



MAILUP GROUP

PRICE SENSITIVE

PRESS RELEASE

The Board of Directors of MailUp approved the consolidated half-year report as of 30 June 2019

- Consolidated REVENUES of EUR 29.31M, +63% versus 30 June 2018
- Consolidated foreign REVENUES of EUR 13.38M, +71% versus 30 June 2018
- Consolidated EBITDA of EUR 2.14M, +15% versus 30 June 2018
- Consolidated NET EARNINGS of EUR 0.41M, -20% versus 30 June 2018
- Consolidated NET CASH POSITION of EUR 4.4M, versus EUR 6.4M as of 31 December 2018
- ONGOING DEVELOPMENT SEEN VIA ORGANIC GROWHT AND M&A

Milan, 17 September 2019 – MailUp S.p.A. (the "**Company**" or "**MailUp**"), a company admitted to trading on the multilateral trading facility AIM Italia / Alternative Investment Market and operating in the cloud marketing technology field, has announced today that the Board of Directors passed a resolution to approve the consolidated report for the six-month period ended on 30 June 2019, prepared in compliance to international accounting standards (IAS/IFRS).

Here follow the half-year Group results as of 30 June 2019:

Item	30/06/2019	%	30/06/2018	%	Change	Ch%
Revenues from Email	6,335,383	21.6%	5,492,803	30.5%	842,579	15.3%
Revenues from SMS	20,837,289	71.1%	11,951,648	66.3%	8,885,642	74.3%
Revenues from Predictive Marketing	853,004	2.9%	n.a.	n.a.	853,004	n.m.
Revenues from Professional Services	354,462	1.2%	243,705	1.4%	110,757	45.4%
Other Revenues	930,311	3.2%	346,311	1.9%	584,000	168.6%
Total Revenues	29,310,449	100.0%	18,034,467	100.0%	11,275,983	62.5%
Gross Profit	8,542,304	29.1%	6,348,694	35.2%	2,193,609	34.6%
EBITDA	2,143,722	7.3%	1,865,279	10.3%	278,443	14.9%
Profit (Loss) for the period	410,922	1.4%	513,113	2.8%	(102,191)	(19.9%)

Data in EUR

Here follow the half-year Group results by business unit as of 30 June 2019:

	Revenues			EBITDA		
	1H 2019	1H 2018	Ch%	1H 2019	1H 2018	Ch%
MailUp*	7,234	6,599	9.6%	1,190	986	20.7%
Agile Telecom	19,072	10,167	87.6%	784	1,259	(37.7%)
BEE	1,051	426	146.6%	321	99	224.6%
Datatics	921	n.a.	n.m.	(279)	n.a.	n.m.
Acumbamail**	569	497	14.5%	121	150	(19.1%)
Holding	463	346	33.8%	6	(629)	101.0%
Total	29,310	18,035	62.5%	2,144	1,865	14.9%

Data in EUR/000

*Starting from April 1, 2019 Globase is no longer represented as a separate business unit, because it acts as a mere commercial branch for the sale of MailUp and Datatics. Hence the relevant 1H 2018 data have been aggregated to MailUp's business unit sales figures.

**1H 2019 Sales and margins for Acumbamail are not comparable to the corresponding period of the previous year, since the subsidiary has seen a variation in revenue recognition in order to align with the Group's accounting standards, hence a FY 2018 effect on lesser revenues, and a corresponding variation in deferred income and margins. With constant accounting criteria, Acumbamail's actual performance is as follows.

Acumbamail	569	417	36.5%	121	70	73.4%
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The Board of Directors is satisfied for the positive half-year results, especially in light of the highly competitive market landscape and complex overall economic situation.

The half-year P&L posts total revenues in excess of EUR 29M, showing an increase for EUR 11+M or +63% versus the same period of 2018. As per the results by business line, the SMS line - dynamic, volatile and highly price-oriented by nature - posted the biggest top-line growth in excess of 8.9M (+74%) versus 1H 2018 at over EUR 20M consolidated sales, particularly because of Agile Telecom's volume growth. The Email line, steadier and consolidated by nature within the Group, showed a +15% increase, with revenues in excess of EUR 6M, thanks to the excellent performance of BEE editor, which posted a substantial, increasing growth to EUR 1+M 1H 2019 revenues (+147% vs EUR 426k in 1H 2018), measuring the rapidly increasing recognition of the product by *marketers* globally. Positive if subdued is the trend for Professional Services, on-demand consulting for customisation and training on the Group platforms, which increased by 45+%. The Predictive Marketing line also posted excellent results, thanks to the performance of the newly acquired Datatics B.V. (December 2018) and the newly incorporated domestic subsidiary Datatics S.r.l., for which no comparative data are available for 1H 2018 as they are first consolidated at P&L level in 2019. Foreign revenues amounted to ca. EUR 13.38M, showing a substantial growth trend on 1H 2018 both in absolute (+71%) and relative terms (46% incidence versus 44%).

Consolidated EBITDA amounted to EUR 2.14+M, growing by +15% versus 1H 2018 (EUR 1.87M). The positive net variation of EUR 278,443 is mainly due to the following factors: (i) the positive impact of EUR 333,497 from first-time adoption of the new IFRS 16 on lease accounting without comparative data restatement, starting from 1 January, 2019; (ii) the negative impact of EUR 670,906 from contingent liabilities, i.e. extra expenses for 2018, on certain supplies for Agile Telecom, which will be discontinued during 2H 2019; (iii) the negative effect of Datatics start-up margins.

Net of depreciation, amortisation and net financial expenses; Earnings Before Taxes amount to EUR 786k, decreasing on 1H 2018 by EUR 230k, with depreciations growing by EUR 476k (+55% versus 1H 2018), related to IFRS 16 first-time adoption which caused EUR 324,738 greater amortisations, EUR 15,983 greater financial expenditures and an overall consolidated effect of EUR 7,224 greater costs in 1H 2019.

Net Earnings for 1H 2019, after estimated current and deferred taxes, amount to EUR 411k, decreasing by -20% versus the same period of 2018 (EUR 513k).

The consolidated Net Financial Position as of 30 June 2019 is negative (for net cash) and amounts to EUR 4.4M, decreasing versus the previously recorded (net cash) amounts of EUR 6.4M as of 31 December 2018. The variation is positively

influenced by the operating cash flow, but it is counterbalanced by the bigger debt figure from IFRS 16 first-time adoption, for an amount of EUR 2.4M, as well as cash outs for the last earn-out tranche on Agile Telecom (EUR 600k paid in June 2019) and second tranche on Datatrics's purchase price (EUR 374k paid in April 2019).

Significant events after the reporting period

On 10 July 2019, MAIL share price hit a new historic high at EUR 4.49 per share; at such price level, the company's market cap exceeded EUR 67M.

On 30 July 2019, MailUp's Board of Directors acknowledged that the wholly owned subsidiary MailUp Inc. started a process to internalise business development, though the addition to its organisation of a specific professional role as Chief Growth Officer, also in consideration of (i) potential synergies with other Group's platforms, and (ii) consolidated business plan targets. The role will be in charge of the strategy and business development of the five Business Units of MailUp Group. In detail, the Chief Growth Officer will be in charge of the Group corporate development and will take care of enhancing the synergy among MailUp Group's platforms, determining development opportunities and growth. Following a scouting process, the candidate has been determined to be Mr. Armando Biondi, previously Independent Director of the Company, who accepted the above-mentioned role of Chief Growth Officer. For any further detail, please refer to the press release which was issued on the corresponding date.

By the end of 2019, the Company's Milan headquarter will be moved to the new address of Via Pola, 9 – Milano. The project includes a new 1,150 sqm single-floor space with ca. 90 freely allocated workstations, and is part of a wider project named "MailUp People Strategy" aiming at introducing Smart Working as a distributed working model and improving people's professional life quality.

BDO S.p.A., appointed audit firm, performed a limited review of on the half-year consolidated report for the six months period ended on 30 June 2019 and issued today a unqualified opinion.

Matteo Monfredini, Chairman and founder of MailUp Group, stated: *"We are satisfied with these results, which corroborate the soundness and potential of the investments made so far, notwithstanding a complex and highly competitive market landscape. Overall growth for all business units, particularly BEE and Datatrics, which nearly matched FY 2018 sales levels, confirm our vision of a Group based on a business mix of innovative, complementary and synergic activities."*

Nazzareno Gorni, CEO and founder of MailUp Group, stated: *"The business development deploys according to our plans, with BEE successfully competing on a global scale and Datatrics achieving important milestones within the plan that was set at the time of the acquisition. Margins slowed down mainly because of an unforeseen, non-repeatable event concerning Agile Telecom, which we do not expect to bear any consequence in the coming years. After the closing of 1H 2019, the Group's operational enhancement proceeds, with the introduction of new relevant User Experience skills in order to improve our products' usability, and the Chief Growth Officer appointment, bringing on proven international competence in the SaaS B2B environment able to support our growth both organically and via M&A."*



The Half-Year Consolidated Report as of 30 June 2019 will be available to the public as per AIM regulations as well as on MailUp's website www.mailupgroup.com, Section 'Investor Relations/Financial Reports'.

This press release is online on www.1info.it and on the Issuer website www.mailupgroup.com, Section 'Investor Relations/Press Releases'.

MailUp's Chairman and CEO will comment 1H 2019 results in a conference call to be held on 18 September 2019 at 4 pm CET, registration at this [link](#).

Consolidated P&L, balance sheet, cash flow statement and net financial position are attached.

CONSOLIDATED INCOME STATEMENT AS OF 30 JUNE 2019

Item	30/06/2019	%	30/06/2018	%	Change	Ch%
Revenue from Email	6,335,383	21.6%	5,492,803	30.5%	842,579	15.3%
Revenue from SMS	20,837,289	71.1%	11,951,648	66.3%	8,885,642	74.3%
Revenue from Predictive Marketing	853,004	2.9%	n.a.	n.a.	853,004	n.m.
Revenue from Professional Services	354,462	1.2%	243,705	1.4%	110,757	45.4%
Other sources of revenue	930,311	3.2%	346,311	1.9%	584,000	168.6%
Total revenues	29,310,449	100.0%	18,034,467	100.0%	11,275,983	62.5%
COGS	20,768,146	70.9%	11,685,772	64.8%	9,082,373	77.7%
Gross Profit	8,542,304	29.1%	6,348,694	35.2%	2,193,609	34.6%
S&M costs	2,131,175	7.3%	1,358,425	7.5%	772,749	56.9%
R&D costs	813,005	2.8%	420,234	2.3%	392,771	93.5%
<i>Capitalised R&D costs</i>	<i>(742,526)</i>	<i>(2.5%)</i>	<i>(766,124)</i>	<i>(4.2%)</i>	23,598	<i>(3.1%)</i>
<i>R&D Costs</i>	<i>1,555,531</i>	<i>5.3%</i>	<i>1,186,358</i>	<i>6.6%</i>	<i>369,173</i>	<i>31.1%</i>
General costs	3,454,403	11.8%	2,704,756	15.0%	749,646	27.7%
Total costs	6,398,582	21.8%	4,483,415	24.9%	1,915,167	42.7%
EBITDA	2,143,722	7.3%	1,865,279	10.3%	278,443	14.9%
Depreciations and accruals to provisions	1,333,997	4.6%	857,845	4.8%	476,152	55.5%
<i>Amortisation Rights of Use (IFRS16)</i>	<i>324,738</i>	<i>1.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>324,738</i>	<i>n.m.</i>
EBIT	809,725	2.8%	1,007,435	5.6%	(197,710)	(19.6%)
Net financial income	(23,568)	(0.1%)	11,707	0.1%	(35,276)	n.m.
EBT	786,157	2.7%	1,019,142	5.7%	(232,985)	(22.9%)
Current income taxes	360,760	1.2%	377,285	2.1%	(16,525)	(4.4%)
Pre-paid taxes	14,475	0.0%	128,744	0.7%	(114,269)	(88.8%)
Profit (Loss) for the period	410,922	1.4%	513,113	2.8%	(102,191)	(19.9%)

Data in EUR

RECLASSIFIED CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2019

Item	30/06/2019	31/12/2018	Change	Ch%
Intangible fixed assets	3,988,323	4,001,201	(12,878)	(0.3%)
Goodwill	16,710,687	16,710,687	0	0.0%
Tangible fixed assets	1,086,367	1,095,331	(8,964)	(0.8%)
Rights of Use (IFRS16)	2,430,756	n.a.	2,430,756	n.m.
Financial fixed assets	216,069	220,315	(4,246)	(1.9%)
Fixed Assets	24,432,202	22,027,534	2,404,668	10.9%
Receivables from customers	10,515,208	8,350,869	2,164,339	25.9%
Receivables from associated companies	13,067	13,067	0	0.0%
Payables to suppliers	(10,919,872)	(8,053,296)	(2,866,576)	35.6%
Payables to associated companies	(23,500)	(23,500)	0	0.0%
Trade Working Capital	(415,097)	287,141	(702,238)	(244.6%)
Tax receivables and payables	1,075,554	741,699	333,855	45.0%
Account receivables and prepayments/accrued liabilities and deferred income*	(6,934,688)	(6,635,451)	(299,237)	4.5%
Other receivables and payables**	(3,977,344)	(5,099,121)	1,121,776	(22.0%)
Net Working Capital	(10,251,575)	(10,705,732)	454,157	(4.2%)
Provisions for risks and costs	(529,374)	(436,070)	(93,303)	21.4%
Provisions for pensions and similar obligations	(1,593,701)	(1,321,224)	(272,477)	20.6%
Net Capital Invested	12,057,552	9,564,507	2,493,045	26.1%
Corporate share capital	374,029	373,279	750	0.2%
Reserves	15,652,895	14,301,484	1,351,410	9.4%
Profit (Loss) for the period	410,922	1,255,267	(844,345)	(67.3%)
Net Equity	16,437,846	15,930,030	507,816	3.2%
Short-term debt/(cash)	(6,512,524)	(6,238,207)	(274,318)	4.4%
AFS Financial Assets	(491,877)	(469,489)	(22,388)	4.8%
Medium/long-term debt	2,624,108	342,173	2,281,935	n.m.
Net Financial Position	(4,380,293)	(6,365,523)	1,985,230	(31.2%)
Total sources	12,057,552	9,564,507	2,493,045	26.1%

Data in EUR

* Includes EUR 7,933;687 deferred income related to anticipated payments for sales of services over multiple years, as it is common for SaaS businesses (particularly MailUp, for which ca. 75% sales is based on recurring annual fees, paid in advance, which therefore form the basis for the following year sales).

** Includes respectively EUR 748,296 current debt and EUR 3.374.148 non current debt towards BMC Holding B.V., seller of Datatrics B.V., for the future cash payments of the remaining instalments of the purchase price, and the capital increase up to EUR 3M for the variable earn-out, which will be attributed to the seller contingent on Datatrics achieving certain sales targets on a maximum time span of 4 years.

CASH FLOW STATEMENT AS OF 30 JUNE 2019

Item	30/06/2019	30/06/2018
Profit (Loss) for the period	410,922	513,113
Current income taxes	360,760	377,285
Deferred /(Pre-paid) taxes	14,475	128,743
Interest payable / (interest receivable)	14,897	(2,808)
Exchange (Gains)/Losses	8,671	(8,899)
1 Profit (loss) before taxes, interest, dividends and gains/losses on the sale of assets	809,725	1,007,435
<i>Adjustments for non-monetary items without a counter-entry in the net working capital:</i>		
Accruals for severance payments (TFR)	203,828	150,378
Other accruals to provisions	51,694	56,140
Depreciation of fixed assets	1,325,620	850,856
Other adjustments for non-monetary items	(219,751)	116,249
2 Cash flow before NWC variation	2,171,117	2,181,057
<i>Changes in Net Working Capital</i>		
Decrease/(increase) in receivables from customers	(2,164,339)	(1,243,430)
Increase/(decrease) in payables to suppliers	2,866,576	938,879
Decrease/(increase) in account receivables /prepayments	(214,972)	(233,235)
Increase/(decrease) in accrued liabilities / deferred income	514,209	705,335
Decrease/(increase) in tax credits	(671,892)	(369,074)
Increase/(decrease) in tax liabilities	338,037	18,849
Decrease/(increase) in other credits	20,263	395,682
Increase/(decrease) in other liabilities	(1,142,039)	350,228
Other changes in the net working capital		
3 Cash flow after NWC variation	1,716,959	2,744,291
<i>Other adjustments</i>		
Interest received/(paid)	11,324	2,808
(Income taxes paid)	(16,628)	
(Gains)/losses on the sale of business units		1,004
(Used funds)	(58,615)	(91,042)
4 Cash flow after the adjustments	1,643,935	2,657,061
A Operating cash flow	1,643,935	2,657,061
Tangible fixed assets	(161,953)	(120,166)
<i>(Investments)</i>	<i>(161,953)</i>	<i>(120,166)</i>
Intangible fixed assets	(817,089)	(868,952)
<i>(Investments)</i>	<i>(817,089)</i>	<i>(868,952)</i>
Financial fixed assets	4,246	38,961
<i>(Investments)</i>	<i>4,246</i>	<i>38,961</i>
AFS investment	0	(501,494)
<i>(AFS investment)</i>	<i>0</i>	<i>(501,494)</i>
B Cash flow from investments	(974,795)	(1,451,651)
Borrowings	(485,228)	(820,534)
<i>Increase (decrease) in short-term payables towards banks</i>	<i>27,889</i>	<i>(337)</i>

Loan facilities	600,000	
Loan repayments	(1,113,117)	(820,197)
Shareholders' equity	78,736	(20,583)
Share capital increase	750	750
Sale (purchase) of treasury shares	77,986	(21,333)
Changes in share premium reserve		
C Cash flow from financing activities	(406,492)	(841,117)
Increase (decrease) in the liquidity (A ± B ± C)	262,648	364,293
Liquidity at period beginning	7,711,606	10,706,217
Liquidity at period end	7,974,254	11,070,510
Change in liquidity	262,648	364,293

Data in EUR

NET FINANCIAL POSITION AS OF 30 JUNE 2019

Item	30/06/2019	31/12/2018	Variazione	Var. %
A. Cash	7,974,254	7,711,606	262,648	3.4%
B. Cash equivalents	-	-	-	-
C. Assets held for sale	491,877	469,489	22,388	4.8%
D Cash and cash equivalents (A) + (B) + (C)	8,466,131	8,181,095	285,036	3.5%
E. Current financial assets	-	-	-	-
F. Due to banks	73,110	45,222	27,888	61.7%
G. Current financial debt	1,057,843	1,428,178	(370,335)	(25.9%)
H. Due to other provider of finance	330,777	-	330,777	n.m.
I. Current financial position (F) + (G) + (H)	1,461,730	1,473,400	(11,670)	(0.8%)
J. Net short term financial position (I) - (E) - (D)	(7,004,401)	(6,707,695)	(296,706)	4.4%
K. Due to banks	516,907	342,173	174,734	51.1%
L. Bonds issued	-	-	-	-
M. Due to other provider of finance	2,107,201	-	2,107,201	n.m.
N. Non current financial position (K) + (L) + (M)	2,624,108	342,173	2,281,935	666.9%
O. Net financial position (J) + (N)	(4,380,293)	(6,365,523)	1,985,230	(31.2%)
o/w H. Other current debt for Rights of Use IFRS 16	330,777	-	330,777	n.m.
o/w M. Other non current debt for Rights of Use IFRS 16	2,107,201	-	2,107,201	n.m.
O. Net financial position ex IFRS 16	(6,818,271)	(6,365,523)	(452,748)	7.1%

Data in EUR



MailUp Group (MAIL) is a vertically integrated player in the field of Cloud Marketing Technologies. Its growing suite of data-driven solutions allows SMEs and large corporations globally to master the evolving ways of communicating with customers. Starting from parent company MailUp, the group boasts a steady growth path both organically and through acquisitions: Acumbamail (Spanish and LatAm markets), Agile Telecom (wholesale SMS market) and Datatrics (artificial intelligence). The brand portfolio is completed by BEE, an email editor launched in 2017 as a complementary business line, already covering thousands of customers worldwide. Today, MailUp Group is a leading European player in the field of Cloud Marketing Technologies, serving 22,000+ customers in 115+ countries.

The company is admitted to trading on the AIM Italia market managed by the Italian Stock Exchange, with a free float of 33+%.

ISIN IT0005040354 - Reuters: MAIL.MI - Bloomberg: MAIL IM

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