



Press release 09/27/2016

## **MailUp SpA's Board of Directors approves the results as at June 30, 2016**

*The Group saw triple-figure growth in turnover and EBITDA in the first half of 2016, driven by its acquisitions and positive organic development of MailUp revenues, which has grown in double figures for the 20th half in a row.*

*The adoption has been announced of the IAS/IFRS standards in the 2016 financial statements.*

*Net profit at the end of 2016 is projected to be between EUR 400,000 and EUR 600,000.*

### **Main consolidated financial results according to the national accounting standards (OIC)**

- EUR 10.1M in production value as at 6/30/2016 compared to EUR 4.5M as at 6/30/2015 (**+123%**), including:
  - EUR 4.4M in revenues from the sale of email services as at 6/30/2016 compared to EUR 3.2M as at 6/30/2015 (**+36%**);
  - EUR 5.2M in revenues from the sale of SMS services as at 6/30/2016 compared to EUR 1.1M as at 6/30/2015 (**+351%**);
  - EUR 0.4 M in other revenues.

The growth in production value was impacted by the acquisitions made during 2015 (Acumbamail, Agile Telecom and Globase) and by the positive performance of MailUp SpA, which grew in double digits for the 20th half in a row (+13% growth in production value in 6/30/2016 from 6/30/2015).

- EBITDA of EUR 1M as at 6/30/2016 compared to an EBITDA of EUR 492,000 as at 6/30/2015 (**+119%**);
- EUR 1.1M in cash flow from operating activities as at 6/30/2016, with a "cash flow from operating activities/EBITDA" cash conversion of **1.1x**;
- Loss of EUR 153,000 as at 6/30/2016, compared to a net profit of EUR 6,000 as at 6/30/2015. This loss is due to the higher depreciation costs relating to the acquisitions made in the second half of 2015 ("consolidation difference"), amounting to EUR 350,335.
- Positive net financial position of EUR 0.7M, including: cash and cash equivalents totaling EUR 4.7M; current financial liabilities totaling EUR 1.1M; non-current financial liabilities totaling EUR 2.9M.

## **Main consolidated financial results according to (IAS/IFRS) international accounting standards<sup>1</sup>**

- EUR 10.1M in production value as at 6/30/2016 according to IAS, unchanged from the production value as at 6/30/2016 according to OIC;
- EBITDA at 6/30/2016 of EUR 1M according to IAS, unchanged from the EBITDA at 6/30/2016 according to OIC;
- Net profit of EUR 240,000 at 6/30/2016 according to IAS, compared to a loss of EUR 153,000 at 6/30/2016 according to OIC. The change is due – among other things – to the fact that the amortization of acquisitions made during 2015, according to international accounting standards, will not affect the company's consolidated income statement.

Milan, september 27, 2016. The MailUp Spa's Board, listed on the AIM Italia market, operating in the marketing technology field (Reuters: MAIL.MI) (Bloomberg: MAIL.IM) (ISIN IT 0005040354) today approved the interim report as at June 30, 2016.

Chairman **Matteo Monfredini** was satisfied, stating that *"2016 was a year of strong growth for our Group, as shown by the results of this first half. We expect a positive second half with further improvement, particularly in terms of the Group's net profit, which we project to be between EUR 400,000 and EUR 600,000 at year end. This growth is driven by the acquisitions made during 2015 – Acumbamail, Globase and Agile Telecom – in addition to the positive results, once again in double figures, of our organic growth. In terms of organic results, it is worth noting the steady growth of MailUp's core business, the strong growth of Acumbamail – increasingly emerging as a leading player in the Spanish-speaking market – and the excellent start to the business line built around the BEE product. After its media success in Silicon Valley, in these first few months of its commercial launch, this business line is seeing month-on-month growth in double digits (around 10%), with an almost exclusively international client base. Lastly, we decided to draw up the 2016 financial statements in accordance with (IAS/IFRS) international accounting standards, which is another step towards the disclosure and transparency practices required by the MTA Market"*.

### **Key economic data**

The Group's reclassified economic statement as at 6/30/2016 compared to the same period of the previous year is as follows (in EUR):

	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Change</b>
Net revenue	9,867,857	4,446,279	5,421,579
Increase in fixed assets for internal work	645,525	881,268	(235,743)
Other income	252,818	86,924	165,894
<b>Production value</b>	<b>10,766,200</b>	<b>5,414,471</b>	<b>5,351,729</b>
Production costs	6,387,180	2,612,772	3,774,408
Staff costs	3,297,693	2,309,224	988,469

<sup>1</sup> Unaudited management accounts prepared by the Issuer

<b>EBITDA</b>	<b>1,081,327</b>	<b>492,475</b>	<b>588,852</b>
Amortization and depreciation	1,077,919	460,952	616,967
<b>EBIT</b>	<b>3,408</b>	<b>31,523</b>	<b>(28,115)</b>
Extraordinary income and expenses	(6,894)	(308)	(6,586)
<b>Pre-tax profit (EBT)</b>	<b>(3,486)</b>	<b>31,215</b>	<b>(34,700)</b>
Taxes on income	149,837	24,393	125,444
<b>Net profit</b>	<b>(153,323)</b>	<b>6,822</b>	<b>(160,144)</b>

Net revenue, production value and EBITDA have more than doubled in absolute terms compared to the first half of 2015, mainly due to last year's acquisitions along with the organic growth that has been ongoing for years now. However, pre-tax profit is affected by higher depreciation costs, which relate – among other things – to the acquisitions made in the second half of 2015 ("consolidation difference"), totaling EUR 350,335.

### Key balance sheet data

The Group's reclassified balance sheet compared with that at 12/31/2015 is as follows (in EUR):

	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Change</b>
Net intangible fixed assets	11,053,227	11,064,048	(10,821)
Net tangible fixed assets	808,919	754,331	54,588
Investments and other financial assets	102,000	2,000	100,000
Other long-term receivables	154,984	134,348	20,636
Tax receivables due beyond the year	121,362	121,362	0
<b>Capital assets</b>	<b>12,240,492</b>	<b>12,076,089</b>	<b>164,403</b>
Inventories	41,901	22,505	19,396
Receivables from customers	2,933,759	2,866,722	67,037
Other receivables	833,707	521,111	312,596
Current financial assets	135,859	57,502	78,357
Accruals and prepaid expenses	596,355	531,871	64,484
<b>Short-term assets</b>	<b>4,541,581</b>	<b>3,999,711</b>	<b>541,870</b>
Payables to suppliers	2,503,349	2,320,262	183,087
Advance payments	19,366	21,622	(2,256)
Tax and social security payables	1,140,613	1,217,526	(76,913)
Other payables	1,828,863	1,940,083	(111,220)
Accruals and deferred income	4,022,093	3,511,410	510,683
<b>Short-term liabilities</b>	<b>9,514,284</b>	<b>9,010,903</b>	<b>503,381</b>
<b>Net working capital</b>	<b>7,267,789</b>	<b>7,064,897</b>	<b>202,892</b>
Employee severance indemnities	758,046	670,174	87,872
Other medium and long-term liabilities	154,105	151,084	3,021
<b>Medium and long-term liabilities</b>	<b>912,151</b>	<b>821,258</b>	<b>90,893</b>
<b>Invested capital</b>	<b>6,355,640</b>	<b>6,243,640</b>	<b>112,000</b>
Equity	(7,069,001)	(7,267,485)	198,484
MLT borrowings	(2,883,270)	(1,604,251)	(1,279,020)
Short-term net financial position	3,596,632	2,628,095	968,537
<b>Shareholders' equity and net borrowings</b>	<b>(6,355,640)</b>	<b>(6,243,640)</b>	<b>(112,000)</b>

There has been an improved coverage of investments by focusing on medium-term bank lending to support extraordinary transactions, with particularly favorable conditions due to the combined effect of the Group's accumulated creditworthiness in the banking system and the positive outlook for the market.

### Key financial data

The net financial position as at 6/30/2016 was as follows (in EUR):

	6/30/2016	6/30/2015	Change
Bank deposits	4,670,447	3,264,705	1,405,742
Cash and other values in hand	1,013	1,012	1
<b>Cash and cash equivalents</b>	<b>4,671,460</b>	<b>3,265,717</b>	<b>1,405,743</b>
Bank borrowings (within 12 months)	22,399	20,956	1,443
Short-term portion of loans	1,052,429	616,665	435,763
<b>Short-term borrowings</b>	<b>1,074,828</b>	<b>637,621</b>	<b>437,207</b>
<b>Short-term net financial position</b>	<b>3,596,632</b>	<b>2,628,096</b>	<b>968,537</b>
Payables to other lenders (over 12 months)	25,093	33,416	(8,323)
Long-term portion of loans	2,858,178	1,570,835	1,287,343
<b>Net medium and long-term financial position</b>	<b>2,883,271</b>	<b>1,604,251</b>	<b>1,279,020</b>
<b>Net financial position</b>	<b>713,361</b>	<b>1,023,845</b>	<b>(310,484)</b>

The effect has been clearly seen of directing the liquidity generated by the core business towards investment in subsidiary acquisitions. As in the past, the Group does not use bank borrowings to finance current operations.

### Main events as at June 30, 2016

In the first half of 2016, the company's activity was characterized by the events below:

- **Second closing of the Agile Telecom transaction:** on February 9, 2016, after the conditions precedent described in the purchase agreement signed by the parties were not satisfied, the 100% acquisition of the controlling interest in Agile Telecom SpA was concluded with effect from December 29, 2015;
- **Resolution of the stock option plan:** On March 29, 2016, MailUp SpA's Board of Directors approved a stock option plan with its respective regulations, aimed at MailUp employees and/or its subsidiaries pursuant to Article 2359(1) of the Italian Civil Code. MailUp SpA's Board of Directors approved an increase in share capital for cash, with a waiver option, for a maximum amount of EUR 8,355.00, without a share premium, by issuing a maximum number of 334,200 ordinary shares, without par value, with the same characteristics as those in circulation, regular dividend, to be offered for a fee when certain exercising conditions are met, as set out by the plan and its respective allocation letter, for an issuing unit price of EUR 0.025, without a share premium, excluding the option rights laid down under

Article 2441(8) of the Italian Civil Code, to the beneficiaries of the stock option plan.

- **Free capital increase:** On March 29, 2016, MailUp SpA's Board of Directors approved a free capital increase for a nominal amount of EUR 65,000, by issuing 2,600,000 ordinary shares, without par value, with the same characteristics as those in circulation, regular dividend, to be assigned with effect from April 11, 2016, to shareholders at the rate of 3 new shares for every 10 shares in circulation. The capital increase is to be carried out by transferring to capital the corresponding amount drawn from available reserves.
- **New features** such as "Simplified Automation", Landing Page and API were included on the MailUp platform;
- In April, MailUp launched its new, further simplified **commercial offer**. The MailUp platform is now available in three editions: WEB, for those who prefer to use the platform in full autonomy, buying online with a credit card. PRO, for companies that need more sophisticated features as well as dedicated technical support. ENTERPRISE, for medium to large-sized enterprises that require a more complex platform, managed by multiple administrators and company departments, with more demanding needs for customization and integration, as well as a dedicated consulting channel on various topics, from designing email campaigns to setting up ad hoc configurations to maximize email deliverability. With the Enterprise Edition, MailUp is introducing two new services: "Customized solutions" and "Customer success service", which complement and supplement Delivery+, providing accreditations and personalized consulting to maximize deliverability and achieve the very best mailing quality. The "Customized solutions" service lets you delegate your platform configuration to MailUp, who will model its features based on your business: on-boarding activities, platform integration with any external system, creative development of email marketing campaigns (from graphic design through to drafting original texts), and managing high-priority mailings. Customer service success provides you with new and advanced team logistics to cover and address all types of requests, from your daily needs through to customized projects.
- On April 29, 2016, the General Directorate for Economic Development of the Lombardy Region ("Entrepreneurship and access to credit" department) approved the funding of the project "**Innovative system for Big Data Analytics**", presented by MailUp as leader of a consortium that brings together a number of companies of excellence, 5 which are part of the Technology Hub of Cremona and the CRIT Consortium (Cremona Information Technology): Microdata Service, Lineacom and Politecnico di Milano. The focus of the project is to develop a new Big Data Analytics system for small and medium-sized enterprises. This is a product that could have major impacts on MailUp's future business in the medium to long term with international market potential in the English-speaking world, where Big Data Analytics tools are currently used only by large multinational industry players, due to the complex technology and methods they require and the highly specialized resources to be put in place. MailUp will receive up to a maximum non-repayable amount of EUR 860,122 over 24 months for an overall investment of EUR 2,045,648 over the period. The funding will cover staff costs, training, tools, equipment and consultancy services as needed for the realization of the investments, to be implemented over the next 24 months.
- At the beginning of 2016, the partnership with TIM Impresa Semplice came into effect, with the publication of the **Mail Power** service on the [www.nuvolastore.it](http://www.nuvolastore.it)

portal. This is a simplified version of MailUp, which is offered and supported by TIM exclusively to the large base of portal users;

- The **BEEPlugin** service has been enhanced with new features as requested by users, such as the introduction of the custom block, new fonts and customizable merge tags, localization in new languages (15 languages now supported), and the photo-gallery to find images for their own email templates and locked-content with the ability to edit only specific parts of the template. The BEEPlugin service is now considered to be a global market leader, with an international customer base that includes many Silicon Valley companies;
- In the first few months of this year, after receiving numerous requests for additional features from free version (freemium) users, we launched the **PRO version of BEE**, for a very small entry fee, which is dedicated to email designers and digital agencies.

### **Significant events after June 30, 2016**

In July 2016, the share capital subscribed and paid up by the parent company increased by EUR 1,599, equivalent to 63,960 ordinary shares, following the exercise of the first tranche provided for in the stock option plan for management employees and executives of MailUp and its subsidiaries, approved by the Board of Directors on March 29, 2016. The approved share capital, once again as a result of the above-mentioned plan, amounts to EUR 290,021.68.

In September 2016, MailUp joined the **Anti-Phishing Working Group** (APWG). Made up of financial institutions, ISPs, ESPs, online retailers and solution providers, APWG is the international association dedicated to fighting cybercrime in the public and private sector, at entrepreneurial, governmental, legal and diplomatic level. With over 3,200 members from around the world, the Anti-Phishing Working Group meets with business like Microsoft, Salesforce, Facebook and VISA.

MailUp is the first Italian company to join the project, which aims to tackle phishing and cyber abuse by sharing data, experience and technology. The term "phishing", coined in 1996, refers to the kinds of email scams that aim to obtain sensitive information on the recipient (personal and financial data or access credentials) using deception and links to fake websites. According to phishing.org, cases of phishing have been skyrocketing since 1996, culminating in the wide-scale attack on PayPal in 2003. It is capable of compromising thousands of personal accounts and causing considerable financial losses for companies. Preventing this abuse is one of the most difficult challenges that MailUp's Deliverability & Compliance team is facing on a daily basis. By partnering with APWG, MailUp can combine the results, skills and tools of its research with those of other organizations (ISPs, ESPs, vendors, security firms) engaged in tackling phishing and all use of harmful marketing technologies. For MailUp's clients, this means greater security when sending communications to their customers, which is an increasingly important issue not only for the financial sector, but also for those managing e-commerce sites.

The management of the parent company has recently begun to rethink the organizational structure of the MailUp Group to pursue the optimization of its intercompany processes. This analysis particularly focused on the role of the subsidiary Network Srl, a long-standing technology partner that exclusively manages all functions and technical services relating to the MailUp platform, such as software development, infrastructure management of hardware, software, and databases, help desk services for

customers, deliverability performance and misuse prevention. Network has developed solid expertise and professionalism in these areas. Network's revenues towards the parent company amount to a record 95% of the total, since its assets to third parties (mainly video surveillance projects) are now only marginal. In light of this, MailUp's Board of Directors, which accepts the consolidated financial statements, has today approved the merger by incorporation of Network Srl into MailUp SpA (hereinafter the "Project"). Given this is a fully owned company pursuant to Article 2505(1) of the Italian Civil Code, the merger project was drawn up in a simplified form. The merger is justified by the need to simplify MailUp's corporate and production structure and will also serve to simplify administrative procedures and eliminate duplications and overlaps.

The Project and financial position of the two companies can be found on the Group's website, in the "investor relations" section: <http://www.mailup.com/investors/>.

In the same Board meeting of September 27, 2016, MailUp SpA also resolved to adopt, starting from the financial statements as at 12/31/2016, the IAS/IFRS accounting standards for the drafting of the consolidated and separate financial statements of the parent company, thereby promoting MailUp's exposure and visibility internationally, using the option provided by Legislative Decree 38/2005. The transition to international accounting standards also makes communications more effective with international stakeholders. The choice to adopt the international accounting standards previously required an assessment and determination of the main differences between Italian accounting principles (OIC) – applied by the company to date – and (IAS/IFRS) international accounting principles, as well as an analysis of the accounting, administrative, process and system impacts brought about by the conversion process.

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**MailUp** (MAIL.MI) (ISIN IT0005040354) developed a cloud marketing technology (SaaS) which enables SME and large companies to create, send and monitor newsletters, emails and text messages (SMS). Localized in nine languages, the MailUp platform is present in over 50 countries, with a customer base of more than 9.000 companies and 800 resellers. Set up in 2003 in Cremona, MailUp has now offices in Milan, San Francisco and Buenos Aires, with consolidated partnerships in Tokyo and Jakarta. After the IPO in 2014 on the AIM market of Milan, MailUp embarked a path of growth by launching a new line of business (beefree.io) and acquiring established and emerging companies: Acumbamail (Spanish and Latam market), Globase (Nordics market) and Agile Telecom (wholesale SMS market). [www.mailup.com](http://www.mailup.com) | [www.beefree.io](http://www.beefree.io)

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## OPERATING ECONOMIC STATEMENT AS AT 6/30/2016

Description	30/06/2016	Inc. % su VdP 2016	30/06/2015	Inc. % su VdP 2015	delta	delta %	delta inc. %
Revenues from Email Sales	4.442.472	43,90%	3.260.294	71,93%	1.182.179	36,26%	-28,04%
Revenues from SMS Sales	5.254.333	51,92%	1.164.932	25,70%	4.089.402	351,04%	26,21%
Revenues from BEE Sales	49.065	0,48%	-	0,00%	49.065		0,48%
Revenues from Fax Sales	79.247	0,78%	-	0,00%	79.247		0,78%
Revenues from services	42.702	0,42%	20.162	0,44%	22.540	111,80%	-0,02%
Other revenues	252.777	2,50%	86.927	1,92%	165.850	190,79%	0,58%
<b>Total Production value</b>	<b>10.120.597</b>	<b>100,00%</b>	<b>4.532.314</b>	<b>100,00%</b>	<b>5.588.284</b>	<b>123,30%</b>	<b>0,00%</b>
Cost of goods sold	3.773.001	37,28%	971.915	21,44%	2.801.086	288,20%	15,84%
Sales & Marketing expenses	1.539.945	15,22%	1.018.200	22,47%	521.745	51,24%	-7,25%
- Research & Development expenses	2.358.068	23,30%	1.721.866	37,99%	636.201	36,95%	-14,69%
- Internally generated Fixed assets	(645.525)	-6,38%	(881.268)	-19,44%	235.743	-26,75%	13,07%
Total Research & Development expenses	1.712.543	16,92%	840.598	18,55%	871.945	103,73%	-1,63%
<b>Total production expenses</b>	<b>7.025.489</b>	<b>69,42%</b>	<b>2.830.713</b>	<b>62,46%</b>	<b>4.194.776</b>	<b>148,19%</b>	<b>6,96%</b>
<b>Gross Margin Contribution</b>	<b>3.095.108</b>	<b>30,58%</b>	<b>1.701.601</b>	<b>37,54%</b>	<b>1.393.508</b>	<b>81,89%</b>	<b>-6,96%</b>
General & Admin. expenses	2.013.782	19,90%	1.209.125	26,68%	804.656	66,55%	-6,78%
<b>EBITDA</b>	<b>1.081.327</b>	<b>10,68%</b>	<b>492.475</b>	<b>10,87%</b>	<b>588.852</b>	<b>119,57%</b>	<b>-0,18%</b>
Depreciation, amortization and write-down	727.584	7,19%	460.952	10,17%	266.631	57,84%	-2,98%
Amortisation of Goodwill	350.335	3,46%	-	0,00%	350.335		3,46%
<b>EBIT</b>	<b>3.408</b>	<b>0,03%</b>	<b>31.523</b>	<b>0,70%</b>	<b>(28.115)</b>	<b>-89,19%</b>	<b>-0,66%</b>
Financial and extraordinary expenses and revenues	(6.894)	-0,07%	(308)	-0,01%	(6.586)	2138,20%	-0,06%
<b>EBT</b>	<b>(3.486)</b>	<b>-0,03%</b>	<b>31.215</b>	<b>0,69%</b>	<b>(34.701)</b>	<b>-111,17%</b>	<b>-0,72%</b>
Current taxes	226.807	2,24%	92.989	2,05%	133.818	143,91%	0,19%
Prepaid taxes	(75.461)	-0,75%	(80.513)	-1,78%	5.052	-6,27%	1,03%
Deferred taxes	(1.509)	-0,01%	11.917	0,26%	(13.425)	-112,66%	-0,28%
<b>Net income (loss)</b>	<b>(153.323)</b>	<b>-1,51%</b>	<b>6.822</b>	<b>0,15%</b>	<b>(160.145)</b>	<b>-2347,45%</b>	<b>-1,67%</b>
<b>Net income (loss) Group</b>	<b>(162.338)</b>						
<b>Net income (loss) third parties</b>	<b>9.015</b>						



## BALANCE SHEET WITH CCN DETERMINATION CONSOLIDATED AS AT 6/30/2016

Description	30/06/2016	31/12/2015	delta	delta %
Intangible Assets	4.380.760	4.038.612	342.148	8,47%
Goodwill	6.672.467	7.025.436	(352.969)	-5,02%
Tangible Assets	808.919	754.331	54.588	7,24%
Financial Assets	256.984	136.348	120.636	88,48%
<b>Fixed Assets</b>	<b>12.119.130</b>	<b>11.954.727</b>	<b>164.404</b>	<b>1,38%</b>
Inventory	41.901	22.505	19.396	86,18%
Accounts Receivable	2.933.759	2.866.722	67.037	2,34%
Accounts Payable	(2.503.349)	(2.320.262)	(183.087)	7,89%
<b>Trade Working Capital</b>	<b>472.311</b>	<b>568.965</b>	<b>(96.654)</b>	<b>-16,99%</b>
Tax Receivables/Tax Liabilities	(364.655)	(746.526)	381.871	-51,15%
Other Receivable/Other Payable	(1.533.259)	(1.732.730)	199.471	-11,51%
Deferred Revenues	(3.425.737)	(2.979.538)	(446.199)	14,98%
<b>Net Working Capital</b>	<b>(4.851.340)</b>	<b>(4.889.829)</b>	<b>38.490</b>	<b>-0,79%</b>
Provisions	(154.105)	(151.084)	(3.021)	2,00%
Employees' termination benefits provision	(758.046)	(670.174)	(87.872)	13,11%
<b>Net Invested Capital</b>	<b>6.355.640</b>	<b>6.243.640</b>	<b>112.000</b>	<b>1,79%</b>
Capital Stock	281.667	216.667	65.000	30,00%
Legal Reserve	60.000	40.000	20.000	50,00%
Other Reserves	5.292.065	5.254.248	37.818	0,72%
Profit (loss) carried forward	1.559.582	1.740.002	(180.420)	-10,37%
Net Income (loss)	(162.338)	(12.442)	(149.896)	1204,77%
Capital Stock and other reserves third parties	29.010	14.680	14.330	97,61%
Net Income third parties	9.015	14.330	(5.315)	-37,09%
<b>Total Equity</b>	<b>7.069.001</b>	<b>7.267.485</b>	<b>(198.483)</b>	<b>-2,73%</b>
Net Financial Position short term	(3.596.632)	(2.628.095)	(968.537)	36,85%
Financial Debt long term	2.883.270	1.604.251	1.279.020	79,73%
<b>Net Financial Position</b>	<b>(713.362)</b>	<b>(1.023.845)</b>	<b>310.483</b>	<b>-30,33%</b>

## NET FINANCIAL POSITION AS AT 6/30/2016

Description	30/06/2016	31/12/2015	DELTA	DELTA %
<b>Financial current assets</b>	<b>4.671.460</b>	<b>3.265.717</b>	<b>1.405.743</b>	<b>43%</b>
Other financial assets	-	-	-	0%
Cash and cash equivalents	4.671.460	3.265.717	1.405.743	43%
<b>Financial current liabilities</b>	<b>(1.074.828)</b>	<b>(637.622)</b>	<b>(437.206)</b>	<b>69%</b>
Bank financing	(1.074.828)	(637.622)	(437.206)	69%
Other financing	-	-	-	0%
<b>Net Financial Position short term</b>	<b>3.596.632</b>	<b>2.628.095</b>	<b>968.537</b>	<b>37%</b>
<b>Financial non current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Bank financing	-	-	-	0%
Other financing	-	-	-	0%
<b>Financial non current liabilities</b>	<b>(2.883.270)</b>	<b>(1.604.251)</b>	<b>(1.279.020)</b>	<b>80%</b>
Bank financing	(2.858.178)	(1.570.835)	(1.287.343)	82%
Other financing	(25.093)	(33.416)	8.323	-25%
<b>Net Financial Position long term</b>	<b>(2.883.270)</b>	<b>(1.604.251)</b>	<b>(1.279.020)</b>	<b>80%</b>
<b>Net Financial Position</b>	<b>713.362</b>	<b>1.023.845</b>	<b>(310.483)</b>	<b>-30%</b>

## MAILUP S.P.A. OPERATING ECONOMIC STATEMENT AS AT 6/30/2016

Description	30/06/2016	Inc. % su VdP	30/06/2015	Inc. % su VdP	delta	delta %	delta inc. % su Vdp
Revenues from Email Sales	3.362.045	68,16%	3.045.312	69,77%	316.732	10,40%	-1,61%
Revenues from SMS Sales	1.222.546	24,78%	1.146.996	26,28%	75.551	6,59%	-1,49%
Other revenues	348.044	7,06%	172.338	3,95%	175.706	101,95%	3,11%
<b>Total Production value</b>	<b>4.932.634</b>	<b>100,00%</b>	<b>4.364.646</b>	<b>100,00%</b>	<b>567.989</b>	<b>13,01%</b>	<b>0,00%</b>
Cost of goods sold	933.992	18,93%	971.915	22,27%	(37.923)	-3,90%	-3,33%
Sales & Marketing expenses	1.222.846	24,79%	984.265	22,55%	238.581	24,24%	2,24%
Research & Development expenses	830.199	16,83%	783.527	17,95%	46.672	5,96%	-1,12%
<b>Total production expenses</b>	<b>2.987.037</b>	<b>60,56%</b>	<b>2.739.707</b>	<b>62,77%</b>	<b>247.330</b>	<b>9,03%</b>	<b>-2,21%</b>
<b>Gross Margin Contribution</b>	<b>1.945.597</b>	<b>39,44%</b>	<b>1.624.939</b>	<b>37,23%</b>	<b>320.659</b>	<b>19,73%</b>	<b>2,21%</b>
General & Admin. expenses	1.370.555	27,79%	1.148.855	26,32%	221.700	19,30%	1,46%
<b>EBITDA</b>	<b>575.043</b>	<b>11,66%</b>	<b>476.084</b>	<b>10,91%</b>	<b>98.959</b>	<b>20,79%</b>	<b>0,75%</b>
Depreciation, amortization and write-c	734.948	14,90%	471.982	10,81%	262.966	55,72%	4,09%
<b>EBIT</b>	<b>(159.906)</b>	<b>-3,24%</b>	<b>4.102</b>	<b>0,09%</b>	<b>(164.007)</b>	<b>-3998,53%</b>	<b>-3,34%</b>
Financial expenses and revenues	1.175.876	23,84%	1.578	0,04%	1.174.298	74439,53%	23,80%
<b>EBT</b>	<b>1.015.970</b>	<b>20,60%</b>	<b>5.679</b>	<b>0,13%</b>	<b>1.010.291</b>	<b>17789,29%</b>	<b>20,47%</b>
Current taxes	12.368	0,25%	38.514	0,88%	(26.146)	-67,89%	-0,63%
Prepaid taxes	(46.972)	-0,95%	(44.404)	-1,02%	(2.568)	5,78%	0,07%
Deferred taxes	(15.125)	-0,31%	5.346	0,12%	(20.471)	-382,92%	-0,43%
<b>Net income (loss)</b>	<b>1.065.699</b>	<b>21,61%</b>	<b>6.223</b>	<b>0,14%</b>	<b>1.059.476</b>	<b>17024,06%</b>	<b>21,46%</b>

## MAILUP S.P.A. BALANCE SHEET WITH CCN DETERMINATION AS AT 6/30/2016

Description	30/06/2016	31/12/2015	delta	delta %
Intangible Assets	4.704.586	4.295.406	409.179	9,53%
Tangible Assets	706.890	651.083	55.807	8,57%
Financial Assets	7.732.795	7.615.916	116.878	1,53%
<b>Fixed Assets</b>	<b>13.144.271</b>	<b>12.562.406</b>	<b>581.865</b>	<b>4,63%</b>
Accounts Receivable	1.369.224	1.282.612	86.612	6,75%
Accounts Payable	(2.074.295)	(1.542.910)	(531.386)	34,44%
<b>Trade Working Capital</b>	<b>(705.071)</b>	<b>(260.298)</b>	<b>(444.773)</b>	<b>170,87%</b>
Tax Receivables/Tax Liabilities	381.982	(3.213)	385.196	-11987,21%
Other Receivable/Other Payable	(3.448.778)	(2.795.270)	(653.507)	23,38%
Deferred Revenues	(1.482.695)	(2.501.688)	1.018.994	-40,73%
<b>Net Working Capital</b>	<b>(5.254.561)</b>	<b>(5.560.470)</b>	<b>305.909</b>	<b>-5,50%</b>
Provisions	(140.489)	(135.614)	(4.875)	3,59%
Employees' termination benefits p	(317.008)	(271.056)	(45.952)	16,95%
<b>Net Invested Capital</b>	<b>7.432.213</b>	<b>6.595.267</b>	<b>836.947</b>	<b>12,69%</b>
Capital Stock	281.667	216.667	65.000	30,00%
Legal Reserve	60.000	40.000	20.000	50,00%
Other Reserves	5.287.713	5.261.027	26.686	0,51%
Net Income (loss)	1.065.699	111.686	954.014	854,19%
<b>Total Equity</b>	<b>6.695.079</b>	<b>5.629.380</b>	<b>1.065.699</b>	<b>18,93%</b>
Net Financial Position short term	(2.027.293)	(575.864)	(1.451.430)	252,04%
Financial Debt long term	2.764.428	1.541.751	1.222.677	79,30%
<b>Net Financial Position</b>	<b>737.134</b>	<b>965.887</b>	<b>(228.753)</b>	<b>-23,68%</b>
<b>Total Funding Sources</b>	<b>7.432.213</b>	<b>6.595.267</b>	<b>836.947</b>	<b>12,69%</b>