



# The Cloud Computing Provider of Southeast Europe

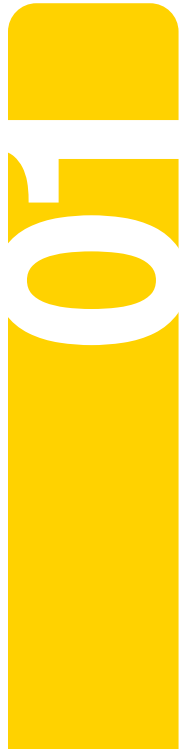
Investor presentation – October 2021





# Agenda

- 01** Executive summary
- 02** Group overview
- 03** Market environment and competition
- 04** Financial overview
- 05** Growth strategy
- 06** Valuation
- 07** Information for shareholders



# **EXECUTIVE SUMMARY**

## DHH is the Cloud computing provider of Southeast Europe



DHH is a tech group listed on AIM Italy that provides **cloud hosting and cloud computing products in IaaS and SaaS mode** to **100.000+ clients across emerging markets** with a solid presence in the Southeast Europe.



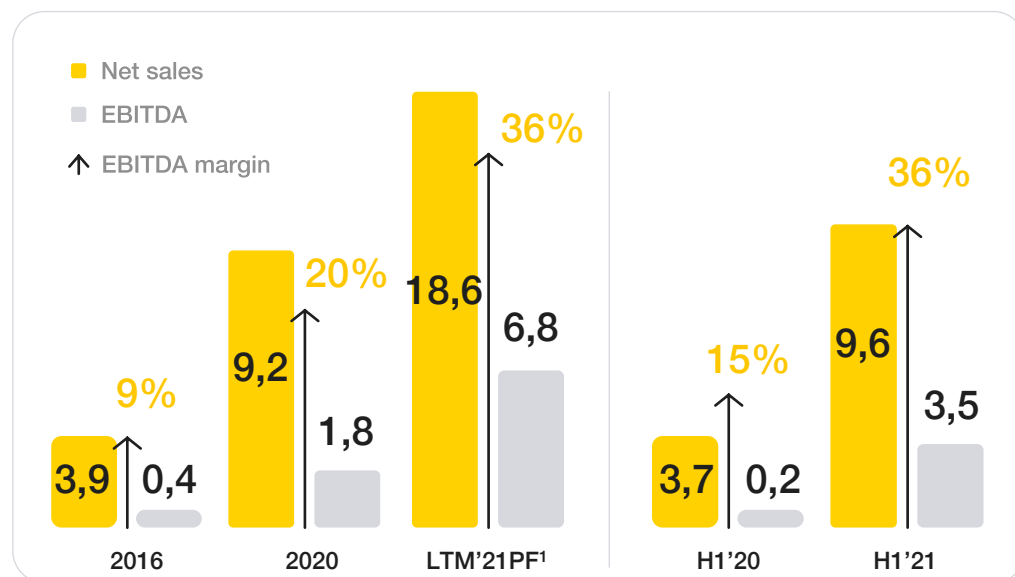
Nowadays, there are **seven autonomous and independent businesses under management** across six countries (Bosnia and Herzegovina, Croatia, Italy, Italian Switzerland, Serbia and Slovenia) focused on different client segments within the industry.



**DHH aims to further consolidate leadership position** in emerging countries with M&A activities thus benefiting from the natural growth trend already in place.

## EXECUTIVE SUMMARY

### Key financials



#### Valuation metrics (EUR m)

#### LTM'2021PF<sup>1</sup>

Share price (27 Sep 2021)	15,2
Market Cap	74,4
EV/EBITDA	10,6
EV/Sales	3,9
P/E	22,3

<sup>1</sup>LTM'2021PF (pro-forma last twelve months preceding 30.06.2021) – the period covers consolidated DHH results from 01.07.2020 to 30.06.2021 and assumes reverse merger with Seeweb happened before 2020.



### Investment highlights

#### 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

#### 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

#### 3 Proven business model with >90% recurring revenues...

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

#### 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

#### 5 Experienced and motivated Management team

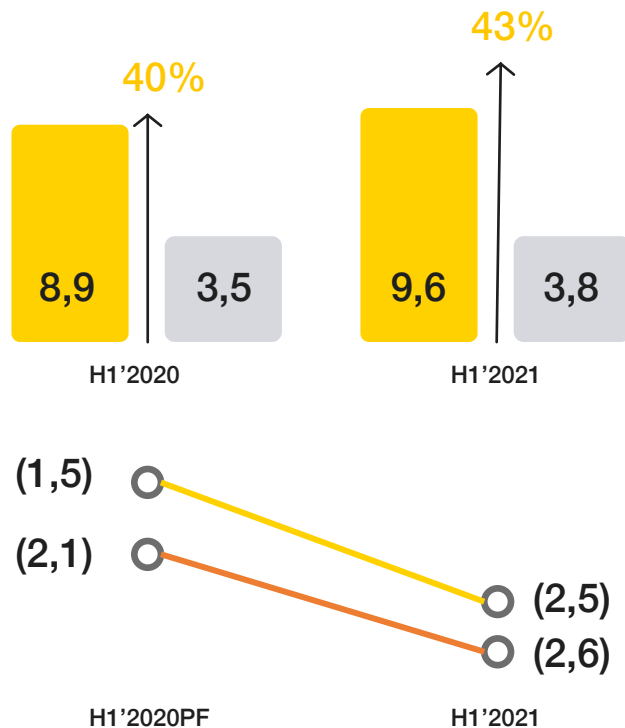
With tens of years of experience in building and scaling tech startups in the region and high motivation to make DHH a global player

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

24% '16-'20 revenue CAGR, 36% EBITDA margin and 118% EBITDA cash conversion rate in H1'2021 with moderate CAPEX requirements and low level of debt

## Select KPIs

Like for like results<sup>1</sup>, H1'20,H1'21 [EUR m]



**H1'21 net sales** reached EUR 9,6m, 8% growth YoY

**EBITDA** of EUR 3,8m in line with PY pro-forma, keeping high EBITDA margin (43%)

**Maintaining low leverage** with negative net debt of EUR 2.5m

**High operational efficiency** with negative NWC of EUR 2.6m

<sup>1</sup>Organic consolidated results of the group, adopting a like for like comparison.  
Source: management accounts, unaudited.

## H1 update



### August 2021

Seeweb launches the “Consorzio Italia Cloud”, which brings together leading Italian Cloud Computing companies to promote the industry.



### May 2021



DHH acquires remaining 38% share of mCloud d.o.o. from the founders and now owns 100% of the Serbian company.



### April 2021



Seeweb acquires the assets of MondoServer, a cloud hosting and cloud computing provider active on the Italian market since 2003 to strengthen its presence in the Southern Italy.



### March 2021



DHH doo, one of the two Croatian subsidiaries, consolidated its presence on the Croatian market by acquiring “Optima Hosting”, business line focused on low-cost cloud hosting.





# 02

## GROUP OVERVIEW

## GROUP OVERVIEW

# DHH Group owns a diversified portfolio of top-quality cloud hosting and cloud computing products delivered in a subscription-based model

- **The Group provides wide range of cloud computing products** in a subscription model (**SaaS/IaaS**) from domain registration to cloud hosting, from cloud servers, housing and colocation to ready IoT solutions.
- The client sourcing & onboarding process is 100% inbound and online.
- Customers are either billed in advance with a **fixed**, typically, **annual fee** or based on service usage (**metered**).

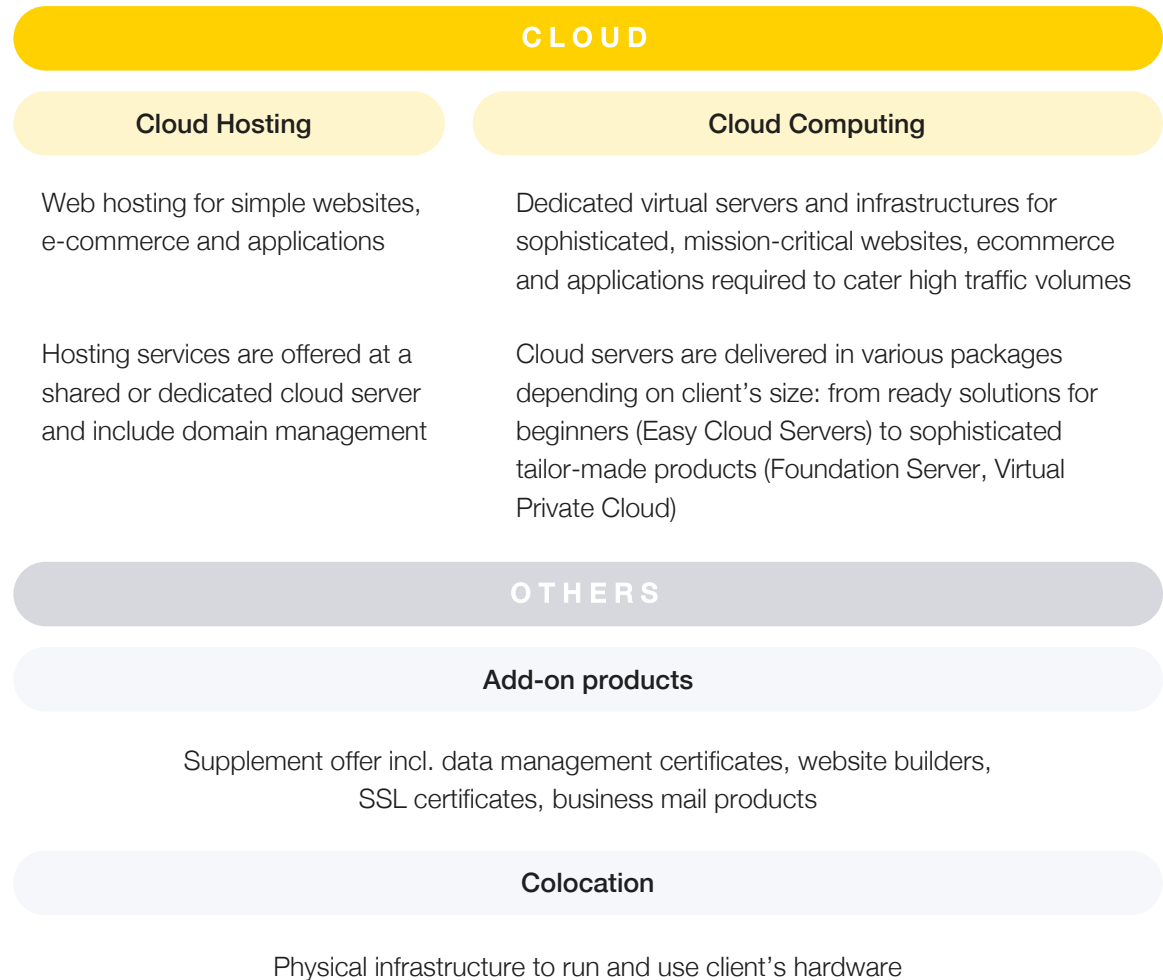
- ✓ Subscription models ensure recurring stream of revenues with a high level of customer retention (~90%).
- ✓ Cloud products are highly scalable enabling rapid growth opportunities while minimizing increases in operational costs.





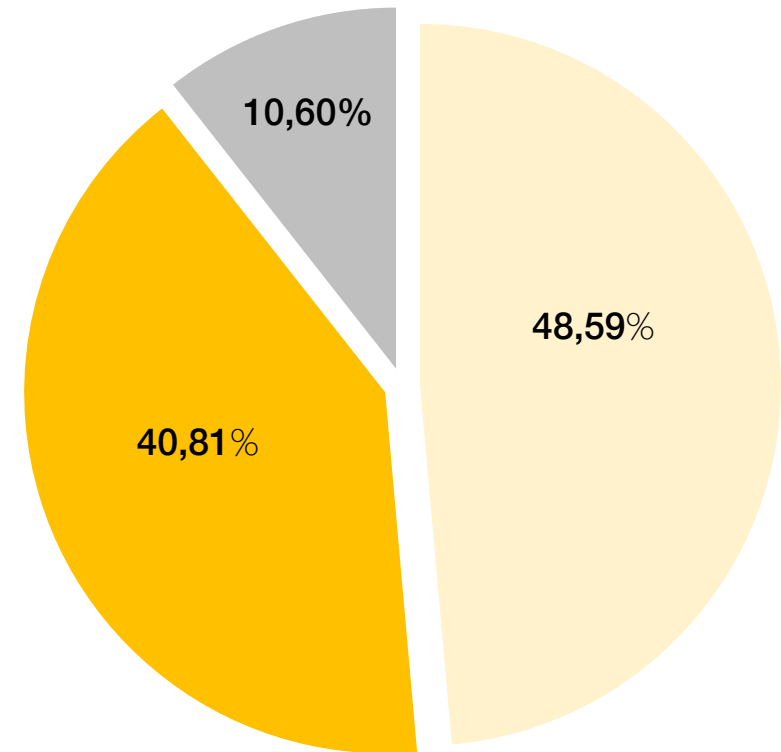
## GROUP OVERVIEW

### Business segments



### Revenue by segment, 2020PF

○ Cloud computing
 ○ Cloud Hosting
 ○ Others



Source: management data

## GROUP OVERVIEW



# DHH Group operates a decentralized business model made up of 7 independent entities and holds minority stakes in 3 startup companies



DHH Group is a permanent home for acquired companies which retain leadership, autonomy, branding and market positioning.

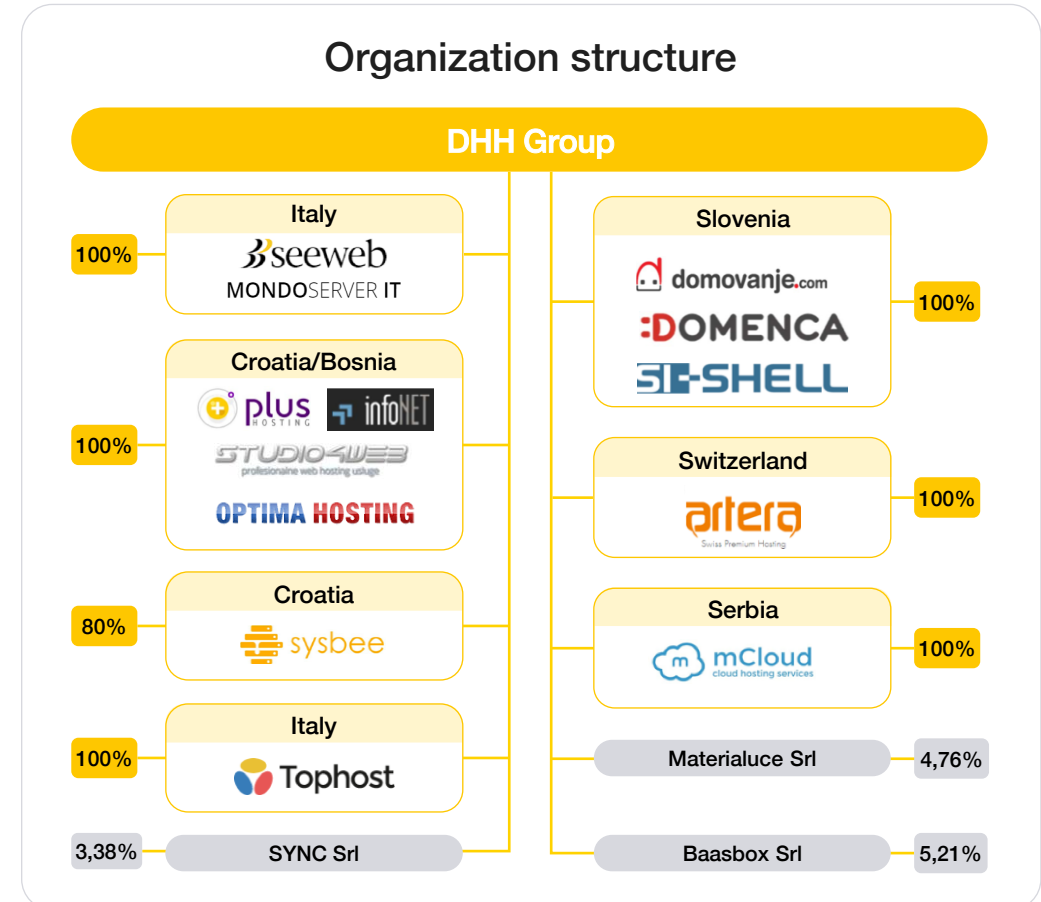


DHH provides governance and strategic support to the businesses with its expertise and know-how across various functions to ensure the entrepreneurs can focus on day-to-day operations and growth.



The Group companies have better access to capital resources and use shared technological and knowledge resources required to drive further growth.

## Organization structure



# The Group companies are well-established players in hosting and cloud computing segment across Adriatic Sea Area

**i** Digital penetration in Emerging Europe is still lower than EU average which creates additional space for growth and provides more opportunities for DHH to become a market leader.

## Italy

**Seeweb.** Cloud computing company which 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. In April'21 Seeweb acquired MondoServer to strengthen its presence in the South Italy.

**Tophost.** Provides entry level solutions to more than 46.000 customers, being the lower-cost web hosting provider in Italy.

## Croatia

**Studio4web, Plus hosting, Infonet.** The DHH Group is the largest hosting provider in Croatia with ca. 20.000 clients and 23% market share. The three brands, Studio4web, Plus hosting and Infonet, provide a broad array of services, from low-cost hosting solutions to managed hosting services addressed to high end customers.

**Sysbee.** Engaged in the business of web hosting and IT solutions, Sysbee 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.

**Optima Hosting.** Provider with over 10 years of experience in web hosting and serving 5.600 clients in Croatia and BiH.

## Slovenia

**Domenca, Domovanje, Si-Shell.** With >27.000 customers and 31% market share we are a leading player on the local market represented by the three brands, Domenca, Domovanje and Si-Shell. Domenca is a domain registration provider, while Domovanje and Si-Shell are mostly involved in cloud computing field. High-end products like WordPress and hybrid hosting were introduced to the market in FY19.

## Serbia

**mCloud, Plus Hosting** brands, each targeting different customers. The Serbian operations serve 6.300 customers which represents ca. 7% of the market.

## Switzerland

**Artera.** Provides high-end services, mainly addressed to customers requiring exceptional reliability and technologically advanced web hosting services.

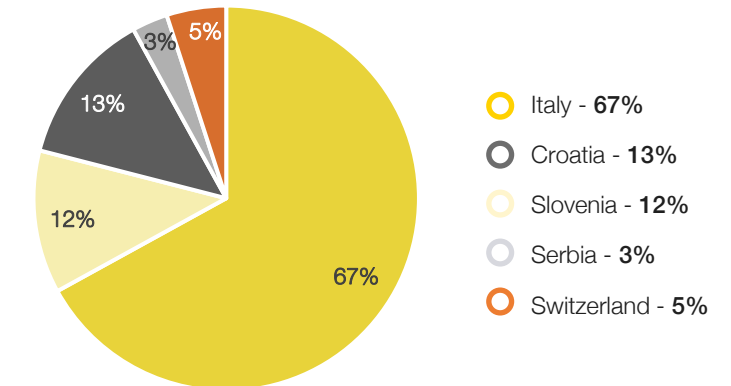
## Bosnia and Herzegovina

**Optima Hosting.** Optima Hosting as the only Croatian company has been successfully operating on the Bosnian market for over 8 years.

## Minority holdings

Currently, the Group has minority stakes in 1) Materialuce, a startup which develops and markets innovative lights and lighting systems, 2) Baasbox, a small company involved in the design, development and sale of digital products and 3) Sync, a company that provides IT services.

## Revenue by country, H1 2021



Source: management data

# Seeweb, a company withing DHH Group, has extensive proprietary physical and network infrastructures connected to most important exchange points



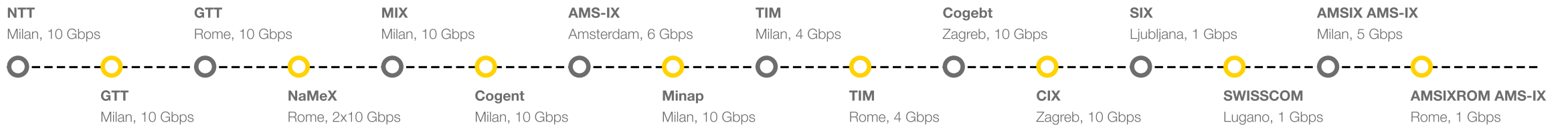
Seeweb holds six physical datacenters in Italy, Switzerland and Croatia, and an internet backbone which connects proprietary datacenters to important domestic and foreign exchange points such as: 1) Mix and Minap located in Milan, 2) Namex located in Rome, 3) Amsix located in Amsterdam, 4) Cix located in Zagreb and 5) Six located in Ljubljana.

### Proprietary network allows the Group to:

- Choose and handle the applicable exchange policies.
- Carry out maintenance or improvement interventions as well as act promptly in case of critical situations.
- Apply competitive prices, due to the reduction of production and supply costs related to infrastructures.

Datacenter	Capacity Total	Capacity Free	Capacity for expansion (with investments)
Seeweb	2.250mq / 3,2MW	142 racks	4.000mq / 8MW

### Interconnections



## GROUP OVERVIEW



# Despite buoyant growth, DHH Group has managed to build well-balanced portfolio of business clients characterized by high retention rate

### >100.000 customers

With M&A activities supporting further growth

### 100% online & inbound client sourcing

DHH customer acquisition process incl. large clients is happening online and does not require personal contact

### Low churn rate

Subscription-based business model guarantees high level of recurring revenues and high client retention (>95%)

### B2B and professionals

The core target segment are SMEs and solo entrepreneurs

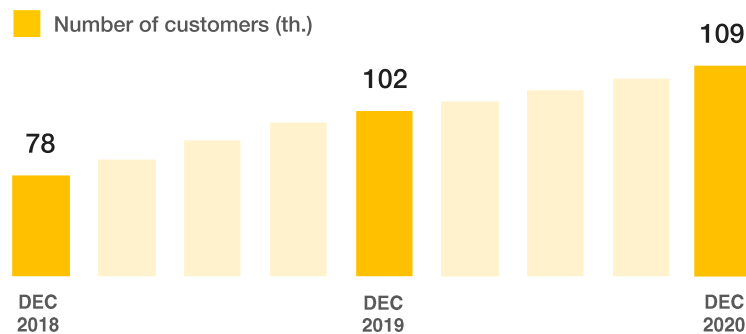
### Low dependence on single customers

DHH owns a large portfolio of clients with the share of the top 10 customers slightly above 10%

### Diversified pricing model

With an ARPU ranging from EUR 30 to EUR 8.000 across subsidiary companies (average EUR 811)

## Number of customers, quarterly



## KPIs by business

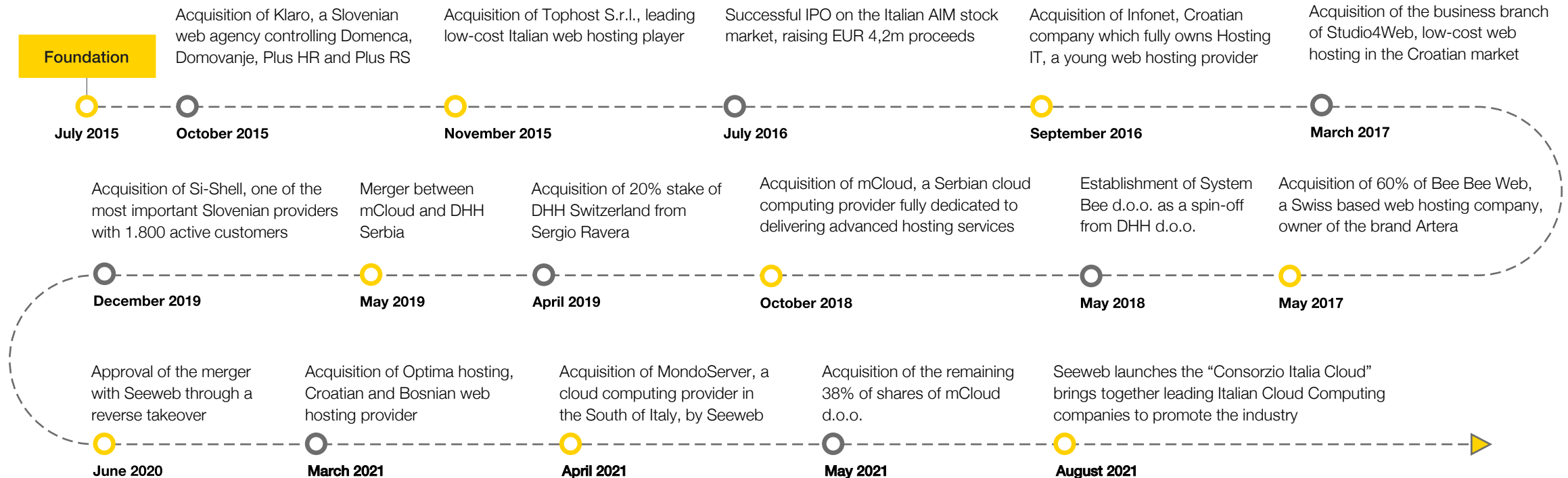
	Bookings [EUR m]		TOP 10 clients	Churn rate	ARPU
	H1'21	2020	H1'21	H1'21	H1'21
Seeweb S.R.L.	6,3	11,9	11%	3%	1200
DHH d.o.o.	1,3	2,2	5%	4%	54
DHH.Si d.o.o.	1,2	2,3	6%	5%	42
Tophost S.R.L.	1,0	1,7	6%	6%	20
DHH Switzerland	0,6	0,9	28%	6%	725
Mcloud d.o.o.	0,4	0,6	17%	11%	53
Sysbee d.o.o.	0,2	0,4	72%	0%	3517
<b>Group<sup>1</sup></b>	<b>10.9</b>	<b>20.1</b>	<b>12%</b>	<b>4%</b>	<b>811</b>

## Selected clients



<sup>1</sup>Weighted averages calculated for Top 10 customers, churn rate and ARPU at a Group level.

## Since its foundation DHH has finalized several investments while successfully IPOing on AIM Italian stock market



- Since 2016 IPO on AIM Italia Stock Exchange, DHH has grown rapidly also thanks to a vigorous M&A plan exceeding EUR 37m, with 14 **acquisitions** of **promising tech companies**.
- Reverse merger with Seeweb in June 2020 consolidated the Group's market position in its core business areas and made it better prepared to approach future M&A opportunities and face competitive challenges at European level.

# The Group is managed by experienced professionals motivated to continue DHH expansion

Board of Directors



**Antonio Baldassarra**  
Director

Founder and CEO of Seeweb with over 25 years of experience in IT and Electronics. President of the Hosters and Registrars Association, member of the Board of Directors at Rome Nautilus Mediterranean Exchange (Namex).



**Guido Busato**  
Independent

Entrepreneur and manager with over 25 years of experience in finance and energy markets. Specialized in start-ups and excellent track-record in banking and asset management. Founder of EcoWay S.p.A., trading and advisory firm on environmental markets and finance. From 2015, Guido manages a small Family Office with equity investments in Italian SMEs.



**Uroš Čimžar**  
Managing Director, CSO

Uroš Čimžar has over 15 years of experience in the web and hosting industry. While at university, he co-founded and managed Klaro which was one of the top 10 Slovenian web agencies. The team also worked on its own internal projects like Domovanje.com. Over the years, Uroš has accumulated extensive entrepreneurial experience, mostly in the fields of finance, marketing and business development.



**Matija Jekovec**  
Managing Director, COO

Matija co-founded Klaro in 2003 and worked as a developer and later R&D manager. Through his technical career he acquired an intimate knowledge of software development, software architecture, implementation of development processes and system administration. As the company shifted focus to hosting and acquired some of its competitors, Matija managed the operations for the group and has been building the largest hosting group in Slovenia.



**Giandomenico Sica**  
Executive Chairman  
of the Board of Directors

Giandomenico is a co-founder of DHH. He is also a founder of Grafoventures, Small Caps investment company focused on SEE, and a co-founder at Creatives Group, listed Applied AI company. Previously he was an investor of MailUp, listed marketing tech company, and a shareholder & partner of Digital Magics, listed start-up incubator. He is a graduate in Philosophy (cum laude) at the University of Milan.

## Management highlights



**4 IPOs**

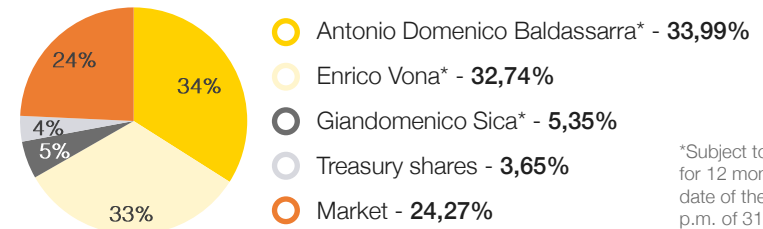


**15+ M&A deals**



**EUR 25+ million raised**

## DHH shareholders' structure



\*Subject to lock-up agreement for 12 months from the effective date of the merger (i.e. 11:59 p.m. of 31 October 2020).



# MARKET ENVIRONMENT AND COMPETITION



## Cloud computing industry is an integral element of the global digitalization

Key highlights

1

Cloud solutions are flexible and can be tailored to suit start-ups, SMEs and huge enterprises

2

Ability to pay-as-you-use facilitates adoption of cloud services among companies who previously avoided spending much on costly licenses

3

Data security and data protection will be top growth opportunities in cloud computing sector

4

Buoyant development of IoT industry is adding to cloud computing industry growth as more device categories (cars, houses, appliances, etc.) are becoming connected to the network

5

Delivered in subscription-based models (SaaS, IaaS, PaaS), cloud services generate recurring cash flows and better predictable revenue streams

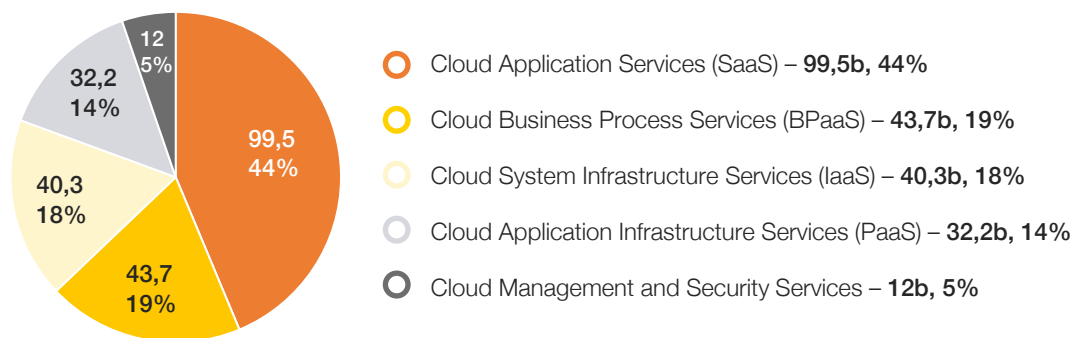
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Acceleration of economy's digitalization caused by the COVID-19 pandemic additionally fueled the growth of the sector

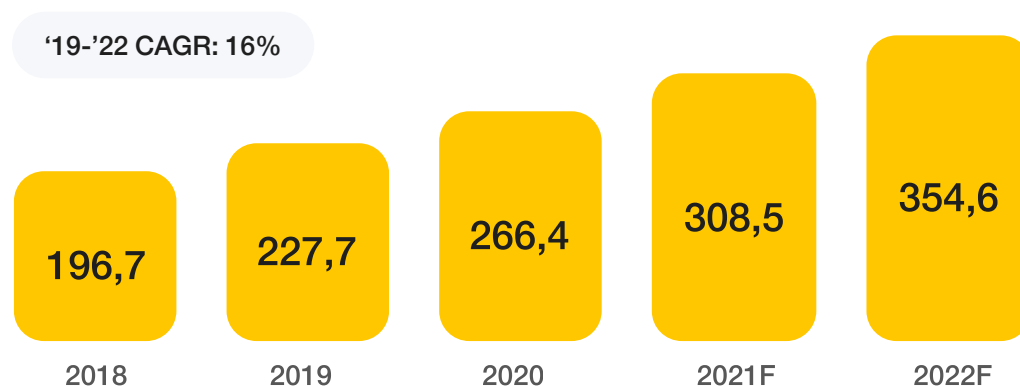
## MARKET ENVIRONMENT AND COMPETITION

Accelerated digitalization caused by COVID-19 pandemic has further boosted demand for cloud services...

Global Cloud Service revenue breakdown [USD b, %]



Global Cloud Service revenue [USD b]



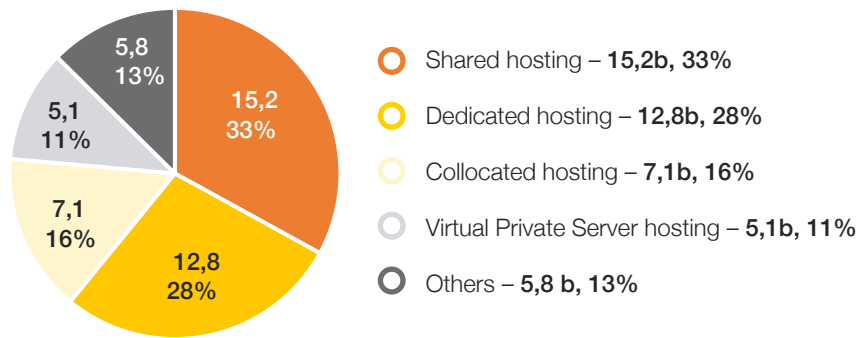
Leading global market players



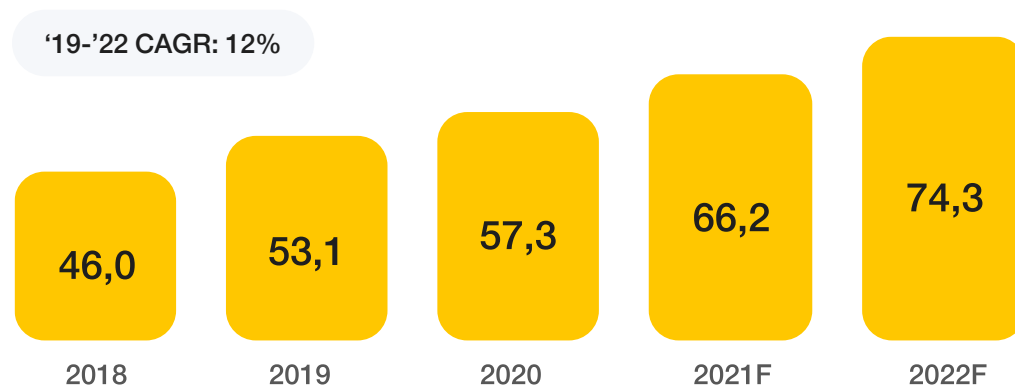
- Cloud computing has experienced strong double-digit growth in recent years due to a surge in spending of buyers migrating from data centers to cloud operating systems.
- The dynamic growth is expected to continue as more than a third of organizations see cloud investments as a top three investment 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.

... with Web Hosting to follow the double-digit growth trend as well

Global Web Hosting revenue breakdown [USD b, %]



Web Hosting revenue [USD b]



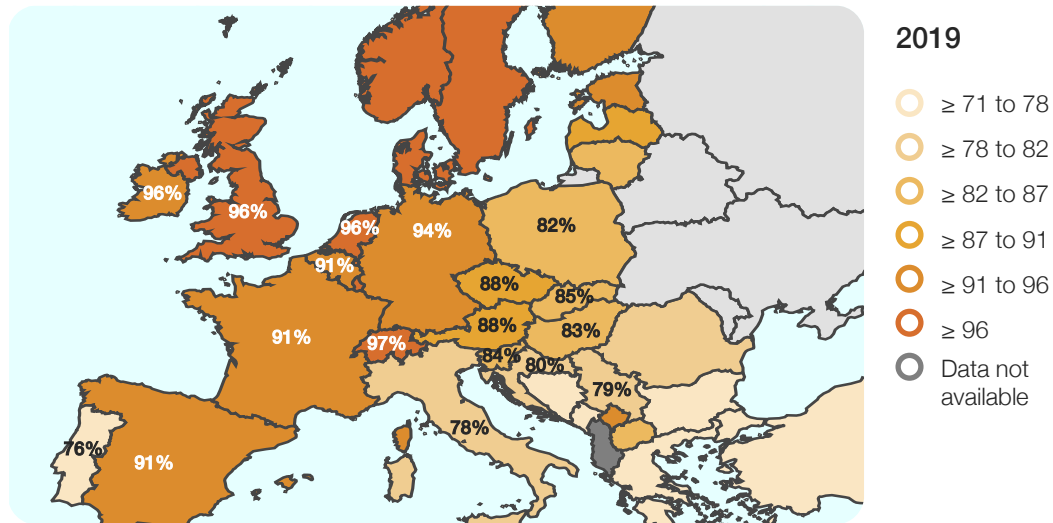
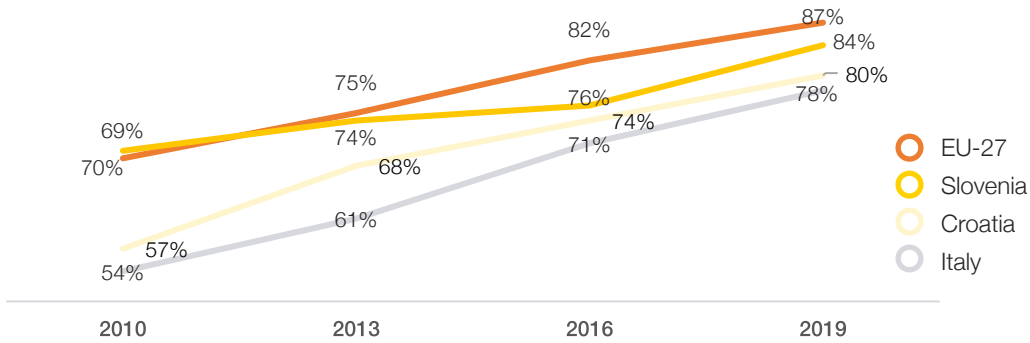
Leading global market players



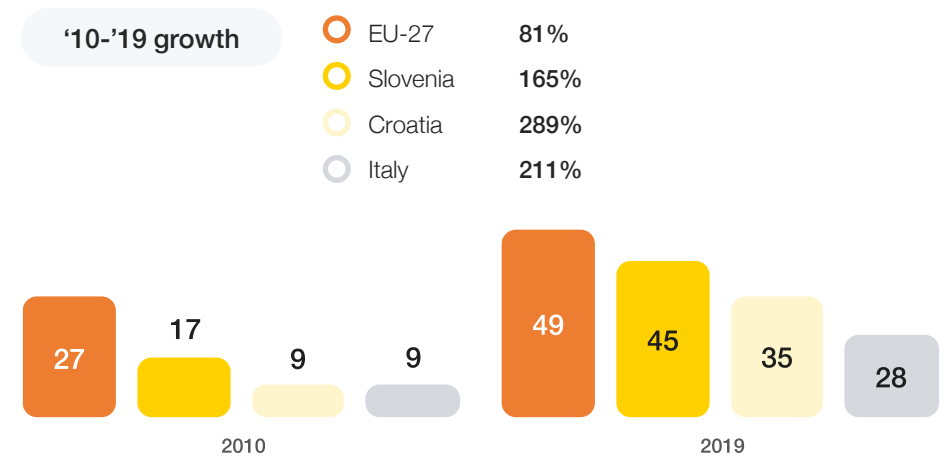
- The COVID-19 outbreak has further accelerated the ongoing structural shift towards online as companies are quickly adopting services in order to continue operating.
- While smaller businesses, a significant driver of web hosting services, will likely struggle through the pandemic, the business-critical nature of those services insulates providers from cost-reduction initiatives, albeit there is a risk of customers going bankrupt.
- As a result, the web hosting market is expected to witness a compound annual growth of 12% reaching USD 74,3b in 2022.
- 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.
- Security, configurability, and uptime are the key factors considered by customers when choosing a hosting provider.
- The key players include GoDaddy (16,8%), Google Cloud (10,0%), AWS (8,6%), 1&1 (5,6%) and Hostgator (3,6%).

# While still at a lower base the Southeast Europe presents attractive growth opportunities for those involved in digitalization of economy

Internet use by individuals [% of individuals]



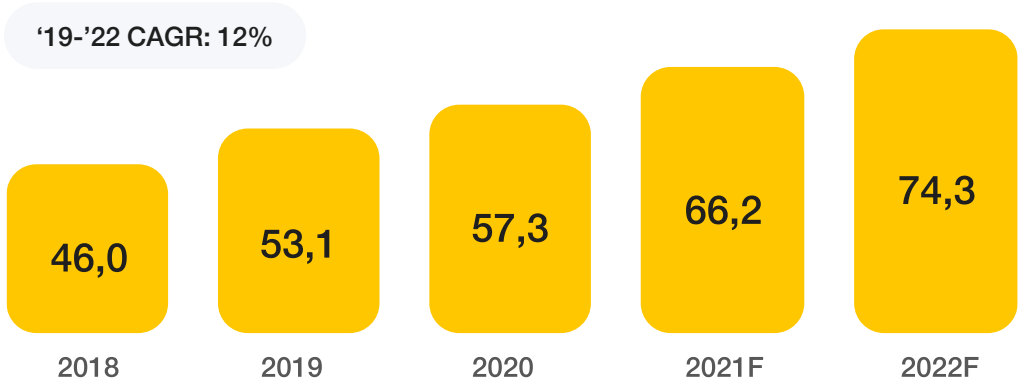
Internet purchases by individuals, 2010, 2019



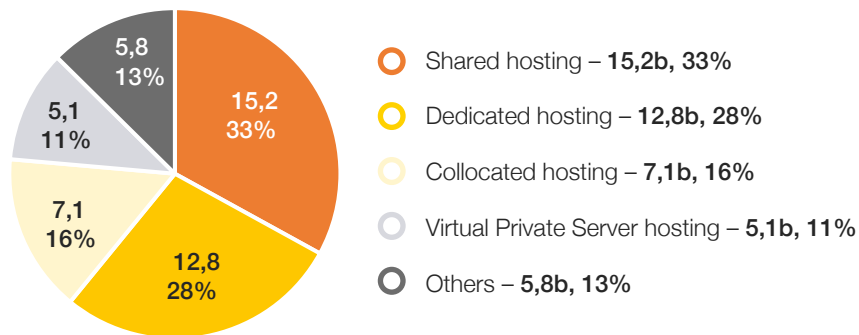
- SEE region is still behind the EU average in terms of digital society and economy but with good prospects of catching up in certain areas and even leading in such areas as online sales, where great progress has already been seen.
- It is seen that the business sector in the region is eager to take advantage offered by online commerce. Provided the government continues developing required infrastructure (connectivity, digital public services) it is likely that we see dynamic growth in digitalization and large opportunities for those involved.

# The Italian cloud services market is a growing segment in country's economy

## European Cloud Service revenue [USD b]

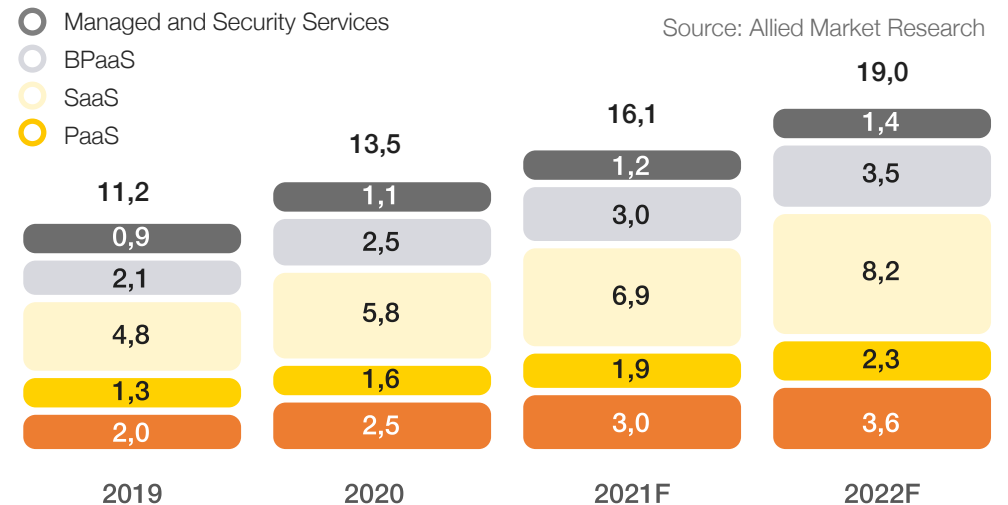


## European Cloud Service revenue breakdown [%]



Source: Statista

## Italian Cloud Service revenue [USD b]



- Italian cloud service market stood at USD 13,5b in 2020 and represented around 14% of total European cloud services revenue. The market is expected to grow at a '19-'22 CAGR of 19% which is in line with European growth.
- Similarly, to a global perspective, SaaS is the dominant category representing nearly half of Italian cloud computing market and IaaS is the most dynamically growing segment (21% CAGR).
- The largest enterprises are the main revenue generator in the sector (82%) followed by SMEs (18%).

## MARKET ENVIRONMENT AND COMPETITION



Despite the presence of deep-pocket global competition regional markets are dominated by customizable local solutions

### Cloud hosting and cloud computing providers

#### Global competitors



#### Local competitors



### Market concentration by country

Country	Local companies among Top 10	Top 10 cumulated mkt share (%)
Italy	07/10	77,80%
Slovenia	10/10	65,60%
Croatia	09/10	72,90%
Serbia	10/10	78,10%

- The market where DHH operates is extremely competitive, with players ranging from tech giants to small houses/farms, but at the same time, it is extremely fragmented and highly domestic by nature, with local-based companies continuing to play a key role.
- With Microsoft and Google Cloud planning massive investments in cloud business in Italy, the competition is likely to become fiercer.
- Regional companies, despite much poorer access to growth capital successfully differentiate themselves by offering customized solutions that would best serve the needs of the local customer.



04

# FINANCIAL OVERVIEW

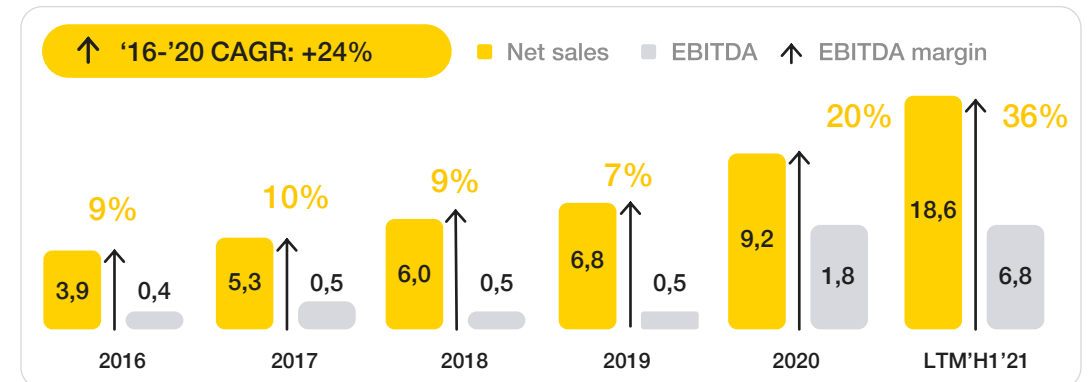
## Uninterrupted top-line growth is supported by well-executed M&A strategy and streamlined sales activities

### P&L [EUR m]

	2019	2020	LTM <sup>1</sup> 21PF <sup>1</sup>	H1'20	H1'21	Δ
Net sales	6,8	9,2	18,6	3,7	9,6	161%
COGS	(4,0)	(5,2)	(8,1)	(2,2)	(4,3)	96%
Labor costs	(2,0)	(2,0)	(3,2)	(0,9)	(1,5)	80%
Other operating result	(0,2)	(0,2)	(0,6)	(0,1)	(0,2)	302%
<b>EBITDA</b>	<b>0,5</b>	<b>1,8</b>	<b>6,8</b>	<b>0,5</b>	<b>3,5</b>	<b>536%</b>
<i>EBITDA margin</i>	8%	20%	36%	15%	36%	144%
D&A	(0,3)	(0,9)	(3,1)	(0,2)	(1,6)	641%
EBIT	0,2	0,9	3,6	0,3	1,9	467%
<i>EBIT margin</i>	2%	10%	20%	9%	20%	117%
Financial result	(0,0)	(0,1)	(0,2)	(0,0)	(0,1)	88%
Non-operating items	(0,0)		(0,0)	0,0	(0,0)	-
Pre-tax Profit	0,1	0,9	3,5	0,3	1,8	515%
Income tax	(0,1)	(0,3)	(0,1)	(0,1)	0,3	-477%
<b>Net income</b>	<b>0,1</b>	<b>0,6</b>	<b>3,3</b>	<b>0,2</b>	<b>2,1</b>	<b>876%</b>
<i>Net income margin</i>	1%	7%	18%	6%	22%	274%

- DHH Group has been showing a double-digit top line growth since its formation and listing on AIM Italia ('16-'20 CAGR of 24%) with net sales reaching EUR 9,2m in 2020, mainly thanks to (1) the realization of vigorous M&A strategy, (2) effective inbound customer acquisition process (>100k customers as of Dec'20).
- The reverse merger with Seeweb more than doubled Group's size with LTM'21 pro-forma combined net sales being at EUR 18,6m. The combined LTM'21PF EBITDA stood at EUR 6,8m.
- H1'21 reported results follow Seeweb incorporation and confirm DHH group is on track with EUR 9,6m sales (LTMPF EUR 18,6m) and EUR 3,5m EBITDA (LTMPF EUR 6,8m). The net result grew 9x when compared to H1'20 results.
- The further business growth is expected to be supported by (1) continuation of M&A activities, (2) further international expansion, (3) focus on perspective cloud computing segment.

### DHH revenue & EBITDA (2016-LTM'21) [EUR m]

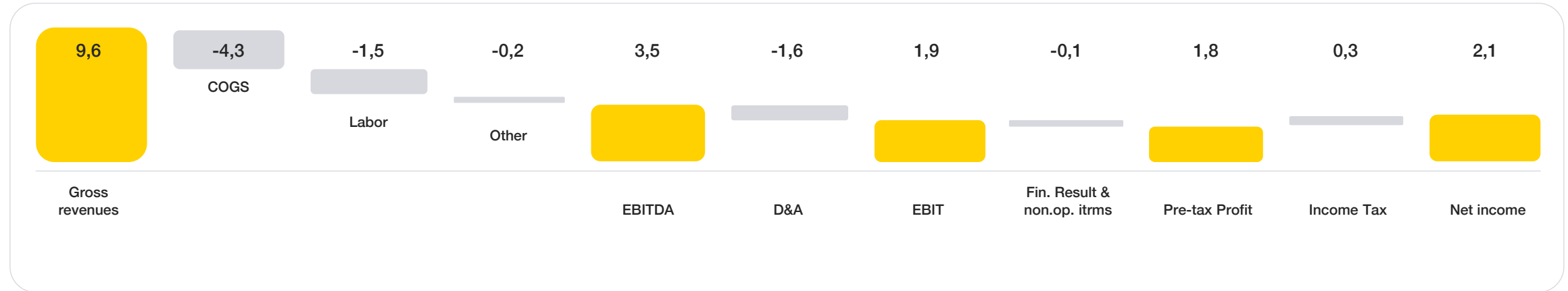


<sup>1</sup> LTM'2021PF (pro-forma last twelve months preceding 30.06.2021) – the period covers consolidated DHH results from 01.07.2020 to 30.06.2021 and assumes reverse merger with Seeweb happened before 2020.



# DHH has best-in-class operating margins which are further enhanced with the realization of cost synergies with Seeweb

H1 2021 P&L bridge [EUR m]



- COGS of EUR 4,3m include wholesale costs (mainly cost of domains), professional 3rd party services, data center costs and marketing & sales expenses, purchase of raw materials, spare parts and consumables.
- R&D related spendings are not capitalized and are evidenced as operating expenses.

## The Group stands out with a healthy balance sheet having moderate bank indebtedness and high level of cash

Balance Sheet [EUR m]	31 Dec 19	31 Dec 20	30 Jun 21
<b>Non-current assets</b>	7,1	18,7	20,3
Goodwill	5,6	8,0	8,1
Tangible fixed assets	0,3	1,8	1,8
Right of use	0,3	4,3	4,5
Intangible assets	0,9	4,1	4,5
Investments	0,0	0,3	0,3
Other	0,0	0,3	1,2
<b>Current assets</b>	3,7	12,0	13,6
Trade receivables	0,4	2,2	2,3
Cash & equivalents	2,5	8,8	9,9
Other current assets	0,8	1,0	1,3
<b>Total assets</b>	10,8	30,7	33,9
<b>Equity</b>	7,6	16,4	18,5
<b>Non-current liabilities</b>	0,2	6,8	6,6
Non-current financial liabilities	0,2	5,3	5,2
Severance reserves	0,0	0,6	0,6
Other	0,0	0,9	0,9
<b>Current liabilities</b>	3,0	7,6	8,7
Trade payables	0,6	1,8	2,0
Current financial liabilities	0,1	2,2	2,5
Other current liabilities	2,3	3,6	4,3
<b>Total liabilities and equity</b>	10,8	30,7	33,9

- Goodwill represents the positive excess of the price paid for acquired or merged companies compared to its net assets value. H1'2021 goodwill of EUR 8,1m includes amount arisen from reverse merger with Seeweb (EUR 4,8m).
- Right of use are assets used under lease agreements considered financial leases according to IFRS 16 standard. Right of use assets as of 30.06.2021 (EUR 4,5m) mainly consist of Seeweb's leases.
- Non-current financial liabilities (EUR 5,2m) and current portion of financial liabilities (EUR 2,5m) as of 30.06.2021 mainly represent Seeweb's financial liabilities (EUR 5,6m).

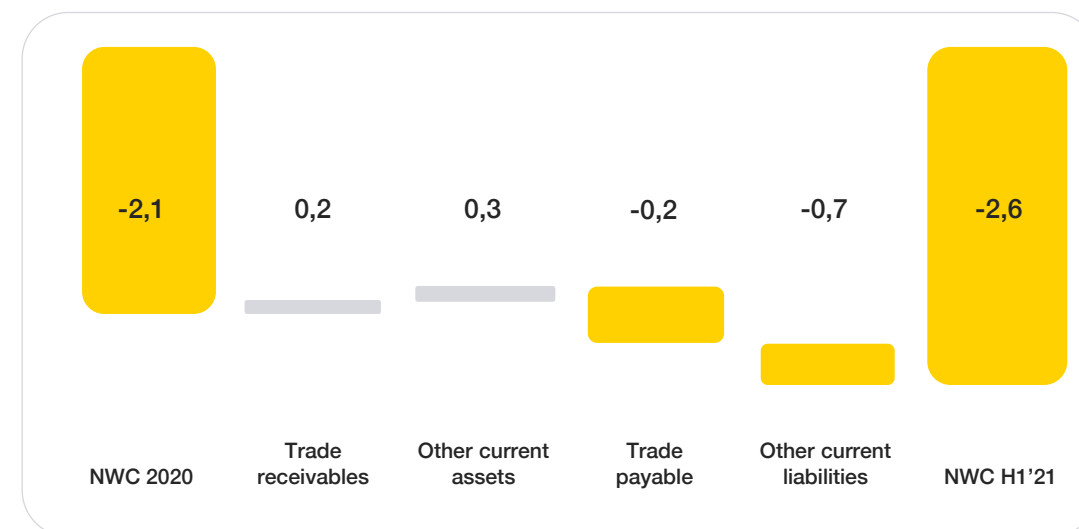
Net Financial Position [EUR m]	31 Dec 20	30 Jun 21
Cash & equivalents	(8,8)	(9,9)
Other current financial assets	(0,2)	(0,2)
Liquidity	(9,1)	(10,1)
Current financial liabilities	2,2	2,5
<b>Net current debt</b>	<b>(6,8)</b>	<b>(7,6)</b>
Non-current financial liabilities	5,3	5,2
<b>Net debt</b>	<b>(1,5)</b>	<b>(2,5)</b>

## Low capital investment requirements and stable NWC support high level of cash generation with EBITDA CCR of around 118%

Consolidated CFS [EUR m]	2020	H1'20	H1'21
Net income	0,6	0,2	2,1
Amortization and depreciation of assets	0,9	0,2	1,6
Income tax & finance costs	0,3	0,1	(0,2)
<b>EBITDA</b>	<b>1,8</b>	<b>0,5</b>	<b>3,5</b>
Changes in NWC	0,6	0,2	0,4
Interests collected/(paid)	(0,1)	(0,0)	(0,1)
Income taxes paid	(0,3)	(0,1)	0,3
Other	0,0	0,0	0,0
<b>Cash Flow from operating activities</b>	<b>2,1</b>	<b>0,6</b>	<b>4,1</b>
CAPEX	(0,4)	(0,5)	(0,8)
Payments for RoU	(0,4)	-	(1,4)
Payments for financial assets	(0,6)	0,0	(1,0)
<b>Cash Flow from investing activities</b>	<b>(1,3)</b>	<b>(0,5)</b>	<b>(3,2)</b>
Δ in Debt	0,1	(0,1)	0,0
Other	0,0	0,0	0,0
<b>Cash Flow from financing activities</b>	<b>0,1</b>	<b>(0,1)</b>	<b>0,1</b>
<b>Net Cash</b>	<b>0,9</b>	<b>0,1</b>	<b>1,0</b>
Starting Cash	2,5	2,5	8,8
Consolidation area variation	5,3		
<b>Ending Cash</b>	<b>8,8</b>	<b>2,7</b>	<b>9,9</b>

- The H1'2021 EBITDA cash conversion rate is 118% due to stable & predictable changes in NWC.
- The pro-forma Net Working Capital was negative at EUR -2,6m as of 30.06.2021, as it is strongly affected by unearned revenue, i.e. accruals and deferred income, for whom cash movement have been realized prior to accounting recognition, still due to the subscription-fees business model.

### H1 2021 NWC bridge [EUR m]



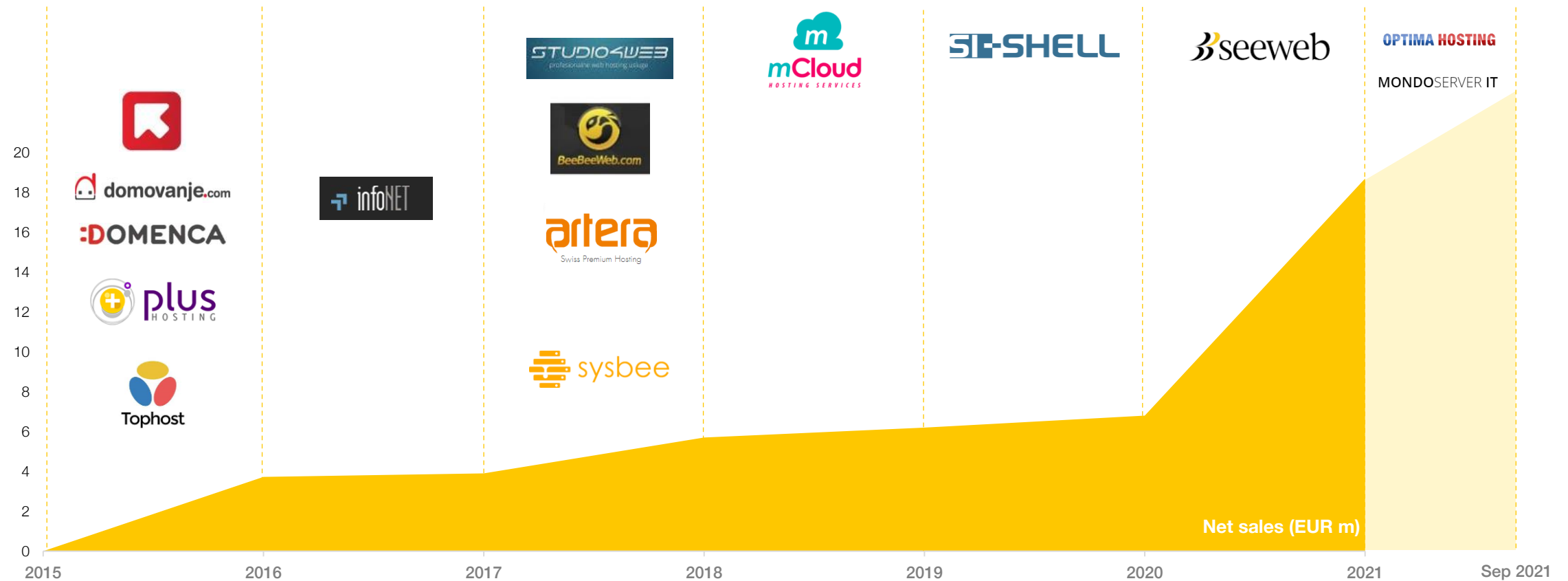
# GROWTH STRATEGY

## GROWTH STRATEGY



The present DHH is a result of a well-executed buy & build strategy

Acquisitions completed by DHH by year



# The Management has developed an effective process of building the Group's value through M&A

DHH approach to company acquisitions and value creation



# DHH Group is focused on expanding its expertise within the industry and acquiring new competences...

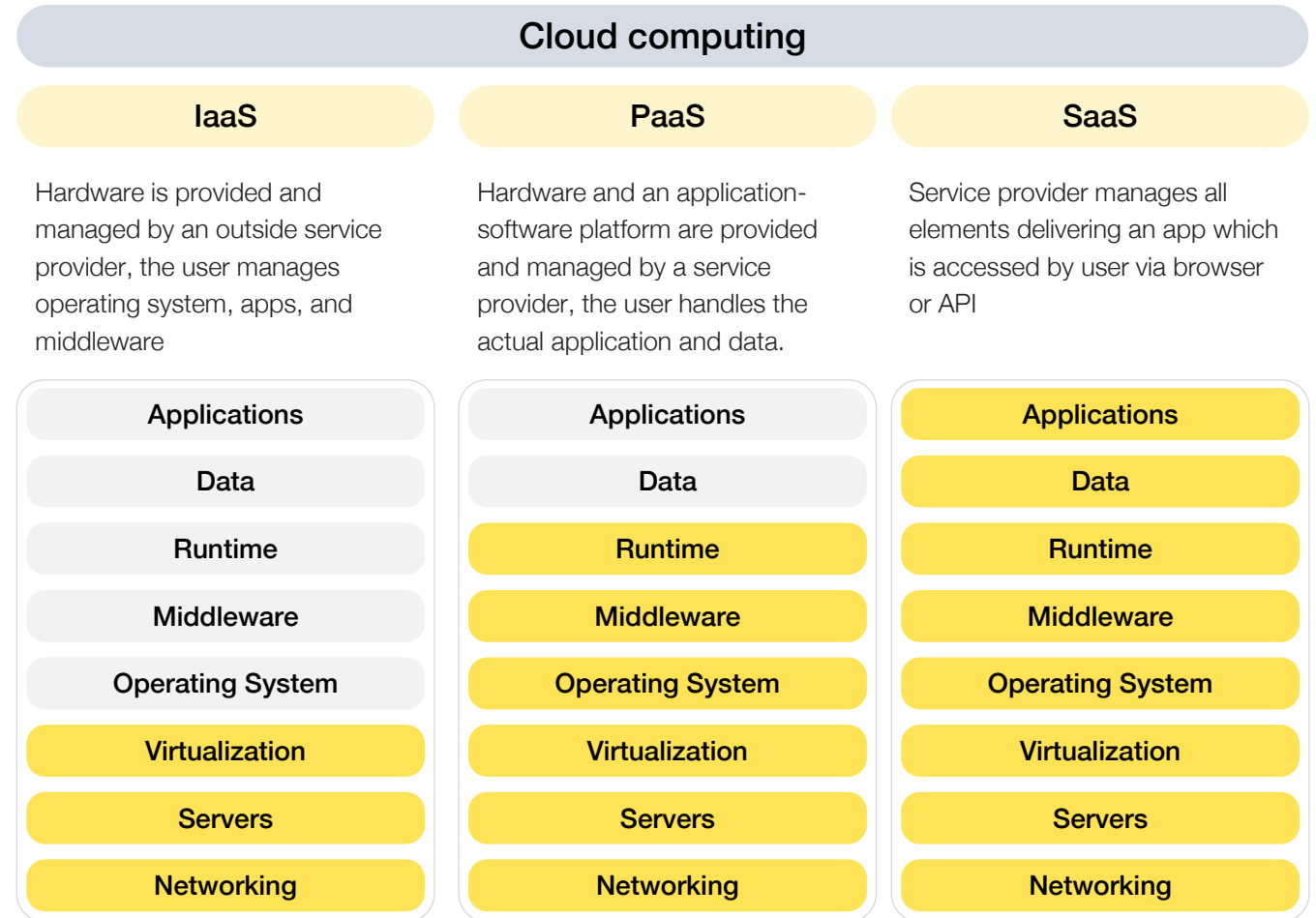
- We seek out businesses where motivated small teams composed of good people, can produce superior results in their local markets
- Expansion is at core of DHH growth – we are looking at cash generating low-leveraged businesses where founders need support “in bringing the company to the next level”. We buy a majority stake with cash and agree with founders on their desired succession plan
- In order to foster innovation at DHH we are scouting early-stage businesses with a unique IaaS/PaaS/SaaS solution. The strategy assumes acquiring a minority stake to inject required capital and supporting the business with our expertise and business know-how.

	<b>Expansion</b>	<b>Innovation</b>
Objective	Entering in new geographies, or expanding product lines acquiring mature and cash generating companies with at least €1mn turnover	Early-stage investment - 500k in small companies with growth potential
Industry focus	IaaS, PaaS, SaaS providers from emerging markets with a particular focus on Southeastern Europe	New IaaS, PaaS, SaaS technologies with global potential
Stage of development	Market leader, cash generating companies with low leverage	Team and product with proven traction
Acquisition strategy	Initially cash purchase of 51%-60% of equity with the option to buy the remaining stake via cash or equity	Initial minority stakes with contingent call options

## ... in the Cloud computing space



At DHH we are building a comprehensive ecosystem of local cloud computing champions in emerging markets and support them in “making it to the next level”.



Source: Redhat



Managed by client



Delivered by the company

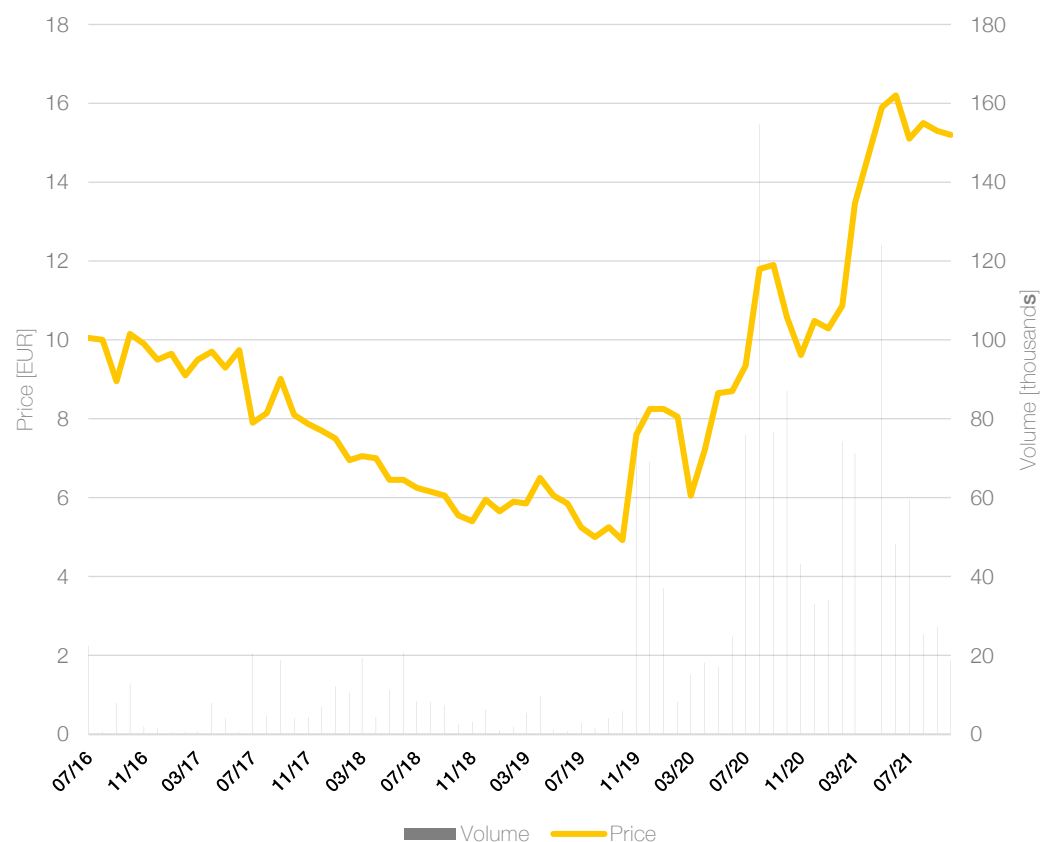




# VALUATION

The reverse merger with Seeweb positively impacted DHH trading volumes and stock valuation but the Group is still trading at a substantial discount compared to its peers

DHH share price and volume since IPO



Key valuation metrics

EUR m	LTM H1'2021PF <sup>1</sup>
Shares outstanding (m)	4,9
Share price (27 Sep 2021)	15,2
Market Cap	74,4
Net debt	-2,5
EV	71,9
EV/EBITDA	10,6
EV/Sales	3,9
P/E	22,3
P/Sales	4,0

- The DHH went public on Italian AIM stock market in July 2016 and raised EUR 4,2m with an open stock price of EUR 10. Following the IPO the stock was not liquid for over 3 years mainly due to DHH small size with an average daily volume of 6k shares.
- As a result of reverse merger with Seeweb, DHH more than doubled in size and is becoming better visible to investors with a noticeable increase in average trading volumes in 2020.
- The valuation metrics are based on 2020 pro-forma financials and include Seeweb results.

<sup>1</sup>LTM'2021PF (pro-forma last twelve months preceding 30.06.2021) – the period covers consolidated DHH results from 01.07.2020 to 30.06.2021 and assumes reverse merger with Seeweb happened before 2020

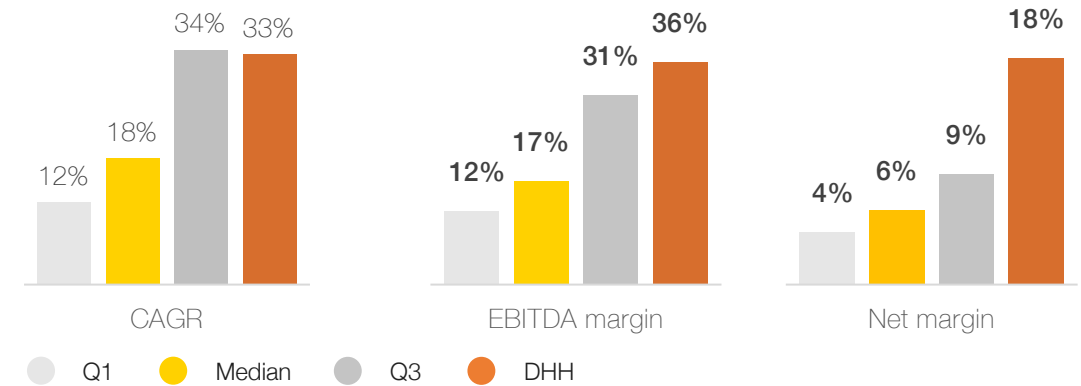
## COMPARABLES



# DHH core metrics outperform the median KPIs of Italian-listed Software and IT businesses

Company	Mkt Cap	EBITDA Mgn	Profit Mgn	Rev CAGR 3y	Sales	Avg Vol 3m	EV/EBITDA	EV/Sales	P/E
Datalogic	1054,5	14%	7%	-7%	541,4	73,1	14,2	2,0	19,6
Digital Value	933,3	10%	5%	20%	440,6	11,0	19,8	2,0	38,7
Wiiit	695,0	31%	3%	40%	52,1	56,6	46,9	14,5	411,6
Seco	624,9	17%	5%		76,1	181,9	44,2	7,4	120,1
Esprinet	622,5	1%	1%	12%	4491,6	410,2	11,9	0,2	16,9
Retelit	489,8	33%	9%	34%	162,9	690,1	11,7	3,9	37,6
Intrted	307,5	39%	17%	35%	35,4	7,9	22,2	8,7	49,9
Be	277,2	15%	6%	12%	202,0	216,2	10,5	1,5	18,8
Gpi	224,1	15%	4%	14%	268,4	46,1	8,9	1,3	16,4
Piteco	220,6	38%	30%	13%	23,5	10,2	28,4	10,7	29,4
Cy4gate	190,2	51%	38%	84%	13,0	58,5	27,2	13,9	38,0
Almawave	127,9	25%	9%	25%	29,3	35,5	15,5	3,9	51,7
B&C	124,3	16%	6%	-7%	32,0	4,4	26,9	4,3	58,5
Unidata	107,8	38%	15%	31%	22,7	1,1	12,2	4,7	27,6
Relatech	104,9	29%	14%	18%	18,3	206,2	20,2	5,8	27,7
TXT	100,7	10%	7%	24%	68,8	28,8	13,6	1,3	16,6
Exprivia	98,9	13%	102%	1%	161,6	556,9	6,3	0,8	11,4
Vantea	96,0	12%	8%		17,2	75,0	47,0	5,6	66,9
Doxee	88,4	31%	9%	17%	17,7	9,7	16,3	5,1	53,9
Officina Stellare	84,0	27%	5%	40%	5,7	15,9	58,0	15,6	277,1
OSAI	81,1	9%	1%		31,9	27,9	33,5	2,9	140,3
Cyberoo	76,0	33%	1%		5,6	37,8	40,1	13,4	233,6
Reevo	63,9	22%	9%		7,8	4,2	39,8	8,6	95,4
Growens	62,4	8%	1%	34%	65,2	7,3	12,3	0,9	98,2
ELES	56,2	18%	9%	9%	18,1	35,2	17,0	3,1	27,0
Planetel	51,5	18%	6%	34%	17,8	9,1	16,3	3,0	47,7
Q1	56,2	12%	4%	12%	17,2	10,2	12,2	1,8	22,0
Median	98,9	17%	6%	18%	23,5	35,2	16,3	3,1	37,6
Q3	224,1	31%	9%	34%	68,8	75,0	28,4	5,8	66,9
DHH	74,4	36%	18%	33%	18,6	1,7	10,6	3,9	22,3

## Median KPIs of Italian Software and IT vs. DHH



- Since listing on the Italian AIM stock market DHH has been showing strong growth and excellent operational margins.
- The Company's 3Y (2017-2020) CAGR of 33% puts it in line with the 3rd Quartile of the Italian peers and profitability margins are outperforming the medians.
- Wiiit, the Italian premium cloud provider, is traded on a much higher multiples with EV/EBITDA of 46,9x and EV/Sales of 14,5x.
- Gigas Hosting, a Spanish cloud computing services company listed on Madrid Stock Exchange, has a market cap of EUR 128m with H1'21 sales of EUR 22,7m. The company is actively growing through M&A and is currently traded at 16.2x EV/EBITDA<sup>1</sup> and 3.1x EV/Sales<sup>1</sup>.

<sup>1</sup>Trading multiples based on 2020 results.



# **INFORMATION FOR SHAREHOLDERS**

## Stock details

**Listing**

Milan, AIM ITALIA

**Outstanding number of shares**

4,9mn

**ISIN ordinary shares**

IT0005203622

**Market Cap**

Approx. €74,4mn (Sep 2021)

## INFORMATION FOR SHAREHOLDERS

### List of parties

#### Nomad

Envent Capital Markets Ltd

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#### Specialist

MIT Sim SpA

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#### Research provider

ValueTrack Srl

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#### Audit & accounting

BDO Italia SpA

## Contacts



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**Thank you.**

For further information, please visit

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