Consolidated Half-Year Report as at 30 June 2023

Financial statements prepared in accordance with IAS/IFRS accounting standards

- Figures in Euro -

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Corporate Bodies

Board of Directors

(Expiry of terms for approval of the financial statements as at 31 December 2025)

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
Paola De Martini	Independent director without proxies
Ignazio Castiglioni	Independent director without proxies

Board of Statutory Auditors

(Expiry of terms for approval of the financial statements as at 31 December 2025)

Name and Surname	Office
Michele Manfredini	Chairman of the Board of Statutory Auditors
Fabrizio Ferrari	Regular Auditor
Donata Paola Patrini	Regular Auditor
Andrea Bonelli	Alternate Auditor
Maria Luisa Guaschi	Alternate Auditor

Independent auditing company

(Expiry of terms for approval of the financial statements as at 31 December 2025)

BDO Italia S.p.A.

1. Growens Group

The Growens Group (hereinafter also referred to as "Growens Group" or "Group") is an operator active in two main business areas:

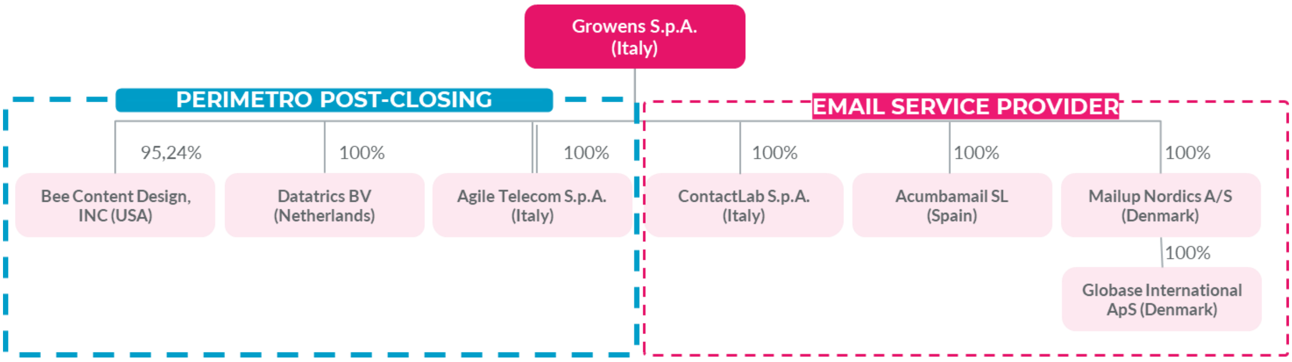
1) Software-as-a-Service ("**SaaS**"), comprising the development and marketing of Cloud services, with a wide range of solutions offered to its customers, with a focus on content design and data-driven and multi-channel marketing automation. These services are performed respectively by the subsidiaries **Beefree**, which operates with over 1 million free users, more than 9,400 customers and over 1,000 applications, and **Datatrics**, which operates a predictive marketing platform based on artificial intelligence algorithms;
2) Communication Platform as-a-Service ("**CPaaS**"), through its subsidiary Agile Telecom, which develops and sells technologies for the mass sending of SMS, for marketing and transactional purposes, with over 370 direct connections to B2B operators.

At consolidated level, the Group operated in more than 150 countries and is present with its offices on three continents with a staff of over 200 employees.

On 13 July 2023, Growens finalised the sale of the Group-owned Email Service Provider business unit through the sale of its wholly-owned (fully consolidated) shareholdings in MailUp S.p.A. (formerly Contactlab S.p.A.), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the "Email Service Provider" business) to TeamSystem S.p.A. for a consideration of Euro 76.7 million. This line of business operated with over 9,500 direct customers via the SaaS MailUp platform, a multi-channel (email, newsletter, SMS and messaging apps) cloud computing system for the professional management of digital marketing campaigns.

Growens Group structure

Below is the organizational structure of the Group as at 30 June 2023:

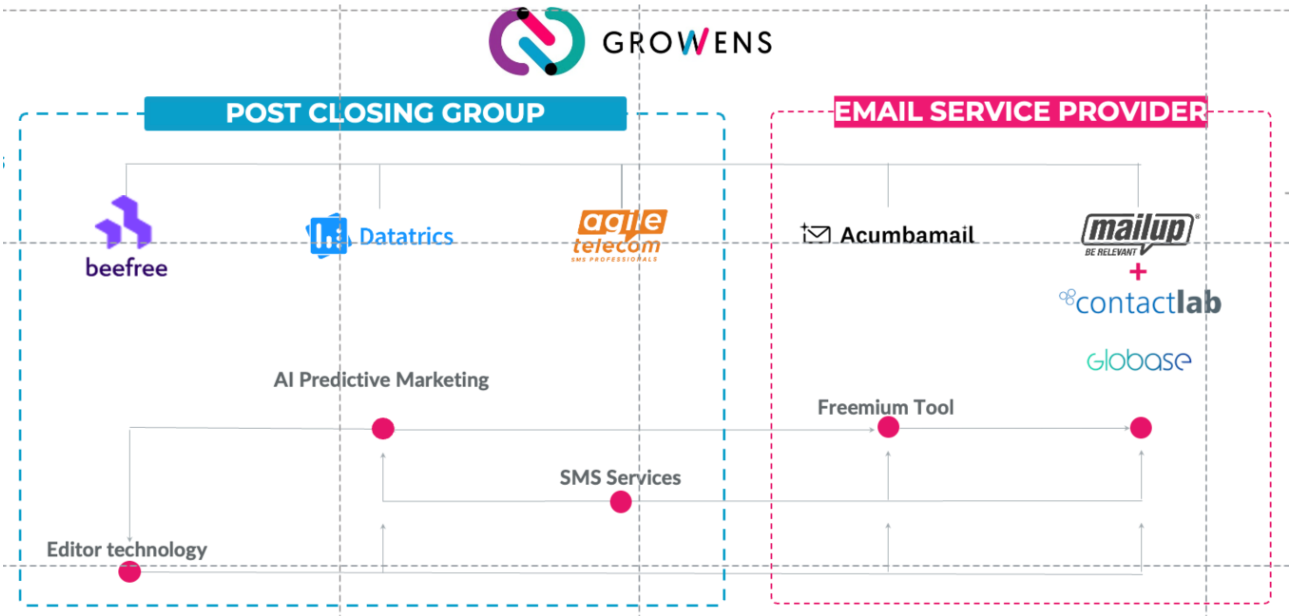


Compared to the configuration as at 31 December 2022, the Group underwent important changes (shown above on the right-hand side of the participation chart) as a result of extraordinary transactions that took place in 2023, namely:

- on 3 February 2023, Growens announced the signing of a binding agreement to sell the Growens business unit MailUp and its shareholdings in Contactlab S.p.A. (now MailUp S.p.A.), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the "Email Service Provider" or "ESP" businesses) to TeamSystem S.p.A. for a total consideration of Euro 70 million on a cash/debt free basis, subject to any price adjustments to be calculated downstream of the transaction on the final values of the companies sold. The agreement also provides for the prior transfer by Growens of the business unit MailUp (including the shareholding in MailUp Nordics/Globase) into Contactlab S.p.A renamed MailUp S.p.A.;
- on 7 June 2023, the extraordinary shareholders' meeting of Contactlab resolved, inter alia, to: (i) increase its share capital by a total of Euro 708,309, including nominal value and share premium, to be paid through the contribution of the MailUp business unit (with the issue of 271,428 new shares); and (ii) change its company name to "MailUp S.p.A.". On 30 June 2023, Growens, in execution of the binding agreement signed with TeamSystem, transferred the aforementioned business unit to MailUp S.p.A., effective as of 11:59 p.m. of the same day, resulting in the subscription and full release of the capital increase;
- on 13 July 2023, following the closing of the transaction agreed with TeamSystem, the sale of the Growens Email Service Provider business unit MailUp and of the shares held in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. to TeamSystem S.p.A. was finalised for a total consideration of Euro 76.7 million;
- on 2 August 2023, the repurchase of a 1.67% stake (87,500 shares) in the share capital of Bee Content Design Inc. from Massimo Arrigoni for a total consideration of Euro 0.67 million, thus raising the Group's shareholding percentage from 95.24% to 96.9%.

All the entities in the above chart as at 30/06/2023 are 100% owned by Growens, except BEE Content Design Inc. (formerly MailUp Inc.).

With reference to HY1 2023, the strategic interactions between the legal entities forming part of the Group are summarised in the graphical representation below:



Bee Content Design Inc., organised 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 commercialisation of the innovative content editor Beefree (Best Email Editor). The Business Unit's products and brands were rebranded on 30 August 2023, with the renaming of BEEPro to **Beefree** and BEEPlugin to **Beefree SDK**. The evolution of the brand reflects two established key points in the company's recent history: growth beyond email editing and its commitment to creating limitless content for all. Beefree is indeed active in the field of no-code tools for designing e-mails, pages, pop-ups and other digital content. Beefree has expanded its reach to include advanced artificial intelligence capabilities, collaboration tools and further integrations, also expanding its user base. Beefree tools for designing e-mail and other digital content are now used by more than 350,000 users every month in 120 countries, and have also been adopted by giants such as Amazon, Google and Disney. Directly on beefree.io, there are more than 38,000 monthly users and Beefree solutions have been integrated into more than 1,000 applications, consolidating its presence in the digital landscape. At the same time, the rebranding is also a crucial step for the Growens Group, which sees Beefree as the engine for future growth after the finalisation of the sale of the Email Service Provider business to TeamSystem;

Datatrics B.V., a Dutch company established in 2012 that owns a cutting-edge proprietary predictive marketing platform used by over 200 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;

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 and manages the sending out of promotional and transactional A2P messages (One-Time Password, notifications and alerts). It was 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.

The Business Units belonging to the transferred business unit are as follows:

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. As mentioned above, the Business Unit was sold to TeamSystem S.p.A. on 13/07/2023;

MailUp S.p.A., includes (i) Contactlab, which was acquired on 4 May 2022 and is the owner of a proprietary digital marketing platform based on Engagement Intelligence with customers mainly in the enterprise segment of various industries and (ii) the MailUp business unit, resulting from the deed of transfer described above dated 30 June 2023, as part of the sale of the ESP business unit of the Growens Group to TeamSystem;

MailUp Nordics A/S is the sub-holding that controls 100% of **Globase International A.p.S.**, a Danish company specialising in digital marketing automation services for customers in the Nordics market, and carries out commercial branch activities for the resale of the MailUp platform. As mentioned above, the Business Unit was sold to TeamSystem S.p.A. on 13/07/2023.

2. Summary data

Significant events in the half-year period ended as at 30 June 2023

In HY1 2023, the activities of the Group were characterised by the events indicated below.

On 3 February 2023, Growens announced the signing of a binding agreement to sell the Growens business unit MailUp and its shareholdings in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the :Email Service Provider" business) to TeamSystem S.p.A. for a total consideration of Euro 70 million on a cash/debt free basis. The transfer of the Email Service Provider business results in the transfer of approximately 260 employees in Italy, Spain and Denmark, including Luca Azzali, Alberto Miscia and Massimo Fubini, who will take over tasks within the transferred activities, while remaining shareholders of Growens. Also envisaged is a set of transitional service agreements covering, among other things, operational support activities necessary for the purchaser and the divested businesses to complete the transition period of the more purely administrative activities, as well as the use of certain of the Company's real estate facilities. Finally, the actual transfer of the activities of Email Service Provider against payment of the price is subject to certain conditions precedent, including (i) obtaining clearance under the so-called "Golden Power" regulations in force, (ii) the granting of clearance by the Antitrust Authorities, (iii) the favourable vote of the ordinary and extraordinary shareholders' meeting of the Company, and (iv) the effectiveness of the transfer of the business unit MailUp (including the investment in MailUp Nordics/Globase) to Contactlab S.p.A. The signing of the transaction also entails the release of the lock-up commitments for the sellers of Contactlab and the settlement towards them of a total amount of Euro 2.2 million in cash, replacing the original agreements.

On 9 March 2023, the Ordinary and Extraordinary meeting of the Company resolved on the three items on the agenda. In particular, in ordinary session, the Meeting approved the sale of the “MailUp” business and the shareholdings in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and Globase International ApS to TeamSystem S.p.A. under the conditions set out in the binding agreement signed on 2 February 2023; in extraordinary session, the Meeting resolved to approve the proposed amendments to the Articles of Association (extension of the corporate purpose to holding company and renaming of the multilateral trading system “AIM Italia” to “Euronext Growth Milan”), approving in full for the effect the text of the new amended Articles of Association, in force as of the effective date of the transfer of the Email Service Provider business. Shareholders who did not participate in the shareholders’ resolution approving the amendment of the Articles of Association have the right of withdrawal, which may be exercised subject to the closing of the ESP sale. The Board of Directors set the unit liquidation value of the Company’s shares at Euro 4.39 per share.

On 7 April 2023, the Company announced that it had received notification from BMC Holding B.V., a vehicle owned by the sellers of Datatrics, that it had reduced its stake in Growens’ share capital below the 5% threshold, to an effective stake of 4.6%.

On 17 May 2023, the Company announced the partial release of a further portion of the shares held by the sellers of Datatrics from the lock-up, resulting in a total lock-up interest of 2.664%, thereby increasing the free float to approximately 41%.

On 18 May 2023, the Company announced the fulfilment of the conditions precedent to the sale of the Email Service Provider business relating to antitrust aspects, with the announcements: (i) by the Presidency of the Council of Ministers of non-exercise of special powers, pursuant to Decree-Law no. 21 of 15 March 2012, converted, with amendments, by Law no. 56 of 11 May 2012, by the Coordination Group referred to in article 3 of the Prime Ministerial Decree 1 August 2022, no. 133 (so-called “Golden Power”); (ii) by the Spanish Ministry of Industry, Trade and Tourism (Ministerio de industria, comercio y turismo) that the aforementioned transaction is not subject to authorisation pursuant to article 7-bis of Law no. 19 of 4 July 2003.

On 12 June 2023, the Company announced a change in its significant shareholders, following the notification by Matteo Monfredini, Nazzareno Gorni, Luca Azzali, Matteo Bettoni and Alberto Domenico Miscia of a change in their shareholding as a result of the contribution of all the shares they directly held in the Company to five corporate vehicles that they fully owned. As a result of these contributions, the new major shareholders adhered to the shareholders’ agreement initially signed between the contributing shareholders on 19 December 2021 (and disclosed to the market on 23 December 2021) for a total of 7,000,000 shares, or 45.47% of the share capital.

On 30 June 2023, the Company announced that, in execution of the binding agreement entered into on 2 February 2023 with TeamSystem, on 7 June 2023, the Contactlab extraordinary shareholders' meeting resolved, inter alia, to: (i) increase its share capital by a total of Euro 708,309.00, including nominal value and share premium, to be paid through the contribution of the Email Service Provider business unit (with the issue of 271,428 new shares); and (ii) change its company name to "MailUp S.p.A.". On the same date, Growens transferred the Business Unit to MailUp, with effect from 11:59 p.m. on 30 June 2023, resulting in the subscription and full release of the capital increase.

3. Summary report

Economic Highlights

Description	30/06/2023*	30/06/2022*	Change
Total revenues	35,635,998	37,423,874	(1,787,875)
EBITDA	280,625	(294,493)	575,118
Pre-tax result (EBT)	(2,876,450)	(1,642,533)	(1,233,917)

Equity Highlights

Description	30/06/2023*	31/12/2022	Change
Fixed assets	25,431,788	35,228,934	(9,797,146)
Current assets	16,073,625	25,909,110	(7,635,485)
Current liabilities	27,644,272	33,153,506	(5,509,232)
Consolidated liabilities	6,283,118	10,896,203	(4,613,084)
Shareholders' equity	14,415,942	17,088,335	(2,672,393)

* the values indicated, in application of IFRS 5, are net of the items referable to "Discontinued operations", i.e. they do not contain the amounts relating to the Email Service Provider (ESP) business transferred to TeamSystem S.p.A., including the business unit corresponding to the MailUp platform, MailUp S.p.A. (formerly Contactlab S.p.A.), Acumbamail SL and the Danish subsidiaries MailUp Nordics A/S and Globase International ApS. For more details on the disposal of the ESP business unit and the adoption of IFRS 5, see, respectively, the paragraph Group Structure (above) and the paragraph Application of IFRS 5 (below in the introduction).

4. Consolidated Half-Year Report on Operations As at 30 June 2023

The sale of the ESP business, already mentioned on several occasions, also had a significant impact on the presentation of the economic and financial results of this half-yearly report following the application of the IFRS 5 accounting standard, which is detailed in the specific paragraph below. The HY ended 30/06/2023 reported a consolidated net loss from continuing operations, i.e., relating to the Group's perimeter after the closing of the TeamSystem transaction, in the amount of Euro 2,861,479, net of Euro 24,805 in losses attributable to minority interests, including depreciation, amortisation and provisions totalling Euro 1,711,751 and the write-down of the consolidation difference of Datatrics BV in the amount of Euro 1,286,000 as a result of the impairment procedure. The Growens Group's EBITDA from continuing operations for the period was positive in the amount of Euro 280,625, compared to a negative result of Euro -294,493 in the comparative HY. It should be noted that from an economic point of view, Growens will benefit, with a closing date of 13 July 2023, from a gain from the sale of the equity investments to TeamSystem S.p.A. of approximately Euro 67.3 million, subject to the residual price adjustments that are currently being finalised with the purchaser.

Below is the analysis of the position and the trend of operations relative to HY1 2023 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) adopted by the EU.

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.

Application of IFRS 5

On 3 February 2023, Growens signed a binding agreement for the sale of its business unit MailUp and its shareholdings in Contactlab S.p.A. (now MailUp S.p.A.), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the "Email Service Provider" or "ESP" businesses) to TeamSystem S.p.A. for a total consideration of Euro 70 million on a cash/debt free basis, subject to any price adjustments to be calculated downstream of the transaction on the final values of the companies sold. The agreement also

provides for the prior transfer by Growens of the business unit MailUp (including the shareholding in MailUp Nordics/Globase) into Contactlab S.p.A renamed MailUp S.p.A.
On 7 June 2023, the extraordinary shareholders' meeting of Contactlab resolved, inter alia, to: (i) increase its share capital by a total of Euro 708,309, including nominal value and share premium, to be paid through the contribution of the MailUp business unit (with the issue of 271,428 new shares); and (ii) change its company name to "MailUp S.p.A.". On 30 June 2023, Growens, in execution of the binding agreement signed with TeamSystem, transferred the aforementioned business unit to MailUp S.p.A., effective as of 11:59 p.m. of the same day, resulting in the subscription and full release of the capital increase.
On 13 July 2023, following the closing of the transaction agreed with TeamSystem, the sale of the Growens Email Service Provider business unit MailUp and of the shares held in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. to TeamSystem S.p.A. was finalised for a total consideration of Euro 76.7 million.
In these Half-Year Consolidated Financial Statements, the ESP business, represented by certain Cash Generating Units, given its significance and specificity, has consequently been treated as Discontinued Operations in accordance with the dictates of IFRS 5; therefore:

- in the income statement for HY1 2023 and the comparative period, revenues and income and expenses related to the net assets constituting Discontinued Operations were reclassified to Net Income from Discontinued Operations (Euro +187 thousand in HY1 2023, Euro +711 thousand in HY1 2022);
- in the balance sheet as at 30 June 2023, the assets and liabilities attributable to the ESP business were reclassified to Assets and Liabilities held for sale, respectively, without restating the comparative balances (as required by IFRS 5);
- the cash flow statement for HY1 2023 shows the cash flows from operating, investing and financing activities for the period between 1 January 2023 and 30 June 2023 and, for comparative purposes, for HY1 2023; the cash flows generated by assets constituting Discontinued Operations have been detailed in the notes to the financial statements.

It should also be noted that the existing transactions between Continuing and Discontinued Operations were treated as transactions between independent parties and that the income statement and balance sheet items referred to the Discontinued Operations also include the effect of the consolidation eliminations of these transactions. In this document, therefore, all economic data referring to HY1 2022 have been restated in order to allow a homogeneous comparison with those of HY1 2023; the balance sheet data as at 31 December 2022 are instead those published in the 2022 Consolidated Financial Statements.

The figures as at 31 December 2022 as regards the Balance Sheet and the figures as at 30 June 2022 as regards the Income Statement are shown for comparative purposes.

With reference to the consolidated financial statements, marked by uniformity of valuation criteria and
to the line-by-line consolidation method, the scope of consolidation is specified as follows (data as at 30 June 2023):

Company name	Registered office	Share capital	Percentage of ownership
GROWENS S.p.A.	Milan	Euro 384,834	parent company
MAILUP 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 2023*

During HY1 2023, the weakness of the world economy and international trade, combined with continuing geopolitical uncertainty, persistently high inflation in the major advanced economies, together with restrictive credit conditions, continued even though the economic slowdown turned out to be less than estimated in autumn 2022. The price of oil first went down (March), then up (April). In Europe, the price of gas continues to fall.
The major advanced economies (US and UK) approved new interest rate hikes, signalling the possibility of further rate increases in the second half of the year. The worsening of conditions in international financial markets, influenced by expectations of substantial and prolonged rate hikes, was exacerbated by the collapse of some banking intermediaries in the US and Switzerland, leading to an increase in risk aversion and volatility, which only normalised in the second quarter of 2023.
In the Euro area, economic activity is struggling to pick up, against a backdrop of shrinking corporate lending, due to rising interest rates and weak demand, and declining consumer inflation due to the sharp drop in the energy component; food and core inflation, however, still increased and remained high. Consumer inflation expectations have declined, while medium- to long-term inflation expectations derived from financial markets remain in line with the price stability objective. The further decline in manufacturing activity was countered by expansion in services. Wage dynamics, supported by robust employment growth, show an improvement, as does labour demand.

The ECB raised official rates again, and announced that it will take appropriate decisions with the aim of bringing inflation back to 2% in the medium term. It also started the portfolio reduction of the financial asset purchase programme, with the end expected by July.

In the first quarter of 2023, Italy's GDP increased slightly thanks to the contribution of the manufacturing sector, but remained unchanged in the second quarter, while household spending remained weak as capital accumulation continued.

Exports decreased in volume. However, the positive return of the current account balance was positively influenced by the development of energy imports.

Inflation fell in HY1, with the first declines in food and non-energy industrial goods, as well as in services.

In Italy, where financial market conditions worsened at the beginning of the year as a result of the systemic events mentioned above, the financial system is basically in good shape and public accounts have shown an improvement, as has the debt-to-GDP ratio. In any case, bank lending decreased due to the rising cost of credit and falling demand.

* Source: Economic Bulletin 2-3/2023 - Bank of Italy

The Group

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

Main events of HY1 2023

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

GROW share performance in HY1 2023 and Investor Relations activities

Below is some data on the prices and volumes of the Growens share (GROW) in HY1 2023

Placing price	Euro 1.92*	29/07/2014
Maximum price 1H 2023	Euro 6.50	11/04/2023
Minimum price 1H 2023	Euro 4.13	16/01/2023
Price at period-end	Euro 6.40	30/06/2023

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

After a start of 2023 characterised by low volumes and an almost stable price trend just above Euro 4, prices and volumes showed steady and sustained growth after the announcement of the extraordinary divestment of the Email Service Provider business on 03/02/2023. The continuation saw prices and trades holding up well, also bucking the trend of the Mid & Small Cap markets.

During HY1 2023, the GROW share price showed a strong appreciation of about 49% between the beginning and end of the period.

The maximum price recorded on 11 April 2023 at Euro 6.50 per share is about 51% higher than the first listing of the year (Euro 4.31 as of 03 January 2023).

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

Month	Weighted average price €	Average daily volume #
January 2023	4.29	2,473
February 2023	5.44	92,455
March 2023	5.87	22,526
April 2023	6.07	29,159
May 2023	5.58	16,177
June 2023	5.98	25,704

GROW.MI - trend in price and volumes January-June 2023 - Source www.borsaitaliana.it

In the HY ended 30 June 2023, in 18 trading sessions, volumes traded exceeded 50,000 units, and in 8 sessions 100,000 units, with a maximum recorded on 03/02/2023 (335,044 shares traded). Overall, daily volumes traded during the period averaged about 30,700 pieces, much higher than the approximately 6,000 average daily pieces traded in the whole of 2022, due to the renewed interest in the stock following the announcement of the sale of the ESP business. There were no trading sessions without exchanges.

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 reporting of consolidated, unaudited quarterly ARR and 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 2023, a total of 17 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 Relations Officer 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 2023, the Group participated in more than 10 plenary (conferences) and individual (investor day) meetings held mostly in virtual mode, meeting over 30 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 2023, 14 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

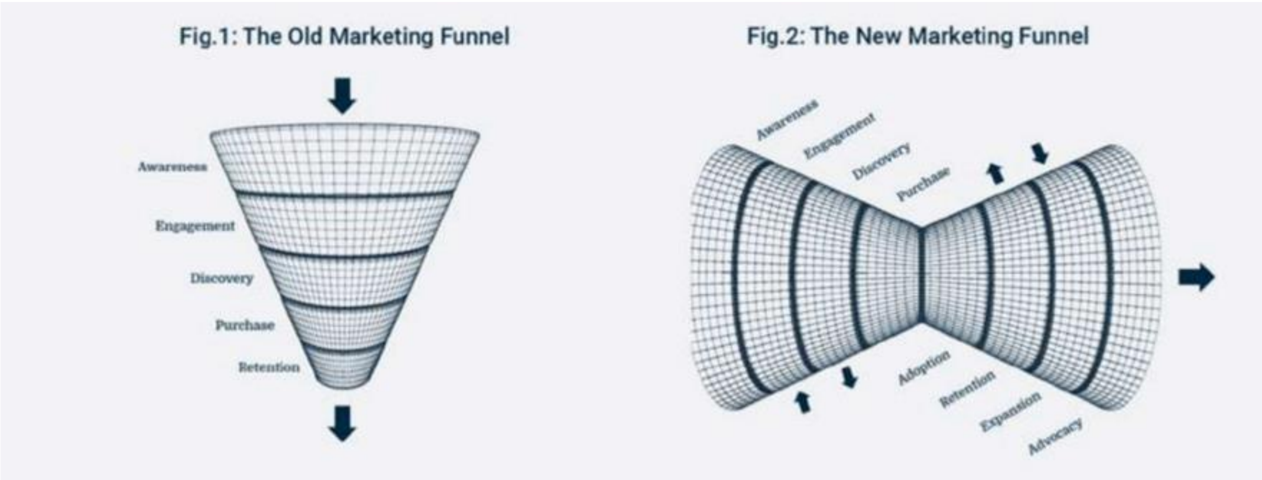
In the last decade, technology and traditional off-line marketing have found a fertile common ground of development and contamination that has led to the proliferation of cloud strategies, solutions and tools that make up the ecosystem of MarTech.
In the extremely complex and fragmented context of the 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, optimising the customisation of marketing campaigns and providing customised 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 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.

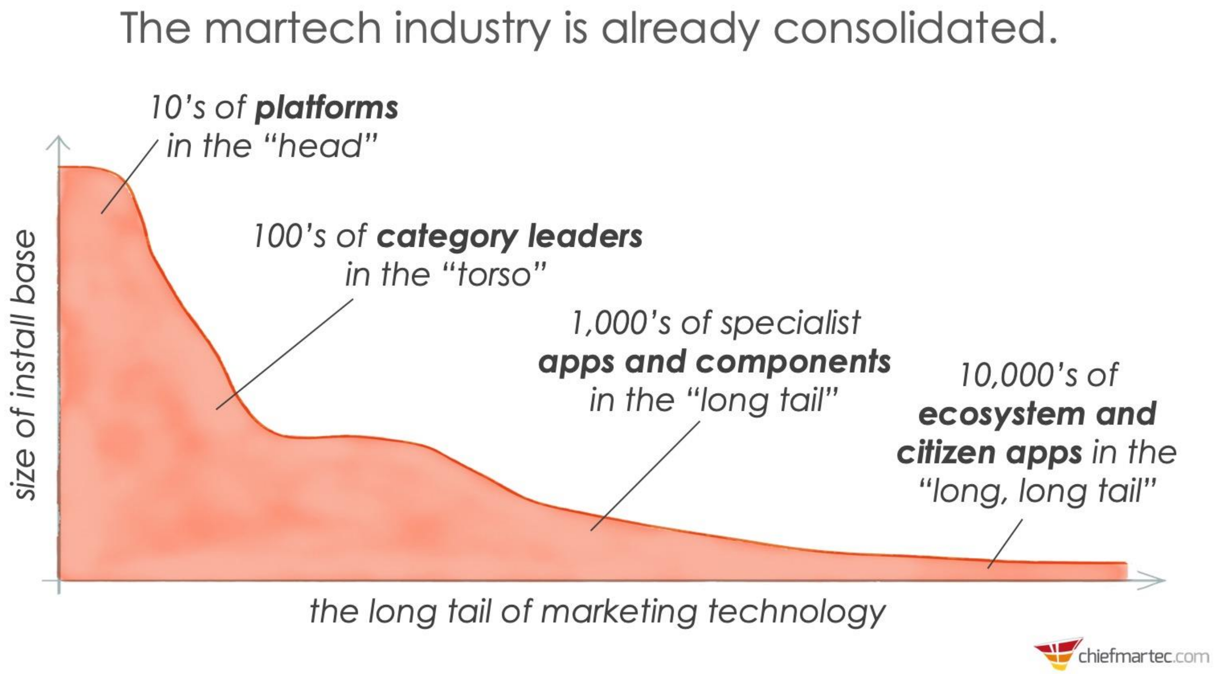
3. **Marketing Automation Segment:** it refers to complex software solutions that allow the workflow management of sophisticated marketing campaigns. The workflow is defined by a sequence of actions that are activated when a particular event occurs. Basic workflows include, for example, welcome e-mails that are sent when an online registration form is completed. In addition, SMS 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.

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, Canva, IBM, Oracle, Salesforce and SAP coexist in the MarTech ecosystem.

As evidenced by the chart below, within MarTech a dozen 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:

<table>
<tr><th></th><th>Agile Telecom</th><th>Datatrics</th><th>Beefree</th></tr>
<tr><td>Italy</td><td>smsit
kaleyra*
Commify</td><td>ADABRA
Neosperience*</td><td rowspan="2">Beefree (for email designers)
EDMdesigner, TAXI, alpaco*, Blocks Edit, Carrd, litmus, FreeEmailEditor, FOLEON, StampReady, SHAMAN, postcards, Direct Mail for Mac, smore, Stamplia, stripo .email, unlayer, Lander, Dyspatch, knak., stensul, chamaileon, TOPOL.io, kickofflabs, Dartagnan</td></tr>
<tr><td>Europe</td><td>tyntec
CM.
sinch*
mitto
link mobility*
bics</td><td>raptor
blueconic
CLERK.IO
selligent MARKETING CLOUD
optimove
agillic*
mapp
Squeezely EMBRACING DATA</td></tr>
<tr><td>Others</td><td>twilio*
bandwidth
Wavecell
nexmo
Clickatell</td><td>Bluecore
Barilliance*
DYNAMIC YIELD
evergage
SharpSpring*
emarsys
mparticle
Adobe*
TEALIUM</td><td>Beefree SDK (for SAAS companies)
EDMdesigner, stripo .email, tiny, unlayer, MOSAICO

Beefree indirect competitors
- Marketing automation solutions
- Graphic suites (Adobe, Canva…)
- Landing page / CMS (Unbounce, Webflow…)
- Email Service Providers (Mailchimp, Brevo…)</td></tr>
</table>

Table for illustrative and non-exhaustive 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 operates in the marketing technology sector through its two business areas, SaaS and CPaaS.

Datatrics 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 200 Customer Data Platform systems on a global scale and a few dozen Personalisation 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 several dozen operators in the world.

The Beefree market should be distinguished in the two products in the portfolio to date: Beefree is intended for e-mail and landing page designers, an area where there are a few dozen alternatives available on the market, including some small start-ups. Beefree SDK is instead the market leader, where there are only 4/5 alternatives that cannot guarantee the adoption and reliability that this type of system requires. Beefree SDK 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 Beefree SDK, 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. In 2022, Beefree launched the freemium model, i.e. a completely free plan that replaces the previous expiring trial period.

Agile Telecom, on the other hand, operates in the CPaaS sector and in particular in the SMS wholesale market (SMS gateway / SMS aggregator) and sent a total of more than 2.2 billion SMS in the financial year 2022, serving among others a number of SaaS operators and large international senders who need to deliver SMS traffic in Southern Europe, particularly Italy, and to selected international routes.

On 3 February 2023, the Company announced the signing of a binding agreement to sell the Email Service Provider business for Euro 70 million, comprising MailUp+Contactlab, Acumbamail and Globase. This transaction was concluded on 13 July 2023. The effect for the Company is a greater concentration of financial resources and human capital, which management intends to allocate primarily to the development of the Beefree business unit and the creation of value for all stakeholders.

Social, political and union climate

The social climate within the Group is positive and based on full cooperation. The Group had already introduced smart working before the February 2020 pandemic emergency and confirmed it as one of the cornerstones of its flexibility-oriented working philosophy enshrined in the Growens WoW (Way of Working).

Operating performance in Group sectors

It is noted that starting from HY1 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 from the Beefree and Datatrics platforms. The CPaaS (Communication-Platform-as-a-Service) line covers all SMS messaging services provided on a wholesale basis via API, in particular provided by Agile Telecom.

Below are the comments on the main consolidated half-yearly results which, we remind you, are reported in accordance with IFRS 5 accounting standard, therefore separating in a dedicated line all the economic components pertaining to the business being sold in the transaction finalised on 13 July 2023, concerning the ESP unit (MailUp S.p.A. formerly Contaclab, Acumbamail SL, MailUp Nordics A/S and Globase International ApS).

Total consolidated revenues for HY1 2023 decreased from Euro 37.4 million to Euro 35.6 million, a decrease of about 5% compared to the same period of the previous year. This result is supported by the growth of the SaaS component, by about 12%, accounting for about 17% of total revenues (up from the second half of the previous year), offset by the contraction of the CPaaS component, by about 7%, accounting for 83% of total revenues.

The Agile Telecom Business Unit produced the highest turnover in absolute value, amounting to approximately Euro 29.6 million, down about 7%. The focus on contract margins resulted in an excellent recovery of the relative marginality, which almost doubled.

The Business Unit that achieved the highest growth rate is Beefree, with an increase of more than 20% (19% at constant exchange rate), reaching approximately Euro 4.8 million/USD 5.2 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 annualised recurring value of outstanding contracts) is over USD 11.4 million as at August 2023.

The Datatrics Business Unit, active in Predictive Marketing, generated a negative change in turnover of 13.5%.

Sales realised abroad amounted to about Euro 28.1 million, equal to about 79% of the total, substantially stable (+0.6%) compared to the same period of the previous year. Recurring revenues, up about 12% year-on-year, amounted to 17% of total revenues, an increase of more than 2% compared to HY1 2022.

Consolidated EBITDA for the half-year was approximately Euro 0.3 million, an increase of about 195% compared to the negative figure of the same period of 2022, for about 1% incidence on turnover. Both Gross Profit (an improvement of over 17%) and EBITDA margin are influenced by a number of factors including: (i) on the one hand, the sustained recovery of margins in the CPaaS line, which substantially doubled; (ii) on the other hand, investments in Sales & Marketing (+11%) and Research & Development (+33%), mainly related to the drive on the development of the Beefree Business Unit. As a result of the foregoing, and especially given the impact of amortisation and depreciation, especially on capitalised R&D costs, and the negative impact of the write-down of Datatrics goodwill following impairment testing for almost Euro 1.3 million, EBT is negative by about Euro 2.9 million.

The net profit from continuing operations for the six months ended 30 June 2023, after estimated current and deferred taxes, was negative for about Euro 2.9 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 at 30 June 2023 showed a positive amount (debt) of about Euro 3.3 million, lower than the cash balance of Euro 66 thousand as at 31 December 2022, with the change largely influenced by the bridge debt contracted to meet the Group's financial needs pending the closing of the sale of the ESP business, which resulted in the collection, net of escrowed amounts, of over Euro 72 million on 13 July 2023. The above-mentioned short-term debt positions were therefore closed in July 2023. The effect of the adoption of IFRS 16, relating to rental, leasing and hire costs, results in a financial debt item of approximately Euro 2.9 million. Cash and cash equivalents as at 30 June 2023 exceeded Euro 11.6 million.

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

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 30/06/2023 compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

Description	30/06/2023	30/06/2022*
Total revenues	35,635,998	37,423,874
EBITDA	280,625	(294,493)
Pre-tax result (EBT)	(2,876,450)	(1,642,533)

*It should be noted that in this HY report, the comparative figure as at 30/06/2022 has been adjusted in application of IFRS 5 for uniformity of comparison with the same value as at 30/06/2023, thus differing from the value represented in the 2022 HY report. For a more detailed analysis on the application of IFRS 5, please refer to the relevant section in the introduction to this report.

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

Description	30/06/2023	30/06/2022*
Net ROE (Net result/Net capital)	(0.17)	(0.05)
Gross ROE (EBT/Net capital)	(0.17)	(0.05)
ROI (EBITDA/Invested capital)	0.004	0.02
ROS (EBITDA/Sales revenues)	0.01	0.03

* It should be noted that the comparative figure as at 30/06/2022 has not been adjusted in accordance with IFRS 5 with respect to the previous HY report 2022, similarly to the balance sheet figures for that year.

Main equity figures of the Growens Group

In order to provide a better description of the Group's equity situation, 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	30/06/2023	31/12/2022*
Primary structure margin (Own funds - Fixed assets)	(11,015,845)	(18,140,599)
Primary structure ratio (Own funds/Fixed assets)	0.57	0.49
Secondary structure margin ((Own funds + Consolidated liabilities) - Fixed assets)	(4,732,727)	(8,160,240)
Secondary structure ratio ((Own funds + Consolidated liabilities)/Fixed assets)	0.81	0.77

*Please note that the comparative balance sheet figures as at 31/12/2022 have not been adjusted in accordance with IFRS 5.

Main financial figures of the Growens Group

The consolidated net financial position as at 30 June 2023 was as follows:

Consolidated Net Financial Position	30/06/2023 IFRS 5:	30/06/2023	31/12/2022
A. Cash and cash equivalents	3,793,734	11,631,822	7,153,665
B. Cash equivalents			
C. Other current financial assets			
D. Liquidity (A) + (B) + (C)	**3,793,734**	**11,631,822**	**7,153,665**
E. Current financial debt	9,617,983	9,625,358	1,076,709
F. Current portion of non-current debt	876,046	1,207,237	1,621,736
G. Current financial debt (E) + (F)	**10,494,029**	**10,832,595**	**2,698,445**
H. Net current financial debt (G) - (D)	**6,700,295**	**(799,227)**	**(4,455,220)**
I. Non-current financial debt	3,547,734	4,081,246	4,389,700
J. Debt instruments			
K. Trade payables and other non-current payables			
L. Non-current financial debt (I) + (J) + (K)	**3,547,734**	**4,081,246**	**4,389,700**
M. Total financial debt (H) + (L)	**10,248,029**	**3,282,019**	**(65,519)**
of which Current financial debt Liabilities Right of Use IFRS 16	868,243	868,243	817,672
of which Non-current financial debt Liabilities Right of Use IFRS 16	1,636,278	2,001,305	1,520,629
Net financial debt adjusted for IFRS 16 effect	**7,378,481**	**412,471**	**(2,403,820)**

ESMA Circular 32-382-1138 dated 04/03/2021 par. 175 orientation 39

The sale of the ESP business to TeamSystem also had a major impact on the Group's financial situation. As part of the contractual agreements with the buyer, Growens substantially anticipated a portion of the expected receipts at the closing, which took place on 13 July 2023, already at the transfer of the MailUp business unit to MailUp S.p.A. on 30 June 2023. In order not to impact normal operations, recourse was made to bridging loans provided by the banks receiving the consideration for the transaction, Banca Popolare di Sondrio and Credito Emiliano, which provided Euro 5 million and Euro 1.5 million, respectively. At the end of the half-year, these funds were largely in the coffers of MailUp S.p.A., still formally part of the Group. These dynamics explain the very high values of Cash and cash equivalents (Euro 11.6 million) and Current financial debt (Euro 9.6 million) both in absolute terms and in comparison. The loans were repaid in full, including Euro 1.5 million for advance invoices disbursed to Agile Telecom S.p.A. by Credit Agricole and shown in the same item of the NFP, in the very first days after the closing, following the collection of over Euro 72 million paid by the buyer net of the amounts deposited in Escrow.

The following table showing some liquidity indexes (impacted by the application of IFRS 5), compared with the same data of the previous period, provides a better illustration of the consolidated financial position.

Description	30/06/2023	31/12/2022*
Primary liquidity (Immediate and deferred liq./ Current liabilities)	0.61	0.71
Secondary liquidity (Current assets/Current liabilities)	0.66	0.76
Debt (Net debt/Shareholders' equity)	0.71	(0.00)
Fixed asset coverage ratio (Own capital + Consolidated liabilities)/Fixed assets	0.93	0.70

*Please note that the comparative balance sheet figures as at 31/12/2022 have not been adjusted in accordance with IFRS 5.

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 2023, 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 2023, the Group's workforce numbered 409 employees, of whom 9 managers, 33 middle managers and 367 white-collar workers, while as at 31 December 2022, it consisted of 417 employees, of whom 11 managers, 36 middle managers and 370 white-collar workers. The number of total employees employed during the HY, i.e. ULA (Annual Work Units), amounted to 398.94 at Group level.

At the end of the HY, the Group's workforce in respect of the companies sold to TeamSystem

S.p.A. consisted of a total of 251 employees, including 5 executives, 20 middle managers and 226 white-collar workers.

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.

Sustainability is the fundamental element on which Growens' activities are based, which is why the Group decided to voluntarily draw up the Sustainability Report on an annual basis, in accordance with the UN 2030 Agenda. Currently available on the Group's website growens.io is the Sustainability Report covering the period from 1 January 2022 to 31 December 2022.

Investments

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

Description	Increases in the year
Technological platform and services development costs	2,439,406
Third-party software and trademarks	367,696
IT infrastructure, electronic office machines and systems	73,437
Furniture, office furnishings and leasehold improvements	39,398
Right of Use IFRS 16	878,854

Below is a table summarising the investments of only those companies falling within the scope of the sale to TeamSystem S.p.A.

Description	Increases in the year
Technological platform and services development costs	1,031,262
Third-party software and trademarks	73,706
IT infrastructure, electronic office machines and systems	21,712
Furniture, office furnishings and leasehold improvements	3,183

Given the nature of the business, investments have historically been concentrated on intangible assets and in particular on the incremental development of the digital marketing platform, in particular of the BEE editor, now Beefree, which is increasingly the main director of investments by the Group. In HY1 2023, as shown in the table above, development activities were carried out on technology services related to the ESP business, which were subsequently sold. In addition, investments were made to strengthen and renew the technological tools by Agile Telecom and Datatrics in their business. The specifications of the research and development activity for HY1 2023 are provided in the following paragraph.

The material investments of the Group are mainly designed to enhance and update the technological infrastructure, strategic for the core business, as well as residual amounts of furniture and furnishings related to the leased operational offices.

Also worth mentioning are Right of Use assets in accordance with IFRS 16 relating to existing rental, leasing and hire contracts.

Research and development

Pursuant to article 2428 paragraph 2 number 1 of the civil code, it should be noted that, in HY1 2023, the Group capitalised internal investments relating to the software development of its platforms and technological services for over Euro 2.4 million as well as investments through external consultants for Euro 0.19 million. Investments in the development of the Beefree editor amounted to over Euro 1.1 million in the two versions Beefree and Beefree SDK. 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, both through the use of internal resources and through external consultants for a total of Euro 210 thousand. These investments were capitalised by virtue of the future economic use, certifying the potential economic and financial future recovery. During the HY, the Group also incurred additional operating costs relating to the departments dedicated to research and development for about Euro 2.2 million at consolidated level.

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.

Below we summarise the main innovations and improvements made to our services in HY1 2023 as a result of research and development activity.

Editor Beefree:

BEE, recently renamed Beefree, a drag-and-drop editor for emails, pop-ups and landing pages owned by the subsidiary BEE Content Design, Inc., continues its growth path both as a free tool available online (Freemium) and as component to be integrated into other software applications (Beefree SDK), and finally as a complete suite for the creation of emails and landing pages designed for freelance designers, digital agencies, and company marketing teams (Beefree). Considering the growing usage numbers, the company's goal of becoming a world standard in digital content creation becomes more and more concrete: during the first six months of 2023, there were more than 46 million usage sessions of BEE design tools in more than 800 applications, an increase of about 24% over HY1 2022. In the same period, the Group continued to invest in the development of the product. In particular, the following are noted:

- **Beefree:** the company reacted quickly and effectively to the explosion of attention towards generative artificial intelligence, triggered by the launch of ChatGPT 3.5 during Q4 2022. In particular, Beefree users can already use a digital assistant - based precisely on OpenAI's technology - during the creation of emails and pages, thanks to the integration of this technology in the Beefree SDK, as explained in the following paragraphs.

  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. The launch of the free version in the spring of 2022 allowed for a continuous increase in users, with the result that in the first 6 months of 2023, Beefree users created more than 1,600,000 emails and pages, an increase of more than 21% compared to the same period in 2022. The business model uses 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 Beefree, 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. The trend was confirmed for HY1 2023, with over 90,000 new Beefree accounts registered. More than 38,000 people are now using Beefree every month (average for HY1 2023), and the increased usage is starting to pay off at the level of the 'enterprise freemium' strategy described above: the number of customers with at least 10 times the average turnover rose by 338% at the end of June 2023 compared to June 2022 (57 customers in this category vs. 13 a year ago). The company is still in an early stage of strategy execution, and the bottom-up growth mode is inherently slow, as it is organic, but the evolution of the business bodes well for its future; new talent has also been added in the sales area, so as to be able to offer more sales support to customers as they expand their turnover.

From the point of view of improving the top end of the Beefree marketing funnel, a marketing strategy was introduced focusing on a few key segments where product adoption is particularly attractive. In Q1 2023, this strategy focused on universities: some of Beefree's biggest customers are large US universities, and a series of 'case studies' have been published on the company's website at https://beefree.io/customer-stories. This type of segment-focused marketing activity will continue throughout 2023, and the company expects that it - coupled with an investment in brand upgrading and simplification in Q3 2023 - will result in increased metrics in the acquisition funnel.

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 of the improvements introduced in HY1 2023: the introduction of an artificial intelligence-based content creation assistant, leveraging the integration with OpenAI GPT API, as mentioned at the beginning of this section; new centralised updating capabilities of content elements shared by multiple emails and pages (e.g., a repeated footer across multiple documents); numerous new functions and enhancements in the area of collaboration, review, and approval of emails and pages created within a multi-user account; new integrations with third-party systems, including Salesforce Marketing Cloud; and various user experience improvements;

- **Beefree SDK:** the embeddable version of the editor is confirmed as a market leader, with 586 paying customers at the end of June 2023 and a total of more than 1,000 applications using it. The difference between the two is the fact that a paying customer can use the editor in more than one application, and the fact that many small companies use the product taking advantage of the free plan (the 'freemium' strategy is also used on Beefree SDK). The number of paying customers is essentially unchanged because the lower availability of capital and greater market difficulties for technology start-ups have resulted in the exit of about 30 small customers due to cessation of business. From the point of view of turnover, the entry of a similar number of larger customers led to an increase in turnover, although the total number of paying customers remained essentially unchanged. Specifically, the average monthly turnover per customer at the end of Q2 2023 increased by 25% compared to the same period in 2022. The adoption of Beefree SDK by increasingly large customers is a clear indication of the quality of the product. Beefree SDK is now used by 60% of the applications identified by Forrester in the 'Forrester Wave - Cross-Channel Marketing Hubs - Q1 2023'. 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. In addition, investments were made to allow the system to be installed in a dedicated environment (Virtual Private Cloud), an increasingly important requirement for high-end customers. The first BEE Plugin Virtual Private Cloud contracts were being finalised during HY1 2023 and were signed during the third quarter of the year. In terms of improvements to the software user experience, many features were added or improved during HY1 2023, typically usable regardless of whether creating an email, a page or a pop-up. A list is available at https://developers.beefree.io/ under 'What's New'. Among the most important are: integration with the OpenAI API, which allows the editor user to use a ChatGPT-like interface directly within the user interface, helping - for example - to create a draft of the first paragraph to be included in an email or page, translate it into another language, shorten it, change its tone, etc.; a new system of synchronisable content between different elements, whereby - for example - a footer of an email can be shared by n messages and updated centrally; numerous updates and improvements to the user experience, including updates to the creation mode in smartphone view; the ability to share image management between different editor installations under the same application; and the release of the File Manager - the image management tool - as a separate application, usable outside and independent of the editor;

- 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. The integration of the OpenAI API within BEE Plugin, for example, enabled the release of AI features to the more than 40,000 monthly users of BEE Pro, generating immediate and fruitful feedback on the use of artificial intelligence within the company's design tools. Acumbamail, Datatrics, MailUp and Contactlab, four other SaaS applications within Growens, are in turn "clients" of BEE Plugin. The use of the tool by these applications continued even after the sale of MailUp and Acumbamail to the TeamSystem group.

Finally, we would like to remind you that the business unit - supported by the centralised cyber security and data privacy functions at Group level - continued to invest in the security of its systems and processes, renewing the ISO 27001 certification in HY1 2022 and starting the certification process SOC 2, which is expected to conclude during Q4 2023.

Agile Telecom R&D Projects

- **ADAPTIVE ROUTING PHASE 2**
  The project essentially consists of the second stage of development of adaptive routing, which aims to restructure the routing system by implementing an artificial intelligence mechanism with the aim of improving efficiency by finding the routes of the best

suppliers in terms of quality and best in terms of price with the consequent reduction of costs and maximisation of profit. The project is expected to be completed by June 2024.

- **ATWS**

  The ATWS platform was created with the need to make Agile Telecom an all-round enabler in the SMS A2P and OTP market sector. ATWS is made up of several modules, which work synchronously and harmoniously in order to manage the entire SMS supply chain, from incoming receipt to delivery to the end customer, using a specific supplier and also including all the non-technical components such as analysis, billing and management of relations with other entities.

  The modules that make it up are:

  - Sampei & SMSC.net (Module related to the S.A.M.P.E.I. AntiSpam System to optimise the filtering of spam-type SMS and limit the sending of malicious SMS with continuous testing);
  - Pocket & Pocket evolution (Module related to the management of the general infrastructure of core services and competitively executable modules from the ATWS platform);
  - Adaptive Routing (Module related to the semi-automatic selection of the best supplier in terms of quality/price for each individual customer/SMS);
  - OC9 (Module related to the portability and use on the cloud of the ATWS platform regardless of the infrastructure provider);
  - MNP (Module relating to a millimetric management of the use of the dedicated db and fed by Ministerial data relating to the portability of utilities);
  - IMSI.io (Module for an open public testing system consisting of backend and Android application);
  - GTS (Module for a closed testing system for simultaneous monitoring and multiple testing of SMS route providers);
  - Antiphishing (Module relating to the AntiPhishing System to optimise the filtering of phishing-type SMS messages and to limit the sending of malicious SMS messages automatically and preventively).

  The combination of infrastructures and modules allows Agile to have software that is easily maintainable, quickly upgradable and ready to deploy in every possible customer environment, even remotely and without an on-site visit.
  The structure also minimises the customer's FTEs that have to maintain it, as it is designed to offer the best ratio in terms of self-maintenance of the modules, which can also be easily updated remotely.
  By developing this project, work efficiency can be improved and risk reduced, resulting in lower costs and profit maximisation. The project is expected to be completed by June 2024.

- **POCKET EVOLUTION**

The pocket evolution project represents a significant result of our research and development work aimed at the commercialisation of a platform for sending SMS messages to other operators, in platform as a service mode. This project was made possible thanks to our determination and long-standing activity in the study and development of advanced solutions for the telecommunications market. The first customer to adopt our platform was ZamTel, who showed great interest and confidence in our product and its potential for success. The implementation of the platform at ZamTel enabled the generation of revenue through the provision of the service, which also includes an additional transit fee calculated on the traffic sent by the operator itself. The project is currently being implemented and is expected to be completed by the end of 2023, confirming the effectiveness and efficiency of our SMS platform.

The idea behind this project stemmed from the realisation that there was a need to offer telecommunication service providers an advanced and comprehensive solution for sending SMS messages that would guarantee maximum efficiency and cost-effectiveness. Initially, we focused on defining the specifications of the project, which involved creating a cloud-based platform capable of handling large amounts of messages with speed and reliability.

To achieve this, we have invested a lot of resources in research and development, using the most advanced technologies in the field of telecommunications and cloud computing. In particular, we developed data compression and load balancing algorithms to ensure maximum efficiency in message handling.

In parallel, we have started a process of collaboration with several companies in the telecommunications sector, in order to better understand our customers' needs and adapt our platform to their specific requirements. Through these partnerships, we were able to gather important feedback and suggestions, which allowed us to continuously improve the quality and efficiency of our platform.

Finally, once the development phase was completed, we moved on to the implementation phase at ZamTel, our first customer. At this stage, we worked closely with the ZamTel team to integrate our platform with their existing systems and ensure a smooth implementation. Thanks to our platform, ZamTel was able to handle large amounts of messages with ease, increasing efficiency and reducing costs.

In summary, the pocket evolution project represents a significant result of our research and development activities, which saw our team engaged for over a year in the creation of a state-of-the-art platform for sending SMS to other operators. Thanks to our determination and the advanced technologies used, we were able to create a high-performance solution, which has already found great success with our first customer, ZamTel. The project is expected to be completed by December 2023.

- **ANTILOOP**

The antiloop project consists of the creation of an automatic system to monitor SMS traffic in order to intercept and block possible message loops in the chain between Agile Telecom, customers and suppliers. The objective of the AntiLoop project concerns an improvement of the system and of the logic of sending and receiving messages, and is oriented towards reducing to zero the so-called 'looping' phenomenon, which occurs whenever the sending of a message does not take place correctly, resulting in a send-receive loop between customer and supplier. By avoiding the occurrence of this phenomenon, a cost-revenue benefit is achieved. The project is expected to be completed by December 2023.

- **JSMPP**

JSMPP is a library on which our SMS traffic management core is based
This is a powerful software application that allows users to effectively manage SMS, exploiting the robustness and flexibility of the JSMPP library. Designed with the aim of providing an intuitive user experience, the software integrates advanced messaging features.

These are the main features:

- Sending and Receiving: the software supports the sending and receiving of SMS messages in real time, offering users seamless SMS communication.
- User-friendly interface: the software interface is designed with the user in mind, making complex tasks such as managing mass messaging campaigns simple.
- Reporting and Analysis: users can monitor the effectiveness of their SMS campaigns through detailed reports and performance analysis.
- Multi-language support: the software can handle SMS in several languages, making it ideal for global companies and multilingual applications.
- Extensibility: in addition to being powerful in its own right, it is designed to be easily extensible, allowing developers to add new functionality as required.
- The typical use of the software is perfect for companies needing a reliable messaging solution, marketers conducting SMS campaigns and anyone needing advanced SMS management.

The combination of all the characteristics listed above results in a considerable cost-revenue benefit. The project was concluded in April 2023.

During HY1 2023, the Research & Development technical departments of the Group's Business Units carried out incremental development projects that were transferred to TeamSystem S.p.A. together with the relevant reference platforms as part of the sale of the ESP business and, in particular, the following.

MailUp and Contactlab platform:

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).

Global UX | General UI/UX improvements

- 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;
- Changed the page refresh. Now pressing the browser's 'refresh' button no longer returns you to the dashboard, you remain on the current page, whose content is updated;
- Fixed ambiguity in nomenclature whereby 'users' are called 'administrators' in the Mshop section. The term 'user' was kept.

Content Creation | New functionality added when creating messages

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.

Other news:

- support for form-level background image;
- improved Mobile Design Mode;
- integration of 'Saved rows' and 'Content default' to easily save and reuse content sections and settings;
- possibility to download the content of a message, either in PDF or HTML.

Campaign Management | 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 (further details on 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 | 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.

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.

The power of landing pages is well known to MailUp customers, who appreciated the new possibility to copy a page to multiple workspaces (lists).

Contacts gathering and management | Enhancement of Subscription Forms

We collected some needs expressed by our users and made the workflow associated with a registration form fully customisable. The following are the main points of evolution in the registration forms that we have identified and implemented:

- Allow customisation and disabling of delivery confirmation message;
- Allow customisation of the welcome message;
- Enable customisation of post-subscription pages.

Platform | Decommissioning of TLS < 1.2

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.

Platform | Miscellaneous

- Optimising the use of the CDN to make it more effective and improve page access speed;
- Extension of the retention time of React application logs from 8 to 15 days, so as to have more tools at hand in terms of troubleshooting;
- Upgrading and adapting servers both for greater security protection and to seize better opportunities in terms of costs.

Controlled acceleration | Porting from AngularJS to REACT

Also in 2023, the porting activity in React continues, strongly driven by the needs of business continuity. At the end of 2022, the activity reached 94% completion, the remaining pages being of minor importance both in terms of utilization and risk of disruption, since the AngularJS technology is no longer supported. A number of improvements have also been made on some of the pages migrated, 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 email;
- significantly increased the possibilities of customising 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 standardised for the various sections;

- inserted the possibility for the user to delete authorised senders entered in the past and now no longer valid/used.

Contactlab | Marketing Cloud

- Added a ‘KPI events’ area providing a summary of significant sales and customer numbers;
- Revision of the home page and its main sections;
- Improved notification mechanisms within the web application;
- Improved navigation between customer events;
- Revision of the configuration and access data section;
- Optimised segment loading system, with clear benefits on page load time;
- Technological and graphical overhaul of the Marketing Automation section, with clear benefits on user experience.

Contactlab | Send

- Added possibility to easily remove unused workspaces and databases;
- Extension of the A/B test functionality with the possibility of using the BEE editor;
- Inserted a limit of 200 user DBs per customer to reduce disk space costs due to unused DBs;
- Improved algorithm for DKIM signature selection;
- Added automatic de-provisioning processes for the removal of decommissioned platforms.

Other Technological Infrastructure R&D Projects

ERP digital transformation project with Oracle NetSuite

In the 2023 financial year, following the signing of the financing agreement with Invitalia and the Ministry of Enterprise and Made in Italy, the reporting activities of the ERP digital transformation project with Oracle NetSuite were carried out for the allocation of the benefits 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 contract with MIMIT and Invitalia was signed at the end of the 2022 financial year and the project reporting work was carried out in January 2023. Since all the expenses reported were entirely incurred in previous years, with the project ending on 30/06/2022, the disbursement of the subsidies was requested in a single instalment (single SAL, “stato avanzamento lavori” - progress report). The cost items covered include part of the costs of personnel, consultancy, overheads, tools and equipment.

Reported expenditures amounted to Euro 361,100, compared to Euro 359,280 declared at the project submission stage, divided between two implementation objectives as follows:

- Horizon 1 - 100% complete: Euro 150,000 reported;
- Horizon 2 - 100% complete: Euro 209,280 reported.

Growens is the beneficiary of subsidies amounting to 50% of the expenditure, of which 10% disbursed in the form of a grant and 40% in the form of a facilitated loan. 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. As at 30 June 2023, the request for disbursement of subsidies is in the preliminary investigation phase, managed entirely by Invitalia.

The NIMP project - New Innovative Multilateral Platform

In the financial year 2023, is the conclusion of the disbursement of the last instalment of the grant provided for in the ICT - Digital Agenda call for tenders in reference to the final SAL (fifth SAL) of the NIMP - New Innovative Multilateral Platform project, which started in March 2018 and ended in September 2021.

Taking into account the whole project, the expenses reported against those declared are respectively equal to:

- Industrial Research completed at 100%: Euro 455,288 reported against Euro 453,484 forecast;
- Experimental Development completed at 100%: Euro 6,668,054 reported against Euro 5,803,892 forecast.

The overall disbursement under the ICT - Digital Agenda program, including a non-repayable contribution and low-interest financing from Cassa Depositi e Prestiti and Banca Popolare dell'Emilia Romagna, covered 60% of the total cost of the project, including part of the costs of personnel, consulting, general expenses, tools and equipment. The disbursement of the last instalment of the non-repayable grant, amounting to Euro 125,147, pertaining to the fifth and final project SAL, took place on 14 July 2023, while on 11 September 2023, the contract was signed with BPER for the last disbursement of the subsidised loan, which will be realised indicatively in the coming weeks.

Transactions with subsidiaries, associates, parents and other related companies

In HY1 2023, 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. However, it is clarified that all relations between companies belonging to the group have been eliminated in the consolidation process and are therefore not shown in these HY consolidated financial statements.

Company name	Fixed receivables	Trade receivables	Trade payables	Other payables	Dividends	Revenues	Costs
Agile Telecom		117,507	2,560,387	355,766	1,870,429	599,663	1,953,955
Globase International		103,993	408			82,802	42,421
MailUp Nordics							
Bee Content Design		4,381,931	6,491	1,449		3,077,523	6,196
Acumbamail		32,939			376,842	202,489	
Datatrics BV	2,510,447	4,183,621				683,640	
Contactlab		89,442	221,326			499,432	
Subsidiaries	**2,510,447**	**8,909,432**	**2,788,613**	**357,214**		**5,145,550**	**2,002,572**
Consorzio CRIT Scarl		21,527	3,513			868	8,880
Associates		**21,527**	**3,513**			**868**	**8,880**
Floor Srl							80,551
Other related parties							**80,551**

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 for 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.

Subsequent to the acquisition of Datatrics B.V. in October 2018, as part of the contractual agreements signed between the parties, an interest-bearing loan originally in the amount of Euro 1,960,447 was disbursed by Growens to support the activities of the Dutch subsidiary. The loan has been gradually increased over the years based on Datatrics' liquidity needs, with the disbursement in HY1 2023 of an additional tranche of Euro 150 thousand, resulting in a total amount of Euro 2.510 million at the end of this half-year.

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 2023.

Treasury shares and shares/holdings in parent companies

As at 30 June 2023, the parent company Growens held 62,583 treasury shares, equal to 0.4% of the subscribed and paid-up share capital, with a value of Euro 280,843. During HY1 2023, a total of 750 shares were purchased for Euro 3,168.62 at an average price of Euro 4.224827 per share. The purchases of HY1 2023 were made as part of the programmes approved by the shareholders' meeting on 21 April 2022. Subsequently, the meeting of 20 April 2023 resolved the authorisation 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 21 April 2022 with effect from the date of the meeting;
- to authorize the Administrative Body, and for it the Chair pro tempore, with ample faculty of sub-delegation, to carry out operations involving the purchase and disposal of treasury shares to:

  (i) be able to use its treasury shares as investment for efficient use of liquidity generated by the core business;
  (ii) purchase treasury shares from the beneficiaries of any stock option plans approved by the competent corporate bodies or however implement new plans structured in any form or proceed with free assignments to Shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with mandatory conversion or exchangeable with shares (based on transactions in progress or to be approved/implemented);
  (iii) allow the use of treasury shares in transactions related to operations or projects consistent with the Company's strategic lines also through equity exchanges, with the main objective of finalizing corporate integration operations with potential strategic partners; as well as
  (iv) take action (where possible and provided for by the applicable legal and regulatory provisions), in compliance with current provisions, including through intermediaries, to limit anomalous price movements and to regularise trading and price trends, in the face of temporary distorting phenomena linked to excessive volatility or poor trading liquidity;

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

On 18 September 2023, the ordinary shareholders' meeting of Growens resolved unanimously (therefore with the majorities envisaged by article 44-bis of Consob's Issuers' Regulations), inter alia, to (i) revoke, for the part not executed, the previous resolution authorising the purchase and disposal of treasury shares adopted by the shareholders' meeting of 20 April 2023; (ii) authorise the Board of Directors, pursuant to and for the purposes of article 2357 of the Civil Code, to purchase a maximum of 2,647,058 ordinary treasury shares, to be carried out through a public tender offer to be promoted by the Company pursuant to article 102 of the TUF; (iii) establish that the price of the ordinary treasury shares to be purchased is equal to Euro 6.80 per share and that the duration of the authorisation is eighteen months from the date of the same shareholders' resolution.

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 characterises 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 as in the case of the CGU incorporated into the Dutch subsidiary Datatrics BV at the end of HY1 2023. Write-downs are 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. In the annual consolidated financial statements for the year ended 31 December 2022, the impairment test performed on the Datatrics BV CGU returned a negative result, which was followed by a corresponding goodwill impairment of Euro 1,542 thousand. It was therefore deemed appropriate when preparing this HY report, also in consideration of the subsidiary's performance not in line with its forecast plans, to test the recoverability of the goodwill emerging in the consolidated financial statements from the elimination of Datatrics BV. The result of the impairment resulted in a further write-down of the goodwill of Datatrics BV in the amount of Euro 1,286 thousand. For the other goodwill recorded in the HY financial statements, no impairment test was necessary, given the absence of impairment indicators.

Disclosure on risks and uncertainties pursuant to article 2428, paragraph 2, point 6-*bis* of the 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 of recovery of assets;
- Risks related to external unlawful acts;
- Reputational risks.

Risks related to the general economic trend

The economic-financial position of the companies belonging to the Group, is influenced by all factors comprising the Italian and international macroeconomic context. In the reference period, there are still general economic uncertainties and regarding Italian and international policy, the effects of which are unpredictable and cannot be easily measured. In Italy, like in other EU countries, 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 characterised 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.

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 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.

Therefore, the liquidity risk is not considered to be significant, especially in light of the collection, net of the amounts tied up in Escrow, of over Euro 72 million on 13 July 2023 as consideration for the sale of the ESP business to TeamSystem S.p.A.

Interest rate risk

The parent company has historically made moderate use of financial leverage through the banking channel, mainly in the medium and long term, benefiting from the previous favourable trend in debt costs, to support extraordinary external growth operations, investments relating to software development activities and other strategic investments. 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 significant rise in reference rates such as the Euribor, which 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 belonging to the subsidiary MailUp Nordics, in particular Globase, which were already characterised by limited operations, were divested, essentially eliminating the already limited exchange rate risk related to Danish Krone-denominated assets. With regard to the US subsidiary BEE Content Design Inc., which expresses much more significant and growing volumes of operations and will be the subject of the Group's main investments after the sale of the ESP business unit, the consolidated values are denominated in foreign currencies, particularly in US dollars, which are subject to exchange rate fluctuations against the Euro, in some cases substantial. The current exposure to risks associated with exchange rate fluctuations is believed to be reduced, with potentially increasing risk in relation to future growth in terms of BEE activity volumes. 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 or more frequently where there are indicators that the value recorded is not fully recoverable. This test, in the specific case of HY1 2023, due to the negative performance of the Dutch subsidiary Datatrics BV, already subject to impairment at the end of the previous year, resulted in the recognition of a prudential write-down of the value of the related goodwill in the amount of Euro 1,286 thousand.

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.

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, an ethical approach to business and the containment of related risks, to which it is dedicating more and more resources, as reflected in the ESG consolidated report published annually on a voluntary basis and freely available on the Group's website.

Significant events after the end of HY1 2023

Please refer to the specific section of the Notes of this consolidated Half-Year Report, for further details on the matter.

Outlook

The divestiture of the ESP (Email Service Provider) business, amply referred to previously, may help mitigate the risk of Growens' position in mature businesses. The proceeds will mainly go towards the development of BEE.
In 2015, BEE was launched as an internal growth hacking experiment. It was spun off in 2017 and is now based in San Francisco, with a technology team based in Italy. With over 600,000 free users as of December 2022, the business unit recorded a growth rate of 59% with an ARR of over Euro 10 million, confirming its leadership as the fastest growing BU.
BEE's future growth strategy will be based on both organic and external growth options. The main drivers are: 1) investments in sales & marketing, aimed at increasing brand awareness;

2) research & development, with the implementation of incremental and disruptive innovations (e.g. connectors, AI); and 3) M&A. Management is in the process of scouting in the BEE field, in particular for players that can complement the company's offer, technology or human resources to support BEE's S&M strategy.
Agile Telecom is expected to continue its growth by exploiting a scalable, high-conversion business.
With reference to Datatrics, a new CEO was appointed in January 2023. In addition, the Customer Data platform was recently updated with the introduction of two new functions: 1) Audience 2.0, a 360-degree customer profile that automatically unifies customer data from 50 channels using AI; and 2) Touchpoint Builder, which allows marketers to customize templates.

In addition to the above, these further objectives pursued by the Group should be noted:

- strengthening of intra-group synergies through the cross-fertilization of knowledge among Group companies and in particular:
- sharing best practices, experiences and skills;
- 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.

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 (Decree 231), in 2015, Growens adopted its own organisational model and its own code of ethics meeting the requirements of the Decree.

In collaboration with professionals with proven experience, during the last months of 2017, a complex internal audit and review process was started, which ended with the approval by the Board of Directors held on 15 May 2018 of a new organisational model ("**Model 231**") and a new code of ethics ("**Code of Ethics 231**"). 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.

In order to better manage the Company's business and, more generally, the activities of the Group to which it belongs, over the years the Company has, therefore, paid particular attention to issues related to compliance and observance of Decree 231, carrying out constant audits, providing specific training to its employees and updating, where necessary, its Model 231 and its Code of Ethics 231.

In this context, it should be noted that on 15 March, Legislative Decree No. 24/2023 (the "**Whistleblowing Decree**") was published, transposing EU Directive No. 1937/2019 (the "**Whistleblowing Directive**") - which will apply to the Company as of 17 December 2023. The Whistleblowing Decree expands the objective and subjective scope of the legislation, consistently with the provisions of the Whistleblowing Directive, which came into force on 16 December 2019, and which had and has as its objective to ensure and provide whistleblowers with equal protection in all the Member States, harmonised across the various sectors, introducing common rules that require the adoption of reporting channels that are made certain, confidential and secure and that, at the same time, guarantee effective safeguarding and protection measures in the presence of possible retaliation. In recent months, the Company has therefore started to revise and update its whistleblowing procedure (the "**Whistleblowing Procedure**"), also in light of the "Guidelines on the protection of persons who report violations of Union law and the protection of persons who report violations of national laws" (the "**ANAC Guidelines**") adopted by ANAC Resolution No. 311 of 12 July 2023. It is expected that the review process can be concluded in the coming months and, in any case, by 17 December 2023. By that date, the new Whistleblowing Procedure will be submitted to the Company's Board of Directors for approval and shared, through the appropriate channels, with the recipients thereof.

At the same time - following the extraordinary operation that saw the sale to TeamSystem S.p.A. of the business line dedicated to email marketing and in light of certain new types of crimes relevant to the scope of Decree 231 introduced by the Italian legislator (e.g. abuse of office pursuant to article 323 of the Criminal Code; Crimes relating to non-cash payment instruments pursuant to article 25 *octies* of Legislative Decree no. 231/2001; Crimes against cultural heritage pursuant to article 25 *septiesdecies* and article 25 *duodevicies* of Legislative Decree no. 231/2001) - the Company has started an activity to revise its Model 231 and its Code of Ethics 231, in order to reflect the changed corporate structure and to revise the mapping of risk areas and the related controls. It is expected that the review process can be completed in the coming months. Following this, the Supervisory Board and the Company will initiate an audit of the Model, in order to verify that the control protocols provided for by Model 231 are suitable to fulfil their preventive function, and will provide a specific training activity, aimed at making employees aware of the innovations introduced by the Whistleblowing Decree and the changes made to Model 231 and Code of Ethics 231.

Lastly, it should be noted that during these months, consistent with what has been done in the past, the Supervisory Body met with the Board of Statutory Auditors and the auditing firm in order to share information flows and the results of their respective activities, and was constantly updated on the main corporate news.

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 - for the purposes of better management of the Company's business and, more generally, of the activities of the Group to which it belongs - the support of an external Data Protection Officer ("**DPO**") was confirmed, i.e. highly qualified, independent figure also having experience in the personal data protection sector, who continues to carry out this function for the benefit of the entire Group.

The "Organisational Model for the protection of personal data" ("**MOP**", also known as the "**Group Data Protection Compliance Framework**") was also confirmed, as a tool for aligning the Group's policies and demonstrating that the processing of personal data is carried out in accordance with the GDPR. The MOP has been localised 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 MOP continues to be 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 MOP 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 HY1 2023, the treatment records of Group companies were reviewed and updated, and a similar process was conducted in relation to the so-called "LIA - Legitimate Interest Assessment", both at Group and individual company level. Documents were also updated in relation to new personal data processing initiatives and activities carried out by the Company in its capacity as Data Controller or Data Processor.

The company has also undertaken a series of assessments of the data protection impacts of implementing AI-based tools within the tools provided by some Group companies.

With particular reference to the adoption of Legislative Decree No. 104 of 27/06/2022 (the so-called "Transparency Decree"), the DPO supported the Company in carrying out the appropriate investigations aimed at understanding the existence of processing and/or systems that fall within the application of said rule.

Regarding the adoption of Legislative Decree No. 24 of 30/03/2023 (the so-called "Whistleblowing Decree"), the Company has started the necessary privacy activities, starting with the review of the relevant privacy-side documentation as well as of the relevant procedure already adopted and forming part of the implemented "Organisational Model for the protection of personal data". On this point, please refer to the previous section for more details.

In continuation of what has already been done, the most appropriate ways of planning training activities with regard to HY2 2023 will also be evaluated.

Finally, following the sale transaction concluded with TeamSystem S.p.A. on 13 July 2023, the Company is planning to carry out a verification and review of the privacy documentation and the MOP with a view, where necessary, to integrate and make it consistent with Growens' new corporate structure.

Thank you for the trust placed in us.

Milan, 18 September 2023

The Chairman of the Board of Directors

Matteo Monfredini

5. Group consolidated financial statements as at 30 June 2023

CONSOLIDATED BALANCE SHEET AS AT 30/06/2023 (including application of IFRS 5)

amounts in Euro	Notes	30/06/2023*	31/12/2022	Change	Cha. %
Tangible assets		261,939	1,204,296	(942,358)	(78.2%)
Right of Use	1	2,449,084	2,282,409	166,675	7.3%
Intangible assets	2	7,651,913	10,942,158	(3,290,245)	(30.1%)
Goodwill	3	11,471,991	17,400,305	(5,928,314)	(34.1%)
Equity investments in associates and joint ventures		422,042	261,003	161,039	61.7%
Other non-current assets	4	1,387,343	1,306,276	81,066	6.2%
Deferred tax assets	5	1,787,476	1,832,486	(45,010)	(2.5%)
Total non-current assets		**25,431,788**	**35,228,934**	**(9,797,146)**	**(27.8%)**
Trade and other receivables	6	10,476,893	16,721,062	(6,244,169)	(37.3%)
Other current assets	7	1,802,998	2,034,383	(231,385)	(11.4%)
Liquid funds and equivalent	8	3,793,734	7,153,665	(3,359,931)	(47.0%)
Total current assets		**16,073,625**	**25,909,110**	**(9,835,485)**	**(38.0%)**
Total assets in continuity		**41,505,413**	**61,138,044**	**(19,632,631)**	**(32.1%)**
Discontinued Operations	25	**23,538,584**	**-**	**23,538,584**	**-**
Total Assets		**65,043,997**	**61,138,044**	**3,905,953**	**6.4%**
Share capital	9	384,834	384,834	0	0.0%
Reserves	9	16,764,834	19,279,481	(2,514,647)	(13.0%)
Group result of the period		(2,649,961)	(2,516,005)	(133,956)	5.3%
Shareholders' equity of minority interests		(83,764)	(59,974)	(23,790)	39.7%
Total shareholders' equity		**14,415,942**	**17,088,335**	**(2,672,393)**	**(15.6%)**
Amounts due to banks and other lenders	10	2,805,950	4,128,592	(1,322,642)	(32.0%)
Long-term right of use liability	11	1,636,279	1,520,629	115,650	7.6%
Provisions for risks and charges		33,333	354,667	(321,333)	(90.6%)
Staff funds	12	1,084,891	3,976,471	(2,891,580)	(72.7%)
Deferred tax liabilities		722,666	915,844	(193,178)	(21.1%)
Total non-current liabilities		**6,283,118**	**10,896,203**	**(4,613,084)**	**(42.3%)**
Trade and other payables	13	11,629,694	14,871,582	(3,241,888)	(21.8%)
Amounts due to banks and other lenders	14	9,625,786	1,880,773	7,745,013	411.8%
Short-term right of use liability	15	868,243	817,672	50,571	6.2%
Other current liabilities	16	5,520,549	15,583,479	(10,062,930)	(64.6%)
Total current liabilities		**27,644,272**	**33,153,506**	**(5,509,234)**	**(16.6%)**
Total liabilities in continuity		**48,343,332**	**61,138,043**	**(12,794,711)**	**(20.9%)**
Liabilities held for sale	25	**16,700,664**	**0**	**16,582,400**	**0**
Total Liabilities		**65,043,997**	**61,138,044**	**3,905,953**	**6.4%**

** data represented in application of IFRS 5*

CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT AS AT 30/06/2023 (including application of IFRS 5)

amounts in Euro	Notes	30/06/2023*	%	30/06/2022*	%	Change	Cha. %
Revenues SaaS	17	5,876,718	16.5%	5,263,529	14.1%	613,189	11.6%
Revenues CPaaS	17	29,480,375	82.7%	31,806,170	85.0%	(2,325,795)	(7.3%)
Other revenues		278,905	0.8%	354,175	0.9%	(75,269)	(21.3%)
Total revenues		**35,635,998**	**100.0%**	**37,423,874**	**100.0%**	**(1,787,875)**	**(5.5%)**
COGS costs	18	28,441,71	79.8%	31,284,160	83.6%	(2,842,989)	(9.1%)
Gross profit		**7,194,827**	**20.2%**	**6,139,713**	**16.4%**	**1,055,114**	**17.2%**
S&M costs	19	2,227,075	6.2%	2,008,046	5.4%	219,029	10.9%
R&D costs	**20**	**1,193,261**	**3.3%**	**1,005,651**	**2.7%**	**187,609**	**18.7%**
Capitalized R&D costs		*(1,732,834)*	*(4.9%)*	*(1,198,738)*	*(3.2%)*	*(534,096)*	*(44.6%)*
R&D costs		2,926,094	8.2%	2,204,390	5.9%	721,705	32.7%
General costs	21	3,493,867	9.8%	3,420,509	9.1%	73,358	2.1%
Total costs		**6,914,203**	**19.4%**	**6,434,206**	**17.2%**	**479,996**	**7.5%**
EBITDA		**280,625**	**0.8%**	**(294,493)**	**(0.8%)**	**575,118**	**(195.3%)**
General amortization, depreciation and provisions	22	135,680	0.4%	108,678	0.3%	27,002	24.8%
Amortisation rights of use	22	241,333	0.7%	259,609	0.7%	(18,276)	(7.0%)
Amortization R&D	22	1,334,738	3.7%	1,070,779	2.9%	263,960	24.7%
Impairment and provisions	22	1,286,000	3.6%	-	0.0%	1286.000	
Amortization, depreciation and provisions		**2,997,751**	**8.4%**	**1,439,065**	**3.8%**	**1,552,686**	**108.3%**
EBIT		**(2,717,126)**	**(7.6%)**	**(1,733,558)**	**(4.6%)**	**(983,568)**	**(56.7%)**
Financial operations		(159,324)	(0.4%)	91,025	0.2%	(250,349)	(275.0%)
EBT		**(2,876,450)**	**(8.1%)**	**(1,642,533)**	**(4.4%)**	**(1,233,917)**	**75.1%**
Income tax	23	(112,046)	(0.3%)	(140,242)	(0.4%)	28,196	20.1%
Deferred tax assets (liabilities)	23	127,016	0.4%	134,665	0.4%	(7,649)	(5.7%)
Net result from Continuing Operations		**(2,861,479)**	**(8.0%)**	**(1,648,110)**	**(4.4%)**	**(1,213,370)**	**73.6%**
Net result from Discontinued Operations	25	**186,713**	**0.5%**	**710,750**	**1.9%**	**(524,037)**	**(73.7%)**
Profit (Loss) for the period		**(2,674,766)**	**(7.5%)**	**(937,360)**	**(2.5%)**	**(1,737,407)**	**185.4%**
Group profit (loss)		(2,649,961)	(7.4%)	(930,945)	(2.5%)	(1,719,016)	184.7%
Minority interest profit (loss)		(24,805)	(0.1%)	(6415)	0.0%	(18,390)	286.7%
Other items of the consolidated comprehensive income statement							
Total other components that will not be subsequently reclassified in the consolidated separate income statement *(b)*		(120,013)	(0,3%)	-		(120,013)	100%
Other components that will be subsequently reclassified in the consolidated separate income statement		**(120,013)**	**(0,3%)**	**-**		**(120,013)**	**100%**
Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro		15,543	(0.1)	(38,571)	(0.1%)	54,114	(140%)

Total other components that will be subsequently reclassified in the consolidated separate income statement (c)		**15,543**	**(0.1)**	**(38,571)**	**(0.1%)**	**54,114**	**(140%)**
Total Other components of the consolidated comprehensive income statement (d)		**15,543**	**(0.1)**	**(38,571)**	**(0.1%)**	**54,114**	**(140%)**
Comprehensive period profit/(loss)		**(2,659,223)**		**(975,932)**	**0.4%**		
Earnings:							
Per share	24	(0.1028)		(0.1108)**			
Diluted result	24	(0.0997)		(0.1042)**			

** data represented in application of IFRS 5*
*** Compared to last year's half-year report, results per share have been restated in accordance with IFRS 5*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP

Figures in Euro	31/12/2022	Allocation of result	Increase in Reserves	Purchase of treasury shares	Capital increase in kind	Comprehensive IS result	Stock option plan	Profits/losses carried forward	Period result	30/06/2023
Share capital	384,834									384,834
Share premium reserve	13,743,348									13,743,348
Legal reserve	80,000									80,000
Extraordinary reserve	8,154,612	280,332	108,999							8,543,943
Reserve for treasury stock	(277,675)			(3,169)						(280,845)
Reserve for exchange rate gains	74,625									74,625
Profit/(loss) carried forward	(1,832,307)	(2,797,337)								(4,268,644)
Stock option reserve	-									
OCI reserve and translation	(83,854)					(104,470)				(188,324)
FTA reserve	(712,339)									(712,339)
Merger surplus reserve	133,068									133,068
FY result	(2,516,005)	2,516,005							(2,649,961)	(2,649,961)
Shareholders' equity	**17,148,307**	**-**	**108,999**	**(3,169)**	**-**	**(104,470)-**	**-**	**-**	**(2,649,961)**	**(14,499,706)**

Figures in Euro	31/12/2021	Allocation of result	Capital increase	Transfer of Reserves	Purchase of treasury 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**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement - Amounts in Euro	30/06/2023	30/06/2022
Profit (loss) for the period	(2,674,766)	(937,360)
Income tax	182,245	173,416
Prepaid/deferred tax	(324,611)	(194,709)
Interest expense/(interest income)	174,531	65,102
Exchange (gains)/losses	53,608	(131,179)
(Dividends)		
(Capital gains)/capital losses deriving from the disposal of assets		
1 Profit (loss) of the period before income taxes, interest, dividends and gains/losses from disposals	**(2,588,993)**	**(1,024,731)**
Value adjustments for non-monetary elements that have no equivalent item in net working capital		
Provisions for TFR	539,530	360,928
Other provisions	103,113	121,500
Amortization and depreciation of fixed assets	2,984,317	2,335,841
Provisions and impairment	1,286,000	
Other adjustments for non-monetary items	(245,418)	(41,103)
2 Cash flow before changes in NWC	2,078,549	**1,752,435**
Changes to net working capital		
Decrease/(increase) in trade receivables	3,357,671	(71,704)
Increase/(decrease) in trade payables	(2,6884,420)	263,109
Decrease/(increase) in accrued income and prepaid expenses	(2,588,193)	78,946
Increase/(decrease) in accrued liabilities and deferred income	913,133	(319,346)
Decrease/(increase) in tax receivables	(125,060)	(217,950)
Increase/(decrease) in tax payables	297,917	(155,020)
Decrease/(increase) in other receivables	(90,810)	24,707
Increase/(decrease) in other payables	(132,887)	32,768
Other changes in net working capital		
3 Cash flow after changes in NWC	**1,021,899**	**1,387,945**
Other adjustments		
Interest collected/(paid)	(88,327)	(11,937)
(Income tax paid)		(463,425)
(Capital gains)/capital losses deriving from the disposal of assets		
Dividends collected		
(Use of provisions)	(140,839)	(225,566)
4 Cash flow after other adjustments	**792,733**	**687,017**
A Cash flow from operations	**792,733**	**687,017**
Tangible fixed assets	(95,002)	(74,155)
(Investments)	(95,002)	(74,155)
Divestment realization price		
Intangible fixed assets	(2,752,371)	(2,284,805)
(Investments)	(2,752,371)	(2,284,805)
Divestment realization price		

Financial fixed assets	(269,055)	(47,448)
(Investments)	(269,055)	(47,448)
Divestment realization price		
Short-term financial assets		
(Investments)		
Divestment realization price		
Acquisition or disposal of subsidiaries		(3,750,000)
B Cash flow from investments	**(3,116,428)**	**(6,156,408)**
Minority interest funds	6,805,020	762,738
Increase (decrease) in short-term payables to banks	497,005	9,067
Stipulation of loans	8,000,000	2,000,000
Repayment of loans	(1,691,985)	(1,246,329)
Own funds	(3,169)	(348,805)
Capital increase by payment		
Sale (purchase) of treasury shares	(3,169)	(348,805)
Change to share premium reserve		
C Cash flow from loans	**6,801,851**	**413,933**
Increase (decrease) in liquid funds (A ± B ± C)	**4,478,157**	**(5,055,458)**
Initial cash and cash equivalents	**7,153,665**	**13,324,983**
Final cash and cash equivalents	**11,631,822**	**9,761,497**
Change in cash and cash equivalents	**4,478,157**	**(5,055,458)**

Cash and cash equivalents at the beginning of the period	7,153,665
Cash and cash equivalents at the end of the period	11,631,822
Cash and cash equivalents at the beginning of the period Discontinued Operations	7,838,088
Cash and cash equivalents at the end of the period Discontinued Operations	**3,793,734**

The cash flows included in the statement of cash flows related to net assets held for sale are detailed below:

Cash flow of divested companies	30/06/2023
Cash and cash equivalents at the beginning of the period of Discontinued Operations	6,940,296
Cash flow from discontinued operations	1,378,883
Cash flow from investments of discontinued operations	(325,040)
Cash flow from financing of discontinued operations	(156,051)
Closing cash and cash equivalents of discontinued operations	**7,838,088**

6. Notes to the Consolidated Half-Year Report as at 30 June 2023

General information

The Growens Group (hereinafter also "Growens Group" or "Group") is a vertically integrated operator active in Cloud Marketing Technologies (MarTech) and offers its customers solutions focused on messaging and data-driven and multi-channel marketing automation. For an in-depth analysis of the issues relating to the Group and its core business, please refer to the in-depth analysis in the introductory part of this document and the Report on Operations to the half-year financial statements.

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).

These Condensed Half-Year Consolidated Financial Statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. The Condensed Half-Year Consolidated Financial Statements should be read in conjunction with the Group's Consolidated Financial Statements as at 31 December 2022 (the Group's Annual Consolidated Financial Statements), prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

In this regard, please note that the IFRS accounting standards applied in drafting the half-year financial statements closed as at 30/06/2023 are those in force on that date and are compliant with those adopted for preparing the financial statements as at 31/12/2022. 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 Half-Year Report as at 30/06/2023, it should adopt accounting standards precisely under these terms.

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 2023-2025.

Application of IFRS 5

On 3 February 2023, Growens signed a binding agreement for the sale of the Growens business unit MailUp and its shareholdings in Contactlab S.p.A. (now MailUp S.p.A.), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the “Email Service Provider” or “ESP” businesses) to TeamSystem S.p.A. for a total consideration of Euro 70 million on a cash/debt free basis, subject to any price adjustments to be calculated downstream of the transaction on the final values of the companies sold. The agreement also provides for the prior transfer by Growens of the business unit MailUp (including the shareholding in MailUp Nordics/Globase) into Contactlab S.p.A renamed MailUp S.p.A.
On 7 June 2023, the extraordinary shareholders’ meeting of Contactlab resolved, inter alia, to: (i) increase its share capital by a total of Euro 708,309, including nominal value and share premium, to be paid through the contribution of the MailUp business unit (with the issue of 271,428 new shares); and (ii) change its company name to “MailUp S.p.A.”. On 30 June 2023, Growens, in execution of the binding agreement signed with TeamSystem, transferred the aforementioned business unit to MailUp S.p.A., effective as of 11:59 p.m. of the same day, resulting in the subscription and full release of the capital increase.
On 13 July 2023, following the closing of the transaction agreed with TeamSystem, the sale of the Growens Email Service Provider business unit MailUp and of the shares held in Contactlab S.p.A., Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. to TeamSystem S.p.A. was finalised for a total consideration of Euro 76.7 million.
In these Half-Year Consolidated Financial Statements, the ESP business, represented by certain Cash Generating Units, given its significance and specificity, has consequently been treated as Discontinued Operations in accordance with the dictates of IFRS 5; therefore:

- in the income statement for HY1 2023 and the comparative period, revenues and income and expenses related to the net assets constituting Discontinued Operations were

reclassified to Net Income from Discontinued Operations (Euro +187 thousand in HY1 2023, Euro +711 thousand in HY1 2022);
- in the balance sheet as at 30 June 2023, the assets and liabilities attributable to the ESP business were reclassified to Assets and Liabilities held for sale, respectively, without restating the comparative balances (as required by IFRS 5);
- the cash flow statement for HY1 2023 shows the cash flows from operating, investing and financing activities for the period between 1 January 2023 and 30 June 2023 and, for comparative purposes, for HY1 2022; the cash flows generated by assets constituting Discontinued Operations have been detailed in specific dedicated items.

It should also be noted that the existing transactions between Continuing and Discontinued Operations were treated as transactions between independent parties and that the income statement and balance sheet items referred to the Discontinued Operations also include the effect of the consolidation eliminations of these transactions. In this document, therefore, all economic data referring to HY1 2022 have been restated in order to allow a homogeneous comparison with those of HY1 2023; the balance sheet data as at 31 December 2022 are instead those published in the 2022 Consolidated Financial Statements.

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 control as at 30/06/2023 (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 accounting).

The cost of acquisition corresponds to the current value of the assets acquired, shares issued or liabilities assumed as at the date of acquisition.

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;
- 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 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 Euro	Shareholders' equity	Net profit/(loss)	% held	Investment value
Bee Content Design Inc	USA	43,295	(1,759,751)	(521,118)	95.24	728,752
Agile Telecom S.p.A.	Carpi (MO)	500,000	2,458,845	788,795	100	8,800,000
Datatrics B.V.	The Netherlands	999	(5,443,834)	(769,411)	100	4,260,698
Total						**13,789,450**

The Group companies being divested, whose elements have been reported separately within the consolidated financial statements (as required by IFRS 5), are as follows:

Company name	City or foreign country	Share capital Euro	Shareholders' equity	Net profit/(loss)	% held	Investment value
Acumbamail SL	Spain	4,500	255,776	228,676	100	1,092,658
Mailup Nordics A/S	Denmark	67,001	641,008	(160)	100	640,582
Globase International ApS	Denmark	16,750	(95,802)	9,404	100*	640,582
MailUp S.p.A	Milan (MI)	300,000	421,232	(578,768)	100	6,126,142
Total						**7,859,382**

** Globase International is a wholly owned subsidiary of MailUp Nordics, a wholly owned subsidiary of Growens.*

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 30/06/2023.

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 30/06/2023;
- the items of the income statement have been converted at average exchange rates for HY1 2023;
- 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 exchange rates used refer to the Euro unit and are shown below:

Currency	Exchange rate as at 30/06/2023	Average exchange rate HY1 2023	Exchange rate as at 31/12/2022	Average exchange rate HY1 2022
USA Dollar	1.0866	1.0811	1.0666	1.0940
Danish Krona	7.4474	7.4492	7.4365	7.4402

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 Balance Sheet, the assets and liabilities are stated in increasing order of liquidity; an asset/liability is classified as current when it meets one of the following criteria:

- it is expected to be realized/extinguished or expected to be sold or used in the normal operative cycle;
- it is mainly held for trading;
- it is expected to be realized/extinguished within 12 months of year end.

If none of these three conditions is met, the assets/liabilities are classified as not current;

b) In the Income Statement, the positive and negative items of income are stated according to destination for the previous year. Starting from HY1 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 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 level of the business unit, and considering the adoption of IFRS 5, the area combines the revenues from the editor BEE and the Dutch subsidiary 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. The Company has chosen to represent these changes within the same statement of 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 and transactions with shareholders in their capacity as shareholders;

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

Measurement criteria

The measurement criteria adopted by the Group, based on the requirements of the IAS/IFRS, are consistent and substantially unchanged compared to those applied in the annual financial statements as at 31/12/2022, with the exception of the new accounting standards adopted starting from HY1 2023 listed below.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2023

In May 2017, the IASB published IFRS 17 - Insurance Contracts, which is intended to replace IFRS 4 - Insurance Contracts. The standard applies from 1 January 2023; however, early application was permitted, only for entities that apply IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers.

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 apply from 1 January 2023, in conjunction with the application of IFRS 17.

In February 2021, the IASB published two amendments entitled "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8". The amendments are aimed at improving disclosure on accounting policies in order to provide more useful information to investors and other primary users of the financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments apply from 1 January 2023.

In May 2021, the IASB published an amendment entitled "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes are to be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments apply from 1 January 2023.

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

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE

As at the date of this Half-Year Report, 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 September 2022, the IASB published an amendment entitled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The amendments will apply from 1 January 2024. However, earlier application is permitted.

- In May 2023, the IASB published an amendment entitled "Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules". The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and provides for specific disclosure requirements for entities affected by the relevant International Tax Reform. The document provides for the immediate application of the temporary exception, while the disclosure requirements will only be applicable to annual financial statements commencing on or after 1 January 2023, but not to interim financial statements with a closing date prior to 31 December 2023.

- In May 2023, the IASB published an amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". It requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk.

The amendments will apply from 1 January 2024. However, earlier application is permitted.

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 the 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.

Below is the table indicating the value of the financial instruments in the consolidated financial statements at the end of HY1 2023

(Amounts in Euro)	Book value	Fair value	Fair value hierarchy
Other financial assets			
Other non-current financial assets	1,259,520	1,259,520	Level 3

Other non-current financial assets consist of the sums pledged with Banca Popolare dell'Emilia Romagna against the disbursement of the loan connected to the MISE "ICT Digital Agenda" tender. 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.

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

All columns in the detail tables below marked with * are shown in application of the accounting standard IFRS 5.

Rights of use (1)

30/06/2023*	31/12/2022	Changes
2,449,084	2,282,409	166,675

Description	30/06/2023*	31/12/2022	Changes
Office right of use IFRS 16	2,014,523	1,787,301	227,222
Car right of use IFRS 16	173,434	235,963	(62,529)
PC right of use IFRS 16	261,126	259,145	1,981
Total	**2,449,084**	**2,282,409**	**166,675**

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. Quarterly assessments are carried out so that a rate in line with market trends is applied to new contracts. As for other tangible and intangible assets, the amounts shown above are net of the related provision for amortization/depreciation and equal to Euro 2,014,523 for leased offices, Euro 173,434 for vehicles and Euro 261,126 for hired personal computers, respectively. IFRS 16 requires the Right of Use to be amortised on a straight-line basis over the remaining life of the underlying contract. The change takes into account both IFRS5 reclassifications and increases due to new contracts.

Intangible assets (2)

30/06/2023*	31/12/2022	Changes
7,651,913	10,942,158	(3,290,245)

Description	30/06/2023*	31/12/2022	Changes
Software development	4,836,127	7,512,009	(2,675,882)
Third-party software	731,903	1,274,606	(542,703)
Trademarks	5,744	41,596	(35,852)
Other	2,078,139	2,113,947	(35,808)
Total	**7,651,913**	**10,942,158**	**(3,290,245)**

The item “Software development” includes costs for the development of the Beefree editor and for technology services provided by Agile Telecom and Datatrics within their respective businesses. The editor Beefree was transferred by the parent company to the subsidiary Bee Content Design Inc. as at 31/12/2016, and as at 30/06/2023 its value amounted to Euro 2.8 million, net of the related accumulated amortisation. The item “Third-party software” includes costs relating to the implementation of software tools of third-party suppliers for long-term use within Group companies. The item “Trademarks” includes the expenses incurred for the deposit and protection of the Growens trademark in Italy and in other countries considered strategic in commercial terms. For an in-depth analysis of the new features brought to the Beefree editor in 2023 and the other research and development projects carried out by Growens and the other Group companies in the half-year, refer to the paragraph “Research and development” of the Report on Operations, an integral part of these financial statements.

Goodwill (3)

30/06/2023*	31/12/2022	Changes
11,471,991	17,400,305	(5,928,314)

Below are the details of goodwill as at 30/06/2023, with evidence of the reclassifications made pursuant to IFRS 5 within Assets held for sale:

Description	31/12/2022	Impairment	reclassifications IFRS 5	30/06/2023*
BEE Content Design, Inc.	162,418			162,418
Acumbamail SL	464,923		(464,923)	-
MailUp Nordics / Globase	640,583		(640,583)	-
Agile Telecom S.p.A.	8,256,720			8,256,720
Datatrics B.V.	4,259,699	(1,286,000)		2,973,699
MailUp S.p.A.	3,536,808		(3,536,808)	-
Faxator goodwill	79,154			79,154
Total	**17,400,305**	**(1,286,000)**	**(4,642,314)**	**11,471,991**

Impairment testing of goodwill

The Directors, as recalled in the section on the accounting standards adopted (IAS 36), verify the potential recovery of goodwill recorded in the consolidated financial statements at least once a year, or more often in the presence of events that lead to believe that the carrying amount is not recoverable, using specific assessments (impairment tests) on each Cash Generating Unit (CGU). Goodwill is calculated as the difference between the fair value of the consideration paid to acquire the investment in subsidiaries and the fair value of the net assets acquired with those subsidiaries with reference to the effective date of the acquisition. In the specific case, the CGUs are represented by the specific subsidiary to which goodwill refers. The potential recovery of the investment is determined with reference to forecast cash flow. In the annual consolidated financial statements for the year ended 31 December 2022, the impairment test performed on Datatrics BV returned a negative result, which was followed by a corresponding goodwill impairment of Euro 1,542 thousand. It was therefore deemed appropriate to test the recoverability of the Dutch subsidiary's investment with an impairment procedure, also on the occasion of this Half-Year Report, considering, in particular, that the CGU's half-year results are not in line with the relevant forecast plans. The main assumptions underlying the impairment test remained substantially in line with those already defined in the last annual report. The discounted cash flow method (DCF) was applied to the projections of the 2023 - 2026 HY Plan (Long Range Plan or LRP), revised compared to the hypotheses from the 2022 budget to take into account the final data at 30/06/2023 and integrated with the forecast for FY2023, and the Terminal Value of the company estimated at the end of the explicit period of the reference LRP was determined based on the WACC discount rate (weighted average cost of capital).

The calculation of the weighted average cost of capital is performed on the basis of the following variables:

- Risk free rate: implied risk-free rate of return determined on the basis of the average yields of Italian government bonds or of the reference country of the specific company for foreign subsidiaries;
- Risk premium: return expected by investors on a specific market according to the specific country risk and average cost of debt (spread);
- Small Size Premium: a further spread of 3% was added, with prudential purposes, which takes into account the small size of the subsidiaries compared to the international competitors in the sector;
- Sector-specific beta that measures the expected variability of returns upon a 1% variation in the market prices;
- The cost of debt is also considered net of the specific tax rate;

- The final value of the WACC is weighted according to the average Debt/Equity ratio for the sector (source: Damodaran - Advertising capital structure 2023) to express the weight of recourse to equity and financial capital of third parties;

- WACC applied for Datatrics BV equal to 10.52% with Terminal Growth Rate of 2% equal to medium to long-term inflation expectations.

The result of the impairment thus constructed resulted in the recognition of additional goodwill impairment pertaining to the Datatrics BV CGU in the amount of Euro 1,286 thousand. For the other goodwill recorded, no impairment test was necessary, given the absence of impairment indicators.

Other non-current assets (4)

30/06/2023*	31/12/2022	Changes
1,387,343	1,306,276	81,066

Description	31/12/2022	Changes	30/06/2023*
Receivables from others	46,756	81,066	127,822
Pledged amounts Bper	1,259,520	-	1,259,520
Total	**1,306,276**	**81,066**	**1,387,343**

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" relates to security deposits due after one year: the change is composed of IFRS 5 reclassifications for about Euro 26 thousand and increases due to BEE's security deposits. 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 (5)

30/06/2023*	31/12/2022	Changes
1,787,476	1,832,486	(45,010)

Prepaid tax assets refer to temporary differences recognised in individual financial statements and to differences emerging from the consolidation process that will reverse in future years.

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

Description	30/06/2023*	31/12/2022	Changes
Growens Spa	459,306	341,976	117,330
Agile Telecom Spa	139,131	329,697	(190,566)
Bee Content Design Inc	676,039	688,716	(12,677)
ContactLab Spa	-	(40,902)	40,902
Datatrics BV	513,000	513,000	-
Total	**1,787,476**	**1,832,486**	**(45,010)**

Current assets

Trade and other receivables (6)

30/06/2023*	31/12/2022	Changes
10,476,893	16,721,062	(6,244,169)

Description	31/12/2022	Changes	reclassifications IFRS 5	30/06/2023*
Receivables from customers	16,721,062	(3,357,671)	(2,886,498)	10,476,893

The decrease in receivables from customers is attributable for Euro 3.35 million to collections relating to large customers mainly related to Agile Telecom and Bee Content Design, and for Euro 2.88 million to trade receivables of the subsidiaries acquired by TeamSystem and therefore reported under Assets held for sale (IFRS 5).

Below is the breakdown of receivables by geographic area:

Description	30/06/2023*	31/12/2022	Changes
Italy	6,561,103	8,361,435	(1,800,332)
EU	916,178	1,147,055	(230,877)
Non EU	5,886,112	7,212,572	(1,326,460)
Total	**13,363,392**	**16,721,062**	**(3,357,669)**
Reclassification IFRS 5	**(2,886,499)**		
Total reclassified 30/06/2023	**10,476,893**		

Other current assets (7)

30/06/2023*	31/12/2022	Changes

1,802,998	2,034,383	(231,385)

Description	30/06/2023*	31/12/2022	Changes
Inventories	56,947	15,714	41,233
Tax receivables	222,699	110,883	111,816
Other receivables	313,944	264,367	49,577
Accrued income and deferred expenses	4,231,612	1,643,419	2,588,193
Total	**4,825,202**	**2,034,383**	**2,790,819**
Reclassification IFRS 5	**(3,022,204)**		
Total reclassified 30/06/2023	**1,802,998**		

In order to better represent the substantial effect of the sale of the ESP business unit to TeamSystem S.p.A., the total cost of the anticipated and lump-sum earn-out paid to the selling party of the former Contactlab now MailUp S.p.A., and preparatory to the closing of the transaction itself, amounting to Euro 2.2 million, has been recorded as "Other current assets" and classified under discontinued operations. This item will be recognised in the income statement in HY2 2023, when the sale of the unit becomes effective, as an accessory cost strictly related to the sale transaction.

Liquid funds (8)

Description	30/06/2023*	31/12/2022	Changes
Liquid funds	11,631,822	7,153,664	4,478,158
Reclassification IFRS 5	**(7,838,088)**		
Total reclassified 30/06/2023	**3,793,734**		

The balance represents liquid funds and cash as well as valuables held as at 30/06/2023. For an in-depth analysis of the financial dynamics affecting Cash and cash equivalents, please refer to the paragraph on Net Financial Position in the Report on Operations in this file, and the Cash Flow Statement as of 30/06/2023.

Liabilities and Shareholders' Equity

Group Shareholders' Equity

Share capital and reserves (9)

The table below shows the change in share capital:

30/06/2023*	31/12/2022	Changes
384,834	384,834	-

The share capital of the parent company Growens is entirely paid in and is represented as at 30/06/2023 by 15,393,343 ordinary shares with no par value, whose accounting parity corresponds to Euro 0.025 each.

Below is the composition of the reserves:

30/06/2023*	31/12/2022	Changes
16,764,834	19,279,481	(2,514,647)

Description	Balance as at 31/12/2022	Increases	Decreases	Balance as at 30/06/2023
Share premium reserve	13,743,348			13,743,348
Legal reserve	80,000			80,000
Extraordinary reserve	8,154,6123	(389,331)		8,543,943
Reserve for exchange adjustments	74,625			74,625
FTA reserve	(712,338)			(712,338)
OCI reserve and translation	(83,854)	(384,801)		(468,655)
Reserve for treasury shares in portfolio	(277,674)	(3,169)		(280,843)
Merger surplus reserve	133,068			133,068
Group profits (losses) carried forward	(1,832,307)	(2,516,005)		(4,438,312)
Total	**19,279,481**	**(2,128,843)**		**16,764,834**

The main change in reserves resulted from the allocation of last year's consolidated loss. The OCI reserve, on the other hand, is changed in application of IAS 19 and reflects exchange rate differences arising from the translation of the values of foreign subsidiaries into the consolidation currency, while the negative reserve for treasury shares in portfolio is changed due to purchases of treasury shares made in HY1 2023.

Period result

The consolidated net result for the half-year, net of the economic elements pertaining to discontinued operations (shown separately in accordance with IFRS 5), was negative and amounted to Euro 2,861,479, and was affected by the Euro 1,286 thousand write-down of the goodwill of Datatrics BV, while the loss including Discontinued Operations amounted to Euro 2,649,961 at 30/06/2023 compared to a negative Euro 930,945 in the previous Half-Year Report. For an in-depth analysis of the consolidated results, please refer to the specific section of the Report on Operations of this Half-Year Report.

Shareholders' equity of minority interests

The non-controlling interest of shareholders' equity relates to the shares held by Massimo Arrigoni, Chief Executive Officer of the subsidiary Bee Content Design, beneficiary of a stock option plan dating back to the 2011 financial year, who subscribed 250,000 shares of the company, for a total amount equal to 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 at the end of the half-year amounts to 4.76%, while the remaining 95.24% is still held by the parent company Growens. On 2 August 2023, Growens repurchased from Massimo Arrigoni a 1.67% stake (87,500 shares) in the subsidiary's share capital for a total consideration of Euro 0.67 million, thus raising the Group's shareholding percentage from 95.24% to 96.9%.

Non-current liabilities

Payables to banks and other lenders - non-current portion (10)

	30/06/2023*	31/12/2022	Changes
Payables to banks and other lenders - non-current portion	3,339,461	4,128,592	(789,131)
Reclassification IFRS 5	**(533,511)**		
Total reclassified 30/06/2023	**2,805,950**		

The item "Payables to banks and other lenders" consists of Euro 2.8 million in payables to the banking system pertaining to the parent company. Please note that the Group debt is represented by unsecured loans.

Long-term right of use liability (11)

Description	30/06/2023*	31/12/2022	Changes
Long-term right of use liability	2,001,305	1,250,604	750,701
Reclassification IFRS 5	**(365,026)**		
Total reclassified 30/06/2023	**1,636,279**		

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. The increase of Euro 750 thousand is attributable to the renewal of the Cremona office contract, while the reclassifications include all the leasing/hire and rental contracts of the companies included in the scope of the sale.

Staff funds (12)

30/06/2023*	31/12/2022	Changes
1,084,891	3,976,471	(2,891,580)

The change is as follows:

Description	30/06/2023*	31/12/2022
Dismissal indemnity provision	4,419,289	3,976,471
Reclassification IFRS 5	**(3,334,398)**	
Total reclassified 30/06/2023	**1,084,891**	

The increases relate to allocations for the half-year to the provision for employee severance indemnities, net of utilisations due to resignations during the period, in addition to the changes recognised in accordance with IAS 19 mentioned in the following paragraphs.

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	30/06/2023
Annual technical discounting rate	3.60%
Annual inflation rate	2.30%
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 31.12.2022, having carried out a roll-forward valuation at 30.06.2023.

Current liabilities

Trade and other payables (13)

Description	30/06/2023*	31/12/2022	Changes
Payables to suppliers	11,629,694	14,871,582	(3,241,888)
Total	**11,629,694**	**14,871,582**	**(3,241,888)**

Description	31/12/2022	Changes	Reclassification IFRS 5	30/06/2023*
Payables to suppliers	14,871,582	(2,688,829)	(553,059)	11,629,694

"Payables to suppliers" are recorded net of trade discounts. Most of the decrease in this item is attributable to the specific commercial dynamics of Agile Telecom. Below is a breakdown of trade payables according to geographic area:

Description	30/06/2023*	31/12/2022	Changes
Italy	8,180,622	9,876,742	(1,696,120)
EU	237,286	276,623	(39,336)
Non EU	3,764,843	4,718,218	(953,373)
Total	**12,182,752**	**14,871,582**	**(2,688,829)**
Reclassification IFRS 5	**(553,059)**		
Total reclassified 30/06/2023	**11,629,694**		

Payables to banks and other lenders - current portion (14)

30/06/2023*	31/12/2022	Changes
9,625,786	1,880,773	7,745,013

Description	30/06/2023*	31/12/2022	Changes
Amounts due to banks - short-term	344,569	590,224	(245,655)
Short-term portion of loans	9,619,782	1,290,549	8,329,233
Total	**9,964,351**	**1,880,773**	**8,083,578**
Reclassification IFRS 5	**(338,565)**		
Total reclassified 30/06/2023	**9,625,786**		

The sale of the ESP business to TeamSystem also had a strong financial impact. As part of the contractual agreements with the buyer, Growens substantially anticipated a portion of the expected receipts at the closing, which took place on 13 July 2023, already at the transfer of the MailUp business unit to MailUp S.p.A. on 30 June 2023. In order not to impact normal operations, recourse was made to short-term bridging loans provided by the banks receiving the consideration for the transaction, Banca Popolare di Sondrio and Credito Emiliano, which provided Euro 5 million and Euro 1.5 million, respectively. At the end of the half-year, these funds were largely in the coffers of MailUp S.p.A., still formally part of the Group. These dynamics explain the very high values of short-term portion of loans both in absolute value and in comparison. The loans were repaid in full, including Euro 1.5 million for advance invoices disbursed to Agile Telecom S.p.A. by Credit Agricole and shown in the same item, in the very first days after the closing, following the collection of over Euro 72 million paid by the buyer net of the amounts deposited in Escrow.

The residual part of the Short-Term Portion of Loans is determined by the residual short-term portions of the unsecured loans taken out by the parent company with Credito Emiliano, Banca BPER and Crédit Agricole.

Short-term right of use liabilities (15)

30/06/2023*	31/12/2022	Changes
868,243	817,672	50,571

Description	30/06/2023*	31/12/2022	Changes
Short-term right of use liability	868,243	817,672	50,571
Reclassification IFRS 5			
Total reclassified 30/06/2023			

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 (16)

30/06/2023*	31/12/2022	Changes
5,520,551	15,583,479	(10,062,928)

Below is the breakdown of Other current liabilities:

Description	30/06/2023*
Security deposits	19,339
Tax advances	(1,179,984)
Tax payables	1,179,409
Amount due to social security institutions	1,003,720
Amounts due to Directors for emoluments	74,298
Amounts due to employees for salaries, holidays, permits and additional months' salaries	3,223,339
Payables for shared Bonus	975,825
Accrued expenses and deferred income	11,792,715
Other payables	1,440
Total	**17,090,102**
Reclassification IFRS 5	**(11,569,551)**
Total reclassified 30/06/2023	**5,520,551**

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. Tax advances largely relate to Agile Telecom, which, having benefited in the previous year from the tax benefits related to the Patent Box, did not offset the advances already paid with the balance of the related taxes. Payables to social security institutions relate to social security charges of various kinds to be paid in the following period with reference to the last month's payroll, as well as Payables to employees relate to the punctual balance of wages, holidays and leave, thirteenth and fourteenth month's salary already accrued but not yet paid to employees. Payables for shared bonuses are determined by the provision for employees' variable bonuses that will eventually be paid in the following year if the performance targets defined in the relevant plan are achieved. Deferred income arises from the application of the accrual principle to advance, typically annual or monthly, recurring fees paid by customers of SaaS services provided by the Group. Deferred income also relates to the SMS channel, in the event that the sale is anticipated with respect to the actual use and sending by the customer.

Income Statement

Revenues (17)

30/06/2023*	30/06/2022**	Changes
35,635,998	37,423,874	(1,787,875)

**In the detailed tables of the Income Statement, the comparative figure as at 30/06/2022 has been restated in accordance with IFRS 5 for uniformity of comparison with the same value as at 30/06/2023, thus differing from the value represented in the Half-Year Report 2022.

Revenues by product type

Description	30/06/2023*	30/06/2022*	Changes
Revenues SaaS	5,876,718	5,263,529	613,189
Revenues CPaaS	29,480,375	31,806,170	(2,325,795)
Other revenues	278,905	354,175	(75,269)
Total	**35,635,998**	**37,423,874**	**(1,787,875)**

Consolidated half-year revenues decreased, compared to the same figure of the previous half-year, both restated according to IFRS 5, mainly attributable to Agile Telecom CPaaS Revenues (Euro -2.5 million; - 8.3%). The company's choice was in fact to favour clients with higher added value, thus penalising volumes, however recording a marginality almost doubled compared to the comparison period.

COGS (Cost of goods sold) (18)

30/06/2023*	30/06/2022**	Changes
28,441,171	31,284,160	(2,842,989)

The breakdown is as follows:

Description	30/06/2023	30/06/2022	Changes
Purchases Cogs	26,560,230	29,476,925	(2,916,695)
Services Cogs	2,415,694	2,161,637	254,057
Cost of rents and leases Cogs	3,345	22,716	(19,371)
Payroll cost Cogs	3,239,063	1,846,003	1,393,060
Sundry operating expenses Cogs	5,486	8,243	(2,757)
Discontinued Operations	**(3,782,647)**	**(2,231,364)**	**1,551,283**
Total	**28.41,171**	**31,284,160**	**(2,842,989)**

COGS costs recorded a very significant decrease (Euro -2.84 million; -9.1%) due to what has already been reported in terms of revenues as a result of Agile Telecom's commercial strategy, which allowed for a considerable containment of COGS purchase costs and a consequent recovery of Gross Margin compared to the HY comparison.

Sales & Marketing costs (19)

30/06/2023*	30/06/2022**	Changes
2,227,075	2,008,046	219,029

The breakdown is as follows:

Description	30/06/2023*	30/06/2022**	Changes
Purchases S&M	7,400	4,303	3,097
Services S&M	1,373,261	1,427,840	(54,579)
Cost of rents and leases S&M	18,868	11,066	7,802
Payroll cost S&M	4,111,568	2,420,434	1,691,134
Sundry operating expenses S&M	130	67	63
Discontinued Operations	**(3,284,152)**	**(1,855,664)**	**(1,428,488)**
Total	**2,227,075**	**2,008,046**	**219,029**

This includes the costs of departments that deal with commercial and marketing activities on behalf of Group companies.

Research & Development costs (20)

30/06/2023	30/06/2022*	Changes
1,193,261*	1,005,651**	187,609

The breakdown is as follows:

Description	30/06/2023	30/06/2022	Changes
Purchases R&D	1,514	2,788	(1,274)
Services R&D	513,045	331,453	181,592
Cost of rents and leases R&D	3,295	4,446	(1,151)
R&D costs	4,534,886	3,405,521	1,129,365
Capitalized payroll cost	(2,433,834)	(1,599,738)	(834,096)
Discontinued Operations	**(3,859,479)**	**(2,738,557)**	**(1,120,922)**
Total	**1,193,261**	**1,005,651**	**187,609**

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 showing the resulting net cost in the Income Statement scheme adopted. The capitalisation is carried out in relation to the future usefulness of the software development projects in particular of the Beefree editor, the Agile Telecom SMS sending infrastructure and the marketing automation services provided by Datatrics. The research and development activity for the year subject of analysis is described in detail in the specific section of the Report on Operations.

General costs (21)

30/06/2023*	30/06/2022**	Changes
3,493,867	3,420,509	73,358

The breakdown is as follows:

Description	30/06/2023*	30/06/2022**	Changes
General purchases	57,255	91,957	(34,702)
General services	3,544,892	3,160,799	384,093
Cost of rents and leases General	191,366	137,473	53,893
Payroll cost General	2,323,921	1,877,949	445,972
Sundry operating expenses General	181,777	119,808	61,969
Discontinued Operations	**(2,805,345)**	**(1,967,477)**	**(837,868)**
Total	**3,493,867**	**3,420,509**	**73,358**

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.

Amortization, depreciation and impairment (22)

30/06/2023*	30/06/2022**	Changes
2,997,751	1,439,065	1,558,686

Description	30/06/2023*	30/06/2022**	Changes
General amortization, depreciation and provisions	135,680	108,678	27,002
Amortisation right of use	241,333	259,609	(18,276)
Amortization R&D	1,334,738	1,070,779	263,960
Impairment and provisions	1,286,000		1,286,000
Total	**2,997,751**	**1,439,065**	**1,558,686**

Amortisation of right of use was calculated for the first time in 2019 following the application of IFRS 16. In the HY 2023, the most significant depreciation and amortisation refer to research and development activities, which represent the main strategic investment for the Group companies, in particular for the Beefree Editor. The write-down of Euro 1.286 million refers to the outcome of the impairment test procedure, which revealed a lower value for this amount compared to the goodwill recorded by the Dutch subsidiary Datatrics. Please refer to the specific section on impairment testing for further details.

Income taxes for the period (23)

30/06/2023*	30/06/2022**	Changes
14,970	(5,577)	(9,393)

Description	30/06/2023*	30/06/2022**	Changes
Current tax	(112,046)	(140,242)	28,196
Deferred tax	127,016	134,665	(7,649)
Total	**14,970**	**(5,577)**	**(9,393)**

The taxes for the period have been allocated on the basis of the application of the tax regulations in force in the country to which they belong. 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 (24)

Basic earnings/loss per share is calculated by dividing the net profit/loss for the period attributable to the company's ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, outstanding during HY1 2023.
Below are the result for the period and information on the shares used to calculate basic earnings per share.

Description	30/06/2023*
Net earnings (loss) attributable to shareholders	(1,575,479)
Opening number of ordinary shares	15,393,343
Opening portfolio treasury shares	61,833
Closing number of ordinary shares	15,393,343
Closing portfolio treasury shares	62,583
Weighted number of shares in issue	15,331,135

Basic earnings (loss) per share	(0.1028)

Diluted earnings per share are calculated as follows:

Description	30/06/2023*
Net earnings (loss) attributable to shareholders	(1,575,479)
Opening number of ordinary shares	15,393,343
Opening portfolio treasury shares	61,833
Opening shares potentially assignable	933,607
Closing number of ordinary shares	15,393,343
Closing portfolio treasury shares	62,583
Closing shares potentially assignable	0
Weighted number of shares in issue	15,797,939
Basic earnings (loss) per share	(0.0997)

Result from discontinued operations (25)

The profit after tax on the disposal of discontinued operations was determined as follows:

Result from discontinued operations	30/06/2023	30/06/2022
Total revenues	12,768,268	9,759,359
COGS costs	(3,782,647)	(2,331,364)
S&M costs	(3,284,151)	(2,770,450)
R&D costs	(1,425,645)	(1,138,818)
General costs	(2,805,344)	(1,967,478)
General amortization, depreciation and provisions	(113,297)	(108,909)
Amortization right of use	(246,568)	(244,706)
Amortization R&D	(982,481)	(588,806)
Financial operations	(68,816)	(24,948)
Prepaid (deferred) Income Taxes	127,394	26,870
Net result from Discontinued Operations	**186,713**	**710,750**

Assets and liabilities classified as held for sale (25)

The statement includes assets and liabilities held for sale

Assets and liabilities held for sale	30/06/2023
Tangible assets	851,960
Right of Use	365,026
Intangible assets	3,731,598
Goodwill	4,642,314

Other non-current assets	26,949
Deferred tax assets	173,946
Total non-current assets	**9,791,794**
Trade and other receivables	2,886,498
Other current assets	3,022,204
Liquid funds and equivalent	7,838,088
Total current assets	**13,746,791**
Discontinued Operations	**23,538,584**
Amounts due to banks and other lenders	533,512
Long-term right of use liability	365,026
Staff funds	3,334,398
Deferred tax	6,553
Total non-current liabilities	**4,239,489**
Trade and other payables	553,059
Short-term right of use liability	338,566
Other current liabilities	11,569,553
Total current liabilities	**12,461,177**
Liabilities held for sale	**16,700,666**
Liabilities held for sale	**16,700,666**

In order to better represent the substantial effect of the sale of the ESP business unit to TeamSystem S.p.A., the total cost of the anticipated and lump-sum earn-out paid to the selling party of the former Contactlab now MailUp S.p.A., and preparatory to the closing of the transaction itself, amounting to Euro 2.2 million, has been recorded as “Other current assets” and classified under discontinued operations. This item will be recognised in the income statement in HY2 2023, when the sale of the unit becomes effective, as an accessory cost strictly related to the sale transaction.

Cash Flow Statement (25)

The cash flow statement includes the following amounts with reference to discontinued operations:

Cash flow from net assets held for sale	30/06/2023
Cash and cash equivalents at the beginning of the period of Discounted Operations	6,940,296
Cash flow from discontinued operations	1,378,883
Cash flow from investments of discontinued operations	(325,040)
Cash flow from financing of discontinued operations	(156,051)
Closing cash and cash equivalents of discontinued operations	7,838,088

Workforce

As at 30 June 2023, the Group had 409 employees, of whom 9 managers, 33 middle managers, 367 white-collar workers. The number of employees in terms of ULA (Annual Work Units) amounted to 398.94 at Group level.

Level of classification	Total number	%	Italy	United States of America	Spain	Denmark	The Netherlands
White-collar workers	367	89.7%	307	32	13	3	12
Middle managers	33	8.1%	33				
Managers	9	2.2%	9				
Total	**409**	**100.0%**	**349**	**32**	**13**	**3**	**12**

As of 13 July 2023, the transferred employees of the Mailup unit amounted to 251 units of whom 5 managers, 20 middle managers, 226 white-collar workers.

Level of classification	Total number	%	Italy	United States of America	Spain	Denmark	The Netherlands
White-collar workers	226	90.0%	212		13	1	
Middle managers	20	8.0%	20				
Managers	5	2.0%	5				
Total	**251**	**100.0%**	**237**	**0**	**13**	**1**	**0**

Related party transactions

Transactions implemented by the Group with related parties, identified according to the criteria defined by IAS 24 - 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 30/06/2023.

Fees to Directors and Auditors

The remuneration of the Directors, including the related contribution and the allocation of the Group variable bonus called shared bonus, the latter subject to end-of-year checks on the amount and possibility of disbursement, was, in the half-year in question, equal to Euro 1,112,977, while the compensation of the Boards of Statutory Auditors, where present, was equal to Euro 32,420.

Fee to the independent auditing firm

Please note that - in accordance with letter 16-bis of article 2427 of the Civil Code - the total amount of fees due to the independent auditing firm included in the Interim Report as at 30/06/2023 at consolidated level totalled Euro 23,519.

Disclosure regarding coordination and management activities

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

Significant events after period end

On 13 July 2023, Growens announced the finalisation of the sale of the MailUp business unit through the shareholdings held in MailUp S.p.A. (formerly Contactlab S.p.A.), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the “Email Service Provider” business) to TeamSystem S.p.A. for a final consideration of Euro 76.7 million. A portion of the price of Euro 4.6 million was deposited in an escrow account to guarantee the indemnification obligations assumed by the Company in the agreement governing the Transaction and will be subject to periodic releases according to a *décalage* mechanism customary for this type of instrument.

The completion of the transaction entails the fulfilment of the condition precedent to which the resolution to change the corporate purpose passed by the Company’s extraordinary shareholders’ meeting on 9 March 2023 was subject, and determines, among other things, the legitimacy of the right of withdrawal for shareholders who did not take part in the relevant resolution.
Therefore, on the same date of 13 July 2023, the Company announced the opening of the period for the exercise of the right of withdrawal, which ended on the following 28 July without any adhesions being received.

Lastly, on 13 July 2023, the Board of Directors approved the guidelines of an operation that envisages the promotion, subject to obtaining the necessary authorisation from the Shareholders’ Meeting, of a voluntary partial tender offer on treasury shares, concerning a maximum of 2,647,058 ordinary treasury shares (without any indication of the express par value) corresponding to approximately 17.2% of the total number of ordinary shares issued for a unit price of Euro 6.80 and therefore for a maximum total countervalue of Euro 17,999,994.40.

On 30 August 2023, Growens announced the rebranding of the Bee Content Design Inc. business unit’s products from BEEPro to Beefree and from BEEPlugin to Beefree SDK, respectively, consistent with both the BU’s market approach, based on offering products that give everyone access to quality content creation, and the Group’s growth strategy, focused on fostering Beefree’s growth.

On 1 September 2023, the Ordinary Shareholders' Meeting was called to resolve on (i) the authorisation to purchase treasury shares pursuant to article 2357 of the Civil Code, (ii) the revocation of the authorisation to purchase treasury shares granted on 20 April 2023, which, in any case, the Board of Directors did not use.
The ordinary shareholders' meeting was held on 18 September 2023 and resolved unanimously (therefore with the majorities envisaged by article 44-bis of Consob's Issuers' Regulations), inter alia, to (i) revoke, for the part not executed, the previous resolution authorising the purchase and disposal of treasury shares adopted by the shareholders' meeting of 20 April 2023, effective as of today; (ii) authorise the Board of Directors, pursuant to and for the purposes of article 2357 of the Civil Code, to purchase a maximum of 2,647,058 ordinary treasury shares, to be carried out through a public tender offer to be promoted by the Company pursuant to article 102 of the TUF; (iii) establish that the price of the ordinary treasury shares to be purchased is equal to Euro 6.80 per share and that the duration of the authorisation is eighteen months from the date of the same shareholders' resolution.

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, 18 September 2023
The Chairman of the Board of Directors
Matteo Monfredini

Growens S.p.A.

Auditors' review report on
consolidated condensed interim financial
statements as of 30 June 2023

Consolidated condensed interim financial statements
as of 30 June 2023

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

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Auditors' review report
on consolidated condensed interim financial statements

To the Shareholders of
Growens S.p.A.

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements comprising the consolidated statement of financial position, the consolidated income statement and comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows and explanatory notes of Growens S.p.A. and its subsidiaries (Growens Group) as of 30 June 2023.

The directors are responsible for the preparation of the consolidated condensed 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 these consolidated condensed interim financial statements 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 (ISA Italia) 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 consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of Growens Group as of 30 June 2023 are 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.

Emphasis of matter – sale of "Email Service Provider" business unit

Without modifying our conclusions, we draw attention to the paragraph entitled "Application of the IFRS 5 standard" contained in the explanatory notes of the semi-annual consolidated condensed financial statements and in particular we point out how, with reference to the sale of the "Email Service Provider" branch to TeamSystem S.p.A., started with the binding agreement of 3 February 2023 and then finalized on 13 July last, the accounting provided for by IFRS 5 "Non-current assets held for sale and discontinued operations" was applied in the semi-annual consolidated condensed financial statements, separately displaying the assets, liabilities and economic result of the *Discontinued Operation*.

Milan, 20 September 2023

BDO Italia S.p.A.

Signed by Giuseppe Santambrogio
Partner

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