



**H-FARM**

Dear partners,

I would like to take this opportunity to wish you all an extraordinary and peaceful 2019. I want to disclose some considerations on the closure of the 2018 financial year and on the guidelines for the next years.

We are growing a lot, at the same pace as our corporate culture: the number of clients, students, collaborators and projects is steadily increasing and poses new challenges. Our mission to design the future through innovation has kept the same spirit and vitality that have characterized our project since the beginning, even in an organization that today counts almost **700 people who believe in the H-FARM values.**

**2018 was a year of strong progress, the best since the beginning of H-FARM and certainly the most important of the post-IPO phase.**

I say this with great enthusiasm because the economic results we achieved are very significant: the production value has exceeded **€50 million and for the first time** we recorded a **positive EBITDA**, even in the face of a major speed bump, which occurred last year. In fact, the beginning of the Campus construction project, which, in our initial plans, was to be inaugurated in the fall of 2018, has been postponed for two more years with relative problems that have impacted costs, focus, energy and time, much more than initially planned.

This is why I feel satisfied: above all, for the ability, strength and determination that I have found in the team by my side, who has been able to react and has made the impossible possible, continuing to push towards the realization of remarkable projects and performance.

When we were listed and presented our business project on November 13, 2015, we told you that it would take at least three years to transform the company into one of the leading players in the digital transformation services and education fields, not just within national borders. Our current size, thanks to large and small clients competing all over the world in different sectors and the total number of students enrolled in less than 3 school years, is the evidence of a correct path and of accomplishments that we have reached even earlier than initially planned.

A long road has been traveled since some of you, along with me, motivated by the good intention of investing in the talent of young people, believed in the idea of an incubator-accelerator of companies that already in 2005 had put man at the center, an idea that has anticipated many actors who then later replicated our model. Today, we have a H-FARM that has managed to bring on board over 400 talents in 36 months on three business areas, united by the common denominator of digital innovation, which is used to guide people and companies towards the future.

The first area, **Innovation**, supports companies in the implementation of digital processes and accompanies them towards new scenarios and the adoption of new business models that will allow them to continue to be competitive in a rapidly evolving market. This area employs over **340 people, with a sales value that has exceeded 40 million**, which is an increase of 15% year on year and of 80% in 2015. Our strong attraction on an international level has brought customers such as Adidas, Lufthansa, Volkswagen and big groups in the fashion world like Lvmh, Kering. It is precisely due to this international expansion that, in our development planned for 2019, we expect a large increase in new revenue, supported by an offer able to respond to very complex customer requests, excellent managers leading talented teams that will allow us achieve great results over the coming years.



**H-FARM**

The second area is **Education**.

Here, three areas coexist. The most developed today is definitely our **H-International School** network: a lot has been accomplished in this area; beginning with a small school, acquired a few days before Christmas 2015, that had 180 children from kindergarten to secondary school, which, today, counts **882 children distributed across four schools in northern Italy**.

What I am proud of most is, on the one side, the team formed of over 150 experienced professionals, and on the other side the educational model: the H-FARM Approach that we have been able to develop, has become a reference point for important organizations and companies, many of whom ask us to collaborate and develop new partnership projects. Finally, among our latest achievements, Apple, after having included us in September 2016 in their list of the 100 schools in the world to keep an eye on, in 2018 recognized us among the 400 **“Apple Distinguished” schools**, the only IB school in Italy. Never before had a school achieved this status in less than two years.

Our Education sector is not only international schools, but it is also our acclaimed **University program**. The agreement signed two years ago with Ca' Foscari has allowed us to develop a degree in Digital Management, the first and only of its kind in Italy, which last year ran out of space in just a few days with a request rate of four times higher than the number of available places. The young people we are training are exceptional, curious and full of enthusiasm and will represent new lifeblood for us and for the many companies of our network.

Then we have our **vocational school**, a professional path on which we have important development projects: BigRock, our magical school that has introduced, alongside its computer graphics Masters programs, advanced courses in Augmented and Virtual Reality, both major emerging trends in the business world.

Finally, I would like to remind you that H-FARM is also **startups**. We have an important portfolio, which is not limited in terms of market segment or nationality. Many actions were activated during the year: the total exit from Depop, which generated a capital gain of €4,6 million, with a return equal to 6 times the initial investment. In the spring, we enhanced Travel Appeal with a sale of the secondary units in the capital increase and made one million; finally, two mergers, Sellf with Force Manager and Antlos with Sailogy, increased our presence on the international scene. We have a portfolio of mature startups with a wide number of ongoing actions aimed at enhancing them.

In short, in 2018 we closed the second phase of our history: H-FARM today looks to the future not only as an accelerator, but also as an aggregator of experiences and talents that supports companies and many young minds in their training path.

**In the next two years we can also increase this value at an international level:** we will enter a new phase that will allow us to see the results of the great work we have done, able to face the challenges of the third decade of this century.

In these 14 years we have grown and we have learned to evaluate dreams, pick good ideas and understand which ones to let go. Thanks to this experience, today we are able to understand and build projects that can become extraordinary in the coming years.

We want H-FARM to continue to be an inspiration for young minds who believe that our Country can make an important contribution to innovation in the world and who want to write the pages of history and where people remain dedicated to positive values for the good of humanity and for our planet.

**We believe that the greatest satisfaction we can give you is a company that is not only profitable, but also works in a socially useful and authentic way**, investing in the most important thing we have: the education to knowledge and the awareness of change, that do not concern only young people but everyone, whatever their role and position.



**H-FARM**

Love H-FARM.  
Ca' Tron, 01-21-2019

Riccardo Donadon

### **About H-FARM**

*It is the innovation platform that supports the creation of new business models and the digital transformation and education of young people and Italian companies. Founded in January 2005, H-FARM was the first in the world to adopt a model that brought together education, investments, and business consultancy in one place. Since its founding until today, H-FARM has invested €27,3 M to support the development of 123 innovative companies, has helped 200 of the most important international brands take advantage of the opportunities made possible by digital transformation and educates more than 1,000 students through an international and digital didactic path. Structured like a campus, it is destined to become the most important innovation hub in Europe and is currently undergoing an expansion that will grow its facilities from 14,000 mq of buildings with a 20-hectare park to 42,000 mq of buildings distributed over 51 hectares of land close to Venice. H-FARM employs more than 600 people in 5 different locations in Italy and is considered a singularity at an international level. Since November 13, 2015, H-FARM has been listed on the AIM segment of the Italian stock exchange and is available for public trading. **Codice ISIN Azioni ordinarie H-FARM S.p.A. IT0004674666.***

**Per maggiori  
informazioni:**

**H-FARM S.p.A.**

**Direttore Relazioni Esterne**

Mara Di Giorgio: [investor@h-farm.com](mailto:investor@h-farm.com)

**Ufficio Stampa**

Giulia Franchin: [giulia.franchin@h-farm.com](mailto:giulia.franchin@h-farm.com)

Serena Gasparoni: [serena.gasparoni@h-farm.com](mailto:serena.gasparoni@h-farm.com)

**Nomad**

**EnVent Capital Markets Ltd**

207 Regent Street, 3rd Floor, London W1B 3HH (UK)

Italian Branch - Via Barberini 95, 00187 Rome (Italy)

Tel. +44 (0) 2035198451 / +39 06 896841

Paolo Verna - [pverna@enventcapitalmarkets.co.uk](mailto:pverna@enventcapitalmarkets.co.uk)