GROWENS

Consolidated Half-Year Report as at 30 June 2022

Financial statements prepared in accordance with IAS/IFRS accounting standards

- Figures in Euro -

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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)

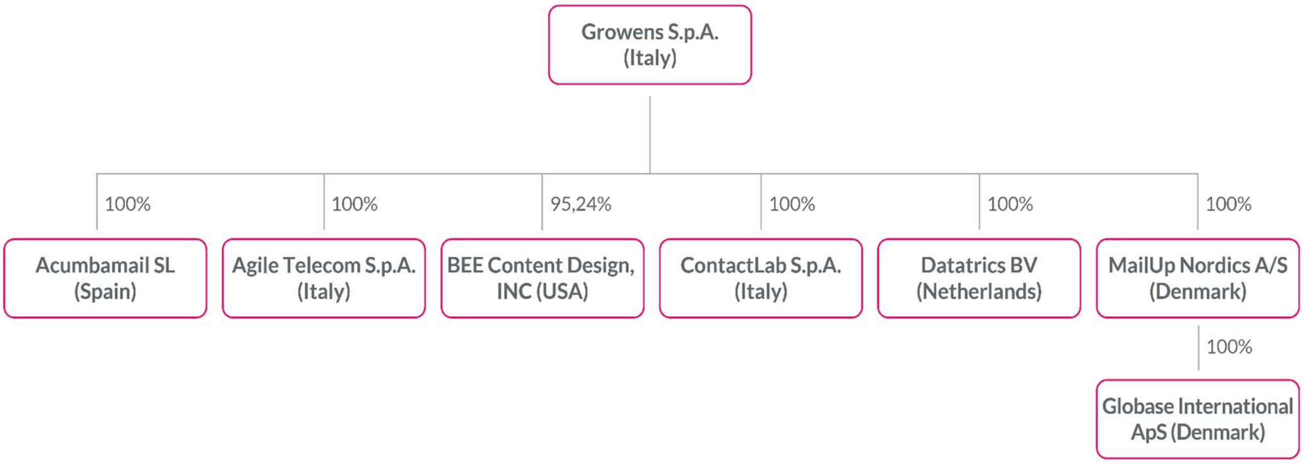
BDO Italia S.p.A.

1. Growens Group, European leader in Cloud Marketing Technologies

The Growens Group (hereinafter also the "Growens Group" or the "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, (v) digital agency services for enterprise customers with specialization in customer engagement. The parent company Growens S.p.A. (hereinafter "Growens" or also the "Company") 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 called MailUp used by over 9,600 direct customers, in addition to over 16,500 customers of the other 4 business units and over 490,000 customers of the free editions of various services, in particular offered by BEE Content Design Inc. (hereinafter also "BEE"). At consolidated level, the Group operates with about 26,500 customers distributed in more than 150 countries and is present with its offices on three continents with a staff of over 400 employees. After admission to trading of the ordinary shares in 2014 on the Euronext Growth Milan multilateral trading system (formerly AIM Italia) 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 and LatAm market), Globase (Nordics market), Agile Telecom (SMS wholesale market), Datatrics (artificial intelligence) and, of course, the newly acquired Contactlab S.p.A. (hereinafter "Contactlab") (E-mail marketing enterprise Italian market).

Growens Group structure

Below is the organizational structure of the Group as at 30 June 2022:



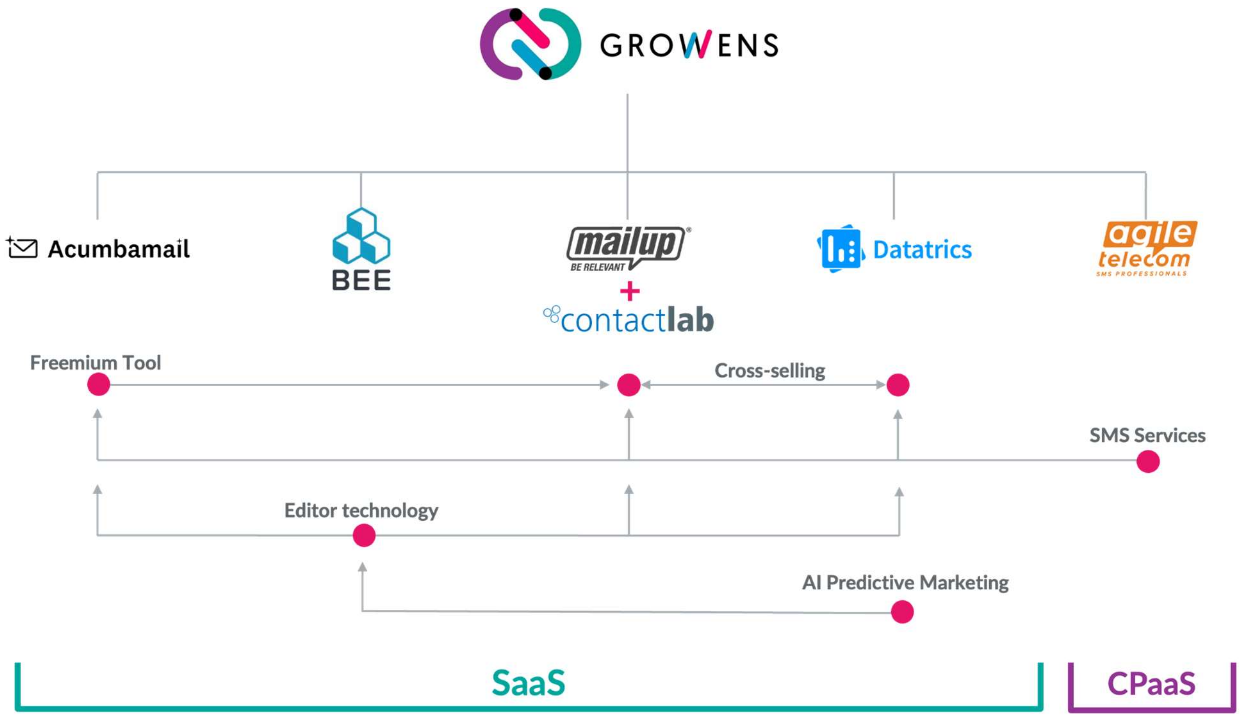
On 4 May 2022, Growens finalised the acquisition of the entire capital of Contactlab, a leading Italian company active in cloud-based marketing services founded in 1998 by former CEO and majority shareholder Massimo Fubini. Specifically, the transaction was finalised through the acquisition for a total consideration of Euro 5 million settled as follows:

(i) for a total of Euro 3.75 million, for cash paid at closing;

(ii) for a total of Euro 1.25 million in kind through the transfer of a total of 188,822 treasury shares of the Company as of the closing date.

As a result of the transaction, the sellers hold a total stake in Growens of approximately 1.3% of the share capital.

All the entities in the above chart are 100% owned by Growens, except BEE Content Design Inc. (formerly MailUp Inc.), 95.24% owned. The path of growth by external lines undertaken by the Group has made it possible, and will increasingly make it possible in the future, to develop 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. About 3,600 paying customers use the services of the Spanish subsidiary. Including also the free plans, there are about 50,000 units.

Agile Telecom S.p.A. 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 more than 1.1 billion messages sent in the first half of 2022 and manages the sending out of promotional and transactional A2P messages (One-Time Password, notifications and alerts) on behalf of about 2,000 customers. It is also practically the Group'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.

Bee Content Design Inc., formerly MailUp Inc., 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 located in Italy, is focused on the development and commercialization of the innovative e-mail editor BEE (Best E-mail 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 10,800 customers, both in the Plug-in version, adopted by over 1,000 SaaS applications, from start-ups to multinational companies, many of which are based in Silicon Valley, both in the Pro version, appreciated by e-mail designers, large companies (such as Netflix, Spotify, Novartis, Google) and digital marketing agencies in about 150 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.

Contactlab S.p.A., acquired on 4 May 2022, based in Milan, is the owner of a proprietary digital marketing platform based on Engagement Intelligence, offering its products and services to nearly 400 clients in the enterprise segment of various industries. Its customer base - 85% of which is concentrated in Italy - is strongly complementary with the customer base of the MailUp business unit, which focuses on the SMB (small-medium business) segment. Contactlab consists of two divisions: a product division (the "Tech Division") and a digital agency services division (the "Agency Division") specializing in customer engagement. Following the acquisition by Growens, the activity of the former division will be combined with, and coordinated with, that of the MailUp business unit, thus expanding the range of services to meet the needs of the most sophisticated customers in terms of data management - also in real time - and marketing automation.

Datatrics B.V., a Dutch company established in 2012 that owns a cutting-edge proprietary predictive marketing platform used by about 300 customers, which allows the marketing teams to build experiences 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 (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 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 independent business unit, but 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 BEE on accounting activities for high-end BEE Pro customers in the European area.

2. Summary data

Significant events in the first half ended as at 30 June 2022

In HY1 2022, the activities of the Group were characterized by the events indicated below:

On 11 January 2022, the Company reported certain key performance indicators (KPIs) and data of a purely managerial nature for its two business lines, SaaS (Software-as-a-Service) and CPaaS (Communication-Platform-as-a-Service). Specifically, ARR (Annual Recurring Revenue) is a measure calculated by adding up the annual subscription fees active in a given month and not cancelled. In the case of monthly fees, the value is annualized (multiplied by 12). Fees represent recurring sales: this item does not include sales of professional services, SMS traffic and other services sold on a one-time basis, while it does include usage fees such as API calls, image hosting and additional users who have recurring behaviour. The ARR is therefore not a historical figure, but a proxy for the ability of the business to generate income in a prospective view.

Consistent with the above, motivated by the Group's intention to ensure maximum transparency on its activities, and responding to a need that the most sophisticated investors have been expressing for some time, on 20 January 2022, the Company proceeded to publish some key performance indicators (KPIs) and data of an exclusively managerial nature for the Business Units. These indicators include some of the key metrics in use in the industry for evaluating SaaS (Software-as-a-Service) businesses, specifically:

- MRR (Monthly Recurring Revenues) and ARR (Annual Recurring Revenues), which are monthly and annual recurring sales (subscription fees for various services), respectively;
- LTV (Life Time Value), an estimate of the average aggregate gross contribution margin of customers over the life cycle;
- NRR (Net Revenue Retention), which is a measure of the growth/loss of revenue from the existing customer base for the company in a given time period, as a result of the combination of expansion (upgrades), contraction (downgrades) and churn (abandonment);
- Payback Period, which is the average time (in months) in which the revenue from a newly acquired customer evens out the acquisition costs (marketing and sales) and the cost of providing the service (COGS).

The KPIs, which will be updated quarterly, are available on the Company's website in the pages dedicated to the Business Units as well as in the corporate presentation, available in the Investor Relations/Presentations section.

On 08 February 2022, Growens announced the creation of the Cagliari Innovation Lab, a new research and development centre dedicated to digital and technological innovation, the result of the collaboration between Growens, CREA, the centre for innovation and entrepreneurship of the University of Cagliari, and The Net Value, the community of innovators founded in 2009 to support innovation and digital entrepreneurship in the Sardinia territory. The Lab, in addition to hosting the new local headquarters of Growens, will have the objective of giving an important contribution to the creation of training paths for digital professions and to the identification of figures that can fuel the growth of the Group not only through the enhancement of new local talents but also through the attraction of specialized professional figures at international level.

On 21 February 2022, the Company announced the launch by subsidiary Datatrics of the freemium version of its predictive marketing platform using artificial intelligence. Datatrics is the first Customer Data Platform (CDP) in the world to introduce the ability to create a free account and explore its cutting-edge features, in the broader context of the Growens Product-Led approach, which sees its Business Unit products as the strategic driver of business growth and expansion. Growens aims to increase accessibility to innovative technology products, opening up to the vast pool of small to medium-sized companies currently excluded from using sophisticated hyper personalization tools to build and manage successful marketing campaigns, due to out-of-reach costs and complexity.

On 4 April 2022, the Company announced the signing of a binding agreement to acquire 100% of Contactlab S.p.A., a leading Italian company active in cloud-based marketing services. The transaction, aimed at increasing the size and capitalization of the Group, creating an increasingly integrated operator in the field of cloud marketing technologies and with a clear leadership position in Italy, was completed on 4 May 2022. Following the transaction, Massimo Fubini (CEO and founder of Contactlab) took over as head of the combined MailUp+Contactlab business unit, and holds a stake in Growens.

On 22 April 2022, the Company announced - on the occasion of World Earth Day 2022 - the launch of “One Tree, One Customer”, the sustainability initiative that envisages the planting of a tree for every new customer acquired by all five Business Units that make up the Group. The project, implemented in collaboration with Tree-Nation and in line with the comprehensive and strategic ESG approach adopted by Growens, aims to proactively contribute to the well-being of the planet. After having already collaborated with other associations in planting trees with the creation of the Growens Forest and certified the carbon neutrality of the growens.io website, Growens is relaunching its commitment to the environment with the aim of becoming not only carbon neutral - i.e. offsetting the CO_2 emitted - but climate positive, i.e. generating a positive, and not just neutral, impact on the planet. In concrete terms, the mechanism behind the operation of the "One Tree, One Customer" project is very simple: as soon as new customers purchase one of the services offered by the Growens Group Business Units, they receive an invitation to plant their tree by e-mail. In this way, the new customers will be able to know the exact location of their tree and its species, with complete transparency. The trees planted will thus add to the Growens forest, a project that began in 2007 and has continued uninterruptedly over the years thanks to partnerships with various certified international associations such as Lifegate, Treedom and, more recently, Tree-Nation. By the beginning of 2021, Growens has enabled the planting of more than 1,700 trees, mainly located in Kenya and Nepal, and the offsetting of almost 600 tons of CO_2. The forest and its impact are visible and updated in real time at tree-nation.com/profile/growens.

3. Summary report

Consolidated Income Statement as at 30 June 2022 – Amounts in Euro

	30/06/2022	%	30/06/2021	%	Change	Cha. %
SaaS Revenues	16,897,544	35.8%	12,502,015	37.1%	4,395,530	35.2%
CPaaS Revenues	29,807,128	63.2%	20,736,869	61.5%	9,070,259	43.7%
Other revenues	478,560	1.0%	452,503	1.3%	26,057	5.8%
Total revenues	**47,183,233**	**100.0%**	**33,691,387**	**100.0%**	**13,491,845**	**40.0%**
Cost of Goods Sold	33,515,524	71.0%	22,095,818	65.6%	11,419,706	51.7%
Gross profit	**13,667,708**	**29.0%**	**11,595,569**	**34.4%**	**2,072,139**	**17.9%**
Sales & Marketing costs	4,778,496	10.1%	3,315,335	9.8%	1,463,161	44.1%
Research & Development Opex	**2,144,470**	**4.5%**	**1,840,168**	**5.5%**	**304,302**	**16.5%**
Research & Development Capex	(1,599,738)	(3.4%)	(1,183,686)	(3.5%)	(416,052)	35.1%
Research & Development costs	3,744,208	7.9%	3,023,854	9.0%	720,354	23.8%
General & Admin Costs	5,387,987	11.4%	4,031,472	12.0%	1,356,515	33.6%
Total costs	**12,310,953**	**26.1%**	**9,186,976**	**27.3%**	**3,123,977**	**34.0%**
EBITDA	**1,356,755**	**2.9%**	**2,408,593**	**7.1%**	**(1,051,838)**	**(43.7%)**
General depreciation Costs	217,587	0.5%	184,055	0.5%	33,532	18.2%
Right of Use Amortization Costs	504,315	1.1%	548,002	1.6%	(43,687)	(8.0%)
R&D Amortization Costs	1,659,584	3.5%	1,197,678	3.6%	461,906	38.6%
Impairment and provisions	0	0.0%	0	0.0%	0	0.0%
Amortization, depreciation and provisions	**2,381,486**	**5.0%**	**1,929,735**	**5.7%**	**451,751**	**23.4%**
EBIT	**(1,024,731)**	**(2.2%)**	**478,858**	**1.4%**	**(1,503,589)**	**(314.0%)**
Net Financial Income/(charges)	66,077	0.1%	(33,720)	(0.1%)	99,797	(296.0%)
EBT	**(958,654)**	**(2.0%)**	**445,138**	**1.3%**	**(1,403,792)**	**(315.4%)**
Current Income tax	(173,416)	(0.4%)	(396,865)	(1.2%)	223,449	(56.3%)
Deferred tax assets	194,709	0.4%	250,678	0.7%	(55,969)	(22.3%)
Period profit/(loss)	**(937,360)**	**(2.0%)**	**298,951**	**0.9%**	**(1,236,311)**	**(413.5%)**
Group profit (loss)	*(930,945)*	*(2.0%)*	*298,951*	*0.9%*	*(1,229,896)*	*(411.4%)*
Minority interest profit (loss)	*(6,415)*	*(0.0%)*		*0.0%*	*(6,415)*	

Consolidated Balance Sheet as at 30 June 2022 – Amounts in Euro

	30/06/2022	31/12/2021	Change	Cha. %
Intangible fixed assets	10,610,339	6,934,260	3,676,079	53.0%
Goodwill	18,764,885	15,326,343	3,438,542	22.4%
Tangible fixed assets	1,411,901	1,451,491	(39,590)	(2.7%)
Right of Use	2,613,694	3,168,182	(554,488)	(17.5%)
Financial fixed assets	310,012	200,985	109,027	54.2%
Fixed assets	**33,710,831**	**27,081,261**	**6,629,570**	**24.5%**
Receivables from customers	16,294,203	12,465,270	3,828,933	30.7%
Payables to suppliers	(15,099,948)	(14,188,380)	(911,568)	6.4%
Payables to associated companies	-	(2,000)	2,000	(100.0%)
Commercial working capital	**1,194,255**	**(1,725,110)**	**2,919,365**	**(169.2%)**
Tax receivables and payables	975,861	290,878	684,983	235.5%
Accruals and deferrals	(9,200,532)	(7,845,047)	(1,355,485)	17.3%
Other receivables and payables	(4,633,512)	(3,589,466)	(1,044,046)	29.1%
Net working capital	**(11,663,928)**	**(12,868,744)**	**1,204,816**	**(9.4%)**
Provisions for risks and charges	(1,424,686)	(936,801)	(487,884)	52.1%
Provision for severance and pension	(4,220,419)	(2,265,831)	(1,954,588)	86.3%
Net invested capital	**16,401,799**	**11,009,885**	**5,391,914**	**49.0%**
Share capital	374,276	374,276	-	-
Reserves	17,992,293	16,775,315	1,216,978	7.3%
Period profit/(loss)	(930,945)	387,098	(1,318,043)	(340.5%)
Minority shareholder's equity	(15,456)	(6,086)	(9,371)	154.0%
Net equity	**17,420,167**	**17,530,603**	**(110,436)**	**(0.6%)**
Cash	(9,761,497)	(13,324,983)	3,563,486	(26.7%)
Short-term debt	2,706,053	1,234,624	1,471,429	119.2%
Financial liabilities right of use (short term)	925,749	998,388	(72,640)	(7.3%)
AFS Financial Assets	-	-	-	-
Medium/long-term payables	3,366,756	2,270,862	1,095,895	48.3%
Financial liabilities right of use (medium/long term)	1,744,570	2,300,390	(555,821)	(24.2%)
Net financial position	**(1,018,369)**	**(6,520,719)**	**5,502,350**	**(84.4%)**
Total sources	**16,401,799**	**11,009,885**	**5,391,914**	**49.0%**

4. Consolidated Half-Year Report on Operations as at 30 June 2022

The half-year ended on 30 June 2022 records a negative consolidated result of Euro 937,360, net of losses pertaining to minorities for Euro 6,415, after amortisation, depreciation and impairment applied for a total of Euro 2,381,486 and provisions made for current and deferred tax in the amount of Euro 21,293. The EBITDA of the Growens Group amounted to Euro 1,356,755 in the reporting half-year.
Below is the analysis of the position and the trend of operations relative to HY1 2022 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, information is provided regarding the Group's consolidated position. This Report, drawn up with balances expressed in Euro, is presented so as to accompany the 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 figures as at 31 December 2021 as regards the Balance Sheet and the figures as at 30 June 2021 as regards the Income Statement are shown for comparative purposes. The consolidation of the Contactlab income statement refers exclusively to revenues and costs for the months of May and June 2022, as the acquisition was actually realized with the closing on 4 May 2022. For the same reason, the comparative income statement and balance sheet figures do not include the values referring to Contactlab, as these were prior to the date from which the consolidation started.
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 30/06/2022):

Company name	Registered office	Share capital	Percentage of ownership
GROWENS S.p.A.	Milan	Euro 374,276	parent company
CONTACTLAB S.p.A.	Milan	Euro 1,228,572	100%
BEE CONTENT DESIGN Inc.	United States of America	Euro 43,295*	95.24%
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 B.V.	The Netherlands	Euro 999	100%

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

Economic Framework HY1 2022

The year 2021 was characterized by strong dynamism, coming out of the slowdowns resulting from the Covid-19 pandemic and the subsequent lockdown periods, with good growth, albeit offset by a sharp rise in inflation, characterized by generalized phenomena of increased consumption, significant recovery in investment and trade, and progress in employment.

Since the beginning of 2022, however, a scenario of strong instability has rapidly taken over, at the same time as a widespread deceleration of global economic activity. The unleashing of a serious conflict in Eastern Europe, due to the Russian invasion of Ukraine, and the consequent deterrent economic sanctions against Russia, have amplified the already existing criticalities: inflation, impediments in the value chains, a sharp rise in energy and food prices, volatility in the financial markets and the consequent diversion of investments from the growth asset classes in favour of value ones.
These issues, combined with the change of course in monetary policies that was announced and in some countries already implemented at the beginning of the year, caused an overall worsening of the short and medium-term outlook for the international economy. The European Commission has revised downwards its global GDP growth estimates for 2022-2023 (+3.2% and +3.5% respectively). International trade in goods by volume, which grew by 5.5% on average in 2021, slowed down to 0.8% in the first quarter of 2022 compared to the previous three months. Between January and March, the Chinese economy, held back

by the new lockdown measures, slowed down compared to the previous quarter (+1.3% in cyclical terms from +1.6%). The European Commission estimates that the country will grow by 4.6% and 5% this year and next. In the US, GDP decreased by 0.4% in the first quarter of 2022, for the first time in about two years, due to the negative balance between net exports and inventories compared to the contribution of domestic demand. In March and April 2022, the Federal Reserve raised interest rates by 25 b.p. and 50 b.p., respectively, for the first time since December 2018, to counter high inflation levels. Expected US growth is 2.9% for 2022, decelerating sharply from 2021, and then slowing further to 2.3% in 2023.

In the Euro area, GDP increased by 0.3% in cyclical terms in the first quarter of 2022. At the national level, GDP growth in Spain, Germany and Italy amounted to 0.3%, 0.2% and 0.1% respectively, while in France it remained at the level of the previous three months. The second quarter also showed a slowdown in economic activity. The European Commission expects Eurozone GDP to increase by 2.7% in 2022, instead slowing down to 2.3% in 2023. GDP growth forecasts at national level are: +4.0% in 2022 and +3.4% in 2023 for Spain; +3.1% and +1.8% for France; +1.6% and +2.4% for Germany. For 2022, a gradual depreciation of the Euro to USD 1.07 is estimated, which will remain stable in 2023. The substantial increase in oil prices in 2021, linked to the recovery of economic activity and the imbalance between supply and demand, continued in 2022 and the Brent price is expected to remain above USD 100 per barrel until 2023.

As far as Italy is concerned, the recovery of the economic cycle slowed down in the first quarter (cyclical change of 0.1%). Domestic demand (net of inventories), made a positive contribution to growth (+0.4%), while net foreign demand, influenced by the marked increase in imports, made a negative contribution of -0.3%. Households and businesses showed respectively a decrease in consumption (-0.8%) and an increase in investments (+3.9%). On the supply side, there was a cyclical improvement in construction added value (+5.8%), combined with a decline in industry activity (-0.9%) and substantial stability in services activity (-0.1%), supported by the recovery of professional activities, research and support services and real estate activities (+4.0% and +1.3%).
The recovery in investment and the maintenance of business confidence at a level above the long-term average led to the rise in energy prices, which in turn caused the trade balance to worsen and inflation to accelerate. In May, the national consumer price index for the entire community (NIC), before tobacco, increased by 6.9% year-on-year (from +6.0% in the previous month) driven by both energy goods prices and a broader spread of inflation.
The evolution of these factors in the short and medium term is characterized by a high degree of uncertainty, with a scenario characterized by slowing consumption, construction-driven investment, a balanced trade balance, improvements in the labour market, a sustained rise in inflation, and with an estimated GDP growth of +2.8% in 2022 (driven by domestic demand).

The second half of 2022 unfortunately opened with the government crisis, which led to the resignation of the Draghi government and the calling of general elections in September 2022. This instability factor adds to the prospect of recession in the third quarter, negatively affecting the outlook and volatility of financial markets.

The Group

For a more in-depth analysis of the structure of the Group, please refer to the initial pages of this document illustrating all the relative details.

Main events of HY1 2022

For a description of the main events of the year, please refer to as outlined in the introduction to this document.

GROW share performance in HY1 2022 and Investor Relations activities

Below is some data on the prices and volumes of the Growens share (GROW) in HY1 2022.

Placing price	Euro 1.92*	29/07/2014
Maximum price 1H 2022	Euro 5.36	11/01/2022
Minimum price 1H 2022	Euro 4.21	23/06/2022
Price at period-end	Euro 4.36	30/06/2022

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

After a start of 2022 characterized by good volumes and a price trend that was more or less stable above Euro 5, the continuation saw prices and volumes fall, partly due to the effects on the markets of a series of macroeconomic dynamics (war in Ukraine, rising inflation, rising energy prices), which led to a major shift in the allocation of investments between growth-type and value-type assets.

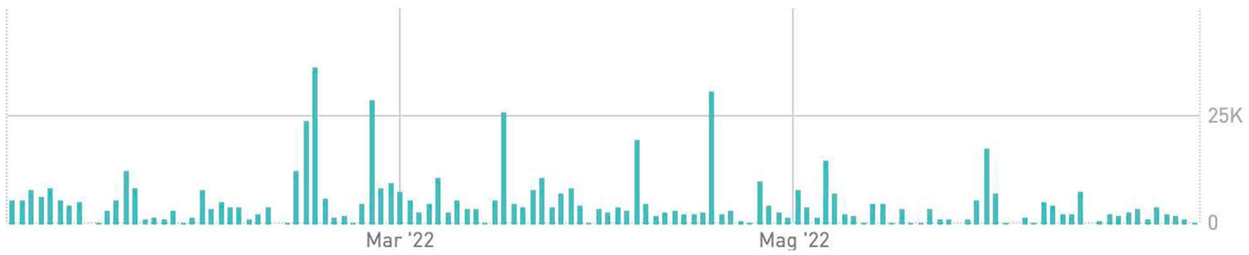
During the first half of 2022 in any case, the GROW share lost a relatively small part of its value, with a negative change of 14.5% between the beginning and end of the half year, compared to high double-digit value losses of comparable stocks.

The maximum price recorded on 11 January 2022 at Euro 5.36 per share, equal to the maximum of the period, is about 5% higher than the first listing of the year (Euro 5.1 as of 03 January 2022).

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

Month	Weighted average price €	Average daily volume #
January 2022	5.17	4,669
February 2022	4.87	7,783
March 2022	4.89	6,070
April 2022	5.16	5,278
May 2022	4.80	4,061
June 2022	4.41	2,301

GROW.MI - trend in price January-June 2022 - Source [*www.borsaitaliana.it*](http://www.borsaitaliana.it)



GROW.MI - trend in volumes January-June 2022 - Source www.borsaitaliana.it

In the HY ended 30 June 2022, in 12 trading sessions, volumes traded exceeded 10,000 units, with a maximum recorded on 16 February 2022 (36,241 units). In general, the daily volumes traded during the period were on average more than 5 thousand units, less than the average 9 thousand units traded throughout 2021, but indicative of a high loyalty of the stock base in times of crisis that has affected the global financial markets. In six trading sessions there were no trades.

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 2022, a total of 37 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 2022, the Group participated in more than 8 plenary (conferences) and individual (investor day) meetings held mostly in virtual mode, meeting about 80 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 2022, 15 equity research reports were published.

Growth in demand and trends of the markets on which the Group 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 service requests.

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, going from about 150 application solutions in 2011 to 8,000 in 2020, while the overall estimate of worldwide spending on marketing technology has reached USD 121.5 billion, essentially doubling its amount in the last two years in the most advanced markets such as the United States and the UK (source: chiefmartech.com).

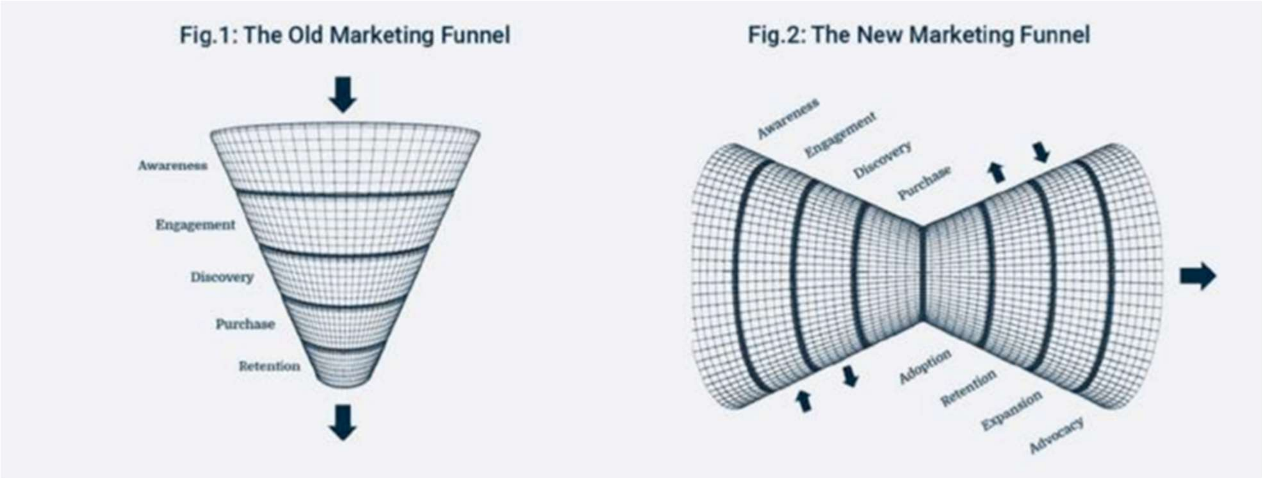
In the extremely complex and fragmented context of the MarTech market it is possible to identify 6 main sub-segments:

- 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).

Multi-channelling is increasingly becoming a fundamental need for digital marketing professionals constantly looking for strategies able to combine different communication channels that allow utmost customization of the experience according to the needs of the user. That said, despite the growing popularity of social media and alternative channels of communication related mainly to instant messaging, e-mail and SMS remain among the most popular and effective tools among the different solutions available as well as their combined use.

The main technological trends that are currently affecting MarTech are aimed at exploiting the potentials deriving from the collection and processing of Big Data, internal and external, 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 thus receives personalized content.



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 for the Growens Group within the MarTech ecosystem are the following:

1. **E-mail Marketing Segment**: e-mails represent one of the most popular tools to convey digital marketing campaigns, being in fact particularly cost-effective and allowing to achieve high conversion rates in the various stages of the customer acquisition funnel. Technological evolution has also made it possible to enrich its design and improve its functionality. Despite competition from other communication tools (instant messaging platforms, chat, social networks) e-mail is absolutely central to digital marketing strategies, especially in B2B relationships between companies. It is also the communication channel preferred by companies to send personal messages, especially those of greater importance; hence the fact that it remains the most popular way to get in touch with companies. Even with increasingly sophisticated and advanced chatbots, communicating with a person is still widely preferred, particularly through the use of e-mail. The number of users is expected to increase from 3.9 billion in 2019 to 4.3 in 2023, while 293.6 billion e-mails were sent and received in 2019 alone, a number that is expected to stand at 347.3 billion in 2022. (source: Arrowhead equity research of 14/12/2021 https://www.growens.io/wp-content/uploads/2021/12/Growens-ABID-Report-14Dec21).

The e-mail channel remains undoubtedly strategic in digital marketing, even in the future, as demonstrated by the rapid growth in the number of new solutions that aim to optimize the e-mail channel in the MarTech sector.

2. **Mobile Marketing/ Text Messaging segment:** includes SMS messages which, despite the almost daily proliferation of new technologies in the world of smartphones, remain one of the most effective methods of communication in the case of time-sensitive information such as passwords and single-use codes for specific operations (OTP and transactional messages in general), real-time updates, alert and emergency messages (e.g. weather, health situation) - emblematic in this sense is the frequent use by public authorities - or simply special offers of limited duration, as they have the highest percentage of opening combined with a high effectiveness in determining a reaction from the recipient. For this reason, despite the undeniable popularity of alternative messaging channels such as Whatsapp, SMS will maintain a key role in business communication for specific uses, related for example to the continuous growth of online shopping, to the increasingly frequent use of multiple authentication methods (e.g. 2 Factor Authentication) in banking or cloud-based and mobile applications. The SMS market is estimated to grow from approximately USD 4.1 billion in 2019 to USD 17.8 billion in 2027. (source: Arrowhead equity research of 14/12/2021 https://www.growens.io/wp-content/uploads/2021/12/Growens-ABID-Report-14Dec21).

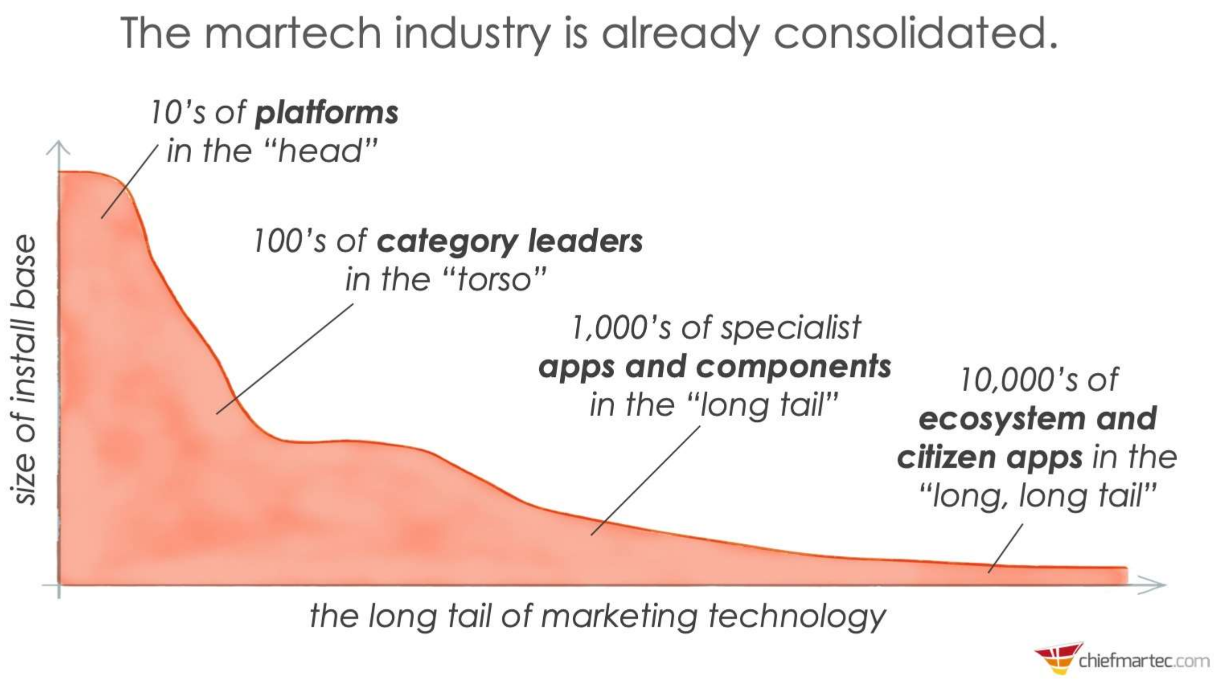
3. **Marketing Automation Segment:** it refers to complex software solutions that allow the workflow management of sophisticated marketing campaigns. The workflow is defined by a sequence of actions that are activated when a particular event occurs. Basic workflows include, for example, welcome e-mails 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 global marketing automation market was valued at USD 4.1 billion in 2019 with forecast to more than double in growth by 2027 to approximately USD 8.7 billion with a CAGR of 9.8% from 2020-2027.
(source: www.grandviewresearch.com/industry-analysis/marketing-automation-software-market)

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.

As evidenced by the chart below, within MarTech a dozen, at most two, very large players can be identified that dominate in terms of market share. Alongside them are several hundred established category leaders focused on developing specific functionality, with revenues ranging from several tens of millions to several hundred million dollars. The "long tail of MarTech" then includes thousands of other players, from simple start-ups to specialists, of smaller and smaller sizes, some of which will be destined to undermine the positions of the category leaders in the future.



Source: chiefmartech.com

The smaller operators 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 operators 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 accordingly, 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+Contactlab / Acumbamail	Agile Telecom	Datatrics	BEE	Growens Group
Italy	magnews	kaleyra* SMS it Commify	ADABRA Neosperience*	BEE Pro (for email designers) EDMdesigner TAXI FOLEON StampReady Stamplia stripo stensul chamaileon knak	CONSTELLATION SOFTWARE INC.* topicus.com* DURA SOFTWARE ADDNODE GROUP* Ziff Davis* ZUCCHETTI REDBRICK
Europe	dotdigital* CleverReach sendinblue Splio mapp GetResponse	link mobility* tyntec sinch* mitto* CM* bics	raptor blueconic CLERK.IO selligent optimove agillic mapp Squeezely		
Others	Latin America icommkt emBlue* Rest of the World ActiveCampaign SendGrid* mailchimp KLAVIYO Campaign Monitor Constant Contact	infobip twilio* nexmo bandwidth Clickatell Wavecell	Bluecore Barilliance DYNAMIC YIELD evergage SharpSpring* emarsys mparticle Adobe* TEALIUM	BEE Plugin (for developers) EDMdesigner stripo unlayer MOSAICO	

Table for illustrative purposes only, the logos remain the property of their respective owners. The asterisk (*) identifies listed companies.

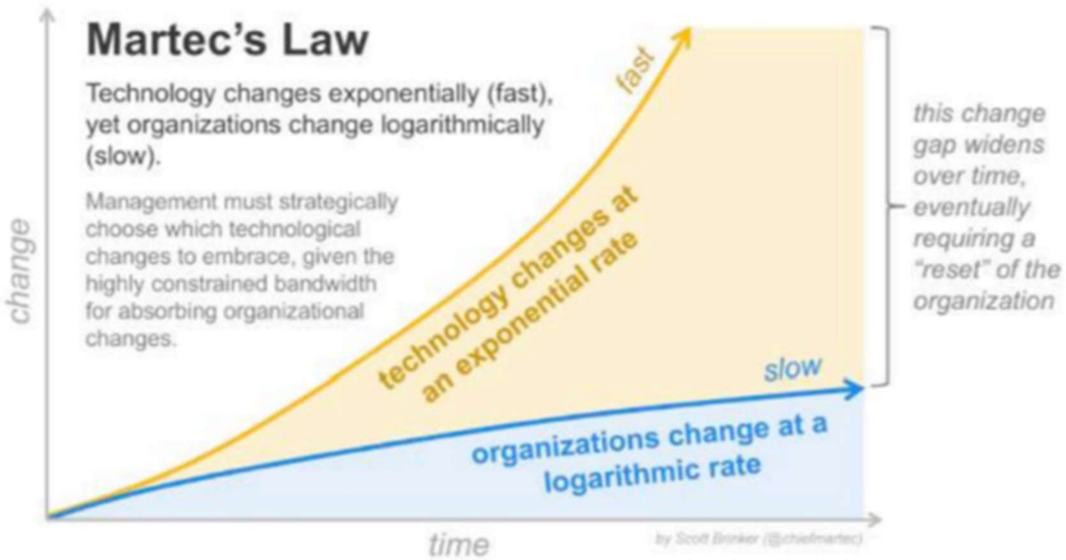
Market consolidation: the probable scenario in the immediate future

MarTech is a market that is still in full evolution, as demonstrated by the very high number of operators present. The phenomena of concentration and aggregation through M&A operations are very frequent and of increasing importance. 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 phenomena of concentration and aggregation through M&A operations are frequent and of increasing importance. 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 Software-as-a-Service (SaaS) platform, MailUp, multichannel, cloud-based and equipped with marketing automation tools, is the Italian leader in e-mail and SMS and ranks among the first operators in the sector at European level. In HY1 2022, the MailUp platform sent about 9 billion e-mails among newsletters, DEM and transactional messages. In this context, the acquisition of Contactlab is particularly significant in that it has the strategic objective of creating a Business Unit that unites MailUp and Contactlab and allows the integration and optimization of the many years of experience developed by Contactlab relating to the cloud marketing services of the “Tech” division and the portfolio of clients in the enterprise segment that benefit from the digital agency services provided by the “Agency” division.
Agile Telecom has sent over 1.1 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 and a few dozen Personalization systems, if we also include 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 should be distinguished in the two products in the portfolio to date: BEE Pro 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. BEE Plugin is the market leader, where there are only 3/4 alternatives that cannot guarantee the adoption and reliability that this type of system requires. BEE Plugin 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 BEE Plugin, unlike all competitors, can count on a number of significant references both in terms of numbers (more than 1,000 applications 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. Recently, BEE launched the freemium model on the BEE Pro version, i.e. a completely free plan that replaces the previous time-limited trial period, which is proving to be very successful not only in terms of increased contacts and interest from potential future clients, but also due to conversions to the paid model.

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 include details of revenues broken down by the two main business lines, i.e. SaaS and CPaaS, rather than by product line (e-mail, 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 SaaS (Software-as-a-Service) line 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 the revenues deriving from the MailUp platform marketed by Growens, from Contactlab with respect to the "Tech" and "Agency" services referring only to the period after the closing of the acquisition, corresponding to the months of May and June 2022, from the BEE editor and from the subsidiaries Acumbamail and Datatrics. The CPaaS (Communication-Platform-as-a-Service) line covers all messaging services provided on a wholesale basis via API, in particular provided by Agile Telecom.

Total consolidated revenues for the first half of 2022 rose from Euro 33.7 million to Euro 47.2 million, an increase of more than 40%, or more than 35% organic growth, i.e. without considering the effect of the Contactlab acquisition, compared to the same period of the previous year. This result is supported by the growth of both the SaaS component, over 35%, more than 21% organic, accounting for about 36% of total revenues, and the CPaaS component, about 44%, accounting for 63% of total revenues. The trend in other revenues is substantially stable compared to the first half of 2021.

The Agile Telecom Business Unit produced the highest turnover in absolute value, amounting to approximately Euro 32 million, with a growth of more than 43%. This growth is supported by the contribution of new acquisitions of strategic clients, which show low margins at an early stage, with the prospect of developing significant commercial agreements on new shipping routes in the future.

The Business Unit that achieved the highest growth rate is BEE, with an increase of more than 67% (i.e. 52% net of the USD/Euro exchange rate effect), reaching approximately Euro

4 million/USD 4.3 million in revenues, thanks to the increase in sales volumes. ARR (Annual Recurring Revenue, which is a very widespread metric for measuring the performance of a subscription business, indicative of the average annualized recurring value of outstanding contracts) is about USD 10 million as at August 2022.

This was followed by the excellent performance of the MailUp+Contactlab Business Unit, with growth of about 29% (7% organic), and Acumbamail, up about 20%.

The Datatrics Business Unit, active in Predictive Marketing with a proprietary Customer Data Platform, generated a negative change in turnover of 8.5%.

Revenues realized abroad amounted to about Euro 30 million, or more than 64% of the total, a marked increase (+70%) over the same period last year, thanks to the growth of Agile Telecom in this area. Recurring revenues, up more than 27% (+21% organic) compared to the previous period, amounted to 27.3% of total revenues, down 2.8% compared to HY1 2021 due to the dilution caused by the marked growth in non-recurring revenues of Agile Telecom. Revenues in Italy grew by about 7% due to the acquisition of Contactlab.

Consolidated EBITDA for the half-year was approximately Euro 1.4 million, a decrease of 44% compared to the same period of 2021, for a 3% incidence on turnover. Both Gross Profit and EBITDA margin are influenced by a number of factors including: (i) as regards the COGS component (+52%), the marginality of the CPaaS line, caused by the sale of some strategic routes, which led to a growth in turnover but a dilution of the Gross Margin; (ii) as regards the Sales&Marketing component (+44%), by the boost to the development of the BEE Business Unit; (iii) finally, as regards the General Costs component (+37%), by the impact of one-off costs associated with the acquisition of Contactlab, against an only partial counterbalance of the incremental performance brought about by the integration of the acquired company, limited, as already mentioned, to the months of May and June only. As a consequence of the above, the EBT is negative by about Euro 1 million.

The net profit for the six months ended 30/06/2022, after estimated current and deferred taxes, was a negative Euro 0.9 million. It should be noted that tax allocations at the consolidated level are the result of a mere aggregation, as taxation is applied on the individual legal entities of the Group.

The consolidated Net Financial Position as of 30 June 2022 showed a negative (cash) amount of about Euro 1 million, lower than the (still negative) balance of Euro 6.5 million as of 31 December 2021, with the change largely influenced by the cash outlay for the cash component paid for the acquisition of Contactlab. The effect of the adoption of IFRS 16, relating to rental, leasing and hire costs, results in an imputed debt item of approximately Euro 2.7 million. Cash and cash equivalents as at 30 June 2022 exceeded Euro 9.7 million.

The trend in Net Working Capital, which absorbs liquidity for about Euro 1.2 million compared to the previous year-end, was affected by the increase in trade receivables, of which about Euro 2.7 million deriving from the acquisition of Contactlab, as well as the effect of the dynamics of collection and payment flows that particularly affected the Agile Telecom Business Unit, due to the acquisition of very promising strategic customers, but with reduced initial margins, and to a few episodes of collection of significant amounts deferred with respect to the accounting closing of the period, which were regularly completed shortly after the end of the half-year. Also for Agile Telecom, the establishment of new supply relationships with great potential in the medium term, characterized by reduced or no extensions of payment terms in the first phase of the business collaboration, had a negative impact.

Alternative performance indicators

These financial statements present and outline 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 (NFP): 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 30/06/2022 compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

Description	30/06/2022	30/06/2021
Total revenues	47,183,233	33,691,387
EBITDA	1,356,755	2,408,593
Pre-tax result (EBT)	(958,654)	445,138

Group revenues for the half-year were up by more than 40% compared to the same period in 2021. Please note that the period of comparison, relating to the first half of 2021, did not include the revenues of the new subsidiary Contactlab, consolidated for the months of May and June 2022.

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

	30/06/2022	%	30/06/2021	%	Change	Cha. %
SaaS Revenues	16,897,544	35.8%	12,502,015	37.1%	4,395,530	35.2%
CPaaS Revenues	29,807,128	63.2%	20,736,869	61.5%	9,070,259	43.7%
Other revenues	478,560	1.0%	452,503	1.3%	26,057	5.8%
Total revenues	**47,183,233**	**100.0%**	**33,691,387**	**100.0%**	**13,491,845**	**40.0%**
Cost of Goods Sold	33,515,524	71.0%	22,095,818	65.6%	11,419,706	51.7%
Gross profit	**13,667,708**	**29.0%**	**11,595,569**	**34.4%**	**2,072,139**	**17.9%**
Sales & Marketing costs	4,778,496	10.1%	3,315,335	9.8%	1,463,161	44.1%
Research & Development Opex	2,144,470	4.5%	1,840,168	5.5%	304,302	16.5%
Research & Development Capex	(1,599,738)	(3.4%)	(1,183,686)	(3.5%)	(416,052)	35.1%
Research & Development costs	3,744,208	7.9%	3,023,854	9.0%	720,354	23.8%
General & Admin Costs	5,387,987	11.4%	4,031,472	12.0%	1,356,515	33.6%
Total Costs	**12,310,953**	**26.1%**	**9,186,976**	**27.3%**	**3,123,977**	**34.0%**
EBITDA	**1,356,755**	**2.9%**	**2,408,593**	**7.1%**	**(1,051,838)**	**(43.7)%**
General Depreciation Costs	217,587	0.5%	184,055	0.5%	33,532	18.2%
Right of Use Amortization Costs	504,315	1.1%	548,002	1.6%	(43,687)	(8.0%)
R&D Amortization Costs	1,659,584	3.5%	1,197,678	3.6%	461,906	38.6%
Impairment and provisions	-	-	-	-	-	-
Amortization & Depreciation	**2,381,486**	**5.0%**	**1,929,735**	**5.7%**	**451,751**	**23.4%**
EBIT	**(1,024,731)**	**(2.2%)**	**478,858**	**1.4%**	**(1,503,589)**	**(314.0%)**
Net financial income/(charges)	66,077	0.1%	(33,720)	(0.1%)	99,797	(296.0%)
EBT	**(958,654)**	**(2.0%)**	**445,138**	**1.3%**	**(1,403,792)**	**(315.4%)**
Current Income tax	(173,416)	(0.4%)	(396,865)	(1.2%)	223,449	(56.3%)
Deferred tax	194,709	0.4%	250,678	0.7%	(55,969)	(22.3%)
Period profit/(loss)	**(937,360)**	**(2.0%)**	**298,951**	**0.9%**	**(1,236,311)**	**(413.5%)**

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.

Description	30/06/2021	30/06/2022
Net ROE (Net result/Net capital)	0.02	(0.05)
Gross ROE (EBT/Net capital)	0.03	(0.05)
ROI (EBITDA/Invested capital)	0.04	0.02
ROS (EBITDA/Sales revenues)	0.07	0.03

The above indexes are affected by the decline in consolidated economic results (net profit, EBT and EBITDA) compared to the previous period in the presence of growing revenues and investments.

Please note that the consolidated income statement includes Contactlab revenues and costs exclusively for the months of May and June 2022, following the closing of the relevant acquisition, while they are not included in the comparative figures as at 30/06/2022.

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):

	30/06/2022	31/12/2021	Change	Cha. %
Intangible fixed assets	10,610,339	6,934,260	3,676,079	53.0%
Goodwill	18,764,885	15,326,343	3,438,542	22.4%
Tangible fixed assets	1,411,901	1,451,491	(39,590)	(2.7%)
Right of Use (IRFRS 16)	2,613,694	3,168,182	(554,488)	(17.5%)
Financial fixed assets	310,012	200,985	109,027	54.2%
Fixed assets	**33,710,83**	**27,081,261**	**6,629,570**	**24.5%**
Receivables from customers	16,294,203	12,465,270	3,828,933	30.7%
Payables to supplier	(15,099,948)	(14,188,380)	(911,568)	6.4%
Payables to associated companies	-	(2,000)	2,000	(100.0%)
Commercial Trade Working Capital	**1,194,255**	**(1,725,110)**	**2,919,365**	**(169.2%)**
Tax receivables and payables	975,861	290,878	684,983	235.5%
Accruals and deferrals	(9,200,532)	(7,845,047)	(1,355,485)	17.3%
Other receivables and payables	(4,633,512)	(3,589,466)	(1,044,046)	29.1%
Net Working Capital	**(11,663,928)**	**(12,868,744)**	**1,204,816**	**(9.4%)**
Provisions for risks and charges	(1,424,686)	(936,801)	(487,884)	52.1%
Provision for severance and pension	(4,220,419)	(2,265,831)	(1,954,588)	86.3%
Net Capital Invested	**16,401,799**	**11,009,885**	**5,391,914**	**49.0%**
Share capital	374,276	374,276	-	-
Reserves	17,992,293	16,775,315	1,216,978	7.3%
Profit (Loss) for the period	(930,945)	387,098	(1,318,043)	(340.5%)
Minority shareholder's equity	(15,456)	(6,086)	(9,371)	154.0%
Net Equity	**17,420,167**	**17,530,603**	**(110,436)**	**(0.6%)**
Cash	(9,761,497)	(13,324,983)	3,563,486	(26.7%)
Short-term debt	2,706,053	1,234,624	1,471,429	119.2%
Financial liabilities right of use (short term)	925,749	998,388	(72,640)	(7.3%)
Medium/long-term debt	3,366,756	2,270,862	1,095,895	48.3%
Financial liabilities right of use (medium/long term)	1,744,570	2,300,390	(555,821)	(24.2%)
Net financial position	**(1,018,369)**	**(6,520,719)**	**5,502,350**	**(84.4%)**
Total sources	**16,401,799**	**11,009,885**	**5,391,914**	**49.0%**

In the balance sheet shown above, there are no values for Contactlab in the comparison column as at 31/12/2021. Therefore, the changes in absolute values and percentages, again with regard to the subsidiary acquired on 4 May 2022, express increases and decreases equal to the total amount of asset and liability balances recognized at 30/06/2022 and not the differences with respect to the previous closing date, thus being less indicative of the actual dynamics that affected the same items during the half-year.

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 balance sheet indicators for the previous year.

Description	31/12/2021	30/06/2022
Primary structure margin (Own funds - Fixed assets)	(12,287,631)	(19,804,933)
Primary structure ratio (Own funds/Fixed assets)	0.59	0.47
Secondary structure margin ((Own funds + Consolidated liabilities) - Fixed assets)	(1,306,676)	(7,841,432)
Secondary structure ratio ((Own funds + Consolidated liabilities)/Fixed assets)	0.96	0.79

The Group's capital structure indexes clearly show the impact of the extraordinary investments that characterized the half-year period under review, determined by the recent acquisition of the subsidiary Contactlab, in addition to the effect of ordinary investments, which also grew, referring to research and development activities on the Group's technological services, particularly in support of the expansion of BEE.

Main financial figures of the Growens Group

The consolidated net financial position as at 30 June 2022 is as follows (in Euro):

Consolidated Net Financial Position	30/06/2022	31/12/2021	Change	Cha. %
A. Cash and cash equivalents	9,761,497	13,324,983	(3,563,486)	(26.7%)
B. Cash equivalents				
C. Other current financial assets				
D. Liquidity (A) + (B) + (C)	**9,761,497**	**13,324,983**	**(3,563,486)**	**(26.7%)**
E. Financial debt	1,100,598	1,164,171	(63,572)	(5.5%)
F. Current financial debt	2,531,204	1,068,841	1,462,362	136.8%
G. Current financial position (E) + (F)	**3,631,802**	**2,233,012**	**1,398,790**	**62.6%**
H. Net short term financial position (G) - (D)	**(6,129,695)**	**(11,091,971)**	**4,962,276**	**(44.7%)**
I. Due to banks medium/long term	5,111,326	4,571,252	540,074	11.8%
J. Bonds issued				
K. Other financial liabilities medium/long term				
L. Non-current financial debt (I) + (J) + (K)	**5,111,326**	**4,571,252**	**540,074**	**11.8%**
M. Net financial position (H) + (L)	**(1,018,369)**	**(6,520,719)**	**5,502,350**	**(84.4%)**
o/w E. Current financial debt Liabilities Right of Use IFRS 16	925,749	998,388	(72,640)	(7.3%)
o/w I. Non-current financial debt Liabilities Right of Use IFRS 16	1,744,570	2,300,390	(555,821)	(24.2%)
O. Net financial position without IFRS 16 effect	**(3,688,687)**	**(9,819,497)**	**6,130,810**	**(62.4%)**

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The net financial position is still dominated by cash over debt in the amount of more than Euro 1 million. There was a clear decrease compared to the previous reporting period due to the financial outlay of Euro 3.75 million for the acquisition of the new subsidiary Contactlab, as well as the effect of some temporary dynamics that affected the marginality and balancing of Agile Telecom collection and payment flows with respect to some strategic partners with considerable potential for future business development.

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

Description	31/12/2021	30/06/2022
Primary liquidity (Immediate and deferred liq./ Current liabilities)	0.90	0.73
Secondary liquidity (Current assets/Current liabilities)	0.96	0.79
Debt (Net debt/Shareholders' equity)	(0.37)	(0.06)
Fixed asset coverage ratio (Own capital + Consolidated liabilities)/Fixed assets	0.94	0.81

The above indicators, while remaining positive, reflect what has already been observed above with regard to NFP dynamics in the half-year analysed.

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

During HY1 2022, 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 June 2022, the Group's workforce numbered 409 employees, of whom 13 managers, 39 middle managers and 357 white-collar workers, while as at 31 December 2021, it consisted of 249 employees, of whom 6 managers, 17 middle managers and 226 white-collar workers. The very noticeable increase compared to previous recording is largely attributable to the acquisition of Contactlab, which resulted in 146 employees joining the Group, of which 1 manager, 17 middle managers and 128 white-collar workers.

The number of total employees employed during the year, i.e. ULA (Annual Work Units), amounted to 259.92 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 a more in-depth analysis of the environmental sustainability issues implemented by Growens Group, please refer to the detailed information contained in the Sustainability Report 2021 prepared annually at consolidated level in correspondence with the end of the accounting period by the parent company and shared with investors and the market. This Report is a voluntary exercise.

Sustainability is the fundamental element on which Growens' activities are based, which is why it was decided to draw up the Sustainability Report in accordance with the UN 2030 Agenda. The 17 Sustainable Development Goals (SDGs) represent "common goals" to be achieved in areas relevant to sustainable development.

The reporting covers the period 1 January - 31 December 2021 and has been carried out in accordance with the GRI Sustainability Reporting Standards guidelines, with a "core" level of application. As required by the Standards, the data collection phase was preceded by the carrying out of the so-called "Materiality Analysis", aimed at identifying the significant issues in the economic, social and environmental areas, which may influence the strategic choices of the organization and its stakeholders.

Investments

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

Description	Increases in the year
Technological platform development costs	1,707,489
Third-party software and trademarks	512,861
IT infrastructure, electronic office machines and systems	43,327
Furniture, office furnishings and leasehold improvements	17,998
Right of Use IFRS 16	165,949

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. Even for Contactlab, which is present here with increases for the two months of May and June, most of the investments relate to the development and innovation of technological services marketed to clients. For both, for HY1 2022, 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 in its 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 2022, the Group capitalized internal and external investments relating to the software development of its platforms and technological services for over Euro 1.6 million, including the specific activities of innovation and consolidation of the technological infrastructure necessary for the functioning of the services made available to clients. As at 30/06/2022, net of the related accumulated amortization/depreciation, these totalled Euro 7.1 million. Additional operational costs related to research and development departments were incurred for about Euro 2.1 million at consolidated level. The parent company mainly carries out incremental development activities in relation to the SaaS MailUp platform of digital marketing on the cloud. These investments were capitalised by virtue of the future economic use, certifying the potential economic and financial future recovery. Investments relating to the development of the BEE editor show strong growth of over Euro 0.9 million; originally developed by Growens, it was awarded at the end of 2016 to the American subsidiary that is exclusively responsible for the marketing of the two versions, BEE Plugin and BEE Pro, as well as defining the strategic product roadmaps. The development activity, carried out by the parent company on behalf of BEE Content Design under specific contractual agreements, is carried out by an Italian team of developers under Growens, assisted by American colleagues, and is defined and supervised by the management of BEE. Agile Telecom also carried out development activities, for example the TOOLS project, better described in the next paragraph, both through the use of internal resources and through external consultants for a total of Euro 300 thousand. The newly acquired Contactlab and the Dutch subsidiary also conduct research and development to improve their technological services.

Innovation, research and development have always been structural parts of the Growens corporate and cultural DNA. The nature of the business and the context within which Growens operates require maximum investment and readiness in terms of evolution in order to remain competitive and to provide the best possible customer experience. For Growens, the constant investment in innovation concerns core areas of the business, such as the technological infrastructure, the development of new products and solutions, the ways of interacting and listening to clients, and the efficiency of working methods.

We summarize the main additions and improvements made to our services in HY1 2022 as a result of research and development.

2022 MailUp platform:

TLS decommissioning

Versions 1.0 and 1.1 of the TLS cryptographic protocol have been declared obsolete by the Internet Engineering Task Force, which, in the face of known cybersecurity vulnerabilities, recommends its abandonment in favour of version 1.2 or higher. In order to maximize the level of protection, MailUp too has followed suit with what all major software manufacturers have done, and has taken steps to inhibit the use of obsolete protocols for negotiating encryption. There is no impact of this change for those accessing the platform via the login page from any web browser. Only software applications configured or developed by MailUp clients for the purpose of integration with the platform and using TLS 1.0 or TLS 1.1 were invited to be upgraded. To the users affected by this intervention, MailUp provided useful communications aimed at supporting the adaptation activities of the implemented additions. This made it possible to decommission obsolete versions of the protocol without any disruptions.

New importer

The bulk import function of contacts, both in its platform and API use, can benefit from a new improvement. The activities carried out were driven by the need to maximize the number of valid contacts obtained from the bulk import sessions. The gradual activation of the new importer, currently available for newly created platforms, allowed us to validate its effectiveness by monitoring the results. In May, it was then extended to all platforms of the Customer Base.

UI/UX

- Improved UX of top bar and left bar, among other things, it is now possible to open second-level items in the main menu in another tab.
- Open to Reseller and White Label consoles the possibility of configuring API themselves.
- Changed “contact support” integration. We now use the Zendesk API.

Apple Privacy Policy | Mitigated impact of MPP openings

We continue to constantly monitor the possible impacts of Mail Privacy Protection, especially after major updates such as the release of macOS Monterey, which saw a spike in the rate of “non-real” openings of 16% on the total number of MailUp clients and 41% on the total number of Apple users (regardless of the mail client and operating system adopted). These percentages are therefore certainly up from those found after the first week since the release of iOS15. (More details at https://blog.mailup.it/2021/09/apple-privacy-protection/)

In addition to monitoring the Apple phenomenon, we asked ourselves what the best choice was for our clients. We have therefore added new metrics on openings in the Statistics area of the platform, choosing not to “clean” upstream all openings that might not be openings, but to “highlight” them, so that each user can make their own evaluations in relation to their own goals. These are the metrics, in the Statistics area:

- In the Activity Report tab, the metric Openings under privacy was introduced. By clicking on Calculate, the user can obtain the figure both in percentage and in actual number of those who received the message on Apple Mail (both on desktop and mobile). Since the release of the feature, 6.3% of our customer base has clicked on Calculate to get both percentage and numerical data.
- In the Recipients tab, the user can choose the recipients who received the message on Apple Mail as an Activity Filter, and have even more details on the contacts, such as the e-mail address and the time the message was received.

Contacts gathering and management | Improvement in the Landing pages

We took action to further improve the use of landing pages as a contact acquisition tool.

Improvement of the usability of the Settings page: at the same time as the REACT porting of the page, some standardization of the information displayed was carried out, which also made other information usable, such as, for example, the landing page ID, the use of the favicon, the default group used if the landing page contains a registration form.

Introduction of Hidden Groups as a segmentation tool for acquired contacts: only available for landing pages hosting a sign-up form, this new feature not only meets user requirements but also aligns the offer to what is available in the already known sign-up forms.

Introduction of the Row Background Video, a recent addition to the BEE editor: a further boost to creativity in Landing Pages that we were able to implement with little effort.

Page speed | Improved CDN use

A Content Delivery Network (CDN) is defined as a network of servers located in different geographical areas, which makes it possible to reduce the delay in loading web page content. By reducing the physical distance between the server and the end user of the content, a CDN ensures that users around the world can enjoy the content in less time.

MailUp also implements this technology to serve the content of its consoles, and an analysis of our infrastructure showed that its use left room for improvement.

We have therefore carried out some activities, first analytical, then executive, which allow us today to record the figure related to Byte transferred to users improved by 49.4%. This is a sign of how much content, previously served to the user always starting from a central source, now travels less “road”, thanks to geographically distributed servers. End-users, especially those accessing from geographic areas further away from the source, benefit from improved speed in loading pages from the MailUp console.

Reliability | Extension of REACT application log retention

Certain technical requirements forced us, until recently, to limit the retention of logs from REACT applications to eight days. In order to overcome this limitation and to align ourselves with the retention already in use on other services, we have carried out work to optimize the logs recorded in the relevant infrastructure.

This activity allowed us to extend the retention of logs to 15 days also for REACT applications, with a consequent increase in the service maintainability level.

Contacts gathering and management | Enhancement of Subscription Forms

We have collected some needs expressed by our users. The following are the main points of evolution in the registration forms that we have identified and implemented:

- Allow customization of delivery confirmation message
- Allow customization of the welcome message
- Enable customization of post-subscription pages

Customer activation

We took over the management of the creation flow of the platform and created a new version. The activity is enabling to create a frictionless activation flow with a much shorter duration (seconds instead of minutes).

Controlled acceleration | Porting from AngularJS to REACT

Also in 2022, the porting activity in React continues, strongly driven by the needs of business continuity. Although the platform is now secure (all pages considered critical have already migrated to REACT), some minor pages that Product & Technology has planned in the current year still remain to be migrated. A number of improvements have also been made on some of them, such as

- possibility to create a message from zip also for Mac
- inserted controls on the size of attachments and the maximum number of attachments (5) per e-mail
- significantly increased the possibilities of customizing registration flows linked to a specific form, with the possibility of differentiating confirmation messages according to the form used (an extension much requested by clients)
- improved user experience when navigating through the menus, which have been standardized for the various sections
- inserted the possibility for the user to delete authorised senders entered in the past and now no longer valid/used

BEE editor:

BEE, the drag-and-drop editor for e-mails, pop-ups and landing pages owned by the subsidiary BEE Content Design 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 and landing page creation for freelance designers, digital agencies, and marketing teams of companies (BEE Pro). BEE software is gradually becoming a world standard in digital content creation: in the first six months of 2022, it recorded more than 36,000,000 sessions in hundreds of applications, an increase of 49% over the first six months of 2021. In the same period, 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, growth and maintenance. Specifically, an even more aggressive approach was chosen, introducing - at the end of March 2022 - a completely free service plan instead of a trial period. The approach is based on the strategy used successfully by Software As A Service giants such as Slack and HubSpot. It is an approach called “enterprise freemium”: a free version is provided that helps the penetration of the use of the software itself not only in small and medium-sized enterprises, but also in large companies. The latter, in the course of time, as the free use of the software within them increases, often decide to move to a paid version in order to have more control over access security, the management of specific user permissions assigned to various users, control of data flow, access to higher levels of technical support, and so on. The revolutionary part of this approach lies in the fact that product adoption happens from the bottom up, with very low acquisition costs as it is often the result of organic word-of-mouth. In the case of BEE Pro, the launch of the free version led to an immediate surge in the activation of new accounts, which grew by more than 50% - on a monthly basis - compared to the previous year. In turn, the higher number of registrations generated an increase in the number of users of the software itself, which was 58% higher in June 2022 than in the same period in 2021. Over 30,000 people now use BEE Pro every month. Both figures bode well for the execution of the “enterprise freemium” strategy: some of these users work for large companies and the first conversion events to annual contracts of a much higher size than the typical BEE Pro Annual Contract Value in 2021 have already occurred. The business unit expects this growth engine to drive an increase in such contracts in the second half of 2022. From the point of view of improving the top of the BEE Pro marketing funnel, the community of designers from many countries around the world who collaborate on an ongoing basis with the business unit was further enriched; it now has over 35 designer that allowed the catalogue of e-mail templates & landing pages to pass 1,500 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 new 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 account. The presence of the new free plan has further decreased the perceived friction during sign-up, to the point that around 15% of all unique visits to the BEE site now convert into new BEE Pro accounts, an extremely high activation rate for B2B SaaS, bringing the total number of new free monthly activations to over 15,000.

The increasingly high number of service 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: a special preview function to simulate how an e-mail will look from a mobile device using “dark theme mode”; new content blocks for more control over paragraphs of text, number lists and bullet points; support for using videos as backgrounds for landing pages; numerous improvements to collaboration features, including the introduction of the “viewer” user role, which can only view content, but not edit it; new search functions for digital assets and the folders that contain them; a new user interface that improves the user experience; improvements to connectors to other applications, including the ability to quickly export to HubSpot - one of the world's most popular marketing platforms - not only e-mails, but also pages;

- BEE Plugin: the embeddable version of the editor is confirmed as a market leader, with more than 560 paying SaaS applications, and a total of more than 1,000 applications using it, including those taking advantage of the free plan. BEE Plugin is now used by 69% of the applications identified by Forrester in the "Forrester Wave for Cross Channel Campaign Management (Independent Platforms)" and 40% of the applications identified by Gartner in the "2021 Quadrant for Multichannel Marketing Platforms". Fuelling the market leader's position is a continuous development of new features that guarantee a fantastic user experience for the end user, and a great customization capability for the product and development teams responsible for integrating the visual editor into the applications that host it. Specifically, during the first six months of 2022, several features were added and improved, features that can typically be used regardless of whether creating an e-mail, a page, or a pop-up. A list is available at https://docs.beefree.io/updates/ Some of the most important ones include: video support for page backgrounds; new content blocks ("List Content Block", "Paragraph Content Block") and new possibilities for modifying the design of certain elements, such as buttons; the "Dark Mode Preview", a special preview function to simulate how an e-mail will look from a mobile device using the "dark mode"; the ability to edit previously saved individual lines, without having to open the asset containing them; continuous improvements to the comments function, crucial for enabling an increasingly collaborative use of the editor itself; numerous new formatting options; and numerous interventions to make the software more stable, scalable, secure and performing;

- Synergistic relationship between the two versions and the other platforms of the Group: we remind you that, from a technical point of view, BEE Pro is a "client" of BEE Plugin. It is in fact a software application that incorporates the BEE editor integrating it through the BEE Plugin service. Acumbamail, Datatrics, MailUp and Contactlab, four other SaaS applications within Growens, are in turn "clients" of BEE Plugin. For instance, as mentioned in the paragraphs above, the Dark Mode Preview feature was one of the core product (BEE Plugin) highlights, quickly adopted and presented as an addition to clients of the BEE Pro service. This is only one of the many examples that demonstrate 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.

Finally, it should be noted that the business unit - supported by the centralized cyber security and data privacy functions at Group level - continued to invest in the security of its systems and processes, obtaining ISO 27001 certification in the first half of 2022.

Agile Telecom R&D Projects

- The Project TOOLS AGILE consists in the complete revision of the applications currently in use, the rewriting of them in a common language (Java) based on the disintermediation of front-end and back-end and the publication of the front-end on the web to allow the access of all the management, maintenance and operational tools via internet. Currently only Agile users can access it. However, the goal for the future is to resell the product to external parties. This project allows us to discard old applications developed with languages little used on the current market, achieving greater stability and allowing greater remote usability now and in the future. The software programs in question are of different types and range from registry tools, to administrative tools, to routing and analysis tools. Increased efficiency of these tools therefore leads to a marked improvement in information management, creating added value in terms of cost optimization and potential new business opportunities. Development of the tool is currently underway and is expected to be completed by mid-2023;

- The Agile website users area project contemplates 3 different product types currently offered separately and with security gaps to be filled. The intent is to reduce the perimeter of potential offence that is present in previously developed products and to unite Faxator/Faxalo, Retail SMS Platform and CPaaS API products into a single CPaaS portal. These products are currently supplied to different users with no possibility of cross-selling between them and, as mentioned earlier, with some security gaps to be filled to minimize the risk of offensives from outside. With the occasion of the revision of the Tools with a single language (Java), the perimeter of this revision was extended also to these products (Faxator, Retail SMS Platform and CPaaS API) in order to standardize internal and external products to make them rock-solid, easy to access and developed in a language widely known in the community. The project started from the revision of the Faxator service, which will remain both a branded product and a white label product, present within the Retail platform or offered to third-party resellers in the market. The next steps will see the development of a portal dedicated to market professionals that will be verticalized on target products (CPaaS API) and an overhaul of the Retail platform that will integrate business needs not currently present and the inclusion of the Faxator product within it, allowing to expand and develop the CPaaS service offering and further explore these interesting growth opportunities for Agile Telecom. The latter is also expected to be completed by mid-2023;

- Adaptive routing: The adaptive routing project consists of restructuring the routing system by implementing an artificial intelligence mechanism with the aim of improving efficiency by finding the best supplier routes in terms of quality and in terms of price with the consequent cost reduction and profit maximization. It is expected to be completed by the end of 2023.

Other Technological Infrastructure R&D Projects

ERP digital transformation project with Oracle NetSuite

In the 2022 financial year, the signing of the concession provision with Invitalia and the Ministry of Economic Development was successfully concluded for the allocation of the subsidies provided by the **Digital Transformation** tool, the incentive established by the Growth Decree that favours the technological and digital transformation of the production processes of micro, small and medium-sized enterprises. The application for subsidies was submitted in December 2020 and the contract with MiSE and Invitalia is expected to be signed in the coming weeks and in any case by the end of 2022, so that the project reporting work can be completed before June 2023. Against an admitted project worth Euro 500,000, a total subsidy of Euro 250,000 was granted, of which Euro 50,000 in the form of a non-repayable grant and Euro 200,000 in the form of a facilitated loan.

The work of the project realized in the framework of the Digital Transformation call for tenders started in January 2021 and ended in June 2022, for a total duration of 18 months, and focused on the implementation of a new organizational and management method to support accounting and operational processes. It was therefore an innovative project in the area of **Enterprise Resource Planning (ERP)** software use, created out of the need to standardize, unify and rationalize the processes currently in place at a consolidated level within the Group, while also taking into account industry best practices and the needs of different departments and business units.

The project saw the activation of the **new ERP system by adopting Oracle NetSuite** together with the Zuora software, already in use, in order to optimize the active invoicing process (Order to Cash), with the following objectives:

- activate the new ERP system by adopting Oracle NetSuite to standardize and rationalize business processes in MailUp and subsequently in all the group's business units;
- simplify and modernize the current IT architecture to make it more dynamic and efficient;
- integrate and rationalize the existing Zuora software in the OTC area for business processes;
- extend the developed solutions to all business units of the Group.

The revision of work processes primarily concerned the MailUp business unit, but with the aim of being extended to the Group's other business units, both Italian (Agile Telecom) and foreign (Acumbamail, BEE, Datatrics). Within MailUp, optimization was accompanied by organizational overhauls with the creation of a new Order Management department, which acts as an interface between the back office department and the commercial department, since both are closely involved in the management of orders on the path to the issuing of the sales invoice and the collection of the consideration, as well as the recovery of credit. Another development with considerable organizational impact is a new process for managing Purchase Orders: from the generation of the purchase requisition, the verification and approval of the purchase by the department head, the receipt of the goods/service (item receipt) with the matching and checking of the purchase invoice, through to the automated payment of the supplier invoice via integration with bank accounts.

Considering that differences in methods within the various business units made centralized management of accounting and operational processes difficult, it was also decided to structure a shared system that simplified management and workflows, while respecting the geographical and organizational scope of each local unit. This revision of the operational processes was designed to enable smoother communication and, therefore, a greater capacity for coordination between the various organizational units, business units as well as individual departments, acting in particular on elements such as:

- the reduction of implementation costs of a possible new organizational set-up;
- improvements in the transmission time of information between organizational units;

- increase in the degree of usefulness of information and the percentage of its use: standardizing business processes with the spread of shared languages favours the production of more relevant and user-friendly information.

The functions that have been most impacted by the process revision are the accounting and tax area (accounting), active invoicing (back office and debt collection), and the departments dealing with the IT technology infrastructure, which is responsible for integrating the different software tools used within the Group. These departments are now concentrated within the Holding and perform accounting, technical and operational support functions for the business units:

The project was developed in two macro-phases:

1. **Horizon 1:** developers from Growens and MailUp and consultants from Deloitte cooperated together to analyse and structure a core modelling that could be used by each business unit, implementing a Global Template. Together with the Holding departments, MailUp was the first business unit on which the new digitalization process was implemented;
2. **Horizon 2:** the switch settings implemented in Growens and MailUp were transferred to the other business units in "Geographical and organizational Scope";

In particular, during the reporting period, R&D activities of the project continued on the Horizon 2 phase, with the adoption of the new ERP by the Group's business units with an overall, efficient and functional integration.

The realization of the project has thus made it possible to manage and share information functional to the company's operations along the entire supply chain, centralizing the following **business processes**:

- OTC (Order to Cash), which encompasses the entire active invoicing cycle: from receipt of the customer's order to invoicing and collection;
- PTP (Procure to Pay), which encompasses the entire passive invoicing cycle: from the issuance of the Purchase Requisition, through the Purchase Order to the payment phase and registration of the supplier's invoice;
- RTR (Record to Report), which includes all "pure" accounting, i.e. all the documents that are needed to arrive at drafting the Company's financial statements;

Following the implementation of the project, the **planned objectives** are:

- improvement of business efficiency from an operational point of view, resulting in cost reduction and increased control over the management of business processes;

- lowering the risk factor through data integration and more financial controls;
- increase in management efficiency, since an increase in the availability of data makes it possible to speed up business and decision-making processes and make them more reliable;
- reduction of costs related to operational management, as processes have become shorter and more precise, resulting in both time and cost savings and increased business efficiency.

The ERP project ended on 30 June 2022, after 18 months of work and reported expenses of Euro 500,000. Once the contract has been received by Invitalia, Growens is the beneficiary of subsidies amounting to 50% of the expenditure (10% disbursed in the form of a grant and 40% in the form of a facilitated loan). Since all expenses related to the submitted project have already been incurred, the disbursement of the subsidies will be requested in a single instalment (single progress report, SAL), with a final deadline for the request of 30 June 2023.

Transactions with subsidiaries, associates, parents and other related companies

In HY1 2022, 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, 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 name	Fixed receivables	Trade receivables	Trade payables	Other payables	Dividends	Revenues	Costs
Agile Telecom		354,789	2,146,843	33,709	1,081,265	683,569	1,946,990
Globase International		327,760	38,843			110,539	38,435
MailUp Nordics							
Bee Content Design		2,760,508	4,092			2,429,883	7,334
Acumbamail		40,855			377,897	205,175	
Datatrics BV	2,360,447	2,544,558				922,279	
Subsidiaries	**2,360,447**	**6,028,471**	**2,189,778**	**33,709**	**1,459,162**	**4,351,445**	**1,992,760**
Consorzio CRIT Scarl	94,641						
Associates	**94,641**						
Floor Srl							76,643
Other related parties							**76,643**

The most significant amounts refer to the BEE editor, which is recording accelerated growth and increasing favour in the American market. The Group is thus allocating significant resources to support the improvement of the product of the US subsidiary, strengthening the Italian teams dedicated to the technological part and other functions under the parent company, in parallel with the organizational growth underway 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 1,960,447, to which an additional Euro 400,000 was added during the first half of 2022 to support the strengthening of the Dutch subsidiary's business, considered strategic given the prospects of integration of marketing automation services with the Group's other Business Units.

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 related to HY1 2022.

Treasury shares and shares/holdings in parent companies

As at 30 June 2022, the parent company Growens held 45,533 treasury shares, equal to 0.3% of the subscribed and paid-up share capital, with a value of Euro 202,860. During the first half of 2022, a total of 70,803 shares were purchased for Euro 348,804 at an average price of Euro 4.92 per share. The purchases of the first half of 2022 were made as part of the programs approved by the Shareholders' Meeting on 22 April 2021 and 21 April 2022 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 22/04/2021 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 regularize 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.

In the context of the acquisition of 100% of the Contactlab share capital, part of the consideration of Euro 1.250 million was paid in kind, through the transfer of a total of 188,822 treasury shares of the Company on the closing date, implicitly valued at Euro 6.62 each, with a premium of about 29% over the official price of 1 April 2022.

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 topic of impairment of assets, strongly impacted by the use of estimates and valuations, is mentioned below, for which a change in the conditions underlying the assumptions used could have a significant impact on the consolidated financial data.

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 the 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 2022 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 operates, 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 Group 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 and the pandemic

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, the widespread climate of political instability could negatively influence consumer trust, their buying power and spending capacity. Growens has been able to grow and achieve important objectives. However, the possible permanence of national and international conditions of uncertainty and the unpredictable effects of the same, 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 Group operate are characterized by rapid technological development and suffer the competitive pressure deriving from the fast 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. The new technologies, in fact, may limit or reduce the company's business and/or encourage the development and growth of new operators. In particular, the services provided by the Group, including the SMS channel or the sending of e-mails, may be replaced by other technologies, with the consequence that the Group may not be able to manage successfully and/or quickly any transition to the use of these innovations.

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 its technological platforms and ability 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 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 further in research and development, with a high capacity to adjust to continue responding to the rapid technological changes and constantly 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 new solutions, negative effects may be seen on the consolidated economic, equity and financial position.

In another part of this same document we have highlighted in detail how constant investment in research, development and innovation of the Group's services is a fundamental strategic guideline for the Group, dedicating increasing resources, with the aim of mitigating as far as possible this risk inherent in the reference market.

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. The recent cyclical developments have encouraged the adoption of more stringent procedures for quantifying and controlling client risk. At the same time, customers were supported, given the systemic difficulties, 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, measures have been strengthened aiming to encourage the use of electronic payment systems (credit cards, PayPal, Sepa Direct Debit) by customers. The share of collections deriving from electronic payments is historically very substantial, improving the quality of trade receivables and reducing the impact of the costs of debt collection.

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. The Growens Group currently enjoys good liquidity, also thanks to its admission to trading on the Euronext Growth Milan market (formerly AIM Italy) and its excellent relations with the banking system. Financial debt is mainly aimed at growth by external lines implemented through acquisitions and at supporting strategic investments, particularly in research and development of its products.

In order to optimize the management of financial resources and reduce the liquidity risk, the Group has adopted processes for the systematic monitoring of prospective liquidity conditions, in connection with business planning. The Group expects to meet its financing needs from available liquidity and cash flows from operations. Future projections of the Group's financial performance suggest that the prospective financial resources, together with current availability, will be able to ensure adequate support for operations and planned ordinary and extraordinary investments.

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

Interest rate risk

The parent company has moderately resorted, from the end of 2015, to the financial leverage through the mainly medium and long-term banking channel, benefiting from the favourable trend of debt costs, to support extraordinary growth operations by external lines and investments related to software development activities and other strategic investments. As at 30 June 2022, consolidated bank debt is Euro 7,279,880, of which Euro 2,706,053 in the short-term, as compared with liquid funds of Euro 9,761,497. This amount also includes a short-term credit line for advance invoices in the amount of Euro 1 million granted to Agile Telecom in order to flexibly manage month-end peaks coinciding with the payments of strategic suppliers for the business, even in the presence of delays in the collection of customers with large invoices. Such delays are resolved within a few days. However, they may generate momentary cash tensions that are managed through this instrument, allowing for the strengthening of existing excellent partnerships with major market players and the activation of promising new synergies. 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. The current economic situation has already led to a first rate hike that could be followed by further upward corrections. The future rise in interest rates may result in an increase in related financial expenses with consequent negative effects on the economic and financial situation of the company, even if the prevalence of own financial resources compared to recourse to indebtedness to third parties 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, also relating to other Group companies. 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 on these financial statements are originally held in Danish Krone. The Danish Krone/Euro exchange rate is extremely stable and historically oscillates only minimally. Also for the American subsidiary BEE Content Design Inc., which has much more significant volumes of operations, the values subject to consolidation are denominated in foreign currencies, in particular in USD, the exchange rate of which has been affected by a significant strengthening against the Euro in the last twelve months. 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 BEE. For this reason, the Finance function within the Holding regularly monitors the trend of the risk and resorts to hedging operations in order to limit possible negative effects deriving from extremely unfavourable developments in the Euro/Dollar exchange rate.

Risk of recovery of 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 annually.

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 the occurrence of such situations, the Growens Group has implemented and is investing increasingly significantly in strengthening a system of controls aimed at improving the Group's IT security, both through external consultants with proven experience and reliability, but above all by introducing managerial figures within its workforce with high professionalism and specific skills. This path led already in the financial year 2021 to the appointment of the Group 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. The Group is particularly sensitive to these issues, including environmental sustainability and an ethical approach to business, and to the containment of related risks, to which it is dedicating more and more resources, as reflected in the ESG report published on a voluntary basis and freely available on the Group's website.

Significant events after the end of HY1 2022

On 11 July 2022, the Board of Directors, on account of the significant contribution made by Mr. Luca Azzali to the development of the business of the Company and the Group, as well as on account of the recent acquisition of Contactlab S.p.A. and the consequent assignment to Mr. Massimo Fubini of the title of General Manager of the combined MailUp+Contactlab business unit, conferred on Mr. Luca Azzali the title of Corporate Development Director within the Holding Company, in line with the industrial design and development plans of the Company. The figure will be responsible for strategy and development by external lines, identifying the best opportunities for growth. The appointment of Mr. Luca Azzali entailed his appointment at a professional level such that the increase of his gross annual remuneration (fixed and variable) would constitute a transaction with related parties pursuant to the "Procedure for Transactions with Related Parties" (the "RPT Procedure") currently adopted by the Company, as well as the additional rules and regulations of the sector. Pursuant to the provisions of the RPT Procedure, the transaction was therefore submitted to the prior examination of the Committee for Transactions with Related Parties (the "Committee"), which met in the form of the "equivalent oversight" set forth in the RPT Procedure, in the person of the Independent Director, Mr. Ignazio Castiglioni, who examined the Company's interest in the execution of the aforementioned promotion, as well as the convenience and substantial fairness of the related conditions, expressing a justified favourable opinion.

On the same date, the Company's Board of Directors approved an agreement amending the investment agreement signed on 19 September 2018 between the Company, on the one hand, and BMC Holding B.V., Inbeta Holding B.V. and GO Holding B.V., on the other hand, as selling parties, of a stake representing the entire share capital of Datatrics B.V. This agreement included the investment of BMC Holding B.V. (which took over from the other two vehicles) in the Company's share capital (the "Investment Agreement") which, in particular, provided that, upon the fulfilment of certain conditions, the Company would pay BMC Holding B.V. an earn-out amount to be paid in newly issued shares of the Company. In this regard, the Board of Directors, on 30 October 2018, pursuant to the delegation received - pursuant to article 2443 of the Italian Civil Code - from the Extraordinary Shareholders' Meeting of 23 December 2015, had resolved to increase the share capital, for payment and in divisible form, for a maximum nominal amount of Euro 31,672.28 plus share premium, by issuing a maximum number of 1,266,891 new ordinary shares, with no indication of their express nominal value, to be subscribed by the final deadline of 30 April 2023, with the exclusion of option rights pursuant to article 2441, paragraph 5, of the Italian Civil Code, as they are reserved for subscription by BMC Holding B.V. ("Capital Increase"). In light of the changed context, the Company itself and BMC Holding B.V. entered into an agreement amending the Investment Agreement (the "Amending Agreement"), providing, inter alia, that the amount to be paid by the Company as earn-out would be determined as follows: (i) in the amount of Euro 1M, in cash; (ii) 422,297 ordinary shares of the Company, by offsetting the subscription price, including share premium, owed by BMC Holding B.V.. These shares are subject to the same lock-up agreements as in the Investment Agreement. As a result of the foregoing, (i) the amount of the capital increase to be allocated to the Capital Increase is equal to Euro 10,557.43 (plus share premium); (ii) the precise subscription price of the shares offered for subscription to BMC Holding B.V. and deriving from the Capital Increase, already determined in the Investment Agreement, is equal to Euro 2.368 each, setting at Euro 0.025 each the amount to be allocated to the share capital and Euro 2.343 each the amount to be allocated to the share premium reserve; (iii) the number of new shares of the Company issued and offered for subscription to BMC Holding B.V. is equal to 422,297; (iv) the resolved share capital will be realigned for the non-executed portion in the nominal amount of Euro 21,114.85 and the transitional clause introduced at the time will be removed from the Company's Articles of Association, and, on the occasion of the corporate fulfilments related to the signing of the Amending Agreement, the resolved share capital will be realigned for the nominal amount of Euro 567.00, for the non-executed portion of the 2016 Stock Option Plan, now expired. Accordingly, the resolved share capital of Growens will amount to a nominal Euro 413,238.80 and the subscribed and paid-up share capital will amount to a nominal Euro 384,833.58, divided into 15,393,343 outstanding ordinary shares. BMC Holding B.V. will own a total of 1,010,156 ordinary shares, representing 6.6% of the Company's share capital.

On 29 August 2022, Growens announced the appointment of Luca Penati as the new Chief Marketing and Communications Officer of BEE, the leading Business Unit offering no-code design tools that make it possible for everyone to create digital content quickly and easily. As CMCO, the Italian manager will report directly to BEE CEO Massimo Arrigoni and will lead marketing and communication worldwide, building on the success of BEE visual builders in many sectors and countries. Luca Penati brings more than three decades of experience in international marketing and communication to the BEE business unit. Having developed professionally in Italy, Penati moved to Silicon Valley in 1999 to work for Apple. Since then, he has held management roles in marketing and communications agencies such as Edelman, Ogilvy and Weber Shandwick, shaping, building and protecting brands from start-ups to the Fortune 500. He was recently the founder and chief consultant of Penati and Partners, a marketing and communications consultancy dedicated to start-ups.

On 5 September 2022, the Company notified the registration with the Companies' Register of Milan of the attestation pursuant to article 2444 of the Italian Civil Code of the subscription of the capital increase in kind against the subscription of 422,297 ordinary shares of the Company, by BMC Holding B.V., in implementation of the agreement amending the investment agreement signed on 19 September 2018 between the Company, BMC Holding B.V., Inbeta Holding B.V. and GO Holding B.V., as announced on 11 July 2022. The new share capital amounts to Euro 384,833.58 divided into 15,393,343 ordinary shares without nominal value.

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 strengthen 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 omni-channel marketing orchestration;
    - Marketing automation;
    - Personalization / Hyper-personalization;
- strengthening of 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 pricing policies;
- development of the combined MailUp+Contactlab business unit, through the coordination of activities and range of services to meet the needs of the most sophisticated clients in terms of data management - also in real time - and marketing automation; Contactlab products will be maintained and developed for this and no client migrations are planned, while the two organizations will be merged;
- valorization of the Contactlab Agency division, which will aggregate the offer of professional services related to customer engagement of the entire group and will work on a diversified range of platforms and software, including non-proprietary ones: this new division will also be functional for some activities currently carried out internally at BEE or outsourced to foreign partners;
- introduction of Datatrics in markets in which the Group already operates, starting with Italy and Latin American countries, starting with the MailUp customer base but also through the indirect channel, starting with the sectors where Datatrics is most specialized: e-commerce, ticketing, travel and hospitality;
- 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;
- 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 through increased investment in marketing & sales, the development of a dedicated site and a "playground" for developers to quickly experiment with the functionality, implementation and flexibility of the editor;
- strengthening of BEE Pro's portfolio of connectors, adding new ones (e.g. Salesforce) in order to be able to intercept client needs that are currently unmet;
- completion of the Datatrics reorganization and introduction of the platform into new markets through ProductLed mode and offering the freemium edition as the main acquisition 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 platform with external databases, CRM, CMS, e-commerce and other software.

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 May 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 the company's single-member Supervisory Body, which, at the end of the first term of office, has been confirmed once again until approval of the financial statements as at 31 December 2023. During the term of office, and on a periodic basis, the Supervisory Body meets with the Board of

Statutory Auditors and the independent auditors in order to share information flows and the results of their respective activities.

Following the recent changes made to the whistleblowing procedure as a result of the European Directive 2019/1937 in force as of 17 December 2021, which implemented the new standards of protection introduced in favour of “whistleblowers”, the Company has disseminated the whistleblowing procedure as recently updated.

The Supervisory Body also updated the Model in consideration of the recommendations that emerged in the audit report referring to the checks carried out in the year 2021 and also conducted an initial verification activity aimed at the special parts of the Model referring to: infringement of copyright and activities instrumental to the commission of offences in competition; as a result of which it emerged that the protocols adopted are reasonably adequate and effective to mitigate the risks relating to the commission of the predicate offences, even though proposals for amendments to some protocols have been formulated following the need to update them to better describe the actual operations of the Company.

The Company has also carried out specific training for senior management as well as personnel involved in the management of public procedures. The choice of the corporate population to be trained was made on the basis of the risk assessment, in order to provide specific training on those offences - and the related control protocols adopted with the Model - that are most relevant for the Company itself. Finally, it should be noted that the Company has adopted a Code of business conduct, valid at Group level, inspired by the principles of the Code of Ethics.

Personal data processing

Due to the characteristics of its business, which requires the utmost correctness and attention in the processing of data, Growens has always been particularly sensitive to issues of Data Protection. In fact, 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.

In particular, in order to improve the management of the Company’s business and, more generally, of the activities of the Group to which it belongs, a Data Protection Officer (DPO) has been appointed, who is a highly qualified, independent figure with experience in the field of personal data protection, to carry out this function for the entire Group.

Moreover, a “Personal Data Protection Organizational Model” was also prepared as a tool to align the Group policies and demonstrate that personal data processing is carried out in accordance with GDPR. The model has been localized on all Group companies and reflects the position they want 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 Group to comply with the various applicable privacy and data protection laws. In particular, the objective of the model is to ensure a coherent and solid level of protection of personal data processed in the context of the activities carried out by Group companies, 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 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.

During the first half of 2022, in addition to the ordinary consultancy work, the processing registers of the Group companies were reviewed and updated, and a similar process was initiated in relation to LIA (legitimate interest assessments) at Group and individual company level.

Thank you for the trust placed in us.

Milan, 08 September 2022

The Chairman of the Board of Directors

Matteo Monfredini

5. Group consolidated financial statements as at 30 June 2022

CONSOLIDATED BALANCE SHEET AS AT 30/06/2022

	Notes	30/06/2022	31/12/2021	Change	Cha. %
Tangible Fixed assets	1	1,411,901	1,451,491	(39,590)	(2.7%)
Right of Use	1	2,613,694	3,168,182	(554,488)	(17.5%)
Intangible fixed assets	2	10,531,185	6,855,106	3,676,079	53.6%
Goodwill	3	18,844,039	15,405,497	3,438,542	22.3%
Equity investments in associates and joint ventures	4	165,509	99,109	66,401	67.0%
Other non-current assets	5	1,357,378	1,314,751	42,627	3.2%
Deferred tax assets	6	2,301,394	1,524,097	777,297	51.0%
Total non-current assets		**37,225,101**	**29,818,234**	**7,406,867**	**24.8%**
Receivables from customers	7	16,294,203	12,465,270	3,828,933	30.7%
Other current assets	8	2,575,537	2,468,920	106,617	4.3%
Cash and cash equivalent	9	9,761,497	13,324,983	(3,563,486)	(26.7%)
Total current assets		**28,631,237**	**28,259,173**	**372,064**	**1.3%**
Total Assets		**65,856,338**	**58,077,407**	**7,778,930**	**13.4%**
Share capital	10	374,276	374,276	-	-
Reserves	11	17,992,293	16,775,315	1,216,978	7.3%
Profit (Loss) for the period		(930,945)	387,098	(1,318,043)	(340.5%)
Minority shareholder's equity		(15,456)	(6,086)	(9,371)	154.0%
Total equity		**17,420,167**	**17,530,603**	**(110,436)**	**(0.6%)**
Payables to banks and other financiers	12	4,573,827	3,477,932	1,095,895	31.5%
Liabilities RIGHT OF USE long-term	12	1,744,570	2,300,390	(555,821)	(24.2%)
Other non-current liabilities	13	-	2,000,000	(2,000,000)	(100.0%)
Provisions for risks and charges	14	288,167	221,667	66,500	30.0%
Provision for personnel	15	4,220,419	2,265,831	1,954,588	86.3%
Deferred taxes	16	1,136,519	715,135	421,384	58.9%
Total non-current liabilities		**11,963,501**	**10,980,955**	**982.5466**	**8.9%**
Trade and other payables	17	15,099,948	14,188,380	911,568	6.4%
Payables due to associated company	17	-	2,000	(2,000)	(100.0%)
Due to banks and other lenders short term	18	2,706,053	1,234,624	1,471,429	119.2%
Liabilities RIGHT OF USE short-term	19	925,749	998,388	(72,640)	(7.3%)
Other current liabilities	20	17,740,920	13,142,457	4,598,463	35.0%
Total current liabilities		**36,472,670**	**29,565,850**	**6,906,820**	**23.4%**
Total Liabilities		**65,856,338**	**58,077,407**	**7,778,930**	**13.4%**

CONSOLIDATED INCOME STATEMENT AS AT 30/06/2022

	Notes	30/06/2022	%	30/06/2021	%	Change	Cha. %
SaaS Revenues	21	16,897,544	35.8%	12,502,015	37.1%	4,395,530	35.2%
CPaaS Revenues	21	29,807,128	63.2%	20,736,869	61.5%	9,070,259	43.7%
Other revenues	21	478,560	1.0%	452,503	1.3%	26,057	5.8%
Total revenues		**47,183,233**	**100.0%**	**33,691,387**	**100.0%**	**13,491,845**	**40.0%**
Cost of Goods Sold	22	33,515,524	71.0%	22,095,818	65.6%	11,419,706	51.7%
Gross profit		**13,667,708**	**29.0%**	**11,595,569**	**34.4%**	**2,072,139**	**17.9%**
Sales & Marketing costs	23	4,778,496	10.1%	3,315,335	9.8%	1,463,161	44.1%
Research & Development Opex	24	2,144,470	4.5%	1,840,168	5.5%	304,302	16.5%
Research & Development Capex		(1,599,738)	(3.4%)	(1,183,686)	(3.5%)	(416,052)	35.1%
Research & Development costs		3,744,208	7.9%	3,023,854	9.0%	720,354	23.8%
General & Admin costs	25	5,387,987	11.4%	4,031,472	12.0%	1,356,515	33.6%
Total costs		**12,310,953**	**26.1%**	**9,186,976**	**27.3%**	**3,123,977**	**34.0%**
EBITDA		**1,356,755**	**2.9%**	**2,408,593**	**7.1%**	**(1,051,838)**	**(43.7)%**
General Depreciation Costs	26	217,587	0.5%	184,055	0.5%	33,532	18.2%
Right of Use Amortization Costs	26	504,315	1.1%	548,002	1.6%	(43,687)	(8.0%)
R&D Amortization Costs	26	1,659,584	3.5%	1,197,678	3.6%	461,906	38.6%
Impairment and provisions	26	-	-	-	-	-	-
Amortization &depreciation		**2,381,486**	**5.0%**	**1,929,735**	**5.7%**	**451,751**	**23.4%**
EBIT		**(1,024,731)**	**(2.2%)**	**478,858**	**1.4%**	**(1,503,589)**	**(314.0%)**
Net financial income/(charges)	27	66,077	0.1%	(33,720)	(0.1%)	99,797	(296.0%)
EBT		**(958,654)**	**(2.0%)**	**445,138**	**1.3%**	**(1,403,792)**	**(315.4%)**
Current Income tax	28	(173,416)	(0.4%)	(396,865)	(1.2%)	223,449	(56.3%)
Deferred Taxes	28	194,709	0.4%	250,678	0.7%	(55,969)	(22.3%)
Period profit/(loss)		**(937,360)**	**(2.0%)**	**298,951**	**0.9%**	**(1,236,311)**	**(413.5%)**
Group profit (loss)		(930,945)	(2.0%)	298,951		(1,229,896)	(411.4%)
Minority interest profit (loss)		(6,415)				(6,415)	
Actuarial profit/(loss) net of the tax effect				(2,467)	0.0%	2,467	(100%)
Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro		(38,571)	(0.1%)	(16,250)	0.0%	(22,321)	137.4%
Comprehensive year profit/(loss)		**(975,932)**	**(2.1%)**	**280,234**	**0.8%**	**(1,256,166)**	**(448.3%)**

Result:			
Per share	29	(0.0626)	0.0380
Diluted result	29	(0.0589)	0.0368

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in Euro	31/12/2021	Allocation of result	Capital increase	Transfer of Reserves	Purchase of own shares	Use of treasury shares	Comprehensive IS result	Stock option plan	Profits/losses carried forward	FY result	30/06/2022
Share capital	374,276										374,276
Share premium reserve	12,753,906										12,753,906
Legal reserve	80,000										80,000
Extraordinary reserve	7,367,050	1,176,894									8,543,944
Reserve for treasury stock	(714,725)				(348,804)	860,669					(202,860)
Reserve for exchange rate gains	(0)								74,625		74,625
Profit/(loss) carried forward	(1,973,633)	387,098							(850,191)		(2,436,726)
Stock option reserve	184,368							54,577			238,945
OCI reserve and translation	(441,269)						(39,003)				(480,272)
FTA reserve	(613,449)			(98,889)							(712,339)
Merger surplus reserve	133,068										133,068
FY result	387,098	(387,098)								(930,945)	(930,945)
Shareholders' equity	**17,536,689**	**1,176,894**	**-**	**(98,889)**	**(348,804)**	**860,669**	**(39,003)**	**54,577**	**(775,566)**	**(930,945)**	**17,435,624**

Figures in Euro	31/12/2020	Allocation of result	Capital increase	Transfer of Reserves	Purchase of own shares	Use of treasury shares for MBO balance	Comprehensive IS result	Stock option plan	Profits/losses carried forward	FY 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
Extraordinary reserve	5,613,856	1,716,841		19,030		17,321					7,367,050
Reserve for treasury stock	(582,608)				(234,938)	308,642					(508,905)
Reserve for exchange rate gains	19,030			(19,030)							-
Profit/(loss) carried forward	(829,772)	564,927							(1,740,215)		(2,005,061)
Stock option reserve	70,468							44,541			115,009
OCI reserve and translation	(300,894)						(18,717)				(319,610)
FTA reserve	(613,449)										(613,449)
Merger surplus reserve	133,068										133,068
FY result	564,927	(564,927)								298,951	298,951
Shareholders' equity	**17,282,808**	**1,716,841**	**-**	**-**	**(234,938)**	**325,963**	**(18,717)**	**44,541**	**(1,740,215)**	**298,951**	**17,675,232**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement - Amounts in Euro	30/06/2022	30/06/2021
Period profit/(loss)	(937,360)	298,951
Income tax	173,416	396,865
Prepaid/deferred tax	(194,709)	(250,678)
Interest expense/(interest income)	65,102	25,505
Exchange (gains)/losses	(131,179)	8,215
(Dividends)		
(Capital gains)/capital losses deriving from the disposal of assets		
1 Year profit/(loss) before income tax, interest, dividends and capital gains/losses on disposals	**(1,024,731)**	**478,858**
Value adjustments for non-monetary elements that have no equivalent item in net working capital		
Provisions for TFR	360,928	255,129
Other provisions	121,500	147,932
Amortisation and depreciation of fixed assets	2,335,841	1,844,502
Impairment		
Other adjustments for non-monetary items	(41,103)	17,069
2 Cash flow before changes in NWC	**1,752,435**	**2,743,490**
Changes to net working capital		
Decrease/(increase) in trade receivables	(71,704)	(1,192,731)
Increase/(decrease) in trade payables	263,109	(698,454)
Decrease/(increase) in accrued income and prepaid expenses	78,946	(561,915)
Increase/(decrease) in accrued liabilities and deferred income	(319,346)	(120,467)
Decrease/(increase) in tax receivables	(217,950)	479,060
Increase/(decrease) in tax payables	(155,020)	266,727
Decrease/(increase) in other receivables	24,707	410,071
Increase/(decrease) in other payables	32,768	511,374
Other changes in net working capital		
3 Cash flow after changes in NWC	**1,387,945**	**1,837,155**
Other adjustments		
Interest collected/(paid)	(11,937)	21,061
(Income tax paid)	(463,425)	(40,717)
(Capital gains)/capital losses deriving from the disposal of assets		
Dividends collected		
(Use of provisions)	(225,566)	(82,051)
4 Cash flow after other adjustments	**687,017**	**1,735,448**
A Cash flow from operations	**687,017**	**1,735,448**
Tangible fixed assets	(74,155)	(158,526)
(Investments)	(74,155)	(158,526)
Divestment realisation price		

Intangible fixed assets	(2,284,805)	(1,905,607)
(Investments)	(2,284,805)	(1,905,607)
Divestment realisation price		
Financial fixed assets	(47,448)	(1,037)
(Investments)	(47,448)	(1,037)
Divestment realisation price		
Short-term financial assets		(0)
(Investments)		(0)
Divestment realisation price		
Acquisition or disposal of subsidiaries	(3,750,000)	
B Cash flow from investments	**(6,156,408)**	**(2,065,170)**
Minority interest funds	762,738	528,021
Increase (decrease) in short-term payables to banks	9,067	(6,825)
Stipulation of loans	2,000,000	1,600,000
Repayment of loans	(1,246,329)	(1,065,154)
Own funds	(348,805)	(234,938)
Capital increase by payment		
Sale (purchase) of treasury shares	(348,805)	(234,938)
Change to share premium reserve		
C Cash flow from loans	**413,933**	**293,082**
Increase (decrease) in liquid funds (A ± B ± C)	**(5,055,458)**	**(36,639)**
Initial cash and cash equivalents	**13,324,983**	**9,866,364**
Initial cash and cash equivalents Contactlab 01.05.22	**1,491,972**	
Final cash and cash equivalents	**9,761,497**	**9,829,725**
Change in cash and cash equivalents	**(5,055,458)**	**(36,639)**

6. Notes to the Consolidated Half-Year Report as at 30 June 2022

General information

The Growens Group (hereinafter also the "Growens Group" or the "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, (v) digital agency services for enterprise customers with specialization in customer engagement. The parent company Growens S.p.A. (hereinafter "Growens" or also the "Company") 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 called MailUp used by over 9,600 direct customers, in addition to over 16,500 customers of the other 4 business units and over 490,000 customers of the free editions of various services, in particular offered by BEE Content Design Inc. (hereinafter also "BEE"). At consolidated level, the Group operates with about 26,500 customers distributed in more than 150 countries and is present with its offices on three continents with a staff of over 400 employees. After admission to trading of the ordinary shares in 2014 on the Euronext Growth Milan multilateral trading system (formerly AIM Italia) 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 and LatAm market), Globase (Nordics market), Agile Telecom (SMS wholesale market), Datatrics (artificial intelligence) and, of course, the newly acquired Contactlab S.p.A. (hereinafter "Contactlab") (E-mail marketing enterprise Italian market).

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).

In this regard, please note that the IFRS accounting standards applied in drafting the half-year financial statements closed as at 30/06/2022 are those in force on that date and are compliant with those adopted for preparing the financial statements as at 31/12/2021. 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 30/06/2022, 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 Euronext Growth Milan (formerly 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 30/06/2022 (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 31/12/2021 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 prepaid 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 (figures in Euro):

Company name	City or foreign country	Share capital in Euros	Shareholders' equity	Net profit/(loss)	% held	Book value
Bee Content Design Inc	USA	43,295	(324,715)	(134,765)	95.24	759,118
Acumbamail SL	Spain	4,500	157,737	117,992	100	1,105,303
Mailup Nordics A/S	Denmark	67,001	641,172	(139)	100	640,582
Agile Telecom S.p.A.	Carpi (MO)	500,000	1,750,413	391,858	100	8,838,556
Contactlab S.p.A	Milan	1,228,572	425,978	(151,358)	100	5,417,834
Datatrics B.V.	The Netherlands	999	(3,861,360)	(985,345)	100	5,821,952
Total						**22,583,345**

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 30/06/2022.

Criteria for converting financial statements not prepared in Euros

The conversion of financial statements of subsidiaries denominated in currencies other than the Euro, Bee 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 June 2022;
- the items of the income statement have been converted at average exchange rates for HY1 2022;
- 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:

Currency	Exchange rate as at 30/06/2022	Average exchange rate HY1 2022	Exchange rate as at 31/12/2021	Average exchange rate HY1 2021
US Dollar	1.0387	1.0940	1.1326	1.2057
Danish Krona	7.4392	7.4402	7.4364	7.4368

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;

With regard to Contactlab, the Balance Sheet consolidates balance sheet balances as of 30/06/2022, which were not present in the comparison column as of 31/12/2021, prior to the completion of the acquisition on 04/05/2022.

b) In the Income Statement, the positive and negative items of income are stated according to destination for the previous year. Starting from the first half of 2021, the consolidated Income Statement reports include details of revenues broken down by the two main strategic business areas, i.e. SaaS and CPaaS, rather than by product line (e-mail , 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. 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. The Income Statement, in respect of Contactlab, consolidates revenues and expenses for the period May - June 2022, following the completion of the acquisition of the same subsidiary. Consistently, the economic values in the comparison column as at 30/06/2021 do not include the costs and revenues of Contactlab.

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 the revenues deriving from the MailUp platform marketed by Growens, from Contactlab with respect to the "Tech" and "Agency" services referring only to the period after the closing of the acquisition, corresponding to the months of May and June 2022, from the BEE editor 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. 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. With reference to Contactlab, consolidated as from May 2022, it should be noted that the flows reported in the Cash Flow Statement have been calculated as the difference from the corresponding opening balances as of 30 April 2022, i.e. the opening balances as of 1 May 2022, not present in the other balance sheet and NFP reports presented in this Half-Year Report, added algebraically to the economic result for the same period May - June 2022, net of non-monetary changes. In the indication of the change in cash for the period, the opening cash position of Contactlab, corresponding to the balance as at 30/04/2022, not included in the Balance Sheet and NFP, is therefore also shown separately, in line with the criterion adopted for the representation of the comparison column as at 30 June 2021, which does not include the data of the acquired company.

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 31/12/2021, with the exception of the new accounting standards adopted as of 2022 and listed below.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED 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.

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 application of the new amendments has not had any significant impact either on values or on financial statement disclosures.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET OBLIGATORILY APPLICABLE AND NOT ADOPTED BY THE GROUP IN ADVANCE AS AT 30 JUNE 2022

In May 2017, the IASB issued the new IFRS 17 "Insurance Contracts". The new standard, which will replace the IFRS, will apply from 1 January 2023. However, early application is only permitted for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.

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 be applicable with effect from 1 January 2023. However, earlier application is permitted.

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 January 2020, the IASB published some amendments to IAS 1 clarifying that the definition of "current" or "non-current" of a liability depends on the right existing at the reporting date. The amendments will apply from 1 January 2024.

- 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 amendments will apply from 1 January 2023.

- In December 2021, the IASB published an amendment entitled "Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is aimed at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, and therefore at improving the usefulness of comparative information for readers of the financial statements. The amendments will apply from 1 January 2023, in conjunction with the application of IFRS 17.

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.

The table below shows the value of consolidated financial instruments at the end of the first half of 2022.

(Amounts in Euro)	Book value	Fair value	Fair value hierarchy
Other financial assets			
Other non-current financial assets	1,357,378	1,357,358	Level 3

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

Contingent 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)

31/12/2021	30/06/2022	Changes
1,451,491	1,411,901	(39,590)

Plants and machinery

Description	31/12/2021	30/06/2022	Changes
Plants and machinery	41,470	40,493	(977)
Other assets	1,410,021	1,371,408	(38,613)
Total	**1,451,491**	**1,411,901**	**(39,590)**

"Other assets" include:

- expenses for the purchase of office furniture and furnishings for Euro 329,284, net of HY depreciation;
- expenses for the purchase of electronic office machinery for Euro 400,274, net of HY depreciation;
- expenses for the purchase of mobile telephones for Euro 15,119, net of HY depreciation;
- expenses for improvements to third-party assets for Euro 608,648 to set up and customize the new Milan office, net of HY depreciation;
- other net tangible assets for Euro 18,083.

Right of Use

31/12/2021	30/06/2022	Changes
3,168,182	2,613,694	(554,488)

Description	31/12/2021	30/06/2022	Changes
Right of use offices IFRS 16	2,728,086	2,149,280	(578,806)
Right of use car IFRS 16	324,003	308,865	(15,138)
Right of use PC IFRS 16	116,093	115,548	39,455
Total	**3,168,182**	**2,613,694**	**(554,488)**

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 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) acquired 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 medium/long-term loans granted in its favour 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. As for other tangible and intangible assets, the amounts shown above are net of the related provision for amortization/depreciation and equal to Euro 2,149,280 for leased offices, Euro 308,865 for vehicles and Euro 115,548 for hired personal computers, respectively. 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)

31/12/2021	30/06/2022	Changes
6,855,106	10,531,185	3,676,079

Description	31/12/2021	30/06/2022	Changes
Platform development	5,405,892	7,125,583	1,719,691
Third-party software	1,390,029	1,317,614	(72,415)
Trademarks	9,585	38,462	28,876
Other	49,599	2,049,526	1,999,927
Total	**6,855,106**	**10,531,185**	**3,676,079**

The item "Platform development" includes costs for the development of the MailUp platform, net of relevant amortization/depreciation; the same item includes costs for projects to develop the MailUp platform currently in progress, activities not yet completed and therefore not amortized yet. For Contactlab, too, the incremental developments of its technological services represent a strategic business factor: the above-mentioned items include specific investments of approximately Euro 1.087 million. The capitalized developments relative to the BEE editor should also be mentioned. This asset was conferred by the parent company to the subsidiary Bee Content Design Inc, as from 31/12/2016. "Third-party software" includes costs relative to the implementation of software owned by third parties. The item "Trademarks" includes the expenses incurred for the deposit and protection of the MailUp and Contactlab trademark in Italy and in other countries considered strategic in commercial terms. For an in-depth analysis of the new functionalities introduced in HY1 2022 to the MailUp platform, to the BEE editor and related to the research and development projects carried out by Growens and other Group companies, please refer to the paragraph "Research and development activities" of the Report on Operations of this consolidated half-year report. As part of the determination of the fair value of the assets and liabilities acquired from Contactlab, the Customer Asset list was valued under "Other" consolidated intangible assets in the amount of Euro 1,944,460, in addition to the recognition of the related deferred taxes in the amount of Euro 543 thousand. The following paragraph on Goodwill describes in detail the process that led to this valuation.

Goodwill (3)

31/12/2021	30/06/2022	Changes
15,405,497	18,844,039	3,438,542

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

Description	30/06/2022
BEE Content Design, Inc.	162,418
Acumbamail SL	464,923
MailUp Nordics A/S	180,446
MailUp Nordics / Globase	460,137
Agile Telecom S.p.A.	8,256,720
Datatrics B.V.	5,801,699
ContactLab	3,438,542
Faxator goodwill	79,154
Total	**18,844,039**

On 4 May 2022, as mentioned several times, the acquisition of Contactlab was finalized. The acquisition was accounted for in accordance with the accounting method defined by IFRS 3 regulating business combinations. As required by IFRS 3, the Company determined its fair value at the date of acquisition. Growens then performed a Purchase Price Allocation (PPA) to determine the fair value of the identifiable assets acquired, liabilities and contingent liabilities. The analysis determined the valuation of the Customer Asset List according to the Multiperiod Excess Earning Method (MPEEM). This method estimates the present value of the profits attributable to the intangible asset in question after deducting the portion of the margin attributable to the so-called contributory assets, i.e. by subtracting the contribution to marginality made by other tangible and intangible assets to the exclusion of that which is valued among other intangible assets, other tangible assets, working capital and labour force (assembled work force). The value attributable to the intangible asset is obtained by discounting the future profits determined as above over the expected remaining useful life. The future projection of revenues and margins, estimated on the basis of past and prospective data, also takes into account for prudential purposes the Attrition Rate, i.e. the

specific churn rate of Contactlab relevant business lines, i.e. Tech, Agency and SMS. On the results thus obtained, the relevant deferred tax assets were allocated.

The following table shows the comparison of the book values of the net assets acquired from Contactlab at the acquisition date (as resulting from the financial statements for the period ended 30 April 2022 of Contactlab) with the relative fair value at that date, determined in accordance with the provisions of paragraph 45 of IFRS 3.

Values in €/000		Book values at acquisition	IFRS adjustments	Fair Value adjustment	Fair Value
Non-current assets	**(a)**	**1,878**	**42**	**1,944**	**3,864**
Of which Tangible Assets		87			87
Of which Intangible Assets		1,085		1,944	3,029
Customer Asset list				*1,944*	*1,944*
Of which Rights of use on third-party assets			11		11
Of which Deferred tax assets		655	31		686
Of which Investments		50			50
Current assets	**(b)**	**5,534**			**5,534**
Total Assets	**(a+b)**	**7,412**	**42**	**1,944**	**9,398**
Total non-current liabilities	**(c)**	**2,981**	**133**	**543**	**3,657**
Of which Non-current financial liabilities		1,226	3		1,229
Of which Provisions for personnel		1,754	130		1,884
Of which Deferred tax liabilities				543	543
Deferred Taxes on Customer Asset List				*543*	*543*
Total current liabilities	**(d)**	**3,854**	**8**		**3,862**
Of which Current financial liabilities		3,854	8		3,862
Total Liabilities	**(c+d)**	**6,834**	**141**	**543**	**7,518**
Total	**(a+b)-(c+d)**	**577**	**(99)**	**1,401**	**1,879**

The table above also shows the effect of the adjustments resulting from the adjustment to IAS/IFRS, adopted by the Group, of Contactlab balance sheet balances as of 30/04/2022, originally calculated according to national OIC (Italian Accounting Body) accounting standards, which led to a decrease in the consolidated FTA (First Time Adoption) reserve of Euro 99 thousand.

The table below shows the determination of goodwill recognized in the financial statements following the acquisition, obtained by comparing the Acquisition Price and the fair value of the net assets acquired at the Acquisition Date.

Values in €/000		
Acquisition consideration		5,418
Of which directly attributable charges	*418*	
Provisional Fair Value of net assets acquired		1,879
Change in FTA reserve		99
Provisional goodwill		3,439

The procedures to determine the provisional fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed are still ongoing and any changes to the above will be reflected in the financial statements as soon as they are available and in any case within 12 months from the date of acquisition. In particular, the estimate of goodwill may change from that shown in the table above due to the definition of the fair value of the identifiable assets acquired and liabilities assumed, again at the acquisition date. The change in the value of the net assets acquired as a result of measuring them at their relative fair value and determining, where applicable, the relative residual useful lives of the assets acquired, would also entail, among other things, the restatement of depreciation and amortization that will be recognized in periods subsequent to the acquisition date.

Goodwill or consolidation difference arising from the acquisition of Contactlab was calculated as the difference between the purchase value of the investment and the net worth of the subsidiary at the first consolidation, i.e. at the nearest available accounting date of 30/04/2022. The related Purchase Price Allocation (PPA) procedure is fully detailed in the previous paragraph and determined the value of goodwill to be Euro 3,438,542.

Impairment testing of goodwill

Goodwill and other intangible assets of the Group 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. 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 is tested at the smallest CGU at which management monitors, directly or indirectly, the return on investments in assets that include the 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 2022 annual financial statements.

Equity investment in associates (4)

Tangible assets	Country	31/12/2021	Revaluations	Impairment	Purchases	30/06/2022
CRIT Cremona Information Technology	Italy	90,003				90,003
Other investments	Italy	9,106			66,400	75,506
Total		**99,109**		**0**	**66,400**	**165,509**

The amount recorded in the assets of the balance sheet refers to the Growens equity investment in Consorzio CRIT (CRemona Information Technology). The increase in other investments is due to the participations held by Contactlab as they are of marginal importance and being divested in the short term.

Other non-current assets (5)

31/12/2021	30/06/2022	Changes
1,314,751	1,357,378	42,627

Description	31/12/2021	Increases	Decreases	30/06/2022
Receivables from associated companies	64,641	30,000		94,641
Receivables from others	43,040	12,627		55,667
Pledged amounts Bper	1,207,070			1,207,070
Total	**1,314,751**	**42,627**		**1,357,378**

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 disbursement of the loan connected to the MISE “ICT Digital Agenda” call for tenders. 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)

31/12/2021	30/06/2022	Changes
1,524,097	2,301,394	777,297

Deferred tax assets refer to temporary differences recorded in the individual financial statements and consolidation differences that will reverse over the next few years.

Details in connection with each Group company can be summarized as follows:

Description	31/12/2021	30/06/2022	Changes
Growens Spa	239,011	405,190	145,308
Agile Telecom Spa	20,085	10,760	(9,325)
Bee Content Design Inc	752,001	717,132	(34,869)
ContactLab Spa	-	655,312	655,312
Datatrics BV	513,000	513,000	-
Total	**1,524,097**	**2,301,394**	**777,297**

Current assets

Trade and other receivables (7)

31/12/2021	30/06/2022	Changes
12,465,270	16,294,203	3,828,933

Description	31/12/2021	30/06/2022	Changes
Receivables from customers	12,465,270	16,294,203	3,828,933

The increase in receivables is largely attributable to the inclusion of the balance as at 30/06/22 of Contactlab trade receivables in the amount of Euro 2.65 million, which is not compared to the same value at the end of the previous year. Agile Telecom also saw an increase in its receivables of Euro 1.7 million, partly due to the significant increase in turnover and partly related to occasional payment delays by some important customers, promptly recovered in the first few days of July.

Below is the breakdown of receivables by geographic area:

Description	31/12/2021	30/06/2022	Changes
Italy	7,121,569	7,378,206	256,637
EU	2,869,870	6,488,551	3,618,681
Non EU	2,473,830	2,427,447	(46,383)
TOTAL	**12,465,270**	**16,294,203**	**3,828,933**

Other current assets (8)

31/12/2021	30/06/2022	Changes
2,468,920	2,575,537	106,617

Description	31/12/2021	30/06/2022	Changes
Inventories	26,856	27,411	554
Tax receivables	170,112	174,756	4,644
Other receivables	509,009	483,748	(25,261)
Accrued income and deferred expenses	1,762,943	1,889,622	126,679
TOTAL	**2,468,920**	**2,575,537**	**106,617**

Liquid funds (9)

31/12/2021	30/06/2022	Changes
13,324,983	9,761,497	(3,563,486)

The balance represents liquid funds and cash as well as valuables held as at 30/06/2022. For an in-depth analysis of the financial dynamics affecting Cash and cash equivalents, please refer to the paragraph on Key Balance Sheet Data and Net Financial Position in the Report on Operations in this file, as well as the Cash Flow Statement as of 30/06/2022.

Liabilities and Shareholders' Equity

Group Shareholders' Equity

Share capital (10)

31/12/2021	30/06/2022	Changes
374,276	374,276	-

The share capital of the parent company Growens is entirely paid in and is represented as at 30 June 2022 by 14,971,044 ordinary shares with no par value, whose accounting parity comes to Euro 0.025 each.

Reserves (11)

31/12/2021	30/06/2022	Changes
16,775,315	17,992,293	1,216,978

Description	Balance as at 31/12/2021	Increases	Decreases	Balance as at 30/06/2022
Share premium reserve	12,753,906			12,753,906
Legal reserve	80,000			80,000
Stock option reserve	184,368	54,577		238,945
Extraordinary reserve	7,367,049	1,176,894		8,543,943
Reserve for exchange adjustments	0	74,625		74,625
FTA reserve	(613,449)		98,889	(712,338)
OCI reserve	(375,842)			(375,842)
Reserve for treasury shares in portfolio	(714,724)	348,804	860,669	(202,859)
Merger surplus reserve	133,068			133,068
Translation reserve	(65,428)		39,000	(104,428)
Profits/losses carried forward	(1,973,632)	368,608	831,702	(2,436,726)
Total	**16,775,315**	**2,347,842**	**1,130,864**	**17,992,293**

The increase in the extraordinary reserve is determined by the parent company's profit for the year 2021. The FTA reserve increased as a result of the application of IAS19 to the subsidiary Contactlab, which had always previously used the national accounting standards OIC, to the accounts as at 30/04/2022. The OCI reserve represents the effects deriving from the remeasuring of the defined benefits plan, 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 30/06/2022. During the first half of the year, a portion of the treasury shares, amounting to Euro 861 thousand, was used for the payment in kind to the former shareholders of Contactlab, for a countervalue of Euro 1.25 million. 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 (BEE Content Design and MailUp Nordics/Globase).

Period result

The net HY1 result is negative and comes to Euro 937,360 as at 30/06/2022 with respect to Euro 298,951, positive, recorded as at 30/06/2021. 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.

Shareholders' equity of minority interests

The non-controlling interest in shareholders' equity relates to the shares held by Massimo Arrigoni, Chief Executive Officer of the subsidiary BEE, beneficiary of a stock option plan dating back to the 2011 financial year, who, on 18 November 2021, exercised his right to subscribe 250,000 shares of the company, for a total amount of USD 2,500.
As a result of this capital increase, BEE Content Design's share capital increased to USD 52,500 divided into 5,250,000 shares. The equity investment held by Arrigoni amounts to 4.76%, while the remaining 95.24% is still held by the parent company Growens.

Non-current liabilities

Amount due to banks and other lenders (12)

31/12/2021	30/06/2022	Changes
3,477,932	4,573,827	1,095,895

The item "Payables to banks and other lenders" consists of Euro 3.7 million in payables to the banking system pertaining to the parent company and Euro 0.8 million pertaining to ContactLab. 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 (12)

Description	31/12/2021	30/06/2022	Changes
Long-term office right of use liability	2,085,086	1,496,4861	(588,600)
Long-term car right of use liability	136,524	144,940	8,416
Long-term PC right of use liability	78,780	103,144	24,364
Total	**2,300,390**	**1,744,570**	**(555,821)**

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 (13)

31/12/2021	30/06/2022	Changes
2,000,000	-	(2,000,000)

The above debt to BMC Holding B.V., the selling party of Datatrics B.V., relating to the payment of the Earn-out, by virtue of the amending agreement signed by the parties to supplement the agreement originally signed, was settled on 14/07/2022, as follows: Euro 1 million in cash and the remaining Euro 1 million through the assignment of Growens shares issued through a specific capital increase already resolved for this purpose. Consequently, the debt as at 30/06/2022 was reclassified under current liabilities.

Provisions for risks and charges (14)

Description	31/12/2021	30/06/2022	Changes
Provisions for risks and charges	221,667	288,167	66,500

Description	31/12/2021	Increases	Decreases	30/06/2022
Provisions for severance indemnity upon cessation of office (TFM)	221,667	66,500		288,167

The provision for pension and similar commitments is related to 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.

Provision for personnel (15)

31/12/2021	30/06/2022	Changes
2,265,831	4,220,419	1,954,588

The change is as follows:

Description	31/12/2021	Increases	Decreases	Actuarial Gains/Losses	30/06/2022
Dismissal indemnity provision	2,265,831	1,789,169	229,854	(395,274)	4,220,419

The increases relate to accruals in the half-year for the employee severance indemnity, including the figure for the subsidiary Contactlab consolidated on this occasion for the first time. The decreases relate to uses for the HY.

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:

Description	2022
Annual technical discounting rate	1.00%
Annual inflation rate	1.75%
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), same assumptions as at 31.12.2021, having carried out a roll-forward valuation at 30.06.2022.

Payables for deferred taxes (16)

Description	31/12/2021	Increases	Decreases	30/06/2022
Provision for deferred taxes	715,135	421,384	-	1,136,519

The provision for deferred taxes is related to the tax provision referred to BEE Content Design and to the recognition in the consolidated financial statements of deferred taxes related to the valuation of the intangible asset Customer Asset list of Contactlab resulting from the Purchase Price Allocation (PPA) procedure, details of which are presented in the section on Intangible Assets and Goodwill.

Current liabilities

Trade and other payables (17)

Description	31/12/2021	30/06/2022	Changes
Payables to suppliers	14,188,380	15,099,948	911,568
Payables to associated companies	2,000	-	(2,000)
Total	**14,190,380**	**15,099,948**	**909,568**

"Payables to suppliers" are recorded net of trade discounts. Part of the increase (Euro 0.7 million) is attributable to the debt of the newly acquired ContactLab.
Below is a breakdown of trade payables according to geographic area:

Description	31/12/2021	30/06/2022	Changes
Italy	9,720,309	8,874,636	(845,673)
EU	2,016,401	466,917	(1,549,483)
Non EU	2,451,671	5,758,394	3,306,723
Total	**14,188,380**	**15,099,948**	**911,568**

Due to banks and other lenders – Short term (18)

31/12/2021	30/06/2022	Changes
1,234,624	2,706,053	1,471,429

Description	31/12/2021	30/06/2022	Changes
Amounts due to banks - short-term	165,782	174,849	9,067
Short-term portion of loans	1,068,841	2,531,204	1,462,363
Total	**1,234,624**	**2,706,053**	**1,471,429**

The item Short-term Portion of Loans refers to the residual short-term portions of unsecured loans taken out by the parent company with Credito Emiliano, Banca BPER and Crédit Agricole, and the loans, already in place before the acquisition, of the subsidiary Contactlab with Crédit Agricole and Banca Intesa. The remaining item relates to bank debt to electronic payment circuits for payments made by credit card.

Short-term right of use liabilities (19)

31/12/2021	30/06/2022	Changes
998,388	925,749	(72,640)

Description	31/12/2021	30/06/2022	Changes
Short-term office right of use liability	795,118	699,466	(95,652)
Short-term car right of use liability	164,392	172,111	7,719
Short-term PC right of use liability	38,879	54,172	15,293
Total	**998,388**	**925,749**	**(72,640)**

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 (20)

31/12/2021	30/06/2022	Changes
13,142,457	17,740,920	4,598,463

Below is the breakdown of Other current liabilities:

Description	30/06/2022
Tax payables	664,281
Amount due to social security institutions	868,167
Amounts due to Directors for emoluments	32,042
Amounts due to employees for salaries, holidays, permits and additional months' salaries	2,668,922
Payables for MBO bonuses	415,811
Deferred income	11,090,154
Other payables	2,001,541
Total	**17,740,920**

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.

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, and partly also of Contactlab, 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 recurring fees, such as Acumbamail, BEE and Datatrics, 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. In accordance with the accrual principle, deferred income is also recognized for the portion of Contactlab revenues accruing in the future. As at 30/06/2022, this item amounted to approximately Euro 1.67 million. The item Other payables includes the payable to BMC Holding B.V., the selling party of Datatrics B.V., in the amount of Euro 2 million, reclassified to short-term liabilities due to the closing of the item on 14/07/2022, as shown in greater detail in the previous section on Other non-current liabilities.

Income Statement

Revenues (21)

30/06/2021	30/06/2022	Changes
33,691,387	47,183,233	13,491,845

Revenues from sales and services amounted to Euro 47 million, recording an increase of Euro 13 million (+40%) on the corresponding figure for HY1 2021.

Revenues by product type

Description	30/06/2021	30/06/2022	Changes
SaaS Revenues	12,502,015	16,897,544	4,395,530
CPaaS Revenues	20,736,869	29,807,128	9,070,259
Other revenues	452,503	478,560	26,057
Total	**33,691,387**	**47,183,233**	**13,491,845**

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 (e-mail, 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 revenues from messaging services sent via the SaaS platform to its typical retail customers (amounting to Euro 2,715 thousand at 30/06/2022 versus Euro 2,103 thousand at 30/06/2021), from the BEE editor of BEE Content Design 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.
The increase in revenue also includes the value for the months of May and June reported by the new subsidiary Contactlab in the amount of approximately Euro 1.7 million. Further analysis of business revenues is available in the Report on Operations, which is an integral part of this document.

COGS (Cost of goods sold) (22)

30/06/2021	30/06/2022	Changes
22,095,818	33,515,524	11,419,706

The breakdown is as follows:

Description	30/06/2021	30/06/2022	Changes
Purchases	19,680,616	29,476,925	9,796,309
Services	1,301,068	2,161,637	860,569
Cost of rents and leases	19,570	22,716	3,146
Payroll cost	1,074,258	1,846,003	771,745
Sundry operating expenses	20,306	8,243	(12,063)
Total	**22,095,818**	**33,515,524**	**11,419,706**

COGS costs are 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, including the costs of the specific personnel, of the areas directly involved in the provision of the service, for example the deliverability departments, help desk, the areas that deal with the personalization of services on customer request and other variable costs directly related to services sold to customers. Part of the increase, amounting to about Euro 1 million, is related to COGS costs of the newly acquired Contactlab for May and June 2022. The largely predominant part of these costs is represented by purchases to send text messages, about Euro 29.2 million in the HY, by Agile Telecom from external suppliers.

Sales & Marketing costs (23)

30/06/2021	30/06/2022	Changes
3,315,335	4,778,496	1,463,161

The breakdown is as follows:

Description	30/06/2021	30/06/2022	Changes
Purchases	2,486	4,303	1,817
Services	881,282	1,427,840	546,558
Cost of rents and leases	11,066	10,268	(798)
Payroll cost	2,420,434	3,336,085	915,651
Sundry operating expenses	67	-	(67)
Total	**3,315,335**	**4,778,496**	**1,463,161**

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 (24)

30/06/2021	30/06/2022	Changes
1,840,168	2,144,470	304,302

The breakdown is as follows:

Description	30/06/2021	30/06/2022	Changes
Purchases	814	2,788	1,974
Services	216,640	331,453	114,814
Cost of rents and leases	3,694	4,446	752

Payroll cost	2,802,707	3,405,521	602,814
Capitalized payroll cost	(1,183,686)	(1,599,738)	(416,052)
Total	**1,840,168**	**2,144,470**	**304,302**

These costs relate to departments that deal with research and development activities related to all Group subsidiaries. For purposes of greater clarity of exposure, the amount of capitalized payroll costs is recorded separately, then highlighting 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, the Agile Telecom SMS sending infrastructure and the technological services provided by Datatrics and Contactlab. The research and development activity for the half-year subject of analysis is described in detail in the specific section of the Report on Operations.

General costs (25)

30/06/2021	30/06/2022	Changes
4,031,472	5,387,987	1,356,515

The breakdown is as follows:

Description	30/06/2021	30/06/2022	Changes
Purchases	49,750	91,957	42,207
Services	2,572,938	3,160,799	587,862
Cost of rents and leases	57,188	137,473	80,285
Payroll cost	1,195,959	1,877,949	681,990
Sundry operating expenses	155,637	119,808	(35,828)
Total	**4,031,472**	**5,387,987**	**1,356,515**

General costs express overhead expenses, mainly related to the offices instrumental to the activity performed (utilities, maintenance, related purchases), administrative expenses in general, including costs of accounting, legal, back-office commercial clerical staff, human resources and management control, the remuneration of the Board of Directors, the Board of Auditors and the Independent Auditors, legal, tax, accounting, labour and other consultancy in general, in addition to costs related to the status of listed company, such as for investor relations and costs of M&A activity. Compared to 30/06/2021, the increase in

COGS costs was also affected by the entry of costs attributable to Contactlab in the amount of Euro 0.4 million in May and June 2022, not recognized in the comparison column.

Amortization, depreciation and impairment (26)

30/06/2021	30/06/2022	Changes
1,929,735	2,381,486	451,751

Description	30/06/2021	30/06/2022	Changes
General depreciation costs	184,055	217,587	33,532
Amortization right of use	548,002	504,315	(43,687)
Amortization R&D	1,197,678	1,659,584	461,906
Total	**1,929,735**	**2,381,486**	**451,751**

Right of use amortization was calculated for the first time in 2019 following the application of IFRS 16. In the first half of 2022, depreciation and amortization showed an increase in the portion referring to research and development activities, which represent the main strategic investment for Group companies, including Contactlab. It should be noted that about Euro 151 thousand of the increase is due to amortization of the newly acquired Contactlab.

Financial operations (27)

30/06/2021	30/06/2022	Changes
(33,720)	66,077	99,797

The breakdown is as follows:

Description	30/06/2021	30/06/2022	Changes
Financial income	13,317	8,643	(4,674)
Financial expense	(38,822)	(73,745)	(34,923)
Exchange gains	19,751	166,320	146,569
Exchange losses	(27,967)	(35,141)	(7,174)
Total	**(33,720)**	**66,077**	**99,797**

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 about Euro 29 thousand calculated as per IFRS 16.

Income tax for the period (28)

30/06/2021	30/06/2022	Changes
(146,187)	21,293	167,480

Description	30/06/2021	30/06/2022	Changes
Current tax	(396,865)	(173,416)	223,449
Deferred tax	250,678	194,709	(55,969)
Total	**(146,187)**	**21,293**	**167,480**

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 (loss) per share (29)

Basic earnings/loss per share are calculated by dividing the net period earnings/loss attributable to ordinary company shareholders by the weighted average number of ordinary shares, excluding treasury shares, in issue during HY1 2022. Below is the period result and information on shares used to calculate the basic earnings per share.

Description	30/06/2022
Net earnings (loss) attributable to shareholders	(930,945)
Opening number of ordinary shares	14,971,046
Opening portfolio treasury shares	138,980
Closing number of ordinary shares	14,971,046
Closing portfolio treasury shares	45,533
Weighted number of shares in issue	14,878,790
Basic earnings (loss) per share	(0.0626)

Diluted earnings per share are calculated as follows:

Description	30/06/2022
Net earnings (loss) attributable to shareholders	(930,945)
Opening number of ordinary shares	14,971,046
Opening portfolio treasury shares	138,980
Opening shares potentially assignable	933,607
Closing number of ordinary shares	14,971,046
Closing portfolio treasury shares	45,533
Closing shares potentially assignable	933,607
Weighted number of shares in issue	15,812,397
Basic earnings (loss) per share	(0.0589)

Workforce

As at 30/06/2022, the Group had 409 employees, of whom 13 managers, 39 middle managers, 357 white-collar workers. The number of employees in terms of ULA (Annual Work Units) amounted to 259.92 at Group level.

Level of classification	Total number	%	Italy	United States of America	Spain	Denmark	The Netherlands
White-collar workers	357	87.3%	298	26	11	2	20
Middle managers	39	9.5%	38			1	
Managers	13	3.2%	10	1	2		
Total	**409**	**100.0%**	**346**	**27**	**13**	**3**	**20**

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 30/06/2022.

Fees to Directors and Auditors

Directors' fees, including the relative contribution and the MBO allocation, the latter subject to year-end checks on the amount and possibility of disbursement, in the half-year in question, amounted to Euro 1,021,824, while fees to the Board of Statutory Auditors, where present, amounted to Euro 23,897.

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 30/06/2022 at consolidated level totalled Euro 22,784.

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 30/06/2022, 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, 08 September 2022
The Chairman of the Board of Directors
Matteo Monfredini

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Growens S.p.A.

Independent Auditors' review report

Consolidated interim financial statement
as of June 30th, 2022

MCP/VDL/cpo - RC037242022BD0332

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Independent Auditors' review report on consolidated interim financial statements

To the Shareholders of
Growens S.p.A.

Introduction

We have reviewed the accompanying consolidated interim financial statements comprising the statement of financial position as of June 30, 2022, the statement of comprehensive 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 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, 2022, 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 12th, 2022

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.

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