GROWENS S.P.A.
Registered office in VIA POLA 9
20124 MILAN (MI)
Share Capital Euro 374,276.15 fully paid-in
Companies House 01279550196
Economic & Administrative Index (REA) 1743733
Ticker: GROW

CONSOLIDATED HALF-YEAR REPORT AS AT 30/06/2021

Financial statements prepared in accordance with IAS/IFRS accounting standards
- Figures in Euro -

Contents

Corporate Bodies

Board of Directors
(In office until the approval of the financial statements as at 31 December 2022)

Name and Surname	Office
Matteo Monfredini	Chairman of the BoD with proxies
Nazzareno Gorni	Deputy Chairman of the BoD with proxies
Micaela Cristina Capelli	Director with proxies
Armando Biondi	Director without proxies
Ignazio Castiglioni	Independent director without proxies

Board of Statutory Auditors
(In office until the approval of the financial statements as at 31 December 2022)

Name and Surname	Office
Michele Manfredini	Chairman of the Board of Statutory Auditors
Fabrizio Ferrari	Regular Auditor
Giovanni Rosaschino	Regular Auditor
Piergiorgio Ruggeri	Alternate Auditor
Andrea Tirindelli	Alternate Auditor

Independent auditing firm
(In office until the approval of the financial statements as at 31 December 2022)

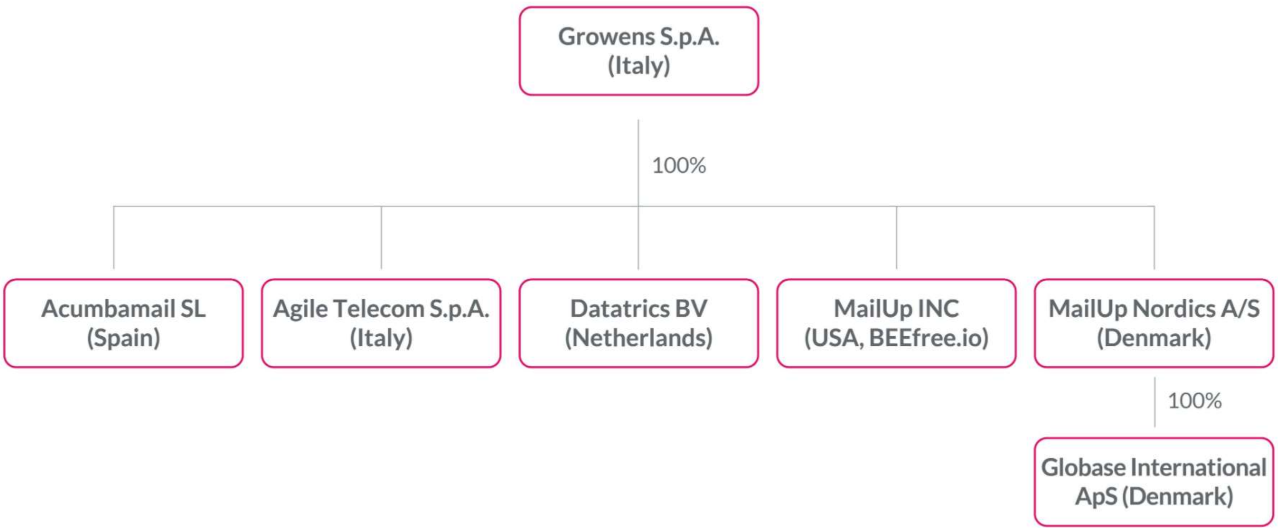
BDO Italia S.p.A.

Growens Group, European leader in Cloud Marketing Technologies

The Growens Group (hereinafter also the "Growens Group" or the "Group"), formerly MailUp is a vertically integrated operator active in Cloud Marketing Technologies (MarTech), a sector in significant expansion and evolution, and offers a wide range of solutions to its customers, with particular focus on messaging and data-driven and multi-channel marketing automation. The Group's core business is represented by the development and sale of (i) technologies for the mass sending of e-mails and mobile messaging, in particular through the SMS channel, for marketing and transaction purposes, (ii) sophisticated e-mail and landing page editing tools, (iii) AI-based innovative solutions in marketing technologies (Predictive Marketing), in addition to (iv) professional consulting services in these areas. The parent company Growens S.p.A. (hereinafter "Growens") has developed a multi-channel Software-as-a-Service (SaaS) platform (e-mail, newsletter, SMS and messaging apps) of cloud computing for the professional management of digital marketing campaigns used by about 9,300 direct customers, in addition to over 16,000 customers of the other 4 business units and over 280,000 customers of the free editions of various services, in particular offered by BEEfree.io. At consolidated level, the Group operates with over 25,600 customers distributed in about 140 countries and is present with its offices on three continents with a staff of over 250 employees. After admission to trading of the ordinary shares in 2014 on the AIM Italia market operated by Borsa Italiana, Growens added to the organic growth a development path for external lines, acquiring established and emerging businesses in the same market segment or complementary businesses: Acumbamail (Spanish market and LatAm), Globase (Nordics market), Agile Telecom (SMS wholesale market) and Datatrics (artificial intelligence).

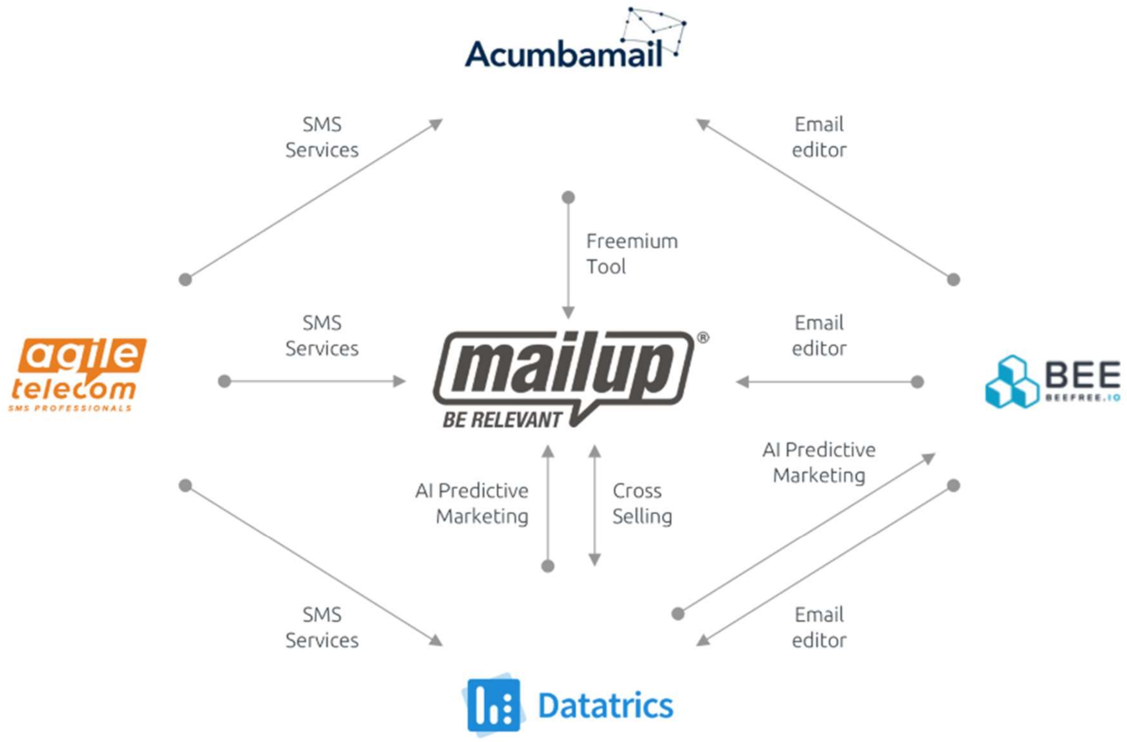
Growens Group structure

Below is the organizational structure of the Group as at 30/06/2021:



As better specified in the main events of the first half of 2021 that follow, on 22/04/2021 the Extraordinary Shareholders' Meeting of Growens S.p.A. resolved to change its company name from "MailUp S.p.A." to "Growens S.p.A." (hereinafter "Growens" and also the Company), which was followed by the new name adopted by the Growens Group.

All the entities in the above chart are 100% owned by Growens. The path of growth by external lines through acquisitions undertaken by the Growens Group has made it possible, and will increasingly make it possible in the future, to develop significant product strategies in the field of technology and commercial growth, summarized in the graphic representation below:



Acumbamail SL is a Spanish e-mail marketing provider that also provides SMS packages and transactional services with a freemium business model that is particularly attractive for small and micro businesses. The Acumbamail platform allows the creation, sending and management of multi-channel marketing campaigns, allowing to track the relative performance in real time. More than 3,300 paying customers use the services of the Spanish subsidiary. Including also the free plans, there are about 80,000 users.

Agile Telecom SpA with registered office in Carpi (MO) is an operator authorized by the Ministry of Economic Development and Communication to offer a public communication service (OLO – Other Licensed Operator) and is also registered with the Register of Operators in Communication (ROC) held by the Italian Authority for Telecommunications Guarantees (AGCOM). Agile Telecom is a leader in the Italian wholesale SMS market with nearly 2 billion messages sent last year and manages the sending out of promotional and transactional A2P messages (One-Time Password, notifications and alerts) to about 1,000 customers. It is also practically the parent company's exclusive provider of reference for the SMS delivery services provided by the MailUp and Acumbamail platforms, thus making it possible to exploit the economic and technological synergies outlined above.

Datatrics B.V. is the latest acquisition; the Dutch company, established in 2012, owns a cutting-edge proprietary predictive marketing platform used by about 300 customers, which allows the marketing teams to build experiences for its customers based on data managed by artificial intelligence, resulting in a better customer experience and a consequent increase in conversion and loyalty of customers, through a data management platform developed with a self-learning algorithm. The use of artificial intelligence allows the combination of data from multiple sources, both internal of customers (CRM, e-mail, social networks, e-commerce, web analytics and other) and external (demographic data, weather, traffic and other) using an open actionable customer data platform.

MailUp Inc. (BEEfree.io), organized according to the dual company model, with a business team located in the United States and based in San Francisco, in the heart of Silicon Valley, and a technological team in Italy, is focused on the development and commercialization of the innovative e-mail editor BEE (Best Email Editor). Thanks to the rapid growth and the interest from professional digital marketing operators since the launch, BEE is establishing itself as a leading solution with over 10,500 customers, both in the Plug-in version, adopted by over 600 SaaS applications, from start-ups to companies with billions of dollars in sales, many of them in Silicon Valley, and in the Pro version, appreciated by e-mail designers, large companies (such as Netflix) and digital marketing agencies in more than 120 countries. The business unit is investing both in incremental improvements to existing services and in the development of new services that will complement and integrate existing ones, thus increasing average revenue per customer.

MailUp Nordics A/S is the sub-holding that controls 100% of **Globase International A.p.S.**, a Danish company specializing in advanced digital marketing automation services for customers in the Nordics market. As of 2019, Globase is no longer separately represented as a business unit, since it only carries out commercial branch activities for the resale of the MailUp platform. In addition, since March 2020, part of the Globase team has been working with the American BEEfree.io on accounting activities for high-end BEEPro customers in the European area.

In the case of the Italian subsidiary Datatrics S.r.l., liquidation proceedings were commenced on 26/11/2020 as it is no longer included in the Group's strategic plans. The liquidation is expected to close at the end of the third quarter of 2021. As a result, Datatrics S.r.l. was excluded from the scope of consolidation as of the beginning of 2021 and is no longer included in the aforementioned chart.

Summary data

Main events of HY1 2021

In HY1 2021, the activities of the Growens Group were characterized by the events indicated below:

On 02/03/2021, the Company announced its inclusion for the second year in the "FT 1000 Europe's Fastest Growing Companies 2021" ranking, edited by the Financial Times and Statista. Conducted by Statista and the Financial Times - the UK's leading business and financial newspaper and one of the most authoritative in the world - the "FT 1000" ranking of Europe's best companies by turnover is the result of the analysis that each year examines thousands of European companies, focusing on their growth. The final ranking includes the best-performing companies on a continental scale, with Italy taking a quarter of the positions across Europe.

On 23/03/2021, the Board of Directors that approved the draft financial statements also resolved to propose to the Shareholders' Meeting, called in ordinary and extraordinary session on 22/04/2021, the change of the company name from "MailUp S.p.A." to "Growens S.p.A.". This decision was taken as part of a project to update the positioning, mission and purpose of the company, developed to better represent the identity of an international Group now composed of 5 business units and with a portfolio of solutions for marketing applications no longer only related to e-mail technologies, thanks to the path of growth in sectors and markets not yet covered at the time of its foundation.

On 15/04/2021, the Company announced the strengthening of its Datatrics business unit with the addition of three new top management positions in Sales, Marketing and Customer Value Management. The appointment of these three new top management figures, based in the Netherlands, is a key factor in bringing new and important skills to the company as Datatrics moves from start-up to scale-up during 2021, through a major corporate evolution project called Datatrics Value Creation Plan, aimed at strengthening the company's organization.

On 22/04/2021, the Shareholders' Meeting resolved to change the name of the parent company from "MailUp S.p.A." to "Growens S.p.A.". This change became effective on 30/04/2021 and the trading ticker was changed accordingly. As of 03/05/2021, the new ticker for Growens S.p.A. ordinary shares, ISIN code IT0005040354, is GROW.

On 04/05/2021, the Company disclosed the second Sustainability Report, a document produced on a voluntary basis by the parent company to communicate in a transparent and consistent manner to all stakeholders the values, strategies and performance directly associated with the related economic, social and environmental impacts, summarized in the acronym ESG (Environmental, Social and Governance). Compared to the first edition (2019), Growens' Sustainability Report 2020 is not limited to analysing the performance of the parent company alone, but includes the results of all five divisions. The reporting, preceded by the Materiality Analysis, which directly involved the representatives of the main corporate functions, covered the period 1 January - 31 December 2020 and was carried out in accordance with the GRI Sustainability Reporting Standards (GRI Standards). On the same date, the Company announced that it had been included among the Leaders in Sustainability 2021, an initiative organized by Il Sole 24 Ore and Statista with the aim of identifying companies in Italy that have distinguished themselves by making choices that are truly oriented towards sustainability. In the selection process, Statista and Il Sole 24 Ore conducted research on a panel of 1,500 companies that have published their own sustainability report in recent years. Finally, Growens has been included in the list of 150 virtuous companies on sustainability issues.

On 04/06/2021, the Company announced the publication of a corporate study by Arrowhead, a leading New York-based financial institution specializing in investment banking and investor relations at the international level. Growens has engaged Arrowhead to perform Investor Relations services, which include the production and distribution of financial analysis. Arrowhead's coverage adds to that provided by analysts at Intesa San Paolo, CFO SIM and Value Track.

Summary report

Consolidated Income Statement as at 30/06/2021 – Amounts in Euro

	30/06/2021	%	30/06/2020	%	Change	Ch.%
SaaS Revenues	12,502,015	37.1%	11,567,246	36.5%	934,769	8.1%
CPaaS Revenues	20,736,869	61.5%	19,336,959	61.0%	1,399,910	7.2%
Other Revenues	452,503	1.3%	786,266	2.5%	(333,762)	(42.4%)
Total Revenues	**33,691,387**	**100.0%**	**31,690,470**	**100.0%**	**2,000,917**	**6.3%**
Cost of Goods Sold	22,095,818	65.6%	21,357,328	67.4%	738,490	3.5%
Gross Profit	**11,595,569**	**34.4%**	**10,333,142**	**32.6%**	**1,262,427**	**12.2%**
Sales & Marketing costs	3,315,335	9.8%	3,343,846	10.6%	(28,510)	(0.9%)
Research & Development Opex	**1,840,168**	**5.5%**	**1,316,618**	**4.2%**	**523,550**	**39.8%**
Research & Development Capex	*(1,183,686)*	*(3.5%)*	*(948,398)*	*(3.0%)*	*(235,288)*	*24.8%*
Research & Development costs	*3,023,854*	*9.0%*	*2,265,016*	*7.1%*	*758,838*	*33.5%*
General & Admin Costs	4,031,472	12.0%	3,495,267	11.0%	536,205	15.3%
Total Costs	9,186,976	27.3%	8,155,731	25.7%	1,031,245	12.6%
Ebitda	**2,408,593**	**7.1%**	**2,177,411**	**6.9%**	**231,182**	**10.6%**
General Depreciation Costs	184,055	0.5%	175,660	0.6%	8,395	4.8%
Right of Use Amortization Costs	548,002	1.6%	541,835	1.7%	6,167	1.1%
R&D Amortization Costs	1,197,678	3.6%	931,489	2.9%	266,190	28.6%
Amortization & Depreciation	1,929,735	5.7%	1,648,984	5.2%	280,752	17.0%
Ebit	**478,858**	**1.4%**	**528,428**	**1.7%**	**(49,569)**	**(9.4%)**
Net financial income/(charges)	(33,720)	(0.1%)	(39,906)	(0.1%)	6,186	(15.5%)
Ebt	**445,138**	**1.3%**	**488,521**	**1.5%**	**(43,383)**	**(8.9%)**
Curent Income Taxes	(396,865)	(1.2%)	(264,621)	(0.8%)	(132,245)	50.0%
Deferred Taxes	250,678	0.7%	181,088	0.6%	69,590	38.4%
Net Profit (Loss)	**298,951**	**0.9%**	**404,989**	**1.3%**	**(106,038)**	**(26.2%)**

Consolidated Balance Sheet as at 30/06/2021 – Amounts in Euro

	30/06/2021	31/12/2020	Change	Ch.%
Intangible fixed assets	6,027,601	5,188,299	839,301	16.2 %
Goodwill	16,477,023	16,477,023	0	0.0 %
Tangible fixed assets	1,629,174	1,700,842	(71,668)	(4.2 %)
Rights of Use (IFRS 16)	3,518,015	3,701,056	(183,041)	(4.9 %)
Financial fixed assets	224,785	223,748	1,037	0.5 %
Fixed Assets	**27,876,599**	**27,290,970**	**585,629**	**2.1 %**
Receivables from customers	11,547,033	10,354,302	1,192,731	11.5 %
Payables to supplier	(11,098,684)	(11,795,918)	697,234	(5.9 %)
Payables to associated companies	(30,000)	(31,220)	1,220	(3.9 %)
Commercial Trade Working Capital	**418,350**	**(1,472,835)**	**1,891,185**	**(128.4 %)**
Tax receivables and payables	1,675,109	2,420,896	(745,787)	(30.8 %)
Accruals and deferrals	(6,723,217)	(7,405,599)	682,382	(9.2 %)
Other receivables and payables	(4,371,325)	(3,449,879)	(921,445)	26.7 %
Net Working Capital	**(9,001,082)**	**(9,907,417)**	**906,335**	**(9.1 %)**
Provisions for risks and charges	(711,635)	(630,970)	(80,665)	12.8 %
Provisions for severance and pension	(2,072,935)	(1,983,682)	(89,253)	4.5 %
Net Capital Invested	**16,090,946**	**14,768,900**	**1,322,045**	**9.0 %**
Share capital	374,276	374,276	0	0.0 %
Reserves	17,002,005	16,343,604	658,400	4.0 %
Profit (Loss) for the period	298,951	564,927	(265,976)	(47.1 %)
Net Equity	**17,675,232**	**17,282,807**	**392,424**	**2.3 %**
Cash	(9,829,725)	(9,866,364)	36,639	(0.4 %)
Short-term debt	948,143	985,500	(37,358)	(3.8 %)
Financial liabilities right of use (short term)	1,058,896	1,029,099	29,797	2.9 %
AFS Financial Assets	(195)	(195)	0	0.0 %
Medium/long-term debt	3,741,855	2,641,533	1,100,322	41.7 %
Financial liabilities right of use (medium/long term)	2,496,740	2,696,519	(199,779)	(7.4 %)
Net financial position	**(1,584,286)**	**(2,513,907)**	**929,621**	**(37.0 %)**
Total sources	**16,090,946**	**14,768,900**	**1,322,045**	**9.0 %**

CONSOLIDATED HALF-YEAR REPORT ON OPERATIONS AS AT 30/06/2021

The half-year ended on 30/06/2021 records a positive consolidated result of Euro 298,951 after amortization, depreciation and impairment applied for a total of Euro 1,929,735 and provisions made for current and deferred tax in the amount of Euro 146,187. The EBITDA of the Group in the reporting HY amounted to Euro 2,408,593.
Below is the analysis of the position and the trend of operations relative to HY1 2021 at consolidated level.

Introduction

This Report on Operations is presented for the purposes of the Consolidated Half-Year Report of the Growens Group prepared in accordance with International Accounting Standards (IAS/IFRS).

In this document, we provide information regarding the Group's consolidated position. This Report, drawn up with balances expressed in Euro, is presented so as to accompany the Group Consolidated Half-Year Report for the purpose of providing income-related, equity, financial and operating information on the Group accompanied, where possible, by historic elements and forecasts valuations.
The Consolidated Balance Sheet as at 31/12/2020 and the Consolidated Income Statement as at 30/06/2020 are shown for comparison purposes.
As regards the consolidated financial statements, which strive to ensure standardized measurement criteria and have been prepared on the basis of full consolidation, please note that the consolidation scope is as shown below (as at 30/06/2021):

Company name	Registered office	Share capital	%
GROWENS S.p.A.	Milan	Euro 374,276	parent company
MAILUP INC	United States of America	Euro 41,183*	100%
MAILUP NORDICS A/S	Denmark	Euro 67,001*	100%
GLOBASE INTERNATIONAL ApS	Denmark	Euro 16,750*	100% controlled by MailUp Nordics
AGILE TELECOM S.p.A.	Carpi (MO)	Euro 500,000	100%
ACUMBAMAIL S.L.	Spain	Euro 4,500	100%
DATATRICS BV	The Netherlands	Euro 999	100%

(* historic exchange rate applied as at the date of first consolidation)

Economic Framework HY1 2021

The year 2021 saw a positive start although still difficult due to the aftermath of the closures and business slowdowns resulting from the Covid-19 pandemic and subsequent lockdown periods.

In general, global activity is recovering as a result of the progress of the vaccination campaigns, especially starting from the second quarter: the growth of world output has strengthened, the outlook is further improving, although in different ways between different geographical areas. A sharp rise in US inflation has led to delays in adjusting supply to the strong recovery in demand, but has not so far extended significantly to medium-term expectations. Monetary policies remain expansionary in all major countries.

The ECB Council continues to support the economy and has revised its monetary policy strategy.

In the Euro area, price increases in the energy sector have caused an inflationary phenomenon that may be temporary. Against the background of an improving overall picture, albeit still characterized by uncertainties regarding the course of the pandemic and re-openings/closures, the Governing Council of the ECB confirmed that the current extremely expansionary monetary conditions will remain in place for the long term, which is essential for supporting the economy and ensuring the return of inflation to values consistent with price stability over the medium term.

Italian GDP grew slightly in the first quarter, unlike the other main countries in the Euro area, where a decrease was recorded. The growth rate increased in the second quarter, due to the positive effects of the acceleration of the vaccination campaign and the gradual easing of restrictions, and would be over 1% compared to the previous quarter, thanks to a new expansion in industry and the start of a recovery in services.

The recovery is driven by investment. Consumption returned to growth in the second quarter, although the propensity to save for obvious precautionary reasons is still high.

In Italy, exports increased in a context of strengthening world trade. In the first quarter, tourist inflows were still low, while foreign visitors to Italy recovered from the end of April. The propensity of foreign investors to buy Italian securities has been confirmed in recent months. The net international investment position was further strengthened.

The Spring period also saw an increase in employment, in particular with a partial recovery of jobs for young people and women in May and June. Employment had declined in the first quarter as a result of the heavy decline in private services related to the resumption of contagion.

The increase in commodity prices, linked to the global recovery, was passed on to consumer prices, bringing inflation to 1.3% in June, the highest level recorded in the last three years; however, excluding energy and food, inflation remains contained at around 0.3%. There is no further evidence of transmission of energy costs on prices of final goods and services, nor any signs of substantial wage increases.

The eased conditions in financial markets and bank lending are supported by the ECB's accommodative monetary policy. Government bond yields remain subdued, with the sovereign risk premium below pre-pandemic levels. The increase in loans to non-financial companies and households continued. Debt restructuring needs combined with precautionary reasons, but also the financing of the resumption of investments supported the demand for corporate credit, most of which was backed by public guarantees.

In the second quarter of 2021, the Government introduced new measures to support workers and businesses. In mid-July, the EU Council approved the National Recovery and Resilience Plan (PNRR) sent by the Government at the end of April.

Thanks to the improvement in healthcare and expansionary policies - using both national resources and European funds - it is plausible to expect GDP growth starting from the third quarter, which could return to pre-crisis levels in the second half of 2022, in particular thanks to the strong contribution of investments, supported by the demand outlook, favourable financing conditions and the availability of funds linked to the PNRR. Sources of uncertainty are related to the effectiveness and timeliness of support and recovery interventions, as well as to the evolution of the pandemic.

The Group

For a description of the structure of the group and its member companies, please refer to pages 4 and 5 of the introduction to this document.

Significant events during FY 2020

For a detailed description of the main events that occurred during the year, please refer to page 6 of the introduction to this document.

GROW share performance in HY1 2021 and Investor Relations activities

Below is some data on the prices and volumes of the Growens share (GROW) in HY1 2021.

Placing price	Euro 1.92*	29/07/2014
Maximum price FY 2021	Euro 4.75	21/01/2021
Minimum price FY 2021	Euro 4.02	04/05/2021
Price at period-end	Euro 4.44	30/06/2021

* price adjusted as a result of the free capital increase of 11 April 2016.

After a final quarter of 2020 in which Growens' share price fell below Euro 5, the start of the year saw prices and volumes fall slightly.

During the first half of 2021, GROW remained essentially stable, around the price of Euro 4.40.

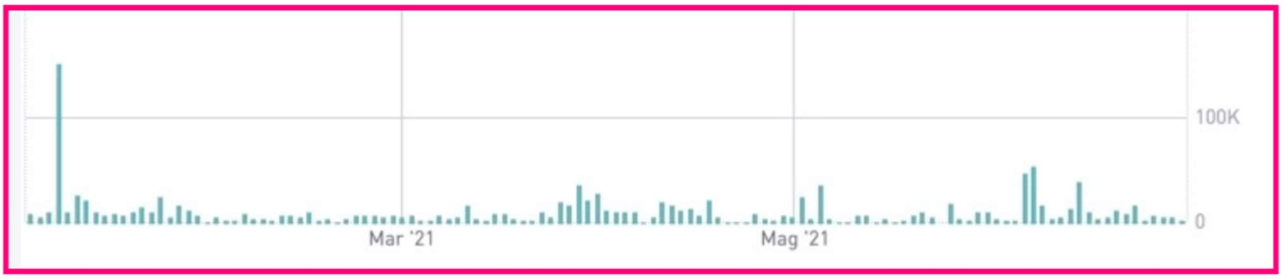
The maximum price recorded on 18/06/2020 at Euro 4.75 per share, equal to the maximum of the period, is about 9% higher than the first listing of the year (Euro 4.36 as of 04/01/2021).

As of 03/05/2021, following the change of name of the parent company from MailUp S.p.A. to Growens S.p.A., Borsa Italiana has ordered the change of the trading ticker. Therefore, the new ticker for Growens S.p.A. ordinary shares, ISIN code IT0005040354, is GROW.

Below is the monthly evolution of weighted average prices and average daily volumes:

Month	**Weighted average price €**	**Average daily volume #**
January 2021	4.64	18,746.65
February 2021	4.58	5,100.30
March 2021	4.39	10,261.74
April 2021	4.25	7,570.55
May 2021	4.26	7,829.86
June 2021	4.42	12,709.36

GROW.MI - trend in price January-June 2021 - Source www.borsaitaliana.it



GROW.MI - trend in volumes January-June 2021 - Source www.borsaitaliana.it

In the HY ended 30/06/2021, in two trading sessions, volumes traded exceeded 50,000 units, with a maximum recorded on 07/01/2021 (51,428 units). In general, the daily volumes traded during the period were on average more than 10 thousand units, less than the average 14.5 thousand units traded throughout 2020, but indicative of a high loyalty of the stock base in times of crisis and consequent panic selling that has affected the global financial markets.

The Company is very careful in handling Investor Relations activities, i.e., communications and financial information activities between the company and investors.

The Investor Relations Officer therefore meets the Company's external communication requirements and, by performing his activities, also in coordination with other company and group functions, aims to enhance the perception of Growens' business activities, strategies and future outlooks by financial operators, particularly professional, Italian and foreign institutional and qualified investors.

Investor Relations activities are based on Growens' reporting ecosystem, which encompasses a range of resources and working teams that work in close contact to guarantee accurate and timely reporting. The outputs of this system are the separate and consolidated annual financial statements, subject to a full audit by the independent auditing firm; the separate and consolidated half-year report, subject to a limited audit by the independent auditing firm; the disclosure of unaudited consolidated quarterly sales data; the unaudited quarterly reports; as of May 2020, the Sustainability Report.

Furthermore, it is responsible for compulsory price sensitive communications, as well as all communications intended to provide shareholders and the market with prompt information regarding the group, disclosed via press releases.

In HY1 2021, a total of 32 financial press releases were issued.

All accounting and financial documentation and press releases generated by the Group are drafted and published in both Italian and English and made available on the website www.growens.io which is also fully available in both languages on a voluntary basis.

The CEO and Investor Relator periodically participate in both individual and group presentations and meetings to present the Group and its performance. The updated presentations are published on the website. For example, in HY1 2021, the Group participated in more than 26 plenary (conferences) and individual (investor day) meetings held mostly in virtual mode, meeting 89 current and potential investors.

Every month, investors who have requested it receive a newsletter providing the main financial news.

The Group also receives assistance from four corporate brokers, who generate independent research and support the company in its financial sales and marketing activities, helping to spread its equity story and generate contacts with current and potential investors. Equity research reports, all drafted in English, are available on the website in the section www.growens.io/en/analyst-coverage/.
In HY1 2021, 14 equity research reports were published.

Growth in demand and trends of the markets on which the company operates

The Marketing Technology (MarTech) Market

MarTech is an ecosystem of cloud solutions and technological applications aimed at supporting companies in the development of their digital marketing strategies. This ecosystem, to which the Growens Group business is related, is growing very rapidly and is populated both by medium-small players, focused on specific niches or segments, and by large companies that cover a wide range of customer needs.

MarTech overview: ample, complex, fragmented and segmented

In the last decade, technology and traditional off-line marketing have found a fertile common ground of development and contamination that has led to the proliferation of cloud strategies, solutions and tools that make up the ecosystem of MarTech. In recent years, the growth of the ecosystem has been exponential, at a rate of around 30x, going from around 150 application solutions in 2011 to 8,000 in 2020 (source: chiefmartech.com).

In the extremely complex and fragmented context of the MarTech market it is possible to identify 6 main sub-segments:

- Advertising & Promotion (mobile marketing, social and video advertising, PR);
- Content & Experience (mobile apps, e-mail and content marketing, personalization, SEO, marketing automation and lead management, CMS);
- Social & Relationship (events, meetings & webinars, social media marketing, influencers, CRM);
- Commerce & Sales (retail & proximity marketing, sales automation, e-commerce platforms and marketing);
- Data (data marketing, mobile & web analytics, customer data platforms, predictive analytics, business and customer intelligence);
- Management (talent management, product management, budgeting & finance, agile and lean management, vendor analysis);

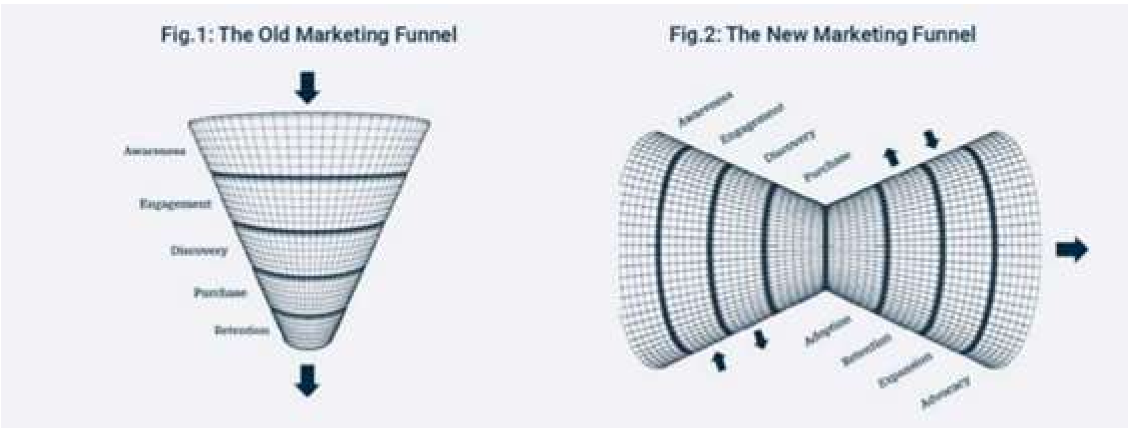
In the MarTech area, e-mails and text messages are still the most used and fastest-growing tools among the solutions available, above all for the effectiveness deriving from their combined use in marketing strategies.

Multi-channelling is becoming the rule for digital marketing professionals increasingly looking for strategies able to combine different communication channels that allow utmost customization of the experience according to the needs of the user.

The main technological trends that are currently affecting MarTech are aimed at exploiting the potentials deriving from the collection and processing of Big Data through Artificial Intelligence (AI), while, from the side of the market structure, large-scale concentration phenomena deriving from intense Merger & Acquisition activity are expected.

Customers generate a large amount of data and information in the course of their purchasing experiences that represent a valuable asset which, if properly exploited, can lead to much more targeted and effective campaigns, and ultimately an increase in sales. In order to manage large amounts of data, it is increasingly strategic to rely on the automation of flows and, in the future, on tools based on AI. The use of AI will significantly increase the effectiveness of decision making and machine learning processes, allowing the extraction of increasingly significant indicators, optimizing the customization of marketing campaigns and providing customized scalable solutions.

Thanks to the increasing possibilities to monitor the behavioural models of online customers, the focus is no longer just that of converting a customer from potential to effective, as in traditional marketing, but that of maximizing the value of customers beyond the sales and customer retention phase. Through customer expansion and advocacy, the goal is to bring the customer closer to the company and, thanks to AI and machine learning, to provide a one-to-one experience to the customer, who receives personalized content even in the timing of sending.



Source: Market Campaign, 2018 E-mail Marketing, Value Track Analysis

Segment of reference of the Growens Group: E-mail Marketing, Mobile Marketing, Marketing Automation

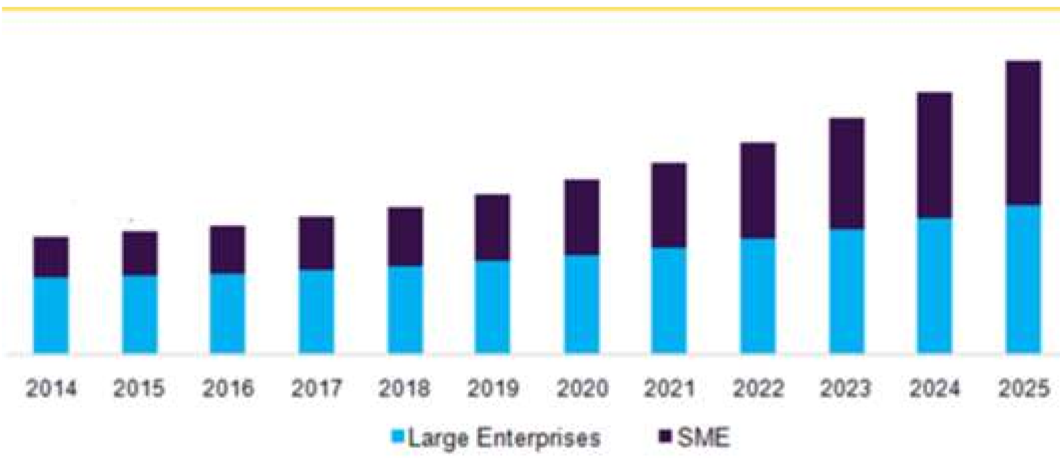
The most appropriate segments in which to place the Growens Group within the MarTech ecosystem are the following:

1. **E-mail Marketing Segment:** e-mails are one of the most widespread tools to channel digital marketing campaigns and to increase customer acquisition. Despite the competition from other communication tools (instant messaging platforms, chats, social networks), the growth in the use and number of e-mail users is expected to continue, as well as in turnover deriving directly from e-mail marketing. However, to take advantage of other forms of digital communication it is always necessary to have an e-mail address, as well as for any e-commerce transaction and registration regarding portals and online applications. According to the forecasts of Radicati Group, an American research organization specialized in the sector, significant worldwide growth is estimated for the e-mail market both in terms of turnover and users. In particular, with respect to 3.8 billion users at the end of 2018, growth is forecast at a CAGR of 3% in the period 2017-2022. The turnover of e-mail marketing, equal to about USD 23.8 billion at the end of 2017, is expected to double over the next five years. The number of e-mails sent and received daily is expected to grow by 4% per year up to 2022 compared to the current 281 billion. In terms of operators in this segment, there are about 300 different solutions available, ranging from the most standardized and economic to highly customized tools with high subscription cost.

2. **Mobile Marketing / Messaging Segment:** it includes SMS campaigns that, despite the almost daily proliferation of new technologies in the smartphone world, remain one of the preferred methods in the area of customer engagement and acquisition. In addition to marketing activities in a strict sense, text messages are widely used in transactional communications, determining an alternative source of revenue for providers of this specific service. Transactional SMS are those sent, for example, after the completion of an online purchase or for 2-factor authentication, the use of which is recommended under the latest guidelines on the protection of personal data. The SMS market is still the channel that is recording the fastest and most intense growth, with about 4.9 billion users at the end of 2017 (about 66% of the world population and 5% up on 2016) and records one of the highest response rates (8% of mobile users who received a text message go to the point of sale to make a purchase) among recipients of marketing campaigns. This segment is highly fragmented and telecommunications companies can also be included among competitors. There are currently about 500 solutions available worldwide.

3. **Marketing Automation Segment:** it is referred to in the case of complex software solutions that allow the workflow management of sophisticated marketing campaigns. The workflow is defined by a sequence of actions that are activated when a particular event occurs. Basic workflows include, for example, welcome e-mails that are sent when an online registration form is completed. In addition, text messages can be sent to reach a potential customer's mobile device.
An immediate benefit of Marketing Automation is the saving of time for users in planning customer acquisition strategies, with the consequent improvement in efficiency in economic terms. The Marketing Automation sector is one of the most popular with over 160 solutions currently proposed.

According to Grand View Research Inc, in the next few years the demand for Marketing Automation software will increase substantially, going from a turnover of USD 3.35 billion in 2016, to reach USD 7.63 billion by 2025. The increase will involve both the big and the small-middle players, with the latter protagonists of a sharp increase over the next eight years.



Source: Grand View Research Inc, Global marketing automation software market, by enterprise size, 2014-2025 (USD Million)

Competitors' behaviour

Competitive structure of MarTech: technological niches vs. large integrated players

In such a large, complex and interconnected market, companies must necessarily specialize in a niche or aggregate / include in their offer the most ample and most varied portfolio of alternative solutions. For this reason, from start-ups and micro / small companies to large software multinationals such as Adobe, IBM, Oracle, Salesforce and SAP coexist in the MarTech ecosystem.
The former are developed and sized by their founders to operate within a specific market niche, while the large players are structured to manage multiple and diversified segments at the same time. This is possible since marketing technologies are basically based on cloud applications, such as the MailUp platform, which can be accessed in stand-alone mode or can be incorporated as part of more complex platforms.

In order to facilitate access to this market, most players have in fact allocated significant resources to the development of integrations of their marketing technology platform, through plug-and-play applications, for example with the main CRM systems and the most widespread marketing automation platforms. The iPaaS (integration-Platform-as-a-Service) platforms have also significantly increased correspondingly, leading to an increase in the overall level of integration between the various marketing technologies.
This process has become an advantage for marketers who have thus been able to choose the best product available without necessarily being tied to a single supplier.

The table below shows a breakdown of some competitors by business unit:

	MailUp / Acumbamail	Agile Telecom	Datatrics	BEE
Italy	contactlab, MagNews	kaleyra, smsit, Commify	ADABRA, Neosperience	BEE PRO (FOR EMAIL DESIGNERS): EDMdesigner, TAXI
Europe	dotdigital, sendinblue, mapp, Splio	link mobility, SAP, Mitto, sinch, bics	raptor, blueconic, CLERK.io, selligent, optimove, agillic, mapp	FOLEON, StampReady, Stamplia, stripo, stensul, chamaileon
Other	Latin America: emBlue; Rest of the World: ActiveCampaign, SendGrid, mailchimp, KLAVIYO, Campaign Monitor	infobip, nexmo, Wavecell, Clickatell	Bluecore, Barilliance, Dynamic Yield, evergage, SharpSpring, emarsys, mparticle, Adobe, TEALIUM	BEE PLUGIN (FOR DEVELOPERS): EDMdesigner, unlayer, stripo

Table for illustrative purposes only, the logos remain the property of their respective owners.

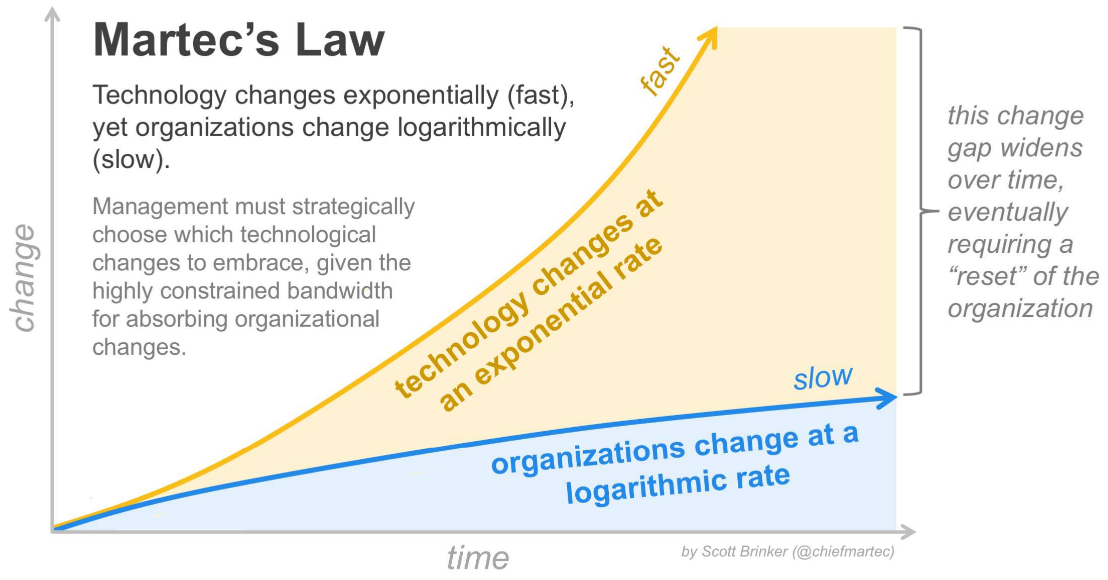
Market consolidation: the probable scenario in the immediate future

As it is a relatively young market, it is natural that MarTech has not yet reached a stable structure and this is also demonstrated by the very high number of operators present. Currently, the number of incoming companies is still higher than those outgoing and this can mean prospective growth, but also increasingly complex challenges for the players already present.

Given the numerous new solutions recently launched in the field of marketing technologies, only a very small number of innovative SaaS players has managed to survive and it is expected that about half of them will be acquired by large operators always looking for opportunities to expand their technological offer.

By virtue of this trend, the number of M&A transactions that are affecting the market is growing particularly sharply. Therefore, there are strong expectations that the expansion in the number of participants will slow down, sooner or later, in favour of a scenario of player concentration resulting from a series of acquisitions and mergers. This trend is already underway and observable if we consider the cloud market as a whole.

The timing and magnitude of this market concentration will depend on the combined effect and the interaction of some opposing factors. The growth of the market, which in turn depends on various financial, technical and economic sub-factors, and the sustainability of the business, i.e. the high survival capacity of the operators, linked for example to the significant costs of switching to a replacement service perceived by users, especially in the presence of a consolidated user experience, are strongly attractive factors for new potential entries. Limits to individual growth, for which even software giants, due to the presence of niches in which small operators can specialize, cannot completely dominate the ecosystem, and the push to exit, for example the risks associated with the highly competitive climate or the unexpected emergence of new technologies capable of drastically revolutionizing the technological environment, represent a deterrent to entry or a stimulus to exit for operators in difficulty. We must also consider how the impact of organizational dynamics with respect to the speed of technological innovation in the market can affect the strategic choices of the players of the MarTech ecosystem, as summarized by the following graph:



Source: Chiefmartec, Value Track Analysis

The most recent market sentiment presages that, over the next years, the MarTech sector will be affected by the fastest evolution ever, driven by the increasing demand for real-time communication from users and the increasingly intensive and widespread use of Big Data. To this end, marketers continue to search for new tools and applications that, thanks to artificial intelligence and machine learning processes, are able to guarantee consumers a one-to-one communication experience, able to identify which contents to address to the individual recipient and when. The Growens Group will have to be ready to take up this challenge and exploit the relative opportunities and always be reactive and innovative as it has been in the recent past.

Growens, thanks to its multi-channel SaaS MailUp platform, is the Italian leader in e-mail and SMS marketing automation and is among the top ten operators in the sector at European level, although it is difficult to precisely indicate the size of participants for the variety and different types of players involved. In 2020, the MailUp platform sent more than 22.4 billion e-mails among newsletters, DEM and transactional messages. Agile Telecom has sent about 1.9 billion SMS.

Datatrics, on the other hand, operates in the actionable Customer Data Platform market, differentiating itself for the availability of omni-channel marketing orchestration functions and for the use of machine learning algorithms (artificial intelligence) to simplify and make more effective the marketing automation activities that traditionally required marketing managers to design ad hoc campaigns for each customer segment. In a market with very liquid borders where different solutions can be interconnected, it is difficult to identify competitors with precision, in any case traditional marketing automation sees hundreds of operators in the world, while at present, there are about 100 customer data platform systems on a global scale. There are a few dozen personalization systems, if also including those that do not use machine learning algorithms. Complete CDP systems with omni-channel orchestration and marketing automation based on artificial intelligence technologies see a few dozen operators in the world.

BEE market (BEEfree.io) should be distinguished in the two products in the portfolio to date: BEEPro is intended for e-mail and landing page designers, an area where there are a few dozen alternatives available on the market, often small start-ups. BEEPlugin is the market leader, where there are only 3/4 alternatives that cannot guarantee the adoption and reliability that this type of system requires. BEEPlugin is a technology that is incorporated into third-party software applications, enriching their functionality. The issue of reliability and security of the system is therefore key, and in this BEEPlugin, unlike all competitors, can count on a number of significant references both in terms of numbers (more than 600 customers that have already incorporated the solution into their software) and in terms of quality, boasting prestigious customers and mainly located in Silicon Valley, that is in the homeland of software in the cloud.

Below is a summary of the main industry trends, as identified by Value Track, with the relative positioning of the Group's offer:

MarTech: Main trends of 2019 and MailUp positioning

	Which are the main goals for marketers?	How can MarTech provider help marketers achieve their main goals?	MailUp Group offer
1	**Increasing their return** on marketing investments by improving conversion rates and reducing cost per contact	1) Offering solutions based on **advanced enabling technologies** (e.g. Editors, Customer Data Platforms – CDP, Demand Side Platforms – DSP, Advertising Retargeting Platforms) in order to deliver a **hyper-personalized experience** to customers	✓✓ CDP - Datatrics ✓✓ Email editor - BEE × DSP / AdTech – "Work in progress"
		2) Integrating **more and more channels / media** i.e. email, SMS, Social Networks, Instant Messaging and developing **Marketing Automation features** in order to reach customers on every possible media used	✓✓ ESP – MailUp, Acumbamail ✓✓ SMS - Agile Telecom ✓✓ IM - MailUp (Instant Messaging Apps)
2	**Not getting crazy** with all new solutions available on the market	Integrating their products / tools in a homogenous MarTech suite or **offering more and more professional services** to allow marketers build their own "stack" by cherry picking tools / solutions from different providers	✓× Professional consulting services – MailUp, Globase
3	**Being compliant** with regulation	Offering solutions aimed at **moving from DMP** (Data Management Platforms) based only on 3rd party data **to CDP** developed in line with GDPR	✓✓ Compliant with GDPR
4	Granting to actual and prospect clients **a safe and secure digital experience**	Delivering **two-factor authentication (2FA) / One-time password (OTP)** via app, SMS or by a physical security key (token)	✓✓ SMS – Agile Telecom × 3rd party apps × App - based push notification

Source: Value Track Analysis

Social, political and union climate

The social climate within the Group is positive and based on full cooperation. As previously pointed out, the Group has chosen to extend, already as from the end of February 2020, the already operational agile working method to protect the health and safety of its employees and collaborators. This measure has not caused any problems from the operational and social climate point of view mentioned above.

Operating performance in Group sectors

It is noted that starting from the first half of 2021, the consolidated income statement reports will include details of revenues broken down by the two main strategic business areas, i.e. SaaS and CPaaS, rather than by product line (Email, SMS, Predictive Marketing), in order to (i) provide a better representation of the respective operating logics, which are homogeneous within them in terms of type of business model, go-to-market, KPIs (Key Performance Indicators) and financial parameters (ii) provide information that better reflects the Group's management logic and strategic decisions; (iii) simplify reporting with a view to greater comprehensibility and comparability with international standards.
The strategic business area SaaS (Software-as-a-Service) includes services provided to customers through platforms accessible in the cloud, used on the basis of multi-period contracts, mainly with recurring fees/subscriptions. At the Business Unit level, it combines revenues from the MailUp platform marketed by Growens, from the BEE editor of MailUp Inc, and from the subsidiaries Acumbamail and Datatrics. The strategic business area CPaaS (Communication-Platform-as-a-Service) covers all messaging services provided on a wholesale basis via API, in particular provided by the Business Unit Agile Telecom.
It should also be noted that, in order to provide a management representation more in line with the current business situation and an easier comparison of the dynamics of costs related to human resources of the COGS, S&M and R&D macro-areas, the previous location of some departments adopted in the comparison period ended on 30/06/2020 has been aligned with the current structure, retrospectively updating the same data.

Total consolidated revenue for the first half of 2021 rose from Euro 31.7 million to Euro 33.7 million, an organic increase of more than 6.3% compared with the same period of the previous year: this result was driven by growth in the SaaS component, which exceeded 8%, accounting for more than 37% of total revenue. The CPaaS line grew by more than 7% to account for 61.5% of total revenues. The trend in Other revenues, although linked to an item of limited value in absolute terms, shows a decreasing trend deriving from a reduction in non-repayable grants and the absence of some contingent assets recorded in the first half of 2020.
Agile Telecom produced the highest result in absolute value in terms of revenues, amounting to approximately Euro 22.3 million, with a growth of 7.6%. The data relating to the end of the half-year and the months following its closure show excellent signs of recovery in traffic, due to the reopening of post-lockdown economic activities, particularly in Italy.
The highest growth rate was achieved by the US subsidiary, MailUp Inc, thanks to the BEE editor (beefree.io), with an increase of more than 42.2% net of the USD/Euro exchange rate effect, amounting to around Euro 2.4 million/USD 2.8 million in revenues. ARR (Annual Recurring Revenue, which is a very popular metric for measuring the performance of a subscription business, indicative of the average annualized recurring value of outstanding contracts) is over USD 7 million as at August 2021.
The Acumbamail performance was excellent (up more than 31%), while Growens recorded a slightly higher result than last year, which was impacted by the effects of the crisis in Italy in 2020, reflected in some cancellations of recurring contracts during the previous year, which will be recovered thanks to the product-led growth strategy and the development of the indirect channel abroad.
Datatrics, active in Predictive Marketing with a proprietary Customer Data Platform, generated revenues down almost 9% compared to the first half of 2020. Restructuring actions implemented since 2020 have, however, resulted in an improvement in lead generation and subsequent customer pipeline. The effects of this restructuring are expected by Q3 2021, with growth restored in 2022.
Foreign sales amounted to over Euro 17.7 million, equal to over 53% of the total, substantially stable (+0.6%) compared to the same period of the previous year. Sales in Italy grew by approximately 17%; this increase was mainly driven by the increase in Agile Telecom volumes.

Consolidated EBITDA for the half-year was approximately Euro 2.4 million, an increase of 10.6% compared to the same period of 2020, for a 7.1% increase as a percentage of sales. The first half of the year, and in particular its final months, show clear signs of business recovery, with EBITDA growing at a much higher rate than revenues, and Gross Profit improving by almost two percentage points on revenues (from 32.6% to 34.4%), with growth (+12.2%) almost double that of revenues, a sign that the optimizations and cost savings implemented are continuing to have the desired effects. Marginality is positively affected by a number of factors including: (i) cost savings related to lockdown periods, in particular the stabilization of S&M costs both in absolute terms (-0.9%) and as a percentage of revenues (from 10.6% to 9.8%) due to the absence of in-person events and related travel; (ii) the general growth in margins of all business units at double or triple digits (Agile Telecom, BEE, Acumbamail); (iii) the reduction of Datatrics' operating loss by almost 60%, a sign of the effectiveness of the measures undertaken and described above. On the cost side, the Group chose not to suspend or postpone its planned strategic projects, in particular the key item related to R&D (+33.5%), where the largest investments are underway. As a result of the above, EBT amounted to approximately Euro 0.5 million, representing 1.3% of revenues.
Net profit for the half-year ended 30/06/2021, after estimated current and deferred taxes, amounted to Euro 0.3 million; the change with respect to the prior period is influenced by tax provisions, bearing in mind that the presentation of taxation at consolidated level is the result of a mere aggregation, since taxation is applied to the individual legal entities of the Group.

The Consolidated Net Financial Position at 30 June 2021 showed a negative amount (cash) of about Euro 1.6 million, lower compared to the balance (also negative) of Euro 2.5 million at 31 December 2020. The effect of the adoption of IFRS 16, relating to rental, leasing and hire costs, results in an imputed debt item of approximately Euro 3.5 million. Cash on hand is higher at Euro 9.8 million.
The trend in consolidated net working capital, which absorbs liquidity of around Euro 0.9 million compared with the previous year-end, is influenced by the dynamics of payment terms, especially for Agile Telecom, and more generally by the slowdown in collections and a slight contraction in multi-period contracts, due to the effects of the pandemic, as well as a few episodes of collections of significant amounts deferred with respect to the accounting closure of the period but regularly completed after the end of the half-year.

Alternative performance indicators

This Report presents and outlines some economic-financial indicators and some reclassified financial statements (relating to the economic, equity and financial situation) not defined by the IFRS. These figures, defined below, are used to comment on the performance of the business in compliance with Consob Communication of 28 July 2006 (DEM 6064293) and subsequent amendments and additions (Consob Communication no. 0092543 of 03 December 2015, which incorporates the ESMA/2015/1415 Guidelines). The alternative performance indicators listed below should be used as an informative supplement to the provisions of the IFRS to assist users of the Report on Operations in a better understanding of the Group's economic, equity and financial performance. It is emphasized that the method of calculating these corrective measures used has been consistent over the years. It is also noted that it may differ from the methods used by other companies.

• Financial indicators used to measure the Group's economic performance

EBITDA: given by the operating result gross of depreciation and amortization of tangible and intangible assets.
ROE (return on equity): defined as the ratio between net income for the period and net capital.
ROI (return on investment): defined as the ratio between the operating result for the period and fixed assets at the end of the period (see the definition of fixed assets shown below).
ROS (return on sales): defined as the ratio between the operating result and net sales for the period.

• Reclassified Balance Sheet

The items included in the reclassified statement of financial position are defined below as the algebraic sum of specific items contained in the consolidated financial statements:

Fixed assets or assets: the algebraic sum of:
- Net tangible assets
- Goodwill and trademarks
- Intangible assets with definite life
- Non-current assets held for sale
- Equity investments in associates

Commercial working capital: given by the algebraic sum of:
- Trade receivables
- Trade payables

Net working capital: given by the algebraic sum of:
- Commercial working capital
- Receivables for deferred tax assets and current taxes
- Other current receivables
- Payables for deferred and current taxes
- Other current payables
- Accruals and deferrals

Net invested capital: given by the algebraic sum of:
- Net working capital
- Provisions for risks and charges
- Employee severance indemnity (TFR) and other employee benefits
- Fixed assets

Net financial position: given by the algebraic sum of:
- Liquid funds and equivalent
- Current and non-current amounts due to banks
- Other financial payables.

Main economic figures of the Growens Group

The table below summarizes the consolidated results as at 30/06/2021 compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

	30/06/2021	30/06/2020
Total revenues	33,691,387	31,690,470
EBITDA	2,408,593	2,177,411
Pre-tax result (EBT)	445,138	488,521

Revenues for the half-year were up more than 6% compared to the same period of 2020, with business revenues up more than 7.5%, while EBITDA improved by more than 10% compared to the 2020 comparison figure (plus Euro 231 thousand). Consolidated EBT, on the other hand, was penalized by higher amortization and depreciation, particularly on investments in research and development, resulting from the Group's constant commitment to improving the technological content and innovation of its core services. For further information on the economic dynamics in the period, please refer to the previous section "Operating performance in Group sectors" and the details contained in the Notes, which are an integral part of these financial statements.

The consolidated income statement has undergone the following changes with respect to that of the previous year (amounts in Euro):

Consolidated Profit & Loss	30/06/2021	%	30/06/2020	%	Change	Ch.%
SaaS Revenues	12,502,015	37.1%	11,567,246	36.5%	934,769	8.1%
CPaaS Revenues	20,736,869	61.5%	19,336,959	61.0%	1,399,910	7.2%
Other Revenues	452,503	1.3%	786,266	2.5%	(333,762)	(42.4%)
Total Revenues	**33,691,387**	**100.0%**	**31,690,470**	**100.0%**	**2,000,917**	**6.3%**
Cost of Goods Sold	22,095,818	65.6%	21,357,328	67.4%	738,490	3.5%
Gross Profit	**11,595,569**	**34.4%**	**10,333,142**	**32.6%**	**1,262,427**	**12.2%**
Sales & Marketing costs	3,315,335	9.8%	3,343,846	10.6%	(28,510)	(0.9%)
Research & Development Opex	**1,840,168**	**5.5%**	**1,316,618**	**4.2%**	**523,550**	**39.8%**
Research & Development Capex	*(1,183,686)*	*(3.5%)*	*(948,398)*	*(3.0%)*	*(235,288)*	*24.8%*
Research & Development costs	*3,023,854*	*9.0%*	*2,265,016*	*7.1%*	*758,838*	*33.5%*
General & Admin Costs	4,031,472	12.0%	3,495,267	11.0%	536,205	15.3%
Total Costs	9,186,976	27.3%	8,155,731	25.7%	1,031,245	12.6%
Ebitda	**2,408,593**	**7.1%**	**2,177,411**	**6.9%**	**231,182**	**10.6%**
General Depreciation Costs	184,055	0.5%	175,660	0.6%	8,395	4.8%
Right of Use Amortization Costs	548,002	1.6%	541,835	1.7%	6,167	1.1%
R&D Amortization Costs	1,197,678	3.6%	931,489	2.9%	266,190	28.6%
Amortization & Depreciation	1,929,735	5.7%	1,648,984	5.2%	280,752	17.0%
Ebit	**478,858**	**1.4%**	**528,428**	**1.7%**	**(49,569)**	**(9.4%)**
Net financial income/(charges)	(33,720)	(0.1%)	(39,906)	(0.1%)	6,186	(15.5%)
Ebt	**445,138**	**1.3%**	**488,521**	**1.5%**	**(43,383)**	**(8.9%)**
Curent Income Taxes	(396,865)	(1.2%)	(264,621)	(0.8%)	(132,245)	50.0%
Deferred Taxes	250,678	0.7%	181,088	0.6%	69,590	38.4%
Net Profit (Loss)	**298,951**	**0.9%**	**404,989**	**1.3%**	**(106,038)**	**(26.2%)**

The following table showing some Group profitability indexes, compared with the same indexes relating to the previous HY, provides a better illustration of the income situation.

	30/06/2021	*30/06/2020*
Net ROE (Net result/Net capital)	0.02	0.02
Gross ROE (EBT/Net capital)	0.03	0.03
ROI (EBITDA/Invested capital)	0.04	0.04
ROS (EBITDA/Sales revenues)	0.07	0.07

All the consolidated economic indicators are in line with the same values recorded in the first half of 2020. The improvements in terms of EBITDA in this half-year, in the case of ROE and ROS, also linked to organizational optimization and in terms of costs in certain business areas (COGS and S&M), were in fact reabsorbed by incremental changes in investments and revenues.

Main equity figures of the Growens Group

The Group's reclassified balance sheet, as compared with that of the previous year, is as follows (in Euro):

Consolidate Balance Sheet	30/06/2021	31/12/2020	Change	Ch.%
Intangible fixed assets	6,027,601	5,188,299	839,301	16.2 %
Goodwill	16,477,023	16,477,023	0	0.0 %
Tangible fixed assets	1,629,174	1,700,842	(71,668)	(4.2 %)
Rights of Use (IFRS 16)	3,518,015	3,701,056	(183,041)	(4.9 %)
Financial fixed assets	224,785	223,748	1,037	0.5 %
Fixed Assets	**27,876,599**	**27,290,970**	**585,629**	**2.1 %**
Receivables from customers	11,547,033	10,354,302	1,192,731	11.5 %
Payables to supplier	(11,098,684)	(11,795,918)	697,234	(5.9 %)
Payables to associated companies	(30,000)	(31,220)	1,220	(3.9 %)
Commercial Trade Working Capital	**418,350**	**(1,472,835)**	**1,891,185**	**(128.4 %)**
Tax receivables and payables	1,675,109	2,420,896	(745,787)	(30.8 %)
Accruals and deferrals	(6,723,217)	(7,405,599)	682,382	(9.2 %)
Other receivables and payables	(4,371,325)	(3,449,879)	(921,445)	26.7 %
Net Working Capital	**(9,001,082)**	**(9,907,417)**	**906,335**	**(9.1 %)**
Provisions for risks and charges	(711,635)	(630,970)	(80,665)	12.8 %
Provisions for severance and pension	(2,072,935)	(1,983,682)	(89,253)	4.5 %
Net Capital Invested	**16,090,946**	**14,768,900**	**1,322,045**	**9.0 %**
Share capital	374,276	374,276	0	0.0 %
Reserves	17,002,005	16,343,604	658,400	4.0 %
Profit (Loss) for the period	298,951	564,927	(265,976)	(47.1 %)
Net Equity	**17,675,232**	**17,282,807**	**392,424**	**2.3 %**
Cash	(9,829,725)	(9,866,364)	36,639	(0.4 %)
Short-term debt	948,143	985,500	(37,358)	(3.8 %)
Financial liabilities right of use (short term)	1,058,896	1,029,099	29,797	2.9 %
AFS Financial Assets	(195)	(195)	0	0.0 %
Medium/long-term debt	3,741,855	2,641,533	1,100,322	41.7 %
Financial liabilities right of use (medium/long term)	2,496,740	2,696,519	(199,779)	(7.4 %)
Net financial position	**(1,584,286)**	**(2,513,907)**	**929,621**	**(37.0 %)**
Total sources	**16,090,946**	**14,768,900**	**1,322,045**	**9.0 %**

In order to provide a better description of the Group's equity solidity, the table below shows a few equity indexes relating to both the method of financing medium/long-term commitments and the breakdown of the sources of finance, compared with the same indicators for the previous year-end.

	30/06/2021	*31/12/2020*
Primary structure margin (Own funds - Fixed assets)	(12,408,183)	(11,946,750)
Primary structure ratio (Own funds/Fixed assets)	0.59	0.59
Secondary structure margin ((Own funds + Consolidated liabilities) - Fixed assets)	356,664	(252,365)
Secondary structure ratio ((Own funds + Consolidated liabilities)/Fixed assets)	1.01	0.99

The structural margins confirm the balance between medium/long-term sources of financing and investments with the same multi-year time horizon that emerged at the time of the last closing of the financial statements, although in the presence of increasing investments especially in the strategic area of R&D, with a slight increase in coverage at the secondary margin level.

Main financial figures of the Growens Group

The consolidated net financial position as at 30/06/2021 is as follows (in Euro):

Consolidated Net Fiancial Position	30.06.2021	31.12.2020	Change	Ch.%
A. Cash	9,829,725	9,866,364	(36,639)	(0.4%)
B. Cash equivalents				
C. Other current financial assets	195	195	0	0%
D. Cash and cash equivalents (A) + (B) + (C)	**9,829,920**	**9,866,559**	**(36,639)**	**(0.4%)**
E Financial debt	1,121,471	1,098,499	22,972	2.1%
F. Current financial debt	885,567	916,100	(30,533)	(3.3%)
G. Current financial position (F) + (G) + (H)	**2,007,039**	**2,014,599**	**(7,561)**	**(0.4%)**
H. Net short term financial position (I) - (E) - (D)	**(7,822,881)**	**(7,851,959)**	**29,078**	**(0.4%)**
I. Due to banks medium/long term	6,238,595	5,338,052	900,543	16.9%
J. Bonds issued				
K. Other financial liabilities medium/long term				
L. Non current financial position (K) + (L) + (M)	**6,238,595**	**5,338,052**	**900,543**	**16.9%**
M. Net financial position (J) + (N)	**(1,584,286)**	**(2,513,907)**	**929,621**	**(37.0%)**
o/w H. Current financial liabilities Rights of Use IFRS 16	1,058,896	1,029,099	29,797	2.9%
o/w M. Non current financial liabilities Rights of Use IFRS 16	2,496,740	2,696,519	(199,779)	(7.4%)
O. Net financial position without IFRS 16 effect	**(5,139,922)**	**(6,239,525)**	**1,099,603**	**(17.6%)**

The NFP is positive, the negative sign highlights the higher cash and cash equivalents compared to third-party assets and the total cash and cash equivalents at consolidated level remains around Euro 10 million. The delta for the period was negative for more than Euro 900,000, while the increase in medium/long-term debt is related to the sale of the Euro 1.6 million VAT 2020 credit provided by Credit Agricole to Agile Telecom. This way, Agile has been able to take full advantage of particularly advantageous supply conditions in terms of price, maximizing margins, against payments to the same suppliers at very short notice or even in advance, and has been able to maintain deferments to some primary customers that have further increased volumes and turnover. However, the combination of these financially unfavourable elements supported the excellent results of Agile in terms of improved Gross Profit, EBITDA and EBT. In addition to a general, albeit moderate, tendency to slow down collection times due to the Covid-19 pandemic, already highlighted above, it is worth highlighting the impact of some delays in the collection of large amounts at the end of this half-year period, due to occasional and not structural factors, which have since been positively completed. The effect of the application of IFRS 16 is shown at the end of the table.

The following table showing some liquidity indexes, compared with the same indexes relating to the previous year, provides a better illustration of the consolidated financial position.

	30/06/2021	*31/12/2020*
Primary liquidity (Immediate and deferred liq./ Current liabilities)	0.94	0.94
Secondary liquidity (Current assets/Current liabilities)	1.01	0.99
Debt (Net debt/Shareholders' equity)	(0.09)	(0.15)
Fixed asset coverage ratio ((Own capital + Consolidated liabilities)/Fixed assets)	1.00	0.97

The NFP remains largely positive, although down on the end of the previous year, as shown in the analysis above. The specific indexes relating to liquidity confirm a balanced structure of current assets and liabilities. The coverage of investments also remained balanced and improved compared to the previous amount.

Information pertaining to the environment and staff

Considering the social role played by the business, we believe it appropriate to provide the following information on the environment and staff.

Staff

In 2021, there were no injuries at work and no charges were recorded with regards to occupational diseases on employees or former employees and mobbing cases.
As at 30/06/2021, the Group's workforce numbered 259 employees, of whom 6 managers, 19 middle managers, 234 white-collar workers, while as at 31/12/2020, it consisted of 243 employees, of whom 4 managers, 19 middle managers, 220 white-collar workers.
The number of total employees employed during the year, i.e., ULA (Annual Work Units), amounted to 235.17 at group level.
The Group has always been committed to safeguarding relations with employees; at present, there are no

employment law disputes in progress.

Environment

Please note that the type of business carried out by the Group does not entail risks nor any onset of situations that may damage the environment. For more detailed information on the environmental sustainability issues implemented by Growens, please refer to the detailed information contained in the 2020 Sustainability Report prepared annualy by the parent company and shared with investors and the market. This Report is a voluntary exercise. It is prepared in accordance with the UN 2030 Agenda and in compliance with the GRI Sustainability Reporting Standards (GRI Standards) Guidelines, according to the "Core" level of application.

Investments

In the year of this report, consolidated investments were made in the following areas:

Fixed assets	Increases in the year
Technological platform development costs	1,343,181
Third-party software and trademarks	568,116
IT infrastructure, electronic office machines and systems	72,866
Furniture, office furnishings and leasehold improvements	112,686
Right of Use IFRS 16	364,961

Given the nature of the business, consolidated investments are historically concentrated on intangible assets and, in particular, on the incremental development of the MailUp digital marketing platform, and the BEE editor, owned and marketed by MailUp Inc. For both, for HY1 2021, the specifications of the research and development activity are provided in the following paragraph. In addition, investments were made to strengthen and renew the technological tools used by Agile Telecom and Datatrics in their business.
The material investments of the Group are typically represented by servers and electronic machines designed to enhance and update the technological infrastructure, strategic for the core business, as well as furniture and furnishings related to the leased operational offices.

Research and development

In accordance with article 2428, paragraph 2, number 1 of the Italian Civil Code, it is specified that in HY1 2021, the Group capitalized internal and external investments relating to the software development of its platforms and technological services for Euro 1.3 million. As at 30/06/2021, net of the related accumulated amortization/depreciation, these totalled Euro 3.9 million. Additional operational costs related to research and development departments were incurred for over Euro 1.84 million at consolidated level. Other technical departments, in particular those dealing with the technological infrastructure, also carry out support activities related to research and development. The parent company mainly carries out incremental development activities in relation to the SaaS MailUp platform of digital marketing on the cloud. The investment incurred for this development were capitalized by virtue of the future economic use, certifying the potential economic and financial recovery of the investment. There was a significant growth in investments relating to the development of the BEE editor equal to USD 796 thousand; originally developed by Growens, it was transferred at the end of 2016, in its two main versions, BEE Plugin and BEE Pro, to the US subsidiary MailUp Inc, which deals exclusively with its commercialization. The development activity, contracted by the subsidiary to the parent company by virtue of specific contractual agreements, is carried out by an Italian team of developers under Growens assisted by an American colleague and coordinated by the management of MailUp Inc. Agile Telecom also carried out incremental development work on its technological infrastructure dedicated to SMS messaging, using both internal resources and external consultants.

We summarize the main additions and improvements made to Group services in the first half of 2021 as a result of research and development.

MailUp platform:

Recovery and improvement of **SMS alias** flow: this issue is part of the context of improving the experience of managing SMS campaigns. The flow has been adapted to the new AGCOM regulations, and significant improvements have been made to its use, including: the possibility of activating third-party aliases, the possibility for ONLUS to activate an alias, and a system of notifications that updates the customer on the status of their request. These interventions have led to the following service improvement results:

- aliases rejected by the internal team: from 22.2% to 14.4% (-63%);
- aliases rejected by AGCOM: from 7.7% to 0.6% (-92%);
- pending Alias requests: from 12% to 6% (-50%);
- median approval time: from 46 to 21 hours (-54%).

Improvement of the **trial activation funnel**: this issue is part of the context of acquiring new customers. In particular, the activity is aimed at improving the conversion rate of the funnel that goes from the request for activation of a trial platform to the first access to the platform. To improve the conversion rate, some steps of the funnel were removed and, where necessary, inserted in other points where the action was more contextual to the user experience, resulting in the following outcome:

- first removal (3 steps): from 46% conversion rate to 51%-57% (best and worst case scenario);
- second removal (1 step): data collection still in progress and available at the end of August. Forecasts are for a conversion rate of around 60%.

Insertion of **acquisition forms** in **landing pages**: the issue is part of the "data-base enrichment" context and the activity is aimed at improving the conversion rate of our customers to their users/customers. In detail, we talk about two interventions: the possibility (previously not present) to insert registration form in the landing pages; the insertion of new templates for the creation of landing pages, with a form already in them. Below are the results measured in numerical terms:

- 21% of the users have inserted a form in the landing pages in the period considered;
- 22% of the total landing pages created, in the period considered, has a form.
- 94% of the templates used for the creation of a landing page are those inserted in this half-year.
- 57% of these contain a form.

Other interventions in the **content creation** domain, i.e. in the area that aims to improve the way our customers create new content, be it e-mail, SMS, landing pages or forms. In detail:

- addition of the new emoji component. After the release, adoption rose from 8% to 12% for messages with emoji; the number of users who used an emoji rose from 17% to 25%;
- ability to view desktop or mobile preview while creating a message;
- insertion of the "Title Block" component for easy management of titles;
- addition of the sticker and GIF module.

Porting of **front-end** technology and **decoupling of back-end** services: the issue is part of the context of "business continuity" and software development performance. Specifically, the activities are: migration of the current AngularJS front-end technology (being discontinued by the provider) in favour of REACT; decoupling of the enabling architecture both for the acceleration in the software development and for a better control and stability of the system.

Strengthening of **security**: this issue is part of a general context of improving security and is a continuation of the activities started in 2020. To date, more than 90% of the activities planned last year have been completed. We expect to complete the remaining ones in the second half of the year.

BEE editor:

BEE, the drag-and-drop editor for e-mails and landing pages owned by the subsidiary MailUp Inc., is continuing to record sharp growth both as a free tool available online (BEE Free) and as a component to be integrated into other software applications (BEE Plugin), and finally, as a complete suite for e-mail creation for freelance designers, digital agencies, and marketing teams of companies (BEE Pro). In HY1 2021, the Group continued to invest in the development of the product. More specifically:

- BEE Pro: the growth strategy based on the product-led approach has been confirmed and expanded, where the product is at the centre of all phases of customer acquisition, conversion and maintenance. During the acquisition phase, the community of designers from many countries around the world who collaborate on an ongoing basis with the business unit was further enriched, and allowed the catalogue of e-mail templates & landing pages to pass 800 units. The catalogue is now one of the largest in the world, which continues to generate a positive impact not only on traffic, but also on trial account generation. The moment they arrive on the template catalogue, in fact, customers are literally one click away from being able to edit e-mails and pages with the editor, without any friction. Many of them then choose to explore what else BEE has to offer them by opening a BEE Pro trial account. This acquisition funnel performs very effectively, with 9.5% of all visits turning into free trials: the business unit registered over 61,000 BEE Pro trial accounts during the first six months of the year, a growth of around 70% on the first half of 2020. The conversion rate from trial account to paying customer was around 6.3%, with an average net subscriber churn rate of around 4.6%, down around 20% on the previous year. This enabled a substantial increase in paying customers, which reached 9,869 at the end of June 2021, surpassing the 10,000 mark in the following month. The increasingly high number of users has continued to provide a large quantity of feedback for the product team, which has exploited it to respond to market demand by developing and releasing many new functions. Below is a partial list: the possibility for multiple users to edit e-mail messages and web pages at the same time has been introduced, allowing a high level of collaboration; several improvements have been introduced to the functionality related to landing pages, including the ability to switch from an e-mail to a page (and vice versa) with a few clicks, which allows the very fast creation of digital marketing campaigns with multiple contents; a number of features made available by improvements in the embeddable editor itself (BEE Plugin) have been implemented, including the ability to design e-mails and pages directly in mobile device mode, which saves a lot of time compared to the process of viewing the preview on a mobile device; the ability to change plan quickly and without commitment within the trial period has been added. All this not only led to sharp growth in the turnover generated by the product, but also to a high rate of customer satisfaction. The latter is measured through the well-known Net Promoter Score (NPS), which averaged 56 during the first half of 2021, up from the already very high value recorded in 2020 (54). Linked to this high rate of customer satisfaction is another initiative that has been implemented during the first half of 2021: the BEE Pro Ambassador program (beefree.io/bee-pro/ambassador-program/), which allows customers and influencers to talk about BEE Pro and receive financial compensation when their readers become paying customers of the platform: the program has already generated over 2,500 trial accounts and over 100 paying customers;

- BEE Plugin: during HY1 2021, not only was the “embeddable” version of the BEE editor enriched with many new features, but a new edition of the same was developed for the creation of Popups, aimed at making BEE Plugin a true platform for the design of multiple elements of a digital marketing campaign. Often these campaigns, in fact, provide a window that appears and attracts the visitor’s attention (Popup), a page that explains the offer (Landing page) and a series of e-mails that make subsequent follow-ups. Messaging, marketing automation, CRM, etc. applications that adopt BEE Plugin can now allow their users to design - with a single interface - all three digital assets needed for that type of campaign, a key development for the product’s growth strategy. The Popup edition will launch early in the second half of 2021. In addition to the large amount of development done to enable support for this new content type, several features have been added and improved in the visual editor during the first half of 2021, features that typically can be used regardless of whether an e-mail, a page, or a popup is created. A list is available at https://docs.beefree.io/updates/. Among the most important, we highlight: the Mobile Design Mode, which is a content creation mode where the content itself is displayed directly in the way it will be shown by a mobile device, which saves a lot of time during the creation of the content itself, compared to drawing in desktop mode and then checking the display on mobile by clicking on the relevant preview; a new content block - Title - which makes the creation of titles easier and faster, and also ensures that they are optimized for search engines; the management of letter spacing in texts; the management of references to other users in comments; the ability to hide entire lines of content on mobile devices (or vice versa); the ability for more sophisticated users of the product to define additional attributes for specific content, which allows the application embedding the editor to identify and manage these content blocks for further processing of the same when sending an e-mail or viewing a page;

- Synergistic relationship between the two versions and the other platforms of the Group: it is recalled that, from a technical point of view, both BEE Free and BEE Pro are “customers” of BEE Plugin. In fact, they are both software applications that incorporate the BEE editor, integrating it through the BEE Plugin service. Acumbamail, Datatrics and MailUp, three other SaaS applications within Growens, are in turn “customers” of BEE Plugin. This means that the improvements in the BEE editor have a positive impact on the other applications of the Group, generating a virtuous cycle that is extremely important and positive as it contributes to the constructive exchange of information and product innovation to the advantage of all the Group Business Units.

In 2018, the preliminary investigation procedure at the Ministry of Economic Development for the allocation of a loan of Euro 5.1 million, including a non-repayable grant of Euro 1.3 million, was successfully completed. This is a research and development project called “**NIMP – New Innovative Multilateral Platform**”, to be carried out in the three-year period that started on 01/03/2018 with the participation, among others, of the Politecnico of Milan as a scientific partner and financed by the Ministry of Economic Development and Cassa Depositi e Prestiti, as well as Banca Popolare dell'Emilia Romagna as a banking partner. The proposed project is part of the "Digital Agenda" and in particular of the area of "Technologies for the innovation of the creative industry, content and social media". The project will improve competitiveness in the relational marketing area, oriented to multi-channel approaches and collaboration. New services and functions of the new MailUp platform will be created, with the aim of making available to customers those strategies designed to promote loyalty to the brand (customer loyalty) through the engagement of its users. The ultimate goal is to create a lasting relationship with the target group, a relationship of trust and a unique and positive customer experience.

Below is a brief description of the activities carried out as part of the NIMP project during 2021:

- Tests were carried out on the company's personal data processing procedures, implementing corrective actions in order to bring internal processes in line with the quality standards defined according to international verification protocols. With the help of security experts and third-party tools, the operational process of evaluating the security of the platform was carried out. The analysis was divided into several phases with the objective of highlighting the weaknesses of the platform and providing as much information as possible on the vulnerabilities that allowed unauthorized access. The techniques used involve the simulation of a potential attacker, exploiting the vulnerabilities detected in order to obtain as much information as possible to gain undue access to the system. The penetration test (also performed in grey mode) measured if the system defences were sufficient or if there were vulnerabilities for which a series of additional remediation activities were identified.

- The use of the beta version of the platform, and the surveys carried out specifically, generated a series of data and information that the MailUp platform collected in its Data Lake system. During this phase, statistical data was analysed through BI software such as Tibco, Board and Superset. The results of these analyses gave indications about the satisfaction of the end users and others that allowed us to improve the functionality and interface according to expectations.

- Specially designed tests are carried out to assess the performance of the platform, in order to verify the effectiveness of the functionalities developed in compliance with the reference standard. We also evaluated the need to scale the architecture in the number of servers, adding computing power or disk space while meeting expected performance. All this has happened also thanks to the comparison with the best companies in the sector that has allowed us to learn from them in order to improve the performance in view of the product launch phases. Following the benchmarking process, there will be a phase of review of the target performance values to be achieved and identification of best practices.

Growens has presented and received the relevant disbursements as soft loan and grant for the first and second progress report (SAL) of the project.

The third reporting of the NIMP project was performed in June 2020, taking as a reference period that between 01/09/2019 and 31/05/2020.

This further reporting is interposed between the interim and final reports, playing an important strategic role for the project.

In the third progress report, the project had reached more than 75% of the estimated costs, for a total of Euro 5,215,389.

Below are the details relating to the third progress report:

- Industrial Research: it had already been 100% completed, so no expenses related to this project item were reported during the third progress report;

- Experimental Development progress equal to 73%, Euro 1,939,408 reported against Euro 5,803,892 forecast.

Taking into account the whole period up to the third progress report, the expenses reported against those declared are equal to:

- Industrial Research completed at 100%: Euro 455,288 reported against Euro 453,484 forecast;

- Experimental Development currently equal to 73% progress, Euro 4,760,101 reported against Euro 5,803,892 forecast.

Due to delays, partially ascribable to the health crisis related to Covid-19, in the process of disbursement of loan and grants related to the call in question by the entities in charge, the third progress report mentioned above, completed some time ago, has not yet resulted in the receipt of the relevant funds by Growens.

The fourth and last reporting of the NIMP project was performed between March and May 2021, taking as a reference period that between 01/06/2020 and 28/02/2021.

This further reporting is the final one, the project progress reaches 100% and effectively closes the ICT Digital Agenda call that lasted 3 years, from March 2018 to February 2021.

Since the activities of Industrial Research have already been completed, during this last progress report, only the expenses for Experimental Development have been reported, amounting to Euro 1,880,777 to be added to the Euro 4,787,276 previously reported.

The total expenses reported from March 2018 to February 2021 amounted to Euro 7,123,342, composed as follows:

- Euro 455,288 in expenses for Industrial Research compared to Euro 453,484 declared when the application was submitted;
- Euro 6,668,054 in expenses for Experimental Development compared to Euro 5,803,892 declared at the time of application;

The disbursement related to the final progress report at the end of the project will probably follow by a few months the one related to the third progress report, which, as mentioned above, has not yet been finalized by the entities in charge.

Transactions with subsidiaries, associates, parents and other related companies

In HY1 2021, the Growens Group implemented transactions between its parent company, subsidiaries and affiliates included in the scope of consolidation, associates and other related parties that were part of its core business. Interventions all aimed to promote development in a synergic context that favours positive integrations and lastly, the efficiency of processes in the Group. No atypical or unusual operations were carried out with respect to normal business management. Transactions essentially concern the provision of services that are part of the Group's core business, the holding activities provided by the parent company, such as accounting and management control (planning, budgeting and reporting), legal, human resource management and administrative services in general, the provision and use of financial resources, as well as the provision of technological services relating to the development of the Group's proprietary platforms and the management of the shared technology infrastructure. Said relations come under the scope of ordinary business management and are stipulated at arm's length, or at the conditions that would have been established between independent parties.

Company	Fixed Receivables	Trade Receivables	Trade Payables	Other receivables	Dividends	Revenues	Purchases
Agile Telecom		84,773	323,116		780,681	458,226	1,395,745
Globase International		598,522	37,471			134,594	69,618
MailUp Inc		1,255,551	5,126			1,551,629	14,195
Acumbamail		47,667			241,660	88,757	
Datatrics BV	1,635,447	1,219,951	17,615			556,694	-
Subsidiaries	**1,635,447**	**3,206,465**	**383,328**	**-**	**1,022,341**	**2,789,900**	**1,479,558**
Consorzio CRIT Scarl			31,220				31,220
Associated	**-**	**-**	**31,220**	**-**	**-**	**-**	**31,220**
Floor Srl							75,903
Other related companies							**75,903**

The most significant amounts refer to MailUp Inc. The BEE editor is recording accelerated growth and increasing favour in the American market. The Group is thus allocating significant resources to support this process, strengthening the Italian teams dedicated to technology and marketing at the parent company, in parallel with what is happening in the United States.
Following the acquisition of Datatrics B.V. in October 2018, as part of the contractual agreements signed between the parties, Growens provided an interest-bearing loan of Euro 1,135,447, to which an additional

Euro 500,000 was added during the first half of 2020 to support the Dutch subsidiary's business, considered strategic given the prospects of integration with the Group's other Bus with the application of an interest rate of 2% and duration until 12/31/2022 except for extensions.

The real estate company Floor S.r.l., owned by some of the parent company's reference partners, has signed with Growens the lease contract for the building where the offices of the Cremona premises are located. The items highlighted refer to the existing real estate lease.

Treasury shares and shares/holdings in parent companies

As at 30/06/2021, the parent company Growens held 119,949 treasury shares for a value of Euro 508,904, equal to 0.80% of the subscribed and paid-up share capital. During the first half of 2021, a total of 52,842 shares were purchased for Euro 234,938.13 at an average price of Euro 4.44 per share. By virtue of the Board of Directors' resolution of 23/03/2021, on 01/04/2021, 72,373 treasury shares, present at that date in the stock held by Growens, were assigned to the recipients of the short-term incentive plan for top management, upon their express request and upon positive verification of the results actually achieved. The value of the shares assigned was Euro 325,931.81 at a unit price of Euro 4.5035, compared with an average purchase price of Euro 4.2646, resulting in a positive delta of Euro 17,321. The purchases of the first half of 2021 were made as part of the programs approved by the Shareholders' Meeting on 23/04/2020 and 22/04/2021 respectively. In particular, the most recent Shareholders' Meeting resolved the authorization to purchase and sell treasury shares, and in particular the following:

- to revoke the previous resolution authorizing the purchase and disposal of treasury shares of 23/04/2020 with effect from the date of the meeting;

- to authorize the Administrative Body, and for it the Chair pro tempore, with ample faculty of sub-delegation, to carry out operations involving the purchase and disposal of treasury shares to:

  (i) be able to use its treasury shares as investment for efficient use of liquidity generated by the core business;

  (ii) purchase treasury shares from the beneficiaries of any stock option plans approved by the competent corporate bodies or however implement new plans structured in any form or proceed with free assignments to Shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with mandatory conversion or exchangeable with shares (based on transactions in progress or to be approved/implemented);

  (iii) allow the use of treasury shares in transactions related to operations or projects consistent with the Company's strategic lines also through equity exchanges, with the main objective of finalizing corporate integration operations with potential strategic partners; as well as

  (iv) take action (where possible and provided for by the applicable legal and regulatory provisions), in compliance with current provisions, including through intermediaries, to limit anomalous price movements and to regularise trading and price trends, in the face of temporary distorting phenomena linked to excessive volatility or poor trading liquidity;

- to determine the arrangements for the purchase and sale of shares for a period of 18 months from the date of the resolution, up to a maximum amount of treasury shares the total of which, also taking into account the shares held by the parent company and its subsidiaries in the portfolio from time to time, does not exceed the 10% limit of the share capital.

Use of subjective estimates and valuations

The draft of the financial statements requires from the Directors the application of standards and methods which, in some cases, are based on difficult and subjective evaluations and estimates based on historical experiences and assumptions which are each time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions influences the amounts shown in the financial statements – the consolidated statement of financial position, the statement of comprehensive income, the statement of changes to equity and the statement of cash flow – as well as in the disclosure supplied. The final results of the balance sheet entries, for which the aforesaid estimates and assumptions have been used, may differ from those posted on the balance sheet that represents the effects of the estimated event, due to the uncertainty that characterizes the assumptions and conditions on which the estimates are based. The categories most affected by the use of estimates and valuations and for which a change in the conditions underlying the assumptions used could have a significant impact on the consolidated financial statements are briefly described below, with reference to the business sectors in which the Group operates.

Impairment of assets

The Group's tangible and intangible assets are impaired at least once a year if they have an indefinite useful life or, more often, if there are events that suggest that their carrying amount may not be recovered. Impairment is determined by comparing the carrying amount with the recoverable amount, which is the higher of fair value less costs to sell and value in use determined by discounting the estimated future cash flows from using the asset less costs to sell. The expected cash flows are quantified in the light of the information available at the time of the estimate, on the basis of subjective judgements regarding future trends in variables – such as prices, costs, the rate of growth of demand – and are discounted using a rate that takes account of the risk inherent to the asset concerned. Goodwill and other intangible assets with an unlimited useful lifespan are not amortized. The recoverability of their carrying value is checked at least annually and whenever events occur which imply a drop in value. Goodwill is tested at the smallest CGU at which management monitors, directly or indirectly, the return on investments in assets that include goodwill. When the book value of the CGU, including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is allocated first to the goodwill up to its amount. Any excess impairment is allocated pro rata to the book value of the assets which constitute the CGU. Since the conditions are not met, the impairment tests on goodwill recorded in the balance sheet assets will be carried out at the time of the 2021 annual financial statements.

Disclosure on risks and uncertainties pursuant to article 2428, paragraph 2, point 6-bis of the Italian Civil Code

Risk analysis

As part of its business, the Group is exposed to risks and uncertainties, deriving from exogenous factors connected with the general macroeconomic context or the specific context in the segments in which it goes about its business, as well as to risks deriving from strategic choices or internal operating risks. The identification and mitigation of such risks has been carried out systematically, allowing for the monitoring and timely oversight of the risk levels detected.

Under the scope of the business risks, the main risks identified, monitored and managed by the company are as follows:

- risks related to the general economic trend;

- risks related to the market;

- risks related to financial operations;

- risks related to external unlawful acts;

- reputational risks.

Risks related to the general economic trend

The economic-financial position of the companies belonging to the Group, is influenced by all factors comprising the Italian and international macroeconomic context. In the reference period, there are still general economic uncertainties and regarding Italian and international policy, the effects of which are unpredictable and cannot be easily measured. In Italy, like in other EU countries, any situations of political instability could negatively influence consumer trust, their buying power and spending capacity. The negative economic impact of the spread of the Covid-19 virus from the early 2020s onwards has also been partly reabsorbed by the extensive vaccination campaign, particularly in economically more developed countries. At present, however, it is not possible to formulate forecasts on possible future impacts, in the short or medium term, of the pandemic on the main global economic variables, which could also significantly influence the risks discussed in this paragraph. The Growens Group has been able to grow and strengthen over time, achieving important objectives. However, the possible occurrence of national and international conditions of uncertainty and their unpredictable effects, could still have negative impact on the Group's business, following a possible decline in revenues, profitability and cash flows.
For a more detailed analysis, see the notes on the macroeconomic situation at the beginning of this Report.

Market risks

The sectors in which the Growens Group operate are characterised by rapid technological development and suffer the competitive pressure deriving from the past pace of development of technology. The Group's success depends, amongst other aspects, on the capacity to innovate and strengthen its technologies, in order to respond to the technological progress in the sector in which it operates. The Group may consequently find itself having to cope with a more acute competition by virtue of the emerging technologies and services that may be introduced or implemented in the future. In fact, new technologies could limit or reduce the company's activities and/or favour the development and growth of new competitors and the Group may not be able to successfully and/or rapidly manage the possible transition to the use of these innovations, even though the investment in R&D aimed at favouring the integration of the services provided with other external systems and technological platforms is constant.

If the solutions offered by the Group should be unable to satisfy the needs of customers and/or respond to technological progress, improvements will need to be made quickly to develop and introduce new services, new applications and new solutions on the market quickly and at competitive prices. The Group's incapacity to improve, develop, introduce and supply services quickly that are able to satisfy changing market demands, including in technological terms, may have a negative impact on operating results or may make the services offered by the Group obsolete. In order to maintain its competitiveness on the market, the Group will therefore need to invest in research and development, with a high capacity to adjust to continue responding to the rapid technological changes and develop the characteristics of its services so as to respond to the changing market demands.

If the Group should be unable to adjust promptly to the technological evolution and/or the introduction of a new technology, negative effects may be seen on the consolidated economic, equity and financial position.

Risks related to financial operations

Credit risk

The credit risk is determined by the exposure to potential losses deriving from failure by counterparties to fulfil the obligations they have assumed. Credit management is entrusted to the Group finance and administration department, which, on the basis of formalized assessment and appointment procedures of commercial partners, seeks to minimize the risk. Following the economic difficulties arising from the crisis linked to the Covid-19 virus, stricter procedures have been adopted to quantify and control customer risk levels. At the same time, an attempt was made to support customers in a phase of generalized difficulty by offering shared payment extensions and favourable conditions on certain services in order to facilitate the maintenance of long-term business relations. In order to reduce the risk of insolvency deriving from trade receivables, widespread within the Group for some time has been the intensive use of electronic payments (credit cards, PayPal, Sepa Direct Debit) by customers, by means of self-provisioning sales through e-commerce.

It must be considered that the financial assets of the Group have a good credit standing.

Liquidity risk

The liquidity risk consists of the impossibility of respecting payment commitments due to difficulties in obtaining funds or liquidating assets on the market. The consequence is a negative impact on the economic results if the Group is forced to incur additional costs to fulfil its commitments or, as an extreme consequence, a situation of insolvency that risks the company as a going concern. At present, also thanks to its admission to trading on the AIM Italia market and the excellent relations with the banking system, the Growens Group enjoys a good level of liquidity and reduced debt, aimed mainly at growth by external lines, implemented through M&A and to support strategic investments, in particular in research and technological development of its services, and the temporary release of tax credits.

In order to optimize the management of financial resources, reducing the liquidity risk, the Group has adopted processes for the systematic monitoring of prospective liquidity conditions, in connection with business planning. The Growens Group expects to cope with its financial needs through the flows deriving from operations and cash on hand. Considering the prospective sales volumes, it is expected that financial resources can be generated that, together with current funds, will be able to guarantee suitable support for the ordinary and extraordinary investments planned too.

It is therefore considered that the liquidity risk is not significant.

Interest rate risk

Starting from the end of 2015, the parent company has made a careful use of financial leverage through the medium and long-term banking channel, benefiting from the favourable trend in debt costs; the purposes are further specified in the previous paragraph. As at 30/06/2021, consolidated bank debt is Euro 4.69 million, of which Euro 948 thousand in the short-term, as compared with liquid funds of Euro 9.83 million. Bank debt is mainly held by the parent company, with the exception of the VAT credit release line of Euro 1.6 million granted to Agile Telecom. The underlying loan contracts envisage terms and conditions that are in line with market practice. The loans are connected with the risk of interest rate changes, as they are partly negotiated at variable rates. It is not possible to exclude that a rise in interest rates could result in an increase in related financial expenses with consequent negative effects on the economic and financial situation of the company, even if the net prevalence of own financial resources compared to recourse to indebtedness to third parties greatly reduces the possible impact.

Exchange rate risk

There are trade receivables and payables held in foreign currencies by Growens mainly with regards to foreign subsidiaries, as well as marginal amounts for trade payables and receivables in foreign currencies with third-party suppliers and customers. The companies relating to the subsidiary MailUp Nordics, in particular Globase, operate on the Danish and Northern European market and the consolidated assets and liabilities in this Half-Year Report are originally denominated in Danish Krone. The Danish Krone/Euro exchange rate is extremely stable and historically oscillates only minimally. Also for the US subsidiary MailUp Inc., and for certainly more significant volumes, the consolidation values are denominated in foreign currency, in particular in US dollars, which are more subject to market fluctuations. Exposure to risks related to exchange rate fluctuations is deemed to be limited and linked to the Euro/Dollar area, in relation to the growth in business volumes of MailUp Inc. and the potential unfavourable fluctuations of the Dollar. The Group monitors risk trends and has already activated risk mitigation instruments through hedging transactions with its banking partners.

Risk of recovery of impairment assets

The risk of recovering the value of the assets held by the Group refers to the economic and financial performance of the consolidated companies and the capacity to produce sufficient cash flow to guarantee recovery of the investment value. This risk is monitored by the management through the regular verification of economic results, including under the scope of specific valuation procedures, such as, for example, by carrying out impairment tests at least once a year.

Risks related to external unlawful acts

With reference to this category, among the main potential risks, fraudulent events related to Cyber attacks were highlighted. These risks may cause the possible slowdown or interruption of the services provided by the Group and compromise the confidentiality of personal data related to these services, as well as damage the Group's commercial reputation. All these assumptions could have a negative, even significant, economic and financial impact. In order to mitigate the risk of such situations occurring, the Group is making increasingly significant investments in strengthening control and prevention systems aimed at reinforcing the Group's IT security, which have also led to the appointment of a Cyber Security Manager.

Reputational and Corporate Social Responsibility (CSR) risks

In carrying out its business, the Group may be subject to worsening of the perception of trust and reputation by its stakeholders due to the dissemination of prejudicial news or failure to meet the sustainability requirements defined in the CSR Report with reference to the economic, environmental, social and product aspects.

Significant events after HY1 end

On 19/07/2021, Growens announced the strengthening of group management with the entry of a new Head of Business Controlling and the introduction of the new position of Cyber Security Manager. At the same time, Growens also announced the strengthening of its MailUp business unit with the entry of a new Head of Marketing.

Outlook

The Group intends to continue to develop its business and services thanks to the profitable growth process already in place, in order to successfully gain standing and reinforce its position in the reference sector. To this end, in particular, the aim is to proceed with the following:

- expansion of the already rich and diversified range of modules and technological solutions offered to digital marketing professionals through the strengthening of existing tools and the inclusion of innovative features oriented to concepts such as:
    - Customer Data Platform;
    - Data driven omnichannel marketing orchestration;
    - Marketing automation;
    - Personalization / Hyper-personalization;
    - Web page / Landing page editor;
    - Chatbot engine for conversational campaigns (details here: https://help.datatrics.com/en/articles/3512681-conversational-campaigns);

- strengthening the ARPU (Average Revenue Per Unit) and the perception by the market of the uniqueness of the Group's offer compared to that of its competitors, through the introduction of new services and changes to its commercial policies;
- introduction of Datatrics in markets in which the Group already operates, starting with Italy, Denmark and Latin American countries, starting with the MailUp platform customer base but also through the indirect channel, starting with the sectors where Datatrics is most specialized.
- introduction of Datatrics into new markets: Sweden, Norway, Germany and possibly France, mainly through the indirect channel;
- expansion of the reference market to include geographical areas not yet covered and acquisition of technological know-how through M&A transactions of strategic shareholdings in the Marketing Technology ecosystem;
- continuation of the process of expanding integrations with third-party applications, offering users and external developers the possibility to connect and synchronize the platforms with external databases, CRM, CMS, e-commerce and other software;
- strengthening of intra-group synergies through the cross-fertilization of knowledge among Group companies and in particular:
    - sharing best practices, experiences and skills;
    - maintaining an unbundled approach to better meet the different needs of segments and/or markets;
    - exploitation of commercial synergies through the sharing of opportunities between the different business units of the Group;
- investment in improving the UX (user experience) of the Group's solutions, not only in terms of improving the relationship with the customer (customer care, customer success and technical support) but also in terms of the application interfaces in order to simplify the usability of the software, improve the conversion rate and reduce the churn rate;

- strengthening of the competitive positioning of BEE Plugin by launching a Platform that enables third-party companies to develop Add-on widgets that can be inserted in the BEE editor, such as count-down timer applications, dynamic maps, live weather or dynamic QR codes. This will provide end customers with greater flexibility, enabling them to integrate BEE within their own internal systems, while partner companies will be able to leverage the large BEE customer base to convey their solutions. More information on this page: https://docs.beefree.io/addons/;
- development of a community of web designers that can create and publish their own templates in the BEEfree.io catalogue, both free of charge in exchange for visibility and for a fee. This will make it possible to expand the e-mail templates catalogue in a scalable manner, with a positive effect on positioning in search engines and to increase the competitive advantage.

Organization and management models pursuant to Legislative Decree no. 231/2001

In compliance with the provisions of Legislative Decree no. 231 of 8 June 2001 (Discipline of the administrative responsibility of legal entities, companies and associations also without legal personality), in 2015, Growens adopted its own organizational model and its own code of ethics meeting the requirements of the Decree. In collaboration with professionals with proven experience, in the course of the last months of 2017, a complex process of internal audit and revision began, concluding with the approval by the Board of Directors on 15/05/2018 of a new Organizational Model and a new Code of Ethics. On the same date, the administrative body also appointed the Lawyer Gabriele Ambrogetti as monocratic Supervisory Body of the company. Subsequent to the date of establishment, the monocratic Supervisory Body coordinated several times with the Company's legal department and met with the Board of Statutory Auditors in order to plan the information flows and the sharing of the results of the activities involved.

Lastly, subsequent to the approval of Law 157/2019 which entailed the introduction of a new family of offence in Legislative Decree No. 231/2001 - i.e., tax crimes - the Supervisory Body deemed it appropriate to plan activities for 2020 to implement a new special section of the Growens Organization and Management Model dedicated to this matter, although several control protocols are already in place regarding the management of taxation. As part of the updating of the Model, the areas at risk of offences have been identified and, in particular, the correct keeping of the accounting documentation and, overall, the return activities aimed at determining taxes, as well as the management of relations with suppliers, with particular regard to the process of selection and adequate identification of the counterparty. The principles underlying the protocols set out in the special section on tax offences have also been incorporated into the Company's Code of Ethics.

On the occasion of the implementation of the new special part, the special sections dedicated to offences against the public administration, offences related to receiving stolen goods, money laundering and self-laundering, as well as the special sections dedicated to corporate offences and market abuse offences, were also updated with recent regulatory amendments. With reference to corporate offences and market abuse offences, the new procedure on Related Party Transactions (dated 24/03/2020) and the amendments made to the Insider Information and Internal Dealing procedures (both updated on 24/03/2020) were implemented.

Personal data processing

Growens, due to the characteristics of its business, which requires the utmost correctness and attention in the processing of data held by the customers of the platform, has always been strategically and particularly sensitive to issues of Data Protection. The internal procedures on these matters are constantly formalized, monitored and updated, as is specific training of personnel. The Group has also for years been assisted by legal advisors of proven competence and experience, on both national and international level, on these matters. The prevention and contrast of potential abuses by customers (spam) is also highly overseen, thanks to the presence of a technical department exclusively dedicated to this function, as demonstrated by the participation in several organizations and international working groups at the forefront in combating unfair practices and engaged in the dissemination of industry best practices also regarding personal data processing.

The regulatory amendments introduced by the new EU 2016/679 Data Protection Regulation, which entered into force in all European countries on 25/05/2018, known as GDPR (General Data Protection Regulation), also extended to non-European organizations, have however pushed Growens to start the activities necessary to make its infrastructure fully compliant with the new regulations.

In particular, to better manage the Company business and, more generally, the activities of the Group to which it belongs, it was deemed appropriate to appoint a new Data Protection Officer, i.e. a highly qualified, independent individual who also has experience in the personal data protection sector, who will perform that function not only for the "MailUp" Business Unit - referring to all activities linked to the development and marketing of the software known as the MailUp platform - but rather in favour of the entire Group. To that end, an extensive selection process took place in 2019, involving a cycle of meetings to identify an external party with the required skill and experience in this area. Several law offices and companies specialized in business compliance were contacted.

As the terms and conditions of the proposal submitted by the ICT Legal Consulting - Studio Legale Balboni, Bolognini & Partners law office appeared, compared to competitors, to be more aligned with the needs of the Group, they were engaged, with the approval of the chairman of the Company and the CEOs of the subsidiaries.

Growens therefore (i) formally appointed ICT Legal Consulting as the Data Protection Officer; and (ii) reported with the methods required by law the contact data of the Data Protection Officer to the pertinent supervisory authorities. In particular, the Data Protection Officer officially took up his duties following the Board Meeting held 24/03/2020.

The new Data Protection Officer, together with the Company's legal department, therefore prepared a "Personal Data Protection Organizational Model" as a tool to align the Company's policies and demonstrate that personal data processing is carried out in accordance with GDPR. In particular, the model reflects the position that Growens wishes to adopt in relation to the processing of personal data, containing policies and procedures aimed at establishing a comprehensive internal framework on the processing of personal data - rules, standards and guidelines to be followed by employees and staff - but also to demonstrate the various measures implemented by the Company to comply with the various applicable privacy and data protection laws.

In particular, the objective of the model is to ensure a coherent and consistent level of protection of personal data processed in the context of the activities carried out, regardless of where said activities may take place. In addition to policies and procedures that cover all relevant aspects and obligations that must be considered by Growens in the processing of personal data, the model also includes various operational documents - such as models, questionnaires, assessment tools and fact sheets - to assist employees and staff of the Company in daily operations.

The model has already been implemented at the Italian subsidiary Agile Telecom and the localization phase on the foreign companies belonging to Growens Group is in full progress.

Thank you for the trust placed in us.

Milan, 14 September 2021

The Chairman of the Board of Directors

Matteo Monfredini

Matteo Monfredini

CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AS AT 31/12/2020

Consolidated Balance Sheet -amount in euro-	Notes	30/06/2021	31/12/2020	Change	Ch.%
Tangible fixed assets	1	1,629,174	1,700,842	(71,668)	(4.2 %)
Right of Use	1	3,518,015	3,701,056	(183,041)	(4.9 %)
Intangible fixed assets	2	5,948,447	5,109,145	839,301	16.4 %
Goodwill	3	16,556,177	16,556,177	0	0.0 %
Equity investments in associates and joint ventures	4	122,976	122,976	0	0.0 %
Other non-current assets	5	849,296	848,259	1,037	0.1 %
Deferred tax assets	6	1,459,329	1,191,131	268,198	22.5 %
Total non-current assets		**30,083,415**	**29,229,588**	**853,827**	**2.9 %**
Receivables from customers	7	11,547,033	10,354,302	1,192,731	11.5 %
Other current assets	8	4,357,544	5,142,622	(785,077)	(15.3 %)
Financial assets AFS	9	195	195	0	0.0 %
Cash and cash equivalents	10	9,829,725	9,866,364	(36,639)	(0.4 %)
Total current assets		**25,734,497**	**25,363,483**	**371,015**	**1.5 %**
Total assets		**55,817,912**	**54,593,071**	**1,224,841**	**2.2 %**
Share capital	11	374,276	374,276	0	0.0 %
Reserves	12	17,002,005	16,343,604	658,400	4.0 %
Profit (Loss) for the period		298,951	564,927	(265,976)	(47.1 %)
Total equity		**17,675,232**	**17,282,807**	**392,424**	**2.3 %**
Payables to banks and other financiers	13	4,483,536	3,383,214	1,100,322	32.5 %
Liabilities RIGHT OF USE long-term	13	2,496,740	2,696,519	(199,779)	(7.4 %)
Other non-current liabilities	14	3,000,000	3,000,000	0	0.0 %
Provisions for risks and charges	15	155,167	88,667	66,500	75.0 %
Provisions for personnel	16	2,072,935	1,983,682	89,253	4.5 %
Deferred taxes	17	556,469	542,303	14,165	2.6 %
Total non-current liabilities		**12,764,846**	**11,694,386**	**1,070,461**	**9.2 %**
Trade and other payables	18	11,098,684	11,795,918	(697,234)	(5.9 %)
Payables due to associated company	18	30,000	31,220	(1,220)	(3.9 %)
Due to banks and other lenders short term	19	948,143	985,500	(37,358)	(3.8 %)
Liabilities RIGHT OF USE short-term	20	1,058,896	1,029,099	29,797	2.9 %
Other current liabilities	21	12,242,111	11,774,140	467,971	4.0 %
Total current liabilities		**25,377,834**	**25,615,877**	**(238,044)**	**(0.9 %)**
Total Liabilities		**55,817,912**	**54,593,071**	**1,224,841**	**2.2 %**

Consolidated Profit & Loss -amount in euro-	Notes	30/06/2021	%	30/06/2020	%	Change	Ch.%
SaaS Revenues	22	12,502,015	37.1%	11,567,246	36.5%	934,769	8.1%
CPaaS Revenues	22	20,736,869	61.5%	19,336,959	61.0%	1,399,910	7.2%
Other Revenues	22	452,503	1.3%	786,266	2.5%	(333,762)	(42.4%)
Total Revenues		**33,691,387**	**100.0%**	**31,690,470**	**100.0%**	**2,000,917**	**6.3%**
Cost of Goods Sold	23	22,095,818	65.6%	21,357,328	67.4%	738,490	3.5%
Gross Profit		**11,595,569**	**34.4%**	**10,333,142**	**32.6%**	**1,262,427**	**12.2%**
Sales & Marketing costs	24	3,315,335	9.8%	3,343,846	10.6%	(28,510)	(0.9%)
Research & Development Opex	**25**	**1,840,168**	**5.5%**	**1,316,618**	**4.2%**	**523,550**	**39.8%**
Research & Development Capex		*(1,183,686)*	*(3.5%)*	*(948,398)*	*(3.0%)*	*(235,288)*	*24.8%*
Research & Development costs		*3,023,854*	*9.0%*	*2,265,016*	*7.1%*	*758,838*	*33.5%*
General & Admin Costs	26	4,031,472	12.0%	3,495,267	11.0%	536,205	15.3%
Total Costs		9,186,976	27.3%	8,155,731	25.7%	1,031,245	12.6%
Ebitda		**2,408,593**	**7.1%**	**2,177,411**	**6.9%**	**231,182**	**10.6%**
General Depreciation Costs	27	184,055	0.5%	175,660	0.6%	8,395	4.8%
Right of Use Amortization Costs	27	548,002	1.6%	541,835	1.7%	6,167	1.1%
R&D Amortization Costs	27	1,197,678	3.6%	931,489	2.9%	266,190	28.6%
Amortization & Depreciation		1,929,735	5.7%	1,648,984	5.2%	280,752	17.0%
Ebit		**478,858**	**1.4%**	**528,428**	**1.7%**	**(49,569)**	**(9.4%)**
Net financial income/(charges)	28	(33,720)	(0.1%)	(39,906)	(0.1%)	6,186	(15.5%)
Ebt		**445,138**	**1.3%**	**488,521**	**1.5%**	**(43,383)**	**(8.9%)**
Curent Income Taxes	29	(396,865)	(1.2%)	(264,621)	(0.8%)	(132,245)	50.0%
Deferred Taxes	29	250,678	0.7%	181,088	0.6%	69,590	38.4%
Net Profit (Loss)		**298,951**	**0.9%**	**404,989**	**1.3%**	**(106,038)**	**(26.2%)**
Group profit (loss)		*298,951*	*0.9 %*	*404,989*	*1.3 %*	*(106,038)*	*(26.2 %)*
Minority interest profit (loss)							
Other items of the statement of comprehensive income							
Profit/(loss) that will not be subsequently							
reclassified to the year result							
Actuarial profit/(loss) net of the tax effect		(2,467)	(0.0 %)	(31,993)	(0.1 %)	29,526	(92.3 %)
Profit/(loss) that will be subsequently							
reclassified to the year result							
Profit/(loss) from the conversion of consolidated companies statements i		(16,250)	(0.0 %)	10,281	0.0 %	(26,531)	(258.1 %)
Comprehensive year profi/(loss)		**280,234**	**0.8 %**	**383,277**	**1.2 %**	**(103,043)**	**(26.9 %)**

Earnings

Per share:	0.0201	0.0272
Per share diluted:	0.0189	0.0272

Consolidated Statement of Changes in Equity

Figures in euros	31/12/2020	Allocation of MailUp results	Share capital increase	Change to share premium reserve	Purchase of own shares	Use of Own Share for MBO	Comprehensive IS Result	Stock Option Plan	Profit/(loss) carried forward	Period result	30/06/2021
Share capital	374,276										374,276
Share premium reserve	12,753,906										12,753,906
Legal reserve	80,000										80,000
Extraordinay reserve	5,613,856	1,716,841		19,030		17,321					7,367,049
Reserve for tresaury stock	(582,609)				(234,938)	308,642					(508,905)
Reserve for exchange rate gains	19,030			(19,030)							0
Profit/(loss) carried forward	(829,773)	564,927							(1,740,215)		(2,005,061)
Stock option reserve	70,468							44,541			115,009
OCI reserve and translation	(300,893)						(18,717)				(319,610)
FTA reserve	(613,449)										(613,449)
Merger reserve	133,068										133,068
Period result	564,927	(564,927)								298,951	298,951
Shareholders' equity	**17,282,806**	**1,716,841**			**(234,938)**	**325,963**	**(18,717)**	**44,541**	**(1,740,215)**	**298,951**	**17,675,232**

Figures in euros	31/12/2019	Allocation of MailUp results	Share capital increase	Change to share premium reserve	Purchase of own shares	Use of Own Share for MBO	Comprehensive IS Result	Stock Option Plan	Profit/(loss) carried forward	Period result	30/06/2020
Share capital	374,276										374,276
Share premium reserve	12,753,906										12,753,906
Legal reserve	80,000										80,000
Extraordinay reserve	3,417,944	2,195,912									5,613,855
Reserve for tresaury stock	(259,023)				(164,918)	121,454					(302,487)
Reserve for exchange rate gains	7,945								11,085		19,030
Profit/(loss) carried forward	220,279	1,150,036							(2,192,637)		(822,323)
Stock option reserve	0										0
OCI reserve	(252,931)						(31,992)				(284,923)
Translation reserve	(38,936)						10,280				(28,656)
FTA reserve	(613,449)										(613,449)
Merger reserve	133,068										133,068
Period result	1,150,036	(1,150,036)								404,989	404,989
Shareholders' equity	**16,973,112**	**2,195,912**			**(164,918)**	**121,454**	**(21,712)**		**(2,181,552)**	**404,989**	**17,327,286**

Consolidated Cash Flow statement -amounts in euro-	30/06/2021	30/06/2020
Period profit/(loss)	298,951	404,989
Income tax	396,865	264,621
Prepaid/deferred tax	(250,678)	(181,088)
Interest expense/(interest income)	25,505	27,019
Exchange (gains)/losses	8,215	12,887
(Dividends)		
1 Year profit/(loss) before income tax, interest, dividends and capital gains/losses on disposals	**478,858**	**528,428**
Value adjustments for non-monetary elements that have no equivalent item in net working capital:		
Provisions for TFR	255,129	235,983
Other provisions	147,932	70,157
Amortisation and depreciation of fixed assets	1,844,502	1,600,994
Write-downs for permanent losses in value		
Other adjustments for non-monetary items	17,069	(63,297)
2 Cash flow before changes in NWC	**2,743,490**	**2,372,264**
Changes to net working capital		
Decrease/(increase) in trade receivables	(1,192,731)	2,365,300
Increase/(decrease) in trade payables	(698,454)	(1,769,519)
Decrease/(increase) in accrued income and prepaid expenses	(561,915)	(81,542)
Increase/(decrease) in accrued liabilities and deferred income	(120,467)	1,174,142
Increase/(decrease) tax receivables	479,060	(1,086,547)
Increase/(decrease) tax payables	266,727	563,687
Increase/(decrease) other receivables	410,071	200,264
Increase/(decrease) other payables	511,374	(399,970)
3 Cash flow after changes in NWC	**1,837,155**	**3,338,079**
Other adjustments		
Interest collected/(paid)	21,061	(28,490)
(Income tax paid)	(40,717)	(121,302)
(Gains) / losses arising from the sale of current assets		
Dividends collected		
(Use of provision)	(82,051)	(78,107)
4 Cash flow after other adjustments	**1,735,448**	**3,110,180**
A Cash flow from operations	**1,735,448**	**3,110,180**
Tangible fixed assets	(158,526)	(308,678)
(Investiments)	(158,526)	(308,678)
Intangible fixed assets	(1,905,607)	(1,296,680)
(Investiments)	(1,905,607)	(1,296,680)
Divestment realisation price		
Financial fixed assets	(1,037)	(35)
(Investiments)	(1,037)	(35)
B Cash flow from investments	**(2,065,170)**	**(1,605,393)**
Minority interest funds	528,021	(496,442)
Increase (decrease) in short-term payables to banks	(6,825)	(25,593)
Stipulation of loans	1,600,000	484,115
Repayment of loans	(1,065,154)	(954,964)
Own funds	(234,938)	(43,464)
Capital increase by payment	0	0
Sale (purchase) of treasury shares	(234,938)	(43,464)
C Cash flow from loans	**293,082**	**(539,906)**
Increase (decrease) in liquid funds (A ± B ± C)	**(36,639)**	**964,881**
Initial cash and cash equivalents	9,866,364	8,946,689
Final cash and cash equivalents	9,829,725	9,911,569
Change in cash and cash equivalents	**(36,639)**	**964,881**

Explanatory Notes to the Consolidated Financial Statements as at 30/06/2021

General information

The Growens Group (hereinafter also the "Growens Group" or the "Group"), formerly MailUp Group, is a vertically integrated operator active in Cloud Marketing Technologies (MarTech), a sector in significant expansion and evolution, and offers a wide range of solutions to its customers, with particular focus on messaging and data-driven and multi-channel marketing automation. The Group's core business is represented by the development and sale of (i) technologies for the mass sending of e-mails and mobile messaging, in particular through the SMS channel, for marketing and transaction purposes, (ii) sophisticated e-mail and landing page editing tools, (iii) AI-based innovative solutions in marketing technologies (Predictive Marketing), in addition to (iv) professional consulting services in these areas. The parent company Growens S.p.A. (hereinafter "Growens") has developed a multi-channel Software-as-a-Service (SaaS) platform (e-mail, newsletter, SMS and messaging apps) of cloud computing for the professional management of digital marketing campaigns used by about 9,200 direct customers, in addition to over 15,000 customers of the other 4 business units and over 280,000 customers of the free editions of various services, in particular offered by BEEfree.io. At consolidated level, the Group operates with over 24,000 customers distributed in about 140 countries and is present with its offices on three continents with a staff of over 250 employees. After admission to trading of the ordinary shares in 2014 on the AIM Italia market operated by Borsa Italiana, Growens added to the organic growth a development path for external lines, acquiring established and emerging businesses in the same market segment or complementary businesses: Acumbamail (Spanish market and LatAm), Globase (Nordics market), Agile Telecom (SMS wholesale market) and Datatrics (artificial intelligence).

Accounting standards

Criteria for the preparation of the Group consolidated financial statements

In accordance with article 4 of Legislative Decree no. 38 of 28/02/2005, which regulates the exercise of options envisaged by article 5 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19/07/2002 relative to the application of international accounting standards, the parent company has exercised the faculty to voluntarily adopt the international financial reporting standards (hereinafter also referred to as the IFRS), issued by the International Accounting Standards Board (IASB) and approved by the European Commission for the preparation of its consolidated financial statements starting from the year ended 31/12/2016. The term IFRS is used to refer to the new International Financial Reporting Standards, the revised International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
Please note that the IFRS accounting standards applied in drafting the half-year financial statements closed as at 30/06/2021 are those in force on that date and are compliant with those adopted for preparing the financial statements as at 31/12/2020, with the exception of as outlined in the paragraph "Amendments to accounting standards".
For the purpose of preparing the accounting schedules, prevalence is given to the economic substance of transactions rather than to their legal form.
With reference to IAS 1, paragraphs 25 and 26, the Directors confirm that, in view of the economic prospects, the capitalisation and financial position of the Company, there is no uncertainty as the fact that the Group can operate as a going concern and that, consequently, in preparing the financial statements as at 30/06/2021, it should adopt accounting standards precisely under these terms.
In 2019, the requirements set forth in article 27 of Legislative Decree no. 127/1991 were met for the second year in a row, triggering the obligation to draft consolidated financial statements, previously prepared on a voluntary basis. As the parent company of subsidiaries, strictly linked in terms of the creation of value within the Group business and in connection with the AIM Italia Issuers' Regulation, Growens has in any case prepared the consolidated annual financial statements already since 2014.

These consolidated financial statements are subject to limited voluntary auditing by BDO Italia S.p.A., under the appointment made upon it for the period 2020-2022.

Consolidation standards applied in preparing the consolidated financial statements

The consolidated financial statements have been prepared consolidating the financial statements of the parent company on a line-by-line basis, and those of all companies in which the company directly or indirectly holds the majority of voting rights as at 30/06/2021 (line-by-line consolidation).

Companies are defined as subsidiaries when the parent company has the power, directly or indirectly, to manage them so as to obtain benefits from the exercise of said activities. The financial statements of subsidiaries are consolidated as from the date on which the Group acquires control of such and deconsolidated as from the date on which said control ceases.
According to the provisions of IFRS 3, the subsidiaries acquired by the Group are accounted for according to the acquisition method (purchase account).
The cost of acquisition corresponds to the current value of the assets acquired, shares issued or liabilities assumed as at the date of acquisition.
For the investment in the associated company, which is not very significant within the Group, it was decided to maintain the valuation at 31/12/2020 unchanged.
In preparing these consolidated financial statements, the items of the assets and liabilities, as well as income and expenses of the businesses included in the consolidation area, have been stated on a line-by-line basis. The following have then been eliminated:

- the book value of the investments held by the parent company in subsidiaries included in the consolidation area and the corresponding portions of the companies' equity;
- intra-group financial and trade receivables and payables;
- income and expenses relating to transactions implemented between consolidated companies;
- dividends distributed between Group companies;
- intra-group guarantees;
- the surplus acquisition cost with respect to the current value of the shares pertaining to the Group of the equity investments, is booked amongst the assets as goodwill. Any negative goodwill is booked on the income statement;
- any portions of shareholders' equity and the period result pertaining to minority shareholders are highlighted separately, respectively in a specific item of the consolidated balance sheet and income statement.

The tax effects deriving from the consolidation adjustments made to the financial statements of the companies consolidated are booked, where necessary, to the provision for deferred tax or deferred tax assets.

Subsidiaries consolidated on a line-by-line basis

The line-by-line consolidation concerned the shareholdings of the companies listed below, for which the parent company directly holds control:

Company name	City or foreign country	Share capital in Euros	Shareholders' equity	Net profit/(loss)	% held	Book value
MAILUP INC	UNITED STATES OF AMERICA	41,183	265,366	(47,434)	100	739,638
ACUMBAMAIL S.L.	SPAIN	4,500	204,669	170,708	100	1,099,519
MAILUP NORDICS A/S	DENMARK	67,001	792,039	(62)	100	791,262
AGILE TELECOM S.p.A.	CARPI (MO)	500,000	1,685,646	713,678	100	8,818,969
DATATRICS B.V.	THE NETHERLANDS	999	(2,321,636)	(306,595)	100	6,809,838
						18,258,957

For detailed information on the activities carried out by the subsidiaries and the strategic role within the Growens Group, please consult the Report on Operations part of this Consolidated Report in the section "The Group".

The consolidated half-year financial statements all refer to the closing date of the parent company corresponding to 30/06/2021.

Criteria for converting financial statements not prepared in Euros

The conversion of financial statements of subsidiaries denominated in currencies other than the Euro, MailUp Inc. and MailUp Nordics, including the Danish sub-subsidiary Globase International, is carried out by adopting the following procedures:

- the assets and liabilities have been converted at exchange rates current as at 30/06/2021;
- the items of the income statement have been converted at average exchange rates for HY1 2021;
- the emerging exchange differences have been debited or credited to a specific reserve of consolidated equity named "Reserve from conversion differences";
- equity items are converted at historical exchange rates on the date of the first consolidation;

- where such exists, goodwill and adjustments to fair value connected with the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the exchange rate in force on the date of first consolidation.

The following are the exchange rates used:

	Exchange rate as at 30/06/2021	Average exchange rate HY1 2021	Exchange rate as at 31/12/2020	Average exchange rate HY1 2020
US Dollar	Euro 1.1884	Euro 1.2057	Euro 1.2271	Euro 1.1015
Danish Krona	Euro 7.4362	Euro 7.4368	Euro 7.4409	Euro 7.4648

Source http://cambi.bancaditalia.it

Financial statements and alternative performance indicators (API)

The tables of the financial statements used have the following characteristics:
a) on the Statement of Financial Position, the assets and liabilities are stated in increasing order of liquidity; an asset/liability is classified as current when it meets one of the following criteria:
- it is expected to be realized/extinguished or expected to be sold or used in the normal operative cycle;
- it is mainly held for trading;
- it is expected to be realized/extinguished within 12 months of year end.

If none of these three conditions is met, the assets/liabilities are classified as not current;
b) In the Income Statement, the positive and negative items of income are stated according to destination for the previous year. This choice is dictated by the greater ease of reading and comparability with respect to the financial statements of the other players in the same sector. Starting from the first half of 2021, the consolidated income statement reports will include details of revenues broken down by the two main strategic business areas, i.e. SaaS and CPaaS, rather than by product line (Email, SMS, Predictive Marketing), in order to (i) provide a better representation of the respective operating logics, which are homogeneous within them in terms of type of business model, go-to-market, KPIs (Key Performance Indicators) and financial parameters; (ii) provide information that better reflects the Group's management logic and strategic decisions; (iii) simplify reporting with a view to greater comprehensibility and comparability with international standards.
The strategic business area SaaS (Software-as-a-Service) includes services provided to customers through platforms accessible in the cloud, used on the basis of multi-period contracts, mainly with recurring fees/subscriptions. At the Business Unit level, it combines revenues from the MailUp platform marketed by Growens, from the BEE editor of MailUp Inc, and from the subsidiaries Acumbamail and Datatrics. The strategic business area CPaaS (Communication-Platform-as-a-Service) covers all messaging services provided on a wholesale basis via API, in particular provided by Agile Telecom.
Costs are divided into four macro areas: Cost of Goods Sold (COGS), or costs of providing the Group's core services, and costs relating to the main operating areas, Sales and Marketing (S&M), Research and Development (R&D), in addition to General Costs (G&A) for administrative and structure expenses. In order to provide a management representation more in line with the current business situation and an easier comparison of the dynamics of costs related to human resources of the COGS, S&M and R&D macro-areas, the previous location of some departments adopted in the comparison period ended on 30/06/2020 has been aligned with the current structure, retrospectively updating the same data. Depreciation and amortization is also related to the different business areas. The section analysing the contents of the Income Statement items illustrates in more detail the criteria followed in the economic reclassification adopted. Also for the purposes mentioned above, reference was made to EBITDA (Earnings Before Interest Taxes Depreciation Amortization), an economic value not defined in the IAS/IFRS accounting standards representative of an Alternative Performance Indicator (API), equal to the operating result net of tangible and intangible depreciation and amortization;
c) the Other Comprehensive Income highlights all changes to Other comprehensive profits/(losses) occurring during the period, generated by transactions other than those implemented with shareholders and in accordance with the specific IAS/IFRS accounting standards. The Company has chosen to show said changes in a separate statement with respect to the Income Statement. Changes in Other comprehensive profits/(losses) are stated net of the related tax effects, separately identifying, in accordance with IAS 1R in force as from 1 January 2013, the components intended to be reversed on the Income Statement in subsequent years and those for which there is no provision for any reversal on the Income Statement;
d) the Statement of Changes in Equity, as required by international accounting standards, provides separate evidence of the period result and all other changes not carried on the Income Statement, but instead allocated directly to Other comprehensive profits/(losses) on the basis of specific IAS/IFRS accounting standards and transactions with shareholders in their capacity as shareholders;

e) the Cash Flow Statement is prepared applying the indirect method.

Measurement criteria

The measurement criteria adopted by the Group, based on IAS/IFRS accounting standards, are consistent and substantially unchanged with respect to those applied in the annual financial statements as at 31/12/2020, with the exception of the following.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2021

Amendments to IFRS 9, IAS 39 and IFRS 7 - Reform of the Interest Rate Benchmark - Phase 1

These amendments provide some facilitations in relation to interest rate benchmark reform. The findings relate to hedge accounting and have the effect that the reform of IBOR generally should not result in the termination of hedge accounting. However, any ineffectiveness of the hedge should continue to be recognized in the Income Statement. Given the pervasive nature of hedges involving IBOR based contracts, the facilitations concern companies in all sectors.
The application of the new amendments has not had any significant impact either on values or on financial statement disclosures.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE

As at the date of these financial statements, moreover, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the following accounting standards and amendments:

– In May 2017, the IASB issued the new IFRS 17 “Insurance Contracts”. The new standard, which will replace IFRS 4 and will be applicable from 1 January 2023, was amended in June 2020.

– In January 2020, the IASB published some amendments to IAS 1 clarifying that the definition of a liability as “current” or “non-current” depends on the right existing at the reporting date. The amendments will apply from 1 January 2022.

– In May 2020, the IASB published some restricted amendments to IFRS 3, IAS 16, IAS 37 and some annual revisions to IFRS 1, IFRS 9, IAS 41 and IFRS 16. The amendments will apply from 1 January 2022.

– In June 2020, the IASB published amendments to IFRS 4 that defer the exemption from the application of IFRS 9 until 1 January 2023. – In August 2020, the IASB published amendments to IFRS 7, IFRS 4 and IFRS 16. The amendments will apply from 1 January 2021.

– In February 2021, the IASB published a number of restricted amendments to IAS 1, Practice Statement 2 and IAS 8. The amendments are intended to improve disclosures about accounting standards and to help users of financial statements distinguish between changes in accounting estimates and changes in accounting standards. The amendments will apply from 1 January 2023.

– In March 2021, the IASB published some amendments to IFRS 16 that postpone the deadline from 30 June 2021 to 30 June 2022 for use of a practical expedient for the valuation of lease contracts, in the event that lease fees are renegotiated as a result of Covid-19. The lessee may choose to account for the concession as a variable fee during the period when a lower payment is recognized. The amendments will apply from 1 April 2021.

– In May 2021, the IASB published amendments to IAS 12 – Deferred taxes relating to assets and liabilities arising from a single transaction. The amendments require companies to recognize deferred taxes when an asset or liability is initially recognized in a transaction that results in equal amounts of deductible and taxable temporary differences.

The Group will adopt these new standards, amendments and interpretations, based on the expected date of application and will evaluate the potential impacts thereof, when approved by the European Union.

Disclosure on the book value of financial instruments

In order to provide information capable of illustrating the exposure to financial risks, the information provided by the companies regarding the fair value measurement of financial instruments, as required by accounting standard IFRS 7, is of great importance.

The fair value hierarchy has three levels:

- level 1: if the financial instrument is listed on an active market;
- level 2: if the fair value is measured on the basis of valuation techniques based on parameters observable on the market, other than the prices of the financial instrument;
- level 3: if the fair value is calculated on the basis of valuation techniques based on parameters not observable on the market.

30 June 2021 Growens S.p.A.

(Amounts in Euro)	Book value	Fair value	Fair value hierarchy
Other financial assets			
Other non-current financial assets	848,296	848,296	Level 3
Other current financial assets	195	195	Level 1

For details on the composition of the items highlighted above, please refer to the specific explanatory notes provided below in this document.

Potential liabilities

At present, there are no legal or tax disputes that require the recognition of contingent liabilities in the context of Group companies.

NOTES ON THE EQUITY, FINANCIAL AND ECONOMIC STATEMENTS

Assets

Non-current assets

Tangible assets (1)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
1,629,174	1,700,842	(71,668)

Plants and machinery

Description	30/06/2021	31/12/2020	Changes
Plants and machinery	55,374	72,680	(17,307)
Other assets	1,573,801	1,628,162	(54,362)
Total	**1,629,174**	**1,700,842**	**(71,668)**

“Other assets” include:

- expenses for the purchase of office furniture and furnishings for Euro 378,457, net of period depreciation;
- expenses for the purchase of electronic office machines for Euro 513,383, net of period depreciation;
- expenses for the purchase of mobile telephones for Euro 4,242, net of period depreciation;
- expenses for improvements to third-party assets for Euro 668,602 to set up and customize the new Milan office, net of period depreciation;
- other tangible assets for Euro 9,117.

Right of Use

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
3,518,015	3,701,056	(183,041)

Intangible assets	31/12/2020	Period increases	Period decreases	Period amortization/depreciation	30/06/2021
Rights of use offices IFRS 16	3,374,570	128,027		417,020	3,085,577
Rights of use Others IFRS 16	326,486	236,934		130,982	432,438
Total	**3,701,056**	**364,961**	**0**	**548,002**	**3,518,015**

On 01/01/2019 was the first-time adoption of the accounting standard IFRS 16 Leases. In the specific case of the Group, for office rental contracts, long-term vehicle leasing and IT equipment rental contracts, with limited exceptions for short-term contracts or contracts of reduced value, it provides for the recognition of the Right of Use (RoU) under non-current assets in the financial statements, as a balancing entry to the financial liability consisting of the present value of future lease fees.
The value of the Right of Use was determined by discounting the future lease fees provided for in the relevant contract at the time of first-time adoption of the accounting standard or subsequently at the time of signing new contracts or amendments to them. The marginal rate used for the homogeneous category of rental contracts for instrumental offices coincides with the rate applied to the parent company, on the occasion of recent medium/long-term financing granted by the banking system, and is equal to 0.8% per annum. For vehicle lease and rental contracts, the average annual rate of the lease operations, equal to 3%, specified in the relative contracts, was chosen. The amounts shown above are, as for other tangible and intangible assets, net of the related accumulated depreciation and amortization. IFRS 16 requires that the Right of Use is amortized on a straight-line basis over the remaining life of the underlying contract.

Intangible assets (2)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
5,948,447	5,109,145	839,301

Description	30/06/2021	31/12/2020	Changes
Platform development	4,706,483	4,334,905	371,578
Third-party software	1,208,101	733,374	474,727
Trademarks	5,510	7,269	(1,759)
Other	28,353	33,597	(5,244)
Total	**5,948,447**	**5,109,145**	**839,301**

The item “Platform development” includes investments for the development of the MailUp platform, net of relevant amortization/depreciation and costs for development projects currently in progress, activities not yet completed and therefore not amortized yet. It includes also capitalized developments related to the BEE editor, an asset contributed by the parent company to the subsidiary MailUp Inc as of 31/12/2016, and the SMS sending infrastructure of Agile Telecom.
“Third-party software” includes costs relative to software owned by third parties and the related interventions of implementation and customization with respect to the needs of the Group. The item “Trademarks” includes the expenses incurred for the deposit and protection of the Growens and MailUp trademarks in Italy and in other countries considered as strategic.
The item “Other intangible assets” includes Euro 23,793 in costs incurred for the new brand, and Euro 4,560 in other costs that are expected to benefit future years incurred by Datatrics BV.

With regard to the recoverability of the value of intangible assets, it is recalled that, in the absence of impairment indicators of the same compared to the carrying amount in the financial statements, which occurred in the half-year, it was not necessary to carry out further verifications.

For an in-depth analysis of the new functionalities introduced in HY1 2021 to the MailUp platform, to the BEE editor and of the research and development projects of the Group, please refer to the paragraph "Research and development activities" of the Report on Operations of this consolidated half-year report.

Goodwill (3)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
16,556,177	16,556,177	-

Goodwill deriving from the acquisition of companies is detailed as follows:

Description	30/06/2021
MailUp Inc	162,418
Acumbamail SL	464,923
MailUp Nordics A/S	331,126
MailUp Nordics / Globase	460,137
Agile Telecom SpA	8,256,720
Datatrics B.V.	6,801,699
Faxator goodwill	79,154
Total	**16,556,177**

Impairment testing of goodwill

The Directors, as recalled in the section on the accounting standards adopted (IAS 36), verify the potential recovery of goodwill recorded in the consolidated financial statements at least once a year, or more often in the presence of events that lead to believe that the carrying amount is not recoverable, using specific assessments (impairment tests) on each Cash Generating Unit (CGU). Goodwill is calculated as the difference in purchase value of the equity in subsidiaries and shareholders' equity of the subsidiary at the time of first consolidation. In the specific case, the CGUs are represented by the specific subsidiary to which goodwill refers. The potential recovery of the investment is determined with reference to forecast cash flow. Since the conditions are not met, the impairment tests on goodwill recorded in the balance sheet assets will be carried out at the time of the 2021 annual financial statements.

Equity investments in associates (4)

Company name	Country	31/12/2020	Revaluations	Impairment	Purchases	30/06/2021
CRIT Cremona Information Technology	Italy	122,976				122,976
Total		**122,976**				**122,976**

The amount recorded in the assets of the balance sheet refers to Growens' equity investment in Consorzio CRIT (CRemona Information Technology). The Consortium does not prepare the half-year financial statements, therefore it was decided to keep the value of the shareholding unchanged compared to the end of the previous year.
The CRIT has allowed, as fundamental stimulus factor and meeting place for the players involved, not only consortium members but also the institutions, for the creation of the Digital Innovation Center in Cremona, the new building complex officially inaugurated on 10 June 2017, where the consortium members are established, including Growens, which transferred there its operational and administrative office of Cremona in July 2017. Also the co-working space called Cobox, managed by the CRIT consortium, has been transferred to the Center.
All these initiatives refer to the strategic objectives of the CRIT, i.e. to enable synergies to be achieved between consortium members, develop services of mutual interest, both managerial and operative in

nature (start-up incubator, common training structures, meeting rooms) and construct a centre of excellence that can generate new businesses and transfer economic opportunities and better quality of life for the local world of businesses and communities, deriving from the use of new communication and information technologies.

Other non-current assets (5)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
848,296	848,259	1,037

Description	31/12/2020	Increase	Decrease	30/06/2021
Receivables from associated companies	64,641			64,641
Tax receivables due beyond 12 months	5,806			5,806
Receivables from others	36,131	1,037		37,168
BPER pledge	741,681			741,681
Total	**848,259**	**1,037**		**848,296**

The receivables in question are all expected to be collected over 12 months and are therefore classified as "non-current". The item "Receivables from others" refers to deposits due beyond the year.
The item "BPER pledge" refers to the amount withheld as pledge by Banca Popolare dell'Emilia Romagna against the first disbursement of the loan connected to the MISE "ICT Digital Agenda" call for tenders, which is discussed in detail in the section on research and development in the Report on Operations. The amount of the pledge is calculated at 40% of the total disbursed by BPER and Cassa Depositi e Prestiti and will be progressively released upon repayment of the related instalments as per the amortization schedule.

Deferred tax assets (6)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
1,459,329	1,191,131	268,198

Deferred tax assets refer to temporary differences between fiscal and accounting criteria recorded in the tax allocations of the individual companies and consolidation differences that will reverse over the next few years.
Details in connection with each Group company can be summarized as follows:

Description	30/06/2021	31/12/2020
Growens Spa	447,570	438,620
Agile Telecom Spa	4,076	(2,194)
Mailup Inc	574,035	398,144
Datatrics BV	433,649	357,000
Datatrics Srl	-	(438)
Total	**1,459,329**	**1,191,131**

At present, there do not appear to be any uncertainties regarding the future recoverability of the deferred tax assets allocated.

Current assets

Trade and other receivables (7)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
11,547,033	10,354,302	1,192,731

Description	30/06/2021	31/12/2020	Changes
Receivables from customers	11,547,033	10,354,302	1,192,731
Total	**11,547,033**	**10,354,302**	**1,172,861**

Below is the breakdown of receivables by geographic area:

Receivables divided by geographic area	From customers
Italy Customers	6,928,220
EU Customers	3,464,109
Non-EU Customers	1,154,704
Total	**11,547,033**

For further information on the dynamics of trade receivables, reference should be made to the paragraphs on the Group's performance in the sectors in which it operates and on the Group's key financial data in the Directors' Report, which forms part of this half-year report.

Other current assets (8)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
4,357,544	5,142,622	(785,077)

Description	30/06/2021	31/12/2020	Changes
Inventories	18,269	38,137	(19,869)
Tax receivables	1,811,894	2,748,815	(936,921)
Other receivables	772,880	1,163,083	(390,203)
Accrued income and deferred expenses	1,754,501	1,192,586	561,915
Total	**4,357,544**	**5,142,622**	**(785,077)**

The item Other receivables includes the receivable accrued for the grant on the New Innovative Multilateral Platform project mentioned in the Report on Operations. The item Tax receivables includes the Agile Telecom VAT credit of Euro 1,611,146 for 2020, the 2019 residual VAT credit of 34,370, tax credits for personnel recruitment of Euro 27,791, Agile Telecom IRES and IRAP credits for 2019 of Euro 45,200, the tax credit for Research and Development of Euro 70,536 and other receivables from the tax authorities for withholding tax of Euro 22,851.

Financial assets not held as fixed assets (9)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
195	195	0

The value of Euro 195 consists of the residual securities in our possession, after the redemption at nominal value on 08/07/2020 of the investment for Euro 500,000 in shares listed on AIM Italia.

Liquid funds (10)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
9,829,725	9,866,364	(36,639)

The balance represents liquid funds and cash as well as valuables held as at 30/06/2021.

Liabilities and Shareholders' Equity

Group Shareholders' Equity

Share capital (11)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
374,276	374,276	0

The share capital of the parent company Growens is entirely paid in and is represented as at 30/06/2021 by 14,971,046 ordinary shares with no par value, whose accounting parity comes to Euro 0.025 each.

Reserves (12)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
16,981,029	16,343,603	637,426

Description	Balance as at 31/12/2020	Increases	Decreases	Balance as at 30/06/2021
Share premium reserve	12,753,906			12,753,906
Legal reserve	80,000			80,000
Stock option reserve	70,468	44,541		115,009
Extraordinary reserve	5,613,856	1,753,192		7,367,049
Reserve for exchange adjustments	19,030		19,030	0
FTA reserve	(613,449)			(613,449)
OCI reserve	(316,597)	4,553	7,020	(319,064)
Reserve for treasury shares in portfolio	(582,608)	308,642	234,938	(508,905)
Merger surplus reserve	133,068			133,068
Translation reserve	15,703		16,250	(547)
Profits/losses carried forward	(829,773)	564,927	1,740,715	(2,026,036)
Total	**16,343,604**	**2,675,855**	**2,017,453**	**17,002,005**

The increase in the extraordinary reserve is determined by the parent company's profit for 2020, and the transfer of the reserve for exchange rate adjustments. In addition to this is the positive effect of Euro 17 thousand resulting from the allocation of a portion of the MBO bonus through the allocation of treasury shares to Growens employees and collaborators.
The FTA reserve was generated during the transition to the IFRS of the separate and consolidated financial statements.

The OCI reserve represents the effects deriving from the remeasuring of the defined benefit plans, as represented in the statement of comprehensive income.
The stock option reserve, linked to the incentive plan for members of top management and accounted for in accordance with IFRS 2, increased following the approval on 23/04/2020 of the new “Stock option plan 2020-2023”.
The negative reserve for treasury shares in the portfolio corresponds to the purchase price of treasury shares in the parent company held as at 30/06/2021.
The translation reserve expresses the net effect of the conversion in the consolidated financial statements of the financial statements of foreign subsidiaries held in currencies other than the Euro (MailUp Inc and MailUp Nordics/Globase).

Period result

The net HY1 result is positive and comes to Euro 298,951 as at 30/06/2021 with respect to Euro 564,927 as at 30/06/2020. For an in-depth analysis of the consolidated results, please refer to the specific section of the Report on Operations, an integral part of this half-year report.

Non-current liabilities

Amounts due to banks and other lenders (13)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
4,483,536	3,383,214	1,100,322

This item relates to loans from previous years from the banking system in favour of Growens which remain for Euro 2,883,536 in addition to Euro 1,600,000, disbursed in the half-year covered by this Report, relating to the medium-term disinvestment of Agile's 2020 VAT credit. Telecom with expiration 22/10/2022.

Please note that the Group debt is represented by unsecured loans. The Group did not resort to subsidized loans or moratorium for the repayment of existing debt resulting from legislative measures related to Covid-19 for financial support to businesses.

Long-term right of use liability (13)

Description	Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
Long-term office right of use liability	2,285,967	2,572,725	(286,758)
Long-term other right of use liability	210,773	123,794	86,979
Total	**2,496,740**	**2,696,519**	**(199,779)**

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry beyond 12 months.

Other non-current liabilities (14)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
3,000,000	3,000,000	0

The medium-term portion of the payable to BMC Holding BV, the seller of Datatrics BV, for the portion of the purchase price to be settled in cash has been paid in full. The difference shown above corresponds to the portion of the capital increase corresponding to the maximum amount, equal to Euro 3 million, of the variable earn-out compensation that will eventually be paid to the sellers upon reaching certain turnover thresholds by 2022.

Provisions for risks and charges (15)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
155,167	88,667	(66,500)

Description	31/12/2020	Increases	Decreases	30/06/2021
Provisions for severance indemnity upon cessation of office (TFM)	88,667	66,500		155,167
Total	**88,667**	**66,500**		**155,167**

The provision is determined by the allocation of the indemnity due to Directors upon cessation of office (TFM). The consolidated financial statements also include the provision relating to the Directors of Agile Telecom, in addition to the provision made by the parent company.

Staff funds (16)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
2,072,935	1,983,682	(89,253)

The change is as follows.

	31/12/2020	Increases	Decreases	Actuarial Gains/Losses	30/06/2021
Dismissal indemnity provision	1,983,682	225,604	82,051	54,300	2,072,935

The increases relate to year provisions made for employee severance indemnity. The decreases relate to year uses.

The main actuarial assumptions, assessed by an independent expert, are:

Demographic hypotheses
As regards the demographic hypotheses, the ISTAT 2011 mortality tables were used, as well as INPS disability/invalidity tables.
As regards the probability of leaving work for reasons other than death, the turnover values noted in the Companies assessed over a time frame of observation deemed to be representative, were used; more specifically, annual frequencies of 10% were considered.

Economic-financial hypotheses
These regard the theoretical lines of remuneration, the technical interest rate, the inflation rate and the value adjustment rates of salaries and TFR.
The technical assessments were carried out on the basis of the hypotheses described below:

	30/06/2021
Annual technical discounting rate	0.80%
Annual inflation rate	1.00%
Annual comprehensive remuneration increase rate	2.50%

As regards the choice of the discounting rate, the index for the Eurozone Iboxx Corporate AA has been taken as benchmark, with duration in line with the average financial duration of the group valued (10+ years).

Payables for deferred taxes (17)

Description	31/12/2020	Increases	Decreases	30/06/2021
Provision for deferred taxes	542,303	14,165		556,469
Total	**542,303**	**14,165**		**556,469**

The provision for deferred taxes relates to differences arising from the elimination of intercompany depreciation and amortization that arose in the consolidated financial statements and, in the majority of cases, to the differences recorded by MailUp Inc under amortization relating to the BEE editor asset for HY1 2021, and the same costs that are significant for tax purposes.

Current liabilities

Trade and other payables (18)

Description	30/06/2021	31/12/2020	Changes
Amounts due to suppliers	11,098,684	11,795,918	(697,234)
Amounts due to associates	30,000	31,220	(1,220)
Total	**11,128,684**	**11,827,138**	**(698,454)**

Amounts due to suppliers are stated net of commercial discounts. Below is a breakdown of trade payables according to geographic area:

Payables divided by geographic area	Due to suppliers
Italy	9,194,002
EU	1,259,724
Non EU	644,958
Total	**11,098,684**

For further information on the dynamics of trade payables, reference should be made to the paragraphs on the Group's performance in the sectors in which it operates and on the Group's key financial data in the Directors' Report, which forms part of this half-year report.

Amounts due to banks and other lenders (19)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
948,143	985,500	(37,358)

Description	30/06/2021	31/12/2020	Changes
Amounts due to banks - short-term	62,575	69,400	(6,825)
Short-term portion of loans	885,567	916,100	(30,553)
Total	**948,143**	**985,500**	**(37,358)**

The item "Short-term portion of loans" refers to the residual short-term portions of unsecured loans taken out by the parent company from Banco BPM, Credito Emiliano, Banca BPER and Credit Agricole. The remaining item relates to bank debt to electronic payment circuits for payments made by credit card.

Short-term right of use liabilities (20)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
1,058,896	1,029,099	29,797

Description	30/06/2021	31/12/2020	Changes
Short-term car right of use liability	818,019	833,063	(15,044)
Short-term other right of use liability	240,877	196,036	44,841
Total	**1,058,896**	**1,029,099**	**29,797**

The financial liability shown above is calculated in application of IFRS 16 and corresponds to the present value of the future instalments of rent, hire and lease contracts in force at the date of recognition, with expiry within 12 months.

Other current liabilities (21)

Balance as at 30/06/2021	Balance as at 31/12/2020	Changes
12,242,111	11,774,140	467,971

Below is the breakdown of Other current liabilities:

Description	30/06/2021
Advances	56,116
Tax payables	1,123,339
Amount due to social security institutions	478,581
Amounts due to Directors for emoluments	48,199
Amounts due to employees for salaries, holidays, permits and additional months' salaries	1,664,021
Payables for MBO bonuses	387,939
Deferred income	8,477,718
Other payables	6,198
Total	**12,242,111**

Tax payables mainly refer to withholdings applied to income from employment and autonomous work to be paid during the following period, as debt for direct taxes allocated and due and VAT. Amounts due to social security institutions mainly relate to various types of social charges to be paid during the following period with reference to the remuneration of the last month, the thirteenth month's salary and holiday accrued and not taken. Deferred income: most of the revenues of Growens come from recurring annual charges. Growens collects the charges deriving from the e-mail service, but, on an accruals basis, only part of the charges are used to form the year's income, whilst the part not pertaining to it, i.e. the deferred income, is used as a basis for the following year's income. Other subsidiaries that offer their services with SaaS advance fees, such as Acumbamail, MailUp Inc, Datatrics and Globase, are also subject to the calculation of deferred income, albeit to a lesser extent as these fees are mainly monthly. Deferred income also relates to the SMS channel, in the event that, typically in Growens, the sale is anticipated with respect to the actual use and sending by the customer.
The Group did not take advantage of measures to defer tax payments granted to companies to deal with the health crisis, with the exception of the Dutch subsidiary Datatrics B.V., which benefited from the deferral of the payment of VAT payables and withholding taxes on employees that will be paid in constant instalments in 24 months.

Income Statement

Revenues (22)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
33,691,387	31,690,470	2,000,917

Revenues from sales and services amounted to Euro 33.7 million, recording an increase of Euro 2 million (6.3%) on the corresponding figure for HY1 2020.

Revenues by product type

Below are details of revenues according to product type.

Description	30/06/2021	30/06/2020	Changes
Revenues SaaS	12,502,015	11,567,246	934,769
Revenues CPaaS	20,736,869	19,336,959	1,399,910
Other revenues	452,503	786,266	(333,762)
Total	**33,691,387**	**31,690,470**	**2,000,917**

It is noted that starting from the first half of 2021, the consolidated income statement reports will include details of revenues broken down by the two main strategic business areas, i.e. SaaS and CPaaS, rather than by product line (Email, SMS, Predictive Marketing), in order to (i) provide a better representation of the respective operating logics, which are homogeneous within them in terms of type of business model, go-to-market, KPIs (Key Performance Indicators) and financial parameters; (ii) provide information that better reflects the Group's management logic and strategic decisions; (iii) simplify reporting with a view to greater comprehensibility and comparability with international standards.
The strategic business area SaaS (Software-as-a-Service) includes services provided to customers through platforms accessible in the cloud, used on the basis of multi-period contracts, mainly with recurring fees/subscriptions. This category combines revenues from the MailUp platform marketed by Growens, including the revenues from messaging services sent via the SaaS platform to its typically retail customers (equal to Euro 2,103 thousand at 30/06/2021 against Euro 2,074 thousand at 30/06/2020, from the BEE editor of MailUp Inc, and from the subsidiaries Acumbamail and Datatrics. The strategic business area CPaaS (Communication-Platform-as-a-Service), covers all messaging services provided on a wholesale basis via API, in particular provided by Agile Telecom. Further analysis of business revenues is available in the Report on Operations, which is an integral part of this document.
In order to allow an easier comparison with the results for the first half of 2020, the table below provides a breakdown of revenues for the period by product line, which was used up to the annual financial statements as at 31/12/2020.

Description	30/06/2021	30/06/2020	Changes
E-mail revenues	8,966,956	8,012,070	954,886
SMS revenues	22,941,276	21,466,413	1,474,863
Predictive marketing revenues	1,330,652	1,425,722	(95,069)
Other revenues	452,503	786,266	(333,762)
Total	**33,691,387**	**31,690,470**	**2,000,917**

Other revenues mainly refer to grants for public tenders in support of innovation and training, down on the first half of the previous year, mentioned in more detail in the specific section of the Report on Operations, as well as contingent assets and income relating to residual activities. Certain contingent assets, primarily related to the Covid emergency, did not replicate in the first half of 2021.

COGS (Cost of goods sold) (23)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
22,095,818	21,357,328	738,490

The breakdown is as follows:

Description	30/06/2021	30/06/2020	Changes
Purchases	19,680,616	18,831,439	849,177
Services	1,301,068	1,364,075	(63,006)
Cost of rents and leases	19,570	5,695	13,875
Payroll cost	1,074,258	1,125,991	(51,734)
Sundry operating expenses	20,306	30,128	(9,821)
Total	**22,095,818**	**21,357,328**	**738,490**

The COGS are determined by the costs directly attributable to the provision of the services that represent the core business of the Group, i.e. the technological platforms and the services managed by the companies included in the scope of consolidation. This category includes the costs for the IT technological infrastructure, including the costs of the specific personnel, the costs of the areas directly involved in the provision of the service, for example the deliverability departments, help desk, and other variable costs directly related to services sold to customers. The largely predominant part is represented by purchases to send text messages, about Euro 19.5 million, by Agile Telecom from external suppliers.
In order to provide a management representation more in line with the current business situation and an easier comparison of the dynamics of costs related to human resources of the COGS, S&M and R&D macro-areas, the previous location of some departments adopted in the comparison period ended on 30/06/2020 has been aligned with the current structure, retrospectively updating the same data. Further details on the costs of ordinary operations can be found in the Report on Operations in this document.

Sales & Marketing costs (24)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
3,315,335	3,343,846	(28,510)

The breakdown is as follows:

Description	30/06/2021	30/06/2020	Changes
Purchases	2,486	4,749	(2,263)
Services	881,282	1,013,568	(132,286)
Cost of rents and leases	11,066	5,226	5,840
Payroll cost	2,420,434	2,318,831	101,603
Sundry operating expenses	67	1,472	(1,405)
Total	**3,315,335**	**3,343,846**	**(28,510)**

This includes the costs of departments that deal with commercial and marketing activities on behalf of Group companies. In addition to payroll costs, mainly relating to sales, there are some typical costs of marketing such as Pay per Click.

Research & Development costs (25)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
1,840,168	1,316,618	523,550

The breakdown is as follows:

Description	30/06/2021	30/06/2020	Changes
Purchases	814	871	(57)
Services	216,640	220,077	(3,438)
Cost of rents and leases	3,694	807	2,887
Payroll cost	2,802,707	2,043,260	759,447
Capitalized payroll cost	(1,183,686)	(948,398)	(235,288)
Total	**1,840,168**	**1,316,618**	**523,550**

These costs relate to the research and development departments involved in the MailUp platform, the BEE editor and the Agile Telecom SMS sending infrastructure. For purposes of greater clarity of exposure, the amount of capitalized payroll costs is recorded separately, then presenting the resulting net cost in the Income Statement scheme adopted. The capitalization is carried out in relation to the future usefulness of the software development projects of the MailUp platform, the BEE editor and the Agile Telecom SMS sending infrastructure. R&D projects are specifically analysed in the Report on Operations, an integral part of this consolidated half-year report.

General costs (26)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
4,031,472	3,495,267	536,205

The breakdown is as follows:

Description	30/06/2021	30/06/2020	Changes
Purchases	49,750	46,639	3,112
Services	2,572,938	2,124,883	448,055
Cost of rents and leases	57,188	57,425	(237)
Payroll cost	1,195,959	1,119,294	76,666
Sundry operating expenses	155,637	147,027	8,610
Total	**4,031,472**	**3,495,267**	**536,205**

General costs express overhead expenses, mainly related to the offices instrumental to the activity performed (utilities, maintenance, related purchases), general software licenses used by all Group personnel, administrative and general expenses, including costs of accounting, legal, back-office commercial clerical staff, human resources and management control, and in general all the departments that perform staff functions in support of the Business Units, the remuneration of the Board of Directors, the Board of Auditors and the Independent Auditors, legal, tax, accounting, labour and other consultancy not directly related to business functions, in addition to costs related to the status of listed company, such as for investor relations activity and M&A costs.

Amortization, depreciation and impairment (27)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
1,929,735	1,648,984	280,752

Description	30/06/2021	30/06/2020	Changes
General amortization, depreciation and provisions	184,055	175,660	8,395
Amortization right of use	548,002	541,835	6,167
Amortization R&D	1,197,678	931,489	266,190
Total	**1,929,735**	**1,648,984**	**280,752**

Right of use amortization was calculated for the first time in 2019 following the application of IFRS 16, as already mentioned.

Financial operations (28)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
33,720	39,906	(6,186)

The breakdown is as follows:

Description	30/06/2021	30/06/2020	Changes
Financial income	13,317	13,711	(394)
Financial expense	(38,822)	(40,730)	1,908
Exchange gains	19,751	27,805	(8,053)
Exchange losses	(27,967)	(40,692)	12,726
Total	**(33,720)**	**(39,906)**	**6,186**

The amount consists of interest income on bank current accounts and other remunerated deposits of liquidity, exchange rate gains and losses and interest expense on medium/long-term bank loans.
Financial expenses include the interest cost arising from the actuarial valuation in accordance with IAS 19R and the interest expense relating to the Right of Use financial liability of Euro 24 thousand calculated as per IFRS 16.

Income tax for the period (29)

Balance as at 30/06/2021	Balance as at 30/06/2020	Changes
(146,187)	(83,533)	(62,654)

Description	30/06/2021	30/06/2020	Changes
Current tax	(396,865)	(264,621)	(132,245)
Deferred tax	250,678	181,088	69,590
Total	**(146,187)**	**(83,533)**	**(62,654)**

The Group companies have set up period taxes on the basis of the application of current tax regulations in force in the relevant country. The related taxes are made up of current tax, deferred tax and prepaid tax, relating to positive and negative items of income respectively subject to imposition or deductions in periods other than those during which they are booked. Deferred tax assets/liabilities connected with the consolidation entries deriving from the elisions of intragroup margins and the related effect on the consolidated amortization/depreciation shares, have also been calculated.

Earnings per share (30)

Basic earnings per share are calculated by dividing the net period income attributable to ordinary company shareholders by the weighted average number of ordinary shares, excluding treasury shares, in issue during 2021. Below is the period result and information on shares used to calculate the basic earnings per share.

Description	30/06/2021
Net profit attributable to shareholders	298,951
HY opening number of ordinary shares	14,971,046
HY opening portfolio treasury shares	138,980
HY closing number of ordinary shares	14,971,046
HY closing portfolio treasury shares	119,449

Weighted number of shares in issue	14,841,832
Basic earnings per share	**0.0201**

Diluted earnings per share are calculated as follows:

Description	30/06/2021
Net profit attributable to shareholders	298.951
HY opening number of ordinary shares	14.971.046
HY opening portfolio treasury shares	138.980
HY opening shares potentially assignable	948.866
HY closing number of ordinary shares	14.971.046
HY closing portfolio treasury shares	119.449
HY closing shares potentially assignable	828.012
Weighted number of shares in issue	15.730.271
Basic earnings per share	**0,0190**

Workforce

As at 30/06/2021, the Growens Group had 259 employees, of whom 6 managers, 19 middle managers, 234 white-collar workers.
The number of total employees employed during the year, i.e., ULA (Annual Work Units), amounted to 235.17 at Group level.

Level of classification	Total number	%	Italy	United States of America	Spain	Denmark	The Netherlands
White-collar workers	234	90%	174	20	9	2	29
Middle managers	19	8%	16	0	2	1	0
Managers	6	2%	5	1	0	0	0
Total	259	100%	195	21	11	3	29

Related party transactions

Transactions implemented by the Group with related parties, identified according to the criteria defined by IAS 2 - Related party disclosure - are carried out at arm's length. For further details in regard, including the table showing the details of the changes, please refer to the specific paragraph of the Report on Operations as at 30/06/2021.

Fees to Directors and Auditors

Directors' fees, including the related contribution, came to Euro 803,725 in the half-year, whilst the fees to the Boards of Auditors, where present, came to Euro 22,000.

Fee to the independent auditing firm

Please note that - in accordance with letter 16-bis of article 2427 of the Italian Civil Code - the total amount of fees due to the independent auditing firm included in the Interim Report as at 30/06/2021 at consolidated level totalled Euro 22,782.

Disclosure regarding coordination and management activities

In accordance with article 2497-bis of the Italian Civil Code, it is specified that the Group is not subject to management and coordination activities.

Subsequent events

Please refer to the specific section of the Consolidated Half-Year Report on Operations as at 30/06/2021, for further details on the matter.

This Consolidated Financial Report, comprising the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Explanatory Notes, provides a true and fair view of the equity and financial situation as well as the economic result for the period and is consistent with the underlying accounting records.

Thank you for the trust placed in us.

Milan, 14 September 2021

The Chairman of the Board of Directors

Matteo Monfredini

Growens S.p.A. (formerly “Mailup S.p.A.”)

Independent Auditors’ review report

Condensed consolidated interim financial statement
as of June 30th, 2021

MCP/VDL/cpo - RC037242021BD0327

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent Auditors' review report on condensed consolidated interim financial statements

To the Shareholders of
Growens S.p.A. (formerly Mailup S.p.A.)

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements comprising the balance sheet as of June 30, 2021, the statement of income, the statement of cash flow and the statement of changes in shareholders' equity for the period then ended and other explanatory notes of Growens S.p.A. and its subsidiaries (hereinafter the "Growens Group"). The directors of are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) adopted by the European Union. Our responsibility is to express a conclusion on this interim consolidated financial reporting based on our review.

Scope of review

We conducted our review in accordance with *International Standard on Review Engagements 2410*, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is substantially less than an audit conducted in accordance with *International Standards on Auditing* and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of Growens Group as of June 30, 2021, is not prepared, in all material respects, in accordance with the *International Accounting Standard* applicable to interim financial reporting (IAS 34), as adopted by the European Union.

Milan, September 16th, 2021

BDO Italia S.p.A.

Signed by Manuel Coppola

This report has been translated into English from the Italian original solely for the convenience of international readers.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

BDO Italia S.p.A. - Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 1.000.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 07722780967 - R.E.A. Milano 1977842
Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
BDO Italia S.p.A., società per azioni italiana, è membro di BDO International Limited, società di diritto inglese (company limited by guarantee), e fa parte della rete internazionale BDO, network di società indipendenti.

MILANO | Via Pola 9 | 20124 Milano | + 39 02 710 40485
CREMONA | Via dell'Innovazione Digitale 3 | 26100 Cremona | +39 0372 24525

growens.io investor.relations@growens.io