	-
Impairments and other movements	-
COST AT 30.06.2021	15.935
ACCUMULATED AMORTIZATION AT 01.01.2021	15.101
Amortization	246
Impairments and other movements	-
ACCUMULATED AMORTIZATION AT 30.06.2021	15.347
NET BOOK VALUE	
At January 1, 2021	834
At June 30, 2021	588

NOTE 4: DEFERRED-TAX ASSETS

Deferred-tax assets are equal to 103.451 EUR and they are referred exclusively to deferred taxes calculated with regard to temporary differences between the value of assets and liabilities used for the drafting of the financial

statements according to international accounting principles and the respective values relevant for tax purposes. The management has been assessed the recoverability of that amount in the next years according to the business plan of the entity.

NOTE 5: TRADE RECEIVABLES

Trade receivables are equal to 105.281 EUR as at 30.06.2021, with an increase of 80.972 EUR compared to 31.12.2020. The table below includes the breakdown by geographic region of trade receivables:

GEOGRAPHY RECEIVABLES	30.06.2021	31.12.2020
Italy	29.569	-
EU countries	46.709	-
Non-EU countries	29.003	24.309
TOTAL TRADE RECEIVABLES	105.281	24.309

NOTE 6: CURRENT FINANCIAL ASSETS

Current financial assets are equal to 308.630 EUR and is made up solely of the dividends of DHH.si d.o.o. non yet paid by the controlled company.

NOTE 7: TAX RECEIVABLES

Tax receivables are equal to 280.661 EUR as at June 30th, 2021, with an increase of 54.427 EUR as compared to 31.12.2020, and are made up as follows:

CATEGORY	30.06.2021	31.12.2020
VAT	184.832	226.234
Deductions on active interests	12.137	12.452
Other income tax	83.692	238.686
TOTAL	280.661	226.234

NOTE 8: CASH AND CASH EQUIVALENTS

This item is equal to 2.455.662 EUR, with an increase of 2.185.569 EUR as compared to 31.12.2020, and it is made up exclusively of cash equivalents available as at 30.06.2021 on bank deposits in the name of the company.

NOTE 9: PREPAID AND ACCRUED EXPENSES

Prepaid and accrued expenses are equal to 9.818 EUR as at 30.06.2021 with a decrease of 8.101 EUR as compared to 31.12.2020.

NOTE 10: NET EQUITY

The Net equity as at June 30th, 2021 is made up as follows.

SHARE CAPITAL

The amount reflects the increase due to the exercise of the warrants; in particular, pursuant to Article 3 of the warrant DHH S.p.A. 2016 – 2021 Regulation:

- n. 1.213.473 warrants for May 2021 were exercised onto no. 322.051 DHH's new ordinary shares, with no indication of nominal value, for a total value of EUR 32.205,10.
- n. 6.066 warrants for June 2021 were exercised onto no. 1.401 DHH's new ordinary shares, with no indication of nominal value, for a total value of EUR 140,10.

Consequently, on 30 June 2021 the share capital of DHH is equal to EUR 484.212,10, represented by no. 4.842.121 ordinary shares without par value.

RESERVES

The following table provides a breakdown of the reserves.

	VALUE AS AT 01.01.2021	OTHER VARIATIONS INCREASE	OTHER VARIATIONS DECREASE	VALUE AS AT 30.06.2021
Share premium reserves	11.186.250	-	-	11.186.250
Legal reserves	28.400	61.973	-	90.373
Other reserves	1.338.608	-	(61.973)	1.276.635
Negative reserve for own shares	(1.738.397)	-	-	(1.738.397)
Retained profit/(loss)	(143.075)	-	(254.544)	(397.619)
TOTAL	10.671.788	61.973	(316.517)	10.417.244

NOTE 11: NON-CURRENT FINANCIAL LIABILITIES

The item is equal to 64K EUR and it is mainly related to a loan of Seeweb s.r.l. in favor of DHH S.p.A.

NOTE 12: LIABILITIES FOR DEFERRED TAXES

This item is equal to 861.359 EUR and records the tax effect arising from the elimination of shareholding for the purpose of the consolidation by integral method and the temporary differences arising between assets and losses recorded for the purpose of drawing up this balance sheet according to International Accounting Standards and corresponding values relevant for tax purposes. In particular, the amount refers to the Trademarks recorded pursuant to the Reverse Take-Over of Seeweb Holding S.r.l.

NOTE 13: TRADE PAYABLES

Trade payables are equal to 311.987 EUR as at 30.06.2021, with an increase of 119.318 EUR as compared to 31.12.2020. The table below includes the breakdown by geographic region of trade payables:

TRADE PAYABLES	30.06.2021	31.12.2020
Italy	203.875	150.200
EU countries	100.802	35.525
Non-EU countries	7.310	6.943
TOTAL PAYABLES	311.987	192.669

NOTE 14: OTHER CURRENT LIABILITIES

Other current liabilities are equal to 24.641 EUR as at 30.06.2021, with a decrease of 8.889 EUR. This item records the payables towards directors and auditors for the remunerations accrued by them and not cleared during the financial half-year and other current liabilities as payroll and social security contributions.

NOTE 15: TAX PAYABLES

Tax payables are equal to 6.184 EUR as at 30.06.2021. Such items are recorded payable towards the tax authorities for withholding taxes made.

NOTE 16: REVENUES

Revenues deriving from services and performance are equal to 57.680 EUR as at 30.06.2021, with a decrease of 85.549 EUR compared to the previous half-year. The decrease is functional to the recharge of costs for services rendered by the parent company to subsidiaries, according to the DHH Intercompany Service Agreement 2020.

The main activities of DHH S.p.A. (Holding) are delivering strategic thinking, technology solutions analysis, financial and marketing know-how to the Group companies with the goal of expansion and optimization of the business. DHH also provides best practice, management control system and expertise on processes, quality of delivery and operations.

Under these assumptions, revenues of DHH are strictly related to this kind of activities and, in great part, related to corresponding costs. Regular costs of DHH are due to governance, compliance and operating of group control system procedures.

NOTE 17: SERVICE COSTS AND USE OF THIRD-PARTY ASSETS

Service costs are equal to 398.569 EUR as at 30 June 2021, with an increase of 127.597 EUR compared to 30.06.2020 and they are made up as follows:

SERVICE COSTS	30.06.2021	30.06.2020
Wholesale costs	18.890	14.950
Commercial and marketing expenses	23.990	5.877
Professional services	355.689	250.145
Other intercompany services	-	-
TOTAL	398.569	270.972

NOTE 18: OTHER OPERATING COSTS

Other operating costs are equal to 6.148 EUR as at 30 June 2021, with a decrease of 3.666 EUR compared to 30.06.2020.

NOTE 19: AMORTIZATIONS AND IMPAIRMENT

Amortizations and impairment are equal to 246 EUR as at 30 June 2021, with a decrease of 1.339 EUR compared to previous half-year 2020, and records the amortization rate for the period relating to DHH S.p.A. trademark.

NOTE 20: FINANCIAL INCOMES (EXPENSES)

On 30 June 2021 net financial incomes are equal to 2.987.237 EUR. Financial income is accrued on the dividends paid by direct companies.

The financial incomes (expenses) are specified below:

FINANCIAL INCOMES	30.06.2021	30.06.2020
Bank and postal interest income	-	-
Loans' interest income	-	3.240
Other financial incomes	1.052	-
Dividends from Tophost s.r.l.	279.293	105.636
Dividends from Seeweb s.r.l.	2.249.987	-
Dividends from DHH.si d.o.o. (Slovenia)	308.630	-
Dividends from DHH d.o.o. (Croatia)	149.118	58.667
TOTAL	2.988.080	167.543
FINANCIAL EXPENSES	30.06.2021	30.06.2020
Loans interest expenses	843	-
Negative foreign currency valuation	-	-
Other financial expenses	-	-
TOTAL	843	-

NOTE 21: INCOME TAXES

Income taxes are equal to 11.588 EUR and record deferred taxes calculated in connection with the temporary differences arising between the values of the assets and liabilities recorded for the purpose of drawing up the financial statements according to international accounting principles and corresponding tax value reported in the tax returns.

NOTE 22: EARNINGS PER SHARE

The number of shares for calculation is the same described in note 33 of Consolidated Interim Financial Statements.

RECONCILIATION BETWEEN NET EQUITY AND THE RESULTS FOR THE PERIOD

A statement of reconciliation between the individual financial statements drawn up according to national accounting principles and financial statements drawn up according to IAS principles for the purpose of consolidation is illustrated below:

	SHARE CAPITAL	RESERVES	YEAR'S RESULTS	TOTAL OF NET EQUITY
NET EQUITY ITALIAN GAAP	484.212	10.772.186	2.571.691	13.828.089
Write off of intangible assets		(467.029)	47.982	(419.046)
Advanced taxes IAS		112.087	(11.515)	100.571
NET EQUITY IAS	484.212	10.417.244	2.608.158	13.509.614

COMPENSATION OF THE STATUTORY AUDITOR AND AUDITOR FIRM

The compensation paid for the auditor firm is equal to 9.790 EUR for auditing activities. The compensation for the statutory auditor is equal to 8.190 EUR.

RELATED PARTIES' TRANSACTIONS

	RELATED PARTIES	RECEIVABLES	PAYABLES	COSTS	REVENUES
1	Antonio Domenico Baldassarra	-	4.500	2.500	-
2	Giandomenico Sica	-	11.998	47.500	-
3	Uros Čimžar	-	8.584	38.309	-
4	Matija Jekovec	-	9.255	47.026	-
9	Enrico Vona	-	2.000	-	-
	TOTAL	-	36.338	135.335	-
	Total Balance Sheet/Profit & Loss	-	311.987	425.625	-
	%	-	11,65%	31,80%	-

Costs and payables relating Board of Directors (Mr. Sica, Mr. Baldassarra, Mr. Čimžar and Mr. Jekovec) are Euro 500,00 per director for each Board meeting in which each director will take part in 2021.

Costs and payables relating to counterparts Mr. Sica, relate to the contract signed with Grafoventures by Giandomenico Sica are related for professional strategic services; and for professional services provided by Trimi d.o.o. owned by Mr. Jekovec and by Uroš Čimžar s.p. owned by Mr. Čimžar.

Milan, 28th September 2021

The Chairman of the Board of Directors

Giandomenico Sica

