CONSOLIDATED FINANCIAL STATEMENTS AS AT 30/06/2018

MAILUP GROUP

Contents

Corporate bodies

Board of Directors
(Expiry of terms for approval of the Financial Statements as at 31 December 2019)

Name and surname	Office
Matteo Monfredini	Chairman of the BoD with proxies
Nazzareno Gorni	Deputy Chairman of the BoD with proxies
Micaela Cristina Capelli	Director with proxies
Armando Biondi	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 2019)

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

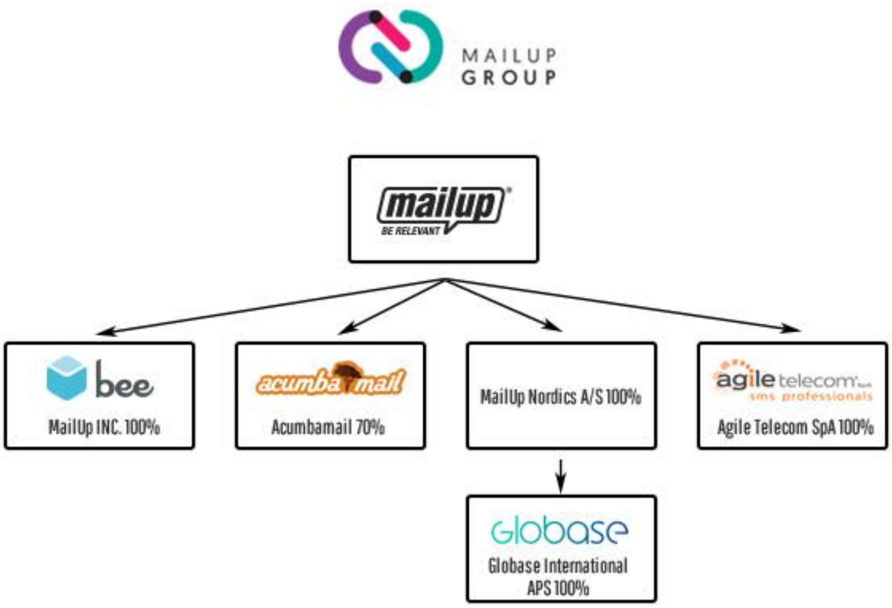
Independent auditing company
BDO Italia S.p.A.
(Expiry of terms for approval of the Financial Statements as at 31 December 2019)

MailUp Group leader in marketing technology on the cloud

The MailUp Group is a leading European player in the fast growing area of marketing technology (MarTech) on cloud, and offers a wide range of solutions to its customers, with particular focus on data-driven and multi-channel marketing automation.
The Group's core business is represented by the development and sale of (i) technologies for the mass sending of e-mails and mobile messaging, in particular through the SMS channel, for marketing purposes, (ii) sophisticated e-mail and newsletter editing tools, (iii) innovative solutions in marketing technology, in addition to (iv) professional consulting services in this area. The parent company MailUp S.p.A. (hereinafter MailUp) has developed a multi-channel Software-as-a-Service (SaaS) platform (e-mail, newsletter, SMS and social) of cloud computing for the professional management of digital marketing campaigns used by over 10,000 direct customers, in addition to numerous indirect customers managed by the widespread network of retailers. At consolidated level, the Group operates with over 20,700 customers distributed in 115 countries and is present with its offices on three continents with a staff of over 170 employees.
After admission to trading in 2014 on the AIM Italia market operated by Borsa Italiana (Italian Stock Exchange), MailUp added to the organic growth a development path for external lines, acquiring established and emerging businesses in the same market segment or complementary businesses: Acumbamail (Spanish market and LatAm), Globase (Nordics market) and Agile Telecom (SMS wholesale market).

MailUp Group structure

Below is the organizational structure of the Group as at 30/06/2018:



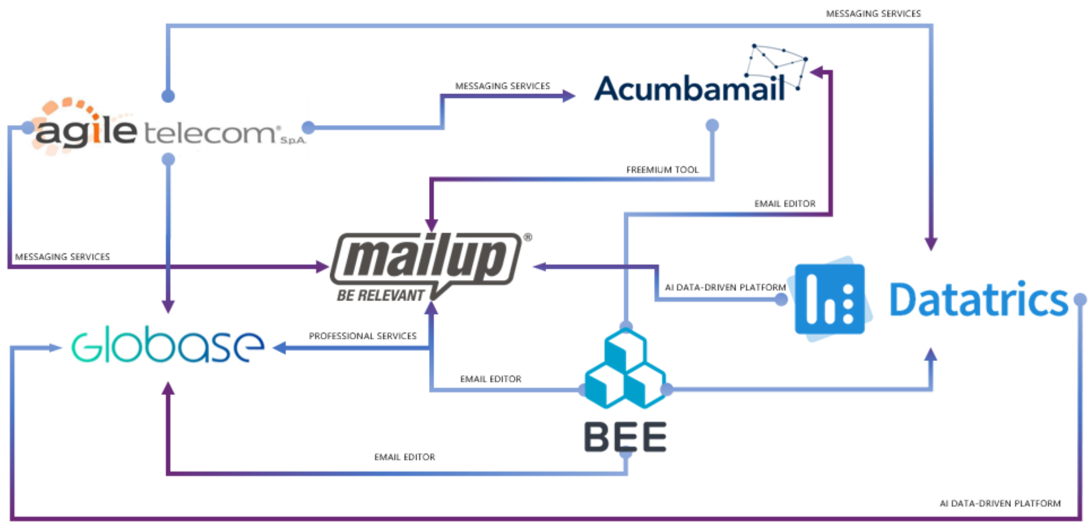
For a more in-depth understanding of the dynamics relating to the composition and development of the MailUp Group, the following is a description of two particularly significant transactions that took place in the period after the end of this Half-Year Report.

On 01/08/2018, MailUp announced the **exercise of the Put Option** by shareholders holding 30% **of the Spanish subsidiary Acumbamail**, within the respective Put/Call options provided for by the acquisition contract and by the shareholder agreements stipulated on the occasion of the acquisition of 70% of Acumbamail, communicated on 03/08/2015. This option was linked to the achievement of certain economic performance objectives of the subsidiary in the three-year period 2015-2018, which were positively verified. The purchase price of the remaining 30% of Acumbamail, equal to Euro 593 thousand, was paid by using the company's cash and cash equivalents. The value of the 70% shareholding in Acumbamail was recorded in the Financial Statements as at 31/12/2017 for Euro 499 thousand. In 2017, revenues of Acumbamail amounted to Euro 717 thousand (+59% compared to 2016), EBITDA amounted to Euro 289 thousand (up 104% compared to 2016) and net profit equal to Euro 209 thousand (up 97% compared to 2016).

Sales of Acumbamail amounted to Euro 497 thousand in HY1 2018 (up 50% compared to the same period of the previous year), with EBITDA of Euro 186 thousand, +54% compared to the same result for the period of 2017.
Acumbamail is strategic for strengthening the Group in Spanish-speaking countries and entry-level customer ranges not otherwise covered by MailUp. In particular, Acumbamail is active in e-mail marketing with a complete suite of solutions in Spanish for the generation of newsletters, e-mail marketing campaigns and transactional communications, with freemium model. This model envisages an initial level of free use of the platform, which thereafter requires payment where a certain threshold of use is surpassed, thereby also capturing customers with limited volumes and a reduced number of addressees. Spanish-speaking markets (Spain and South America), with more than 500 million people and an Internet penetration rate that is growing strongly, represent one of the scenarios of the international digital economy with highest growth. The founders of Acumbamail, Rafael Cabanillas Carrillo and Ignacio Arriaga Sanchez, remain at the helm of the company as Managing Directors, with a constraint to remain for the next two years starting from the payment date, supported by Nazzareno Gorni, founder and CEO of MailUp Group, appointed on 11/07/2018 Chairman of the Board of Directors, with a decisive vote for specific strategic matters, replacing the resigning Giandomenico Sica.

On 19/09/2018, MailUp signed a **binding agreement for the acquisition of a totalitarian shareholding in Datatrics B.V.**, a Dutch company founded in 2012 and owner of a cutting-edge proprietary predictive marketing platform, able to make data-science accessible to marketers. In fact, the technology of Datatrics allows the marketing teams to build experiences for its customers based on data managed by artificial intelligence, resulting in a better customer experience and a consequent increase in conversion and loyalty of customers, through a data management platform developed with a self-learning algorithm. The aforementioned proprietary technology allows marketing teams to directly use data combinations without the intervention of the information technology department or data analysts for complex integrations. The use of artificial intelligence allows the combination of data from multiple sources, both internal of customers (CRM, e-mail, social networks, e-commerce, web analytics and other) and external (demographic data, weather, traffic and other) using an open customer data platform approach. The marketing managers consequently obtain detailed, complete and unified consumer profiles that allow efficient and effective use of the various communication tools and channels. Datatrics was founded by the current CEO Bas Nieland and subsequently funded (through direct investment in the capital) by the investment company Go Holding B.V. The target started to generate revenues in 2017 (Euro 0.3 million in the year) and currently serves around 100 customers (up 43% in the first six months of 2018), including Siemens, LeasePlan, KLM, PostNL, British Petroleum, CarGlass and Rabobank. The company is based in Enschede and has offices in Amsterdam, Utrecht and London.
The transaction is part of the broader development and consolidation plan of the MailUp Group, representing one of the main strategic objectives for the same, in line with the expansion plan by external lines, diversification and expansion of its commercial offer. With the completion of the acquisition, the Group therefore intends to increase its size and capitalization, creating an integrated operator also in artificial intelligence, with the consequent creation of industrial synergies through the sharing of the main business support processes already existing within the Group and due to the integration of a company operating in a strictly complementary market context. In the opinion of management, the transaction represents a significant step in the Group's growth strategy in a competitive environment increasingly focused on data. In fact, the Group pursues the objective of increasing average revenue per customer, leveraging the improvement of the portfolio of products and solutions offered through a technology already integrated with the MailUp platform and with the e-mail template editor BEEfree.io.
The transaction involves the sale of the entire share capital of Datatrics by the current sellers, Go Holding B.V. and Inbeta Holding B.V., a company vehicle owned by the founder Bas Nieland, or other company vehicle they have invested in, to which shares may be transferred before closing, for a total of approximately Euro 3.8 million to be settled: (i) for a total of approximately Euro 2.24 million, on a cash basis, using own funds, based on the sale of 590 Datatrics shares (equal to 59.05% of the share capital), to be paid for around one-third at closing and for the remaining part in 4 instalments of the same amount within 24 months of the same; (ii) for a total of approximately Euro 1.56 million, through the transfer of the remaining 409 Datatrics shares (equal to 40.95% of the share capital) upon the release of a specific share capital increase in kind of MailUp for the same amount, and precisely, a paid share capital increase in divisible form with exclusion of the option right pursuant to article 2441, paragraph 4, first period, of the Civil Code, as reserved for Sellers, by issuing a variable number of new MailUp shares without indication of the nominal value expressed at the subscription price resulting from the weighted average price of the MailUp shares on AIM Italia during the 90-day stock exchange period ending two days before the closing date. In addition to the above, payment to sellers of a further earn-out component in MailUp shares is envisaged for a counter-value up to a maximum of Euro 3 million, in variable number, deriving from the division between the earn-out actually due and the aforementioned subscription price, subject to the achievement of certain Datatrics average monthly turnover targets to be calculated over a maximum period of 4 years.

The growth path by external lines through acquisitions undertaken by the MailUp Group has allowed, and will allow more and more in the future, in light of the further developments highlighted above, developing significant product strategies in the technological area, summarized in the graphical representation below already comprehensive of future additions with Datatrics B.V.:



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 and is also registered with the Register of Operators in Communication (ROC) held by the Italian Authority for Telecommunications Guarantees (AGCOM). Agile Telecom is a leader in the Italian wholesale SMS market with 380 million messages sent per year and offers promotional and transactional messages (One-Time Password, notifications and alerts) to over 3,600 customers. It is also practically the parent company's exclusive provider of reference for the SMS delivery services provided by the MailUp platform, thus making it possible to exploit the economic and technological synergies outlined above.

Acumbamail S.L. is a Spanish e-mail marketing provider that also provides SMS packages and transactional services with a freemium business model that is particularly attractive for small and micro businesses. The Acumbamail platform allows the creation, sending and management of multi-channel marketing campaigns, allowing to track the relative performance in real time. More than 2,700 customers use the services of the Spanish subsidiary that sends over 400 million e-mails per year. On 01/08/2018, the parent company MailUp purchased the remaining 30% shareholding in Acumbamail; see the following paragraph for details.

MailUp Nordics A/S, a sub-holding company that controls 100% of **Globase International A.p.S.**, a Danish company specialized in advanced digital marketing automation services that allow over 100 customers located in the Nordics, most of which are medium-large and with strong needs for customization and consulting services, creating communication campaigns based on data-driven personalization and segmentation of recipients, with the possibility of monitoring the efficiency of campaigns through statistical analysis. Globase is also completing, in close collaboration with MailUp, the transition to the new V3 platform, directly derived from MailUp, which will improve sending performance and efficiency in the delivery of messaging services.

MailUp Inc., organized according to the dual company model, with a business team located in San Francisco, in the heart of Silicon Valley, and technological team in Italy, focused on the development and commercialization of the innovative editor for BEE e-mail messages (Best Editor Ever). Thanks to the rapid growth and the interest from professional digital marketing operators since the launch, BEE is establishing itself as a leading solution both in the Plug-in version, used by over 3,500 teams of developers and SaaS applications, to which it can be easily integrated, and in the Pro version, appreciated by over 4,000 e-mail designers in more than 100 countries.

Summary data

Main events of HY1 2018

In HY1 2018, the activities of the MailUp Group were characterized by the events indicated below:

On 01/01/2018, Cinzia Tavernini took on the role as **CEO of Globase**. In her new role, she will continue to promote the adoption of the company's latest e-mail marketing platform, Globase V3. The Group has in fact chosen to push strongly on the integration of the Globase and MailUp business units, launching the new version of the Globase V3 product, based on the cutting-edge technology of MailUp, already used by thousands of customers all over the world. The new version of the platform presents a series of improvements, such as native integration with CRM platforms and e-commerce such as Microsoft Dynamics, Salesforce and Magento and it also respects the new European regulation on data protection (GDPR). Cinzia Tavernini has been in Copenhagen at Globase since the beginning of 2017, where she started working, as Chief Revenue Officer, on the migration of an increasing number of customers towards Globase V3. Previously, she has worked for MailUp for over three years, as head of international sales.

On 24/01/2018, the MailUp Group announced that it had already adopted various measures starting from the previous year functional to the strategic objective of pursuing the **listing on the main market of Borsa Italiana (MTA)** and in particular in HY1 2018, the following is noted in this regard:

- the Board of Directors of the parent company has appointed Micaela Cristina Capelli and Armando Biondi as Independent Directors. In addition to the highly appreciated professional contribution in terms of skills and experience, the presence of Micaela Cristina Capelli meets the requirement of having at least one female component in the administrative body;
- the MailUp Group introduced an updated management control system and finalized an incentive plan (MBO) for the first management lines.

On 31/01/2018, MailUp Group, for some time engaged in the **promotion of gender diversity** in its staff, communicated the results of the various measures introduced to promote this process. The incidence of females reached 44% of employees at consolidated level, compared to 28% in 2014, at the time of the IPO.

On 27/03/2018, the Board of Directors of MailUp announced that it had received the **resignation from the Managing Director Giandomenico Sica** with immediate effect. Giandomenico Sica considered it appropriate to interrupt the relationship with the MailUp Group after recognizing that the Group's supporting role had been exhausted, opening up to a new course capable of meeting the new challenges facing the Group's future.

On 15 May 2018, the Board of Directors announced that it verified, with reference to the documentation produced and the information in its possession, **the existence of the independence requirements of the Board Member Ignazio Castiglioni**. With the approval of the Financial Statements for the year ended 31 December 2017, the mandate of the Supervisory Body appointed for three financial years has expired. Therefore, in the same session, the Board of Directors conferred to the Lawyer Gabriele Ambrogetti of Studio Operari Lex the task of monocratic Surveillance Body of the company. The new Body will remain in office for three financial years and specifically until the approval of the Financial Statements for the year ended 31 December 2020.

On 13 June 2018, the Board of Directors of MailUp assigned to the **Director Micaela Cristina Capelli the role of Investor Relator** of the company, delegating to the same certain and specific managerial powers, functional to the aforementioned task and in general the coordination of marketing and management of relationships with investors and the market. As a result of the foregoing, Ms Capelli is qualified as Executive Director of the company, no longer endowed with the independence requirements pursuant to article 148, paragraph 3, of the Consolidated Finance Act (TUF).

The Board of Directors of MailUp is therefore as follows:

Matteo Monfredini	Chairman
Nazzareno Gorni	Chief Executive Officer
Micaela Cristina Capelli	Executive Director
Armando Biondi	Independent Director
Ignazio Castiglioni	Independent Director

Summary report

Consolidated Income Statement as at 30/06/2018

Income Statement Amounts expressed in units of Euros	30/06/2018	%	30/06/2017	%	Delta	Delta %
Email revenues	5,066,870	28.1 %	4,702,584	35.9 %	364,286	7.7 %
SMS revenues	11,951,648	66.3 %	7,512,506	57.4 %	4,439,142	59.1 %
Professional service revenues	243,705	1.4 %	218,413	1.7 %	25,292	11.6 %
Bee revenues	425,933	2.4 %	183,624	1.4 %	242,309	132.0 %
Other revenues	346,311	1.9 %	467,524	3.6 %	(121,213)	(25.9 %)
Total revenues	**18,034,467**	**100.0 %**	**13,084,651**	**100.0 %**	**4,949,816**	**37.83 %**
Cost of good sold (COGS)	11,685,772	64.8 %	7,358,342	56.2 %	4,327,430	58.8 %
Gross Profit	**6,348,694**	**35.2 %**	**5,726,309**	**43.8 %**	**622,385**	**10.87 %**
Sales & Marketing costs	1,358,425	7.5 %	1,542,898	11.8 %	(184,473)	(12.0 %)
Research & Development costs	420,234	2.3 %	454,058	3.5 %	(33,824)	(7.4 %)
Capitalised R&D payroll cost	*(766,124)*	*(4.2 %)*	*(444,063)*	*(3.4 %)*	*(322,061)*	*72.5 %*
Total R&D costs	*1,186,358*	*6.6 %*	*898,121*	*6.9 %*	*288,237*	*32.1 %*
General & Admin costs	2,704,756	15.0 %	2,531,451	19.3 %	173,305	6.8 %
Total operating costs	4,483,415	24.9 %	4,528,407	34.6 %	(44,992)	(1.0 %)
Ebitda	**1,865,279**	**10.3 %**	**1,197,902**	**9.2 %**	**667,377**	**55.7 %**
Amortisation, depr. & prov. G&A	(81,321)	(0.5 %)	(82,270)	(0.6 %)	949	(1.2 %)
Amortisation, depr. & prov. R&D	(660,055)	(3.7 %)	(489,103)	(3.7 %)	(170,953)	35.0 %
Amortisation, depr. & prov. COGS	(116,468)	(0.6 %)	(140,617)	(1.1 %)	24,148	(17.2 %)
Total Amortisation, deprecation and provisions	(857,845)	(4.8 %)	(711,989)	(5.4 %)	(145,855)	20.5 %
Ebit	**1,007,435**	**5.6 %**	**485,913**	**3.7 %**	**521,522**	**107.3 %**
Net financial income (expense)	11,707	0.1 %	(42,928)	(0.3 %)	54,635	(127.3 %)
Ebt	**1,019,142**	**5.7 %**	**442,985**	**3.4 %**	**576,157**	**130.1 %**
Income tax	(377,285)	2.1 %	(313,487)	(2.4 %)	(63,798)	20.4 %
Advance tax	(112,671)	0.6 %	44,279	0.3 %	(156,950)	(354.5 %)
Deferred tax	(16,073)	0.1 %	(16,046)	(0.1 %)	(27)	0.2 %
Profit (loss) for the year	**513,113**	**2.8 %**	**157,731**	**1.2 %**	**355,382**	**225.3 %**
Group interest in profit (loss)	*479,766*	*2.7 %*	*130,831*	*1.0 %*	*348,936*	*266.71 %*
Minority interest in profit (loss)	*33,347*	*0.2 %*	*26,900*	*0.2 %*	*6,447*	*23.97 %*

Consolidated Balance Sheet with determination of NWC as at 30/06/2018

Balance Sheet Amounts expressed in units of Euros	30/06/2018	31/12/2017	Delta	Delta %
Intangible fixed assets	4,139,730	3,970,669	169,061	4.3 %
Goodwill	9,829,834	9,829,834	0	0.0 %
Tangible fixed assets	980,231	1,011,029	(30,799)	(3.0) %
Financial fixed assets	198,577	237,538	(38,961)	(16.4) %
Fixed assets	**15,148,371**	**15,049,070**	**99,301**	**0.7 %**
Trade receivables	4,948,851	3,705,331	1,243,520	33.6 %
Trade payables	(5,649,416)	(4,710,537)	(938,879)	19.9 %
Commercial net working capital	**(700,565)**	**(1,005,206)**	**304,642**	**(30.3) %**
Tax receivables and payables	621,209	777,012	(155,803)	(20.1) %
Accruals and deferrals	(5,800,350)	(5,328,250)	(472,100)	8.9 %
Other receivables and payables	(2,298,573)	(1,552,663)	(745,910)	48.0 %
Net working capital	**(8,178,278)**	**(7,109,107)**	**(1,069,171)**	**15.0 %**
Provisions for risks and charges	(185,719)	(129,580)	(56,139)	43.3 %
Staff funds	(1,179,130)	(1,115,151)	(63,980)	5.7 %
Net invested capital	**5,605,243**	**6,695,232**	**(1,089,989)**	**(16.3) %**
Share capital	354,987	354,237	750	0.2 %
Reserve	13,556,194	12,924,712	631,482	4.9 %
Profit (loss) for the year	479,766	549,013	(69,247)	(12.6) %
Shareholders’ equity of minority interests	155,135	121,788	33,347	27.4 %
Shareholders' equity	**14,546,082**	**13,949,751**	**596,332**	**4.3 %**
Short-term payables/(cash)	(9,413,045)	(9,026,526)	(386,519)	4.3 %
Financial assets not held as fixed assets	(501,494)		(501,494)	
Medium/long-term payables	973,699	1,772,007	(798,308)	(45.1) %
Net financial position	**(8,940,839)**	**(7,254,518)**	**(1,686,321)**	**23.2 %**
Total sources	**5,605,243**	**6,695,232**	**(1,089,989)**	**(16.3) %**

Consolidated Half-Year Report on Operations as at 30/06/2018

Dear Shareholders,

the half-year ended on 30/06/2018 records a positive consolidated result of Euro 513,113, of which Euro 33,347 pertain to minorities, after amortization, depreciation and impairment applied for a total of Euro 857,844 and provisions made for current and deferred tax in the amount of Euro 506,029. The EBITDA of the Group in the HY amounted to Euro 1,865,279.
Below is the analysis of the company's position and the trend of operations relative to the HY just ended.

1. Introduction

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

Although not having met the requirements laid down by article 27 of Legislative Decree no. 127/1991, the administrative body of MailUp S.p.A. (hereinafter MailUp or the company) resolved to draft the Consolidated and Financial Statements of the parent company on a voluntary basis, in accordance with International Accounting Standards (IAS/IFRS) insofar as MailUp (and the Group it heads) has exercised the faculty envisaged by articles 2-3 of Legislative Decree no. 38/2005.

In this document, we provide information regarding the Group's consolidated position. This report, drawn up with balances expressed in Euro, is presented so as to accompany the Consolidated Half-Year Report for the purpose of providing income-related, equity, financial and operating information on the Group accompanied, where possible, by historic elements and forecasts valuations.
The Consolidated Balance Sheet as at 31/12/2017 is shown for comparison purposes in addition to the Consolidated Income Statement as at 30/06/2017.
With reference to the Consolidated Half-Year Report, which strives to ensure standardized measurement criteria and has been prepared on the basis of full consolidation, please note that the consolidation scope is as shown below (as at 30/06/2018):

Company name	Registered office	Share capital as at 30/06/2018	%
MAILUP S.P.A.	Milan	Euro 354,986.68	parent company
MAILUP INC.	United States of America	Euro 41,183*	100%
MAILUP NORDICS A.S.	Denmark	Euro 67,001*	100%
GLOBASE INTERNATIONAL A.P.S.	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	70%**

(* historic exchange rate applied as at the date of first consolidation)
(** as of 01/08/2018, the controlling shareholding in Acumbamail held by MailUp is 100%)

2. Economic Framework HY1 2018

The first quarter of 2018 recorded an increase in Italian gross domestic product (GDP) of 0.3% compared to the previous quarter and equal to 1.4% compared to the first quarter of 2017, characterized by the same number of working days in the first quarter of 2018. GDP benefited from an increase in the added value of the primary and tertiary sector and steady stability of the industry. In the second quarter of 2018, GDP increased 0.2% over the previous quarter and 1.2% compared to the second quarter of 2017. The widespread economic growth of GDP on 31 July 2018 was 0.2% while the trend was 1.1%. The change in GDP acquired for 2018 was +0.9%. Compared to the previous quarter, all the main aggregates of domestic demand increased, with 0.1% growth in national final consumption and 2.9% in gross fixed investment. Imports grew by 1.8%, while exports decreased by 0.2%. National demand, net of inventories, contributed 0.6 percentage points to GDP growth, with zero contribution both to household consumption and to private social institutions, and to the expenditure of public administrations and a positive contribution of 0.5 percentage points of gross fixed investments. The change in inventories contributed positively to the change in GDP by 0.2 percentage points, while the contribution from net foreign demand was negative by 0.5 percentage points. Positive economic trends were recorded for the added value of the industry and services equal to +0.3% and +0.2% respectively, while the added value of agriculture decreased by 1.4%. In the second quarter, the growth of the Italian economy continued, albeit at a slower pace than in the Eurozone. The current cyclical phase is characterized by a sustained expansion of investments, a negative contribution from net foreign demand and a reduction in labour productivity. The widespread sectoral growth decreased in the manufacturing sector in the face of stability in services. Inflation is recovering, with a trend even lower than that of the Eurozone.

After the slowdown observed in the first quarter, the short-term outlook for the global economy remains broadly favourable. World trade, while continuing to expand, has decelerated; the risk is increasing that global trade and the activity of companies operating on international markets are being held back by the aggravation of commercial tensions between the United States and the main economic partners. Growth continues in the Eurozone, despite the deceleration recorded in recent months. The increase in loans to businesses continued, favoured by extended supply conditions and low financing costs and by the good performance of investments. The dynamics of loans to households remained solid, both for the purchase of housing and for consumer credit. The incidence of impaired loans on total loans provided by banks continued to decline. In the last days of May and in early June, the volatility of our country's financial markets intensified, in connection with the uncertainty regarding the formation of the new Government: the yields of Italian government bonds increased, also due to the shorter maturities, and stock market prices fell, particularly in the banking sector. The tensions were partially reabsorbed starting from the second week of June.

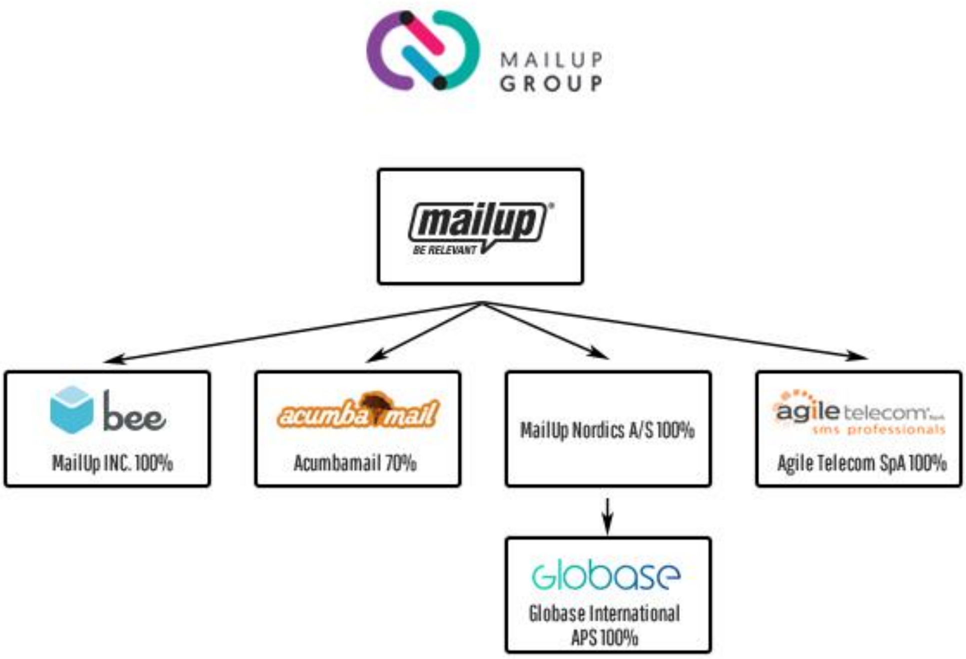
The Group

The parent company MailUp is a legal entity organized according to the law of the Italian Republic, which operates in the sector of marketing technology (MarTech) on the cloud. MailUp has developed a multi-channel Software-as-a-Service (SaaS) platform (e-mail, newsletter, SMS and social) of cloud computing for the professional management of digital marketing campaigns used by over 10,000 direct customers, in addition to numerous indirect customers managed by the widespread network of retailers. At consolidated level, the Group operates with over 20,700 customers distributed in 115 countries and is present with its offices on three continents with a staff of over 170 employees. The Group's core business is represented by the development and sale of (i) technologies for the mass sending of e-mails and mobile messaging, in particular through the SMS channel, for marketing purposes, (ii) sophisticated e-mail and newsletter editing tools, (iii) innovative solutions in marketing technology, in addition to (iv) professional consulting services in this area.
After admission to trading in 2014 on the AIM Italia market operated by Borsa Italiana (Italian Stock Exchange), MailUp added to the organic growth a development path for external lines, acquiring established and emerging businesses in the same market segment or complementary businesses: Acumbamail (Spanish market and LatAm), Globase (Nordics market) and Agile Telecom (SMS wholesale market).

Pursuant to article 2428 Civil Code, it is noted that the activities of the parent company were carried out in HY1 2018 at the registered office in Milan, viale Restelli 1, and at the administrative office of Cremona, via dell'Innovazione Tecnologica 3, at the CRIT – Center for digital innovation technology.
In HY1 2018, from a legal viewpoint, MailUp played the role of parent company of the following companies, which carry out complementary and/or functional activities to the Group's core business:

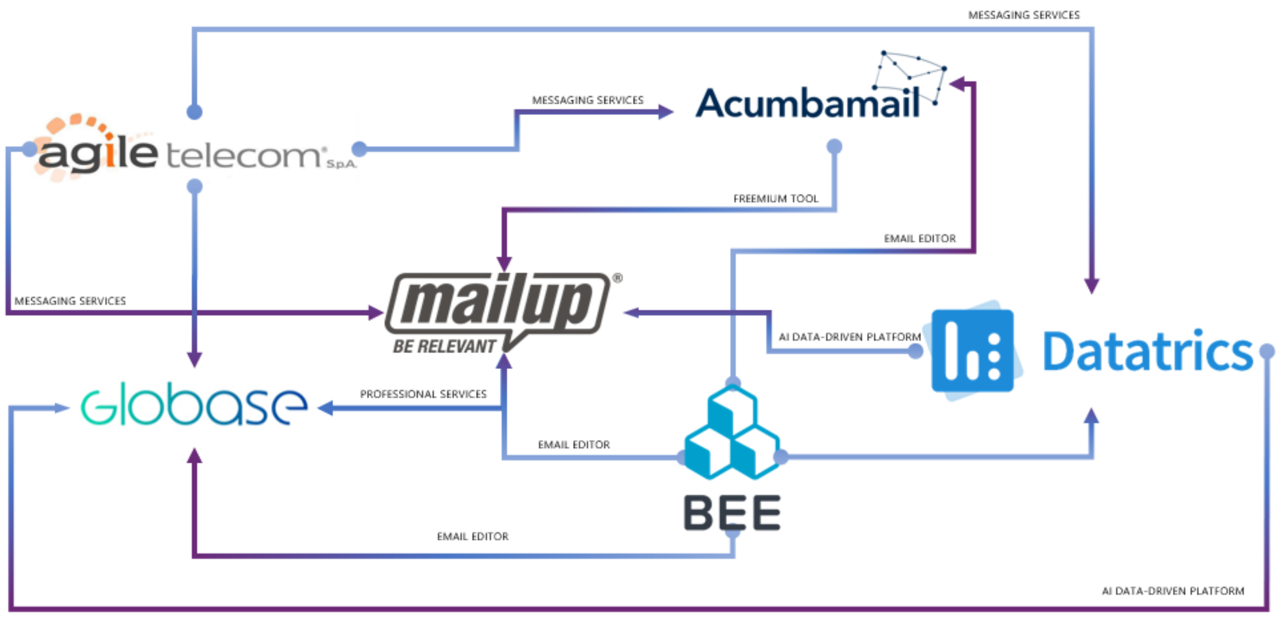
- MailUp Inc.
- Acumbamail S.L.
- MailUp Nordics A.S.
- Globase International A.p.S.
- Agile Telecom S.p.A.

Below is the Group's participation structure updated as at 30/06/2018.



The paragraph on significant events occurring after the end of the half-year provides details on the acquisition of the remaining 30% of Acumbamail capital on 01/08/2018 and above all the subscription on 19/09/2018, of the binding agreement for the acquisition of a totalitarian shareholding in Datatrics B.V., a Dutch company founded in 2012 and owner of a cutting-edge proprietary predictive marketing platform.

The growth path by external lines through acquisitions undertaken by the MailUp Group has allowed, and will allow more and more in the future, in light of the further developments highlighted above, developing significant product strategies in the technological area, summarized in the graphical representation below already comprehensive of future additions with Datatrics B.V.:



MAILUP GROUP

Main events of HY1 2018

In HY1 2018, the activities of the MailUp Group were characterized by the events indicated below:

On 01/01/2018, Cinzia Tavernini took on the role as **CEO** of **Globase**. In her new role, she will continue to promote the adoption of the company's latest e-mail marketing platform, Globase V3. The Group has in fact chosen to push strongly on the integration of the Globase and MailUp business units, launching the new version of the Globase V3 product, based on the cutting-edge technology of MailUp, already used by thousands of customers all over the world. The new version of the platform presents a series of improvements, such as native integration with CRM platforms and e-commerce such as Microsoft Dynamics, Salesforce and Magento and it also respects the new European regulation on data protection (GDPR). Cinzia Tavernini has been in Copenhagen at Globase since the beginning of 2017, where she started working, as Chief Revenue Officer, on the migration of an increasing number of customers towards Globase V3. Previously, she has worked for MailUp for over three years, as head of international sales.

On 24/01/2018, the MailUp Group announced that it had already adopted various measures starting from the previous year functional to the strategic objective of pursuing the **listing on the main market of Borsa Italiana (MTA)** and in particular in HY1 2018, the following is noted in this regard:

- the Board of Directors of the parent company has appointed Micaela Cristina Capelli and Armando Biondi as Independent Directors. In addition to the highly appreciated professional contribution in terms of skills and experience, the presence of Micaela Cristina Capelli meets the requirement of having at least one female component in the administrative body;
- the MailUp Group introduced an updated management control system and finalized an incentive plan (MBO) for the first management lines.

On 31/01/2018, MailUp, for some time engaged in the **promotion of gender diversity** in its staff, communicated the results of the various measures introduced to promote this process. The incidence of females reached 44% of employees at consolidated level, compared to 28% in 2014, at the time of the IPO.

On 27/03/2018, the Board of Directors of MailUp announced that it had received the **resignation from the Managing Director Giandomenico Sica** with immediate effect. Giandomenico Sica considered it appropriate to interrupt the relationship with the MailUp Group after recognizing that the Group's supporting role had been exhausted, opening up to a new course capable of meeting the new challenges facing the Group's future.

On 15/05/2018, the Board of Directors announced that it verified, with reference to the documentation produced and the information in its possession, **the existence of the independence requirements of the Board Member Ignazio Castiglioni**. With the approval of the Financial Statements for the year ended 31/12/2017, the mandate of the Supervisory Body appointed for three financial years has expired. Therefore, in the same session, the Board of Directors conferred to the Lawyer Gabriele Ambrogetti of Studio Operari Lex the task of monocratic Surveillance Body of the company. The new Body will remain in office for three financial years and specifically until the approval of the Financial Statements for the year ended 31/12/2020.

On 13/06/2018, the Board of Directors of MailUp assigned to the **Director Micaela Cristina Capelli the role of Investor Relator** of the company, delegating to the same certain and specific managerial powers, functional to the aforementioned task and in general the coordination of marketing and management of relationships with investors and the market. As a result of the foregoing, Ms Capelli is qualified as Executive Director of the company, no longer endowed with the independence requirements pursuant to article 148, paragraph 3, of the Consolidated Finance Act (TUF).

The Board of Directors of MailUp is therefore as follows:

Matteo Monfredini	Chairman
Nazzareno Gorni	Chief Executive Officer
Micaela Cristina Capelli	Executive Director
Armando Biondi	Independent Director
Ignazio Castiglioni	Independent Director

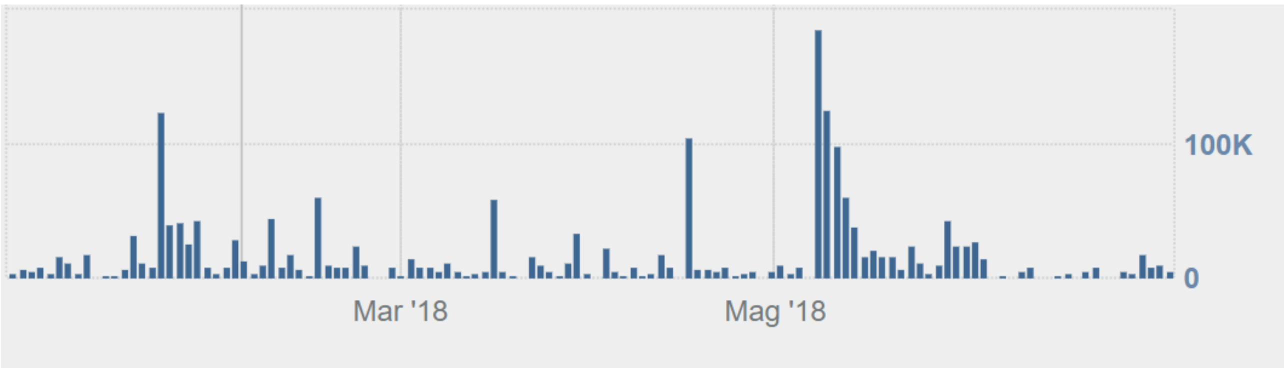
Below is some data on the prices and volumes of the MailUp security in HY1 2018.

Placing price	Euro 1.92*	29/07/2014
Maximum price HY1 2018	Euro 2.75	25/01/2017
Minimum price HY1 2018	Euro 2.04	18/06/2018
Price at period-end	Euro 2.10	29/06/2018

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

After a particularly brilliant 2018 start, with the maximum price for the period highlighted in the table at the end of January and the monthly average at Euro 2.54 per share, the MailUp security recorded a gradual decline, recording the minimum value of the half-year in June. The average price of the MailUp share, in HY1 2018, reflects this trend, reaching Euro 2.32, with a progressive decline in the second quarter, Q2 average Euro 2.25 compared to the same Q1 value of Euro 2.42 (-7.02%), and a negative trend that in June 2018, brought the monthly average to Euro 2.104, coinciding with the uncertainty phase that involved the Italian financial markets following the appointment of the new Government. In the period immediately following the close of HY1 2018, the security was affected by a positive rebound that brought the price to Euro 2.41 on 11/07/2008 and marked the return to prices in the range of Euro 2.30 - 2.20 per share. While remaining far from the highs of 2017 (3/07/2017 at Euro 2.9840) and below the encouraging performance of HY2 2017, the security was still well above the average recorded in the corresponding period of the previous year (Euro 1.978, +18%).

Performance of the MailUp security in HY1 2018: prices – Source www.borsaitaliana.it



MailUp security in HY1 2018: volumes – Source www.borsaitaliana.it

Apart from the 188,760 pieces of 08/05/2008, the highest level reached in the half-year under review, and some peaks in January and May 2018, average daily volumes traded over the period were on average 7,800 units, much lower compared to the 22,872 pieces of HY1 2017 and the same overall figure of the previous year, equal to 27,754 pieces per day, reaffirming a trend that had already emerged in the final months of 2017.

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

The Marketing Technology (MarTech) Market

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

MarTech overview: ample, complex, fragmented and segmented

In the last decade, technology and traditional off-line marketing have found a fertile common ground of development and contamination that has led to the proliferation of cloud marketing strategies, solutions and tools that make up the ecosystem of Marketing Technology or MarTech. In recent years, the growth of the ecosystem has been exponential, at a rate of around 30x, going from around 150 application solutions in 2011 to over 5,000 in 2017.

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

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

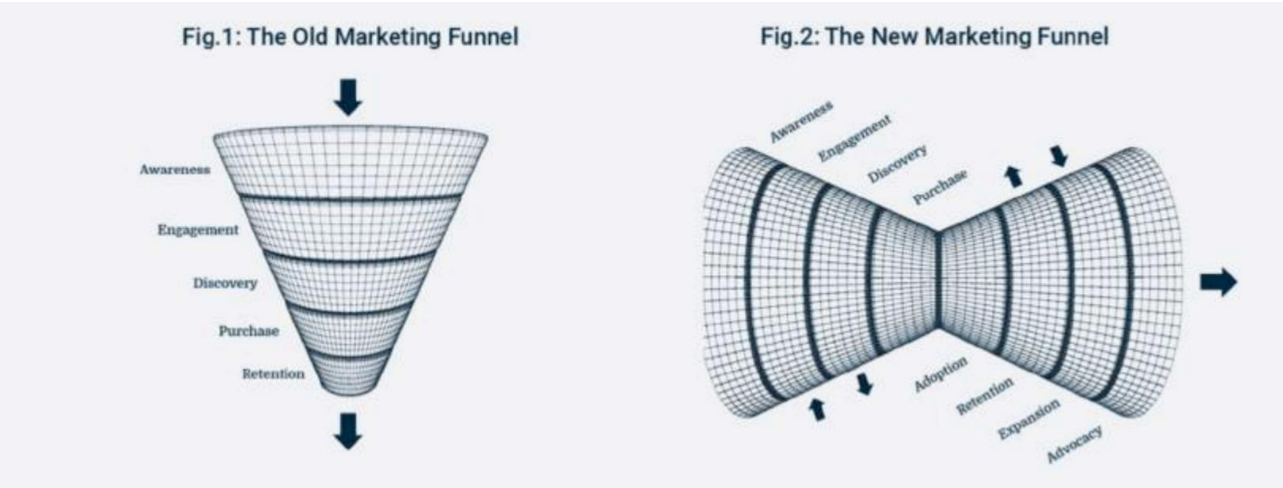
In the MarTech area, e-mails and text messages are still the most used and fastest-growing tools among the solutions available, above all for their effectiveness deriving from their combined use in marketing strategies.

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

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

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



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

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

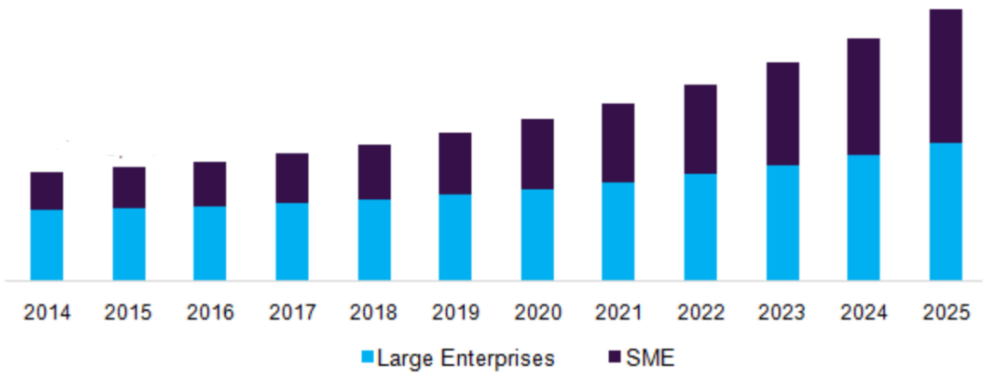
The most appropriate segments in which to place the MailUp Group within the MarTech ecosystem are the following:

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

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

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

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



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

Competitors' behaviour

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

In such a large, complex and interconnected market, companies must necessarily specialize in a niche or aggregate / include in their offer the most ample and most varied portfolio of alternative solutions. For this reason, from start-ups and micro / small companies to large software multinationals such as Adobe, IBM, Oracle, Salesforce and SAP coexist in the MarTech ecosystem.

The former are developed and sized by their founders to operate within a specific market niche, while the large players are structured to manage multiple and diversified segments at the same time. This is possible since marketing technologies are basically based on cloud applications, like MailUp, which can be accessed in stand-alone mode or can be incorporated as part of more complex platforms.

In order to facilitate access to this market, most players have in fact allocated significant resources to the development of integrations of their marketing technology platform, through plug-and-play applications, for example with the main CRM systems and the most widespread marketing automation platforms. The iPaaS (integration-Platform-as-a-Service) platforms have also significantly increased correspondingly, leading to an increase in the overall level of integration between the various marketing technologies.

This process has become an advantage for marketers who have thus been able to choose the best product available without necessarily being tied to a single supplier.

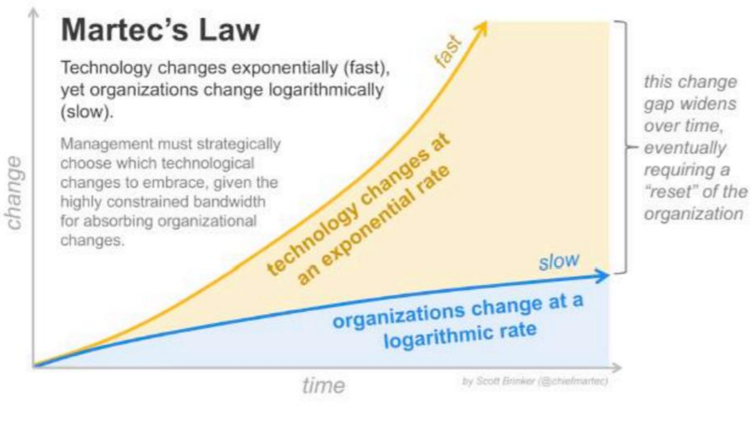
Market consolidation: the probable scenario in the immediate future

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

At least 1,500 new solutions in marketing technology have been launched in recent months; however, in the face of these figures, less than 100 innovative SaaS players have 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 these trends, the number of M&A transactions that are affecting the market is growing particularly sharply. In January 2018, 81 transactions were recorded, 43 of which had an aggregate value of USD 3.7 billion. Among the main operations that have been announced or finalized recently, we note the acquisition of Motion AI by Hubspot, Link Mobility, which carried out several acquisitions in Europe aimed at expanding its operating scope and the acquisition of Mulesoft by Salesforce.

That said, there are strong expectations that this expansion in the number of participants will be exhausted, 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 amount of M&A transactions in the sector has in fact reached USD 120 billion, equal to about 40% of the total market capitalization of cloud companies. 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 five 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 MailUp 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.

MailUp, thanks to its multi-channel SaaS cloud platform, is the Italian leader in e-mail and SMS marketing automation and is among the top ten operators in the sector at European level, although it is difficult to precisely indicate the size of participants for the variety and different types of players involved. In 2017, the MailUp platform sent 12.6 billion e-mails among newsletters, DEM and transactional messages.

Social, political and union climate

The internal social climate, both in Milan and in the office of Cremona, as well as at the offices of subsidiaries, is positive and focused on full collaboration.

Operating performance in Group sectors

In HY1 2018, the MailUp Group recorded positive results. Total consolidated revenues went from Euro 13 million to over Euro 18 million, an increase of almost Euro 5 million, 38% in percentage terms. Moving on to the main business lines, the SMS segment recorded the most striking growth with over Euro 4.4 million of higher consolidated revenues (+59%) over the same period of 2017, thanks in particular to the brilliant results of Agile Telecom. The BEE editor also had a very significant growth in the HY from Euro 184 thousand in revenues to nearly Euro 426 thousand (+132%), demonstrating how the product, a sort of start-up within the Group, is rapidly appealing to US marketers, and not only. The mail segment, by its very nature the most stable and consolidated within the Group, recorded an increase of 8%, amounting to more than Euro 5 million in revenues. In fact, it mainly refers to annual charges subject to automatic renewal save for termination, the churn rate of which is more than offset by the acquisition of new customers and up-selling to existing customers, who are extremely loyal and sensitive to quality of service. More dynamic and volatile, as well as highly price-oriented, the SMS business, as is derived from the dynamics mentioned above, marked by a very rapid and intense growth. Positive, even if limited trend of Professional Services, consultancy services for customization and training on the platforms provided at the request of customers, despite the fact that, for the first time in this Half-Year Report and only for 2018 values, they were presented discounting activities invoiced but not yet actually provided in compliance with the new IFRS 15 standard.
Consolidated EBITDA exceeded Euro 1.86 million, with a brilliant +56% compared to the first half of the previous year, equal to 10.3% of total revenues, while pre-tax profit exceeded Euro 1 million, an increase of over Euro 500 thousand compared to the same period of 2017, despite amortization of over 20% (Euro +146 thousand) deriving from the considerable investments in the platform, a strategic success factor for MailUp. Net profit in the HY, after the estimate of current and deferred taxes, amounted to Euro 513 thousand compared to Euro 158 thousand in the previous period, up 225%, corresponding to Euro 355 thousand in absolute value.

Alternative performance indicators

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

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

EBITDA: given by the operating result gross of depreciation and amortization of tangible and intangible assets.

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

• Reclassified Balance Sheet

The items included in the reclassified statement of financial position are defined below as the algebraic sum of specific items contained in the Consolidated Half-Year Report:

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

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

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

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

Net financial position: given by the algebraic sum of:
- Cash and cash equivalents
- Current and non-current payables to banks
- Other financial payables

Main economic figures of the MailUp Group

The table below summarizes the results consolidated in the HY compared with the previous period in terms of total revenues, EBITDA and pre-tax result (EBT).

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

MAILUP GROUP

Income Statement Amounts expressed in units of euros	30/06/2018	%	30/06/2017	%	Delta	Delta %
Email revenues	5,066,870	28.1 %	4,702,584	35.9 %	364,286	7.7 %
SMS revenues	11,951,648	66.3 %	7,512,506	57.4 %	4,439,142	59.1 %
Professional service revenues	243,705	1.4 %	218,413	1.7 %	25,292	11.6 %
Bee revenues	425,933	2.4 %	183,624	1.4 %	242,309	132.0 %
Other revenues	346,311	1.9 %	467,524	3.6 %	(121,213)	(25.9 %)
Total revenues	**18,034,467**	**100.0 %**	**13,084,651**	**100.0 %**	**4,949,816**	**37.83 %**
Cost of good sold (COGS)	11,685,772	64.8 %	7,358,342	56.2 %	4,327,430	58.8 %
Gross Profit	**6,348,694**	**35.2 %**	**5,726,309**	**43.8 %**	**622,385**	**10.87 %**
Sales & Marketing costs	1,358,425	7.5 %	1,542,898	11.8 %	(184,473)	(12.0 %)
Research & Development costs	420,234	2.3 %	454,058	3.5 %	(33,824)	(7.4 %)
Capitalised R&D payroll cost	(766,124)	(4.2 %)	(444,063)	(3.4 %)	(322,061)	72.5 %
Total R&D costs	1,186,358	6.6 %	898,121	6.9 %	288,237	32.1 %
General & Admin costs	2,704,756	15.0 %	2,531,451	19.3 %	173,305	6.8 %
Total operating costs	4,483,415	24.9 %	4,528,407	34.6 %	(44,992)	(1.0 %)
Ebitda	**1,865,279**	**10.3 %**	**1,197,902**	**9.2 %**	**667,377**	**55.7 %**
Amortisation, depr. & prov. G&A	(81,321)	(0.5 %)	(82,270)	(0.6 %)	949	(1.2 %)
Amortisation, depr. & prov. R&D	(660,055)	(3.7 %)	(489,103)	(3.7 %)	(170,953)	35.0 %
Amortisation, depr. & prov. COGS	(116,468)	(0.6 %)	(140,617)	(1.1 %)	24,148	(17.2 %)
Total Amortisation, deprecation and provisions	(857,845)	(4.8 %)	(711,989)	(5.4 %)	(145,855)	20.5 %
Ebit	**1,007,435**	**5.6 %**	**485,913**	**3.7 %**	**521,522**	**107.3 %**
Net financial income (expense)	11,707	0.1 %	(42,928)	(0.3 %)	54,635	(127.3 %)
Ebt	**1,019,142**	**5.7 %**	**442,985**	**3.4 %**	**576,157**	**130.1 %**
Income tax	(377,285)	2.1 %	(313,487)	(2.4 %)	(63,798)	20.4 %
Advance tax	(112,671)	0.6 %	44,279	0.3 %	(156,950)	(354.5 %)
Deferred tax	(16,073)	0.1 %	(16,046)	(0.1 %)	(27)	0.2 %
Profit (loss) for the year	**513,113**	**2.8 %**	**157,731**	**1.2 %**	**355,382**	**225.3 %**
Group interest in profit (loss)	479,766	2.7 %	130,831	1.0 %	348,936	266.71 %
Minority interest in profit (loss)	33,347	0.2 %	26,900	0.2 %	6,447	23.97 %

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

		30/06/2017	*30/06/2017*
Net ROE	(Net result/Net capital)	0.04	0.02
Gross ROE	(EBT/Net capital)	0.07	0.06
ROI	(EBITDA/Net capital)	0.05	0.05
ROS	(EBITDA/Income from sales)	0.11	0.09

The consolidated income indices reflect the positive consolidated economic performance of HY1 2018, with sharp growth in EBITDA, EBIT, EBT and Net Profit of the Group, compared to the same period of the previous year. All the ratios presented show an improvement in the six-month period, with the exception of ROI, which is in line with the 2017 value.

Main equity figures of the MailUp Group

The Group's reclassified balance sheet, as compared with that of the previous Financial Statements year-end, is as follows (figures are expressed in Euro):

Balance Sheet Amounts expressed in units of Euros	30/06/2018	31/12/2017	Delta	Delta %
Intangible fixed assets	4,139,730	3,970,669	169,061	4.3 %
Goodwill	9,829,834	9,829,834	0	0.0 %
Tangible fixed assets	980,231	1,011,029	(30,799)	(3.0) %
Financial fixed assets	198,577	237,538	(38,961)	(16.4) %
Fixed assets	**15,148,371**	**15,049,070**	**99,301**	**0.7 %**
Trade receivables	4,948,851	3,705,331	1,243,520	33.6 %
Trade payables	(5,649,416)	(4,710,537)	(938,879)	19.9 %
Commercial net working capital	**(700,565)**	**(1,005,206)**	**304,642**	**(30.3) %**
Tax receivables and payables	621,209	777,012	(155,803)	(20.1) %
Accruals and deferrals	(5,800,350)	(5,328,250)	(472,100)	8.9 %
Other receivables and payables	(2,298,573)	(1,552,663)	(745,910)	48.0 %
Net working capital	**(8,178,278)**	**(7,109,107)**	**(1,069,171)**	**15.0 %**
Provisions for risks and charges	(185,719)	(129,580)	(56,139)	43.3 %
Staff funds	(1,179,130)	(1,115,151)	(63,980)	5.7 %
Net invested capital	**5,605,243**	**6,695,232**	**(1,089,989)**	**(16.3) %**
Share capital	354,987	354,237	750	0.2 %
Reserve	13,556,194	12,924,712	631,482	4.9 %
Profit (loss) for the year	479,766	549,013	(69,247)	(12.6) %
Shareholders' equity of minority interests	155,135	121,788	33,347	27.4 %
Shareholders' equity	**14,546,082**	**13,949,751**	**596,332**	**4.3 %**
Short-term payables/(cash)	(9,413,045)	(9,026,526)	(386,519)	4.3 %
Financial assets not held as fixed assets	(501,494)		(501,494)	
Medium/long-term payables	973,699	1,772,007	(798,308)	(45.1) %
Net financial position	**(8,940,839)**	**(7,254,518)**	**(1,686,321)**	**23.2 %**
Total sources	**5,605,243**	**6,695,232**	**(1,089,989)**	**(16.3) %**

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

		30/06/2018	*30/06/2017*
Primary Structure Margin	(Own funds-Fixed assets)	(1,432,106)	(2,038,590)
Primary Structure Ratio	(Own funds/Fixed assets)	0.91	0.87
Secondary Structure Margin	(Own funds+Consolidated liabilities)-Fixed assets)	906,619	978,147
Secondary Structure Ratio	(Own funds+Consolidated liabilities)/Fixed assets)	1.06	1.06

Compared to the previous financial year-end closing, the coverage guaranteed by the Group's own resources for investments related in particular to growth by external lines and to the financing of research and development activities improved. The targeted use of medium-term bank debt, favoured by the favourable economic situation of deposit rates and the creditworthiness widely granted by the banking system to the Group, and the collection of resources from investors have favoured this positive effect on structure ratios. All the indicators of the Consolidated Balance Sheet show an excellent balance between assets and liabilities with a similar time horizon.

Main financial figures for the MailUp Group

The consolidated net financial position as at 30/06/2018 was as follows (in Euro):

Net Fiancial Position	30/06/2018	31/12/2017	delta	delta%
A. Cash	11,070,510	10,706,217	364,293	3.4%
B. Cash equivalents	-	-	-	
C. Assets held for sale	501,494	-	501,494	
D. Cash and cash equivalents	**11,572,004**	**10,706,217**	**865,787**	**8.1%**
E. Current financial assets	**-**	**-**	-	
F. Due to banks	37,306	37,643	(337)	(0.9%)
G. Current financial debt	1,620,159	1,642,048	(21,889)	(1.3%)
H. Due to other provider of finance	-	-	-	
I. Current financial position (F) + (G) + (H)	**1,657,465**	**1,679,691**	**(22,226)**	**(1.3%)**
J. Net financial position short term (I) - (E) - (D)	**(9,914,539)**	**(9,026,526)**	**(888,013)**	**9.8%**
K. Due to banks	973,699	1,772,007	(798,308)	(45.1%)
L. Bonds issued	-	-	-	
M. Due to other provider of finance	-	-	-	
N. Non current financial position (K) + (L) + (M)	**973,699**	**1,772,007**	**(798,308)**	**(45.1%)**
O. Net financial position (J) + (N)	**(8,940,840)**	**(7,254,519)**	**(1,686,321)**	**23.2%**

CESR 54/B 2005 recommendation
Communication no. DEM/6064293 of 28/07/2006

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

		30/06/2018	*30/06/2017*
Primary Liquidity	(Immediate and deferred liq./Current liabilities)	0.99	1.04
Secondary Liquidity	(Current assets/Current liabilities)	1.05	1.06
Debt	(Net debt/Shareholders' equity)	(0.58)	(0.52)
Fixed asset hedging rate	(Own capital+Consolidateed liabilities)/Fixed assets	1.02	1.02

The dynamics of the NFP remained extremely positive also in HY1 2018, as shown in the table above and the negative sign of the indebtedness index that shows the prevalence of available liquidity with respect to indebtedness. Against the reimbursement of almost Euro 900 thousand of medium/long-term loans, cash availability increased by more than Euro 350 thousand. The specific indices relating to liquidity reiterate a positive, balanced and stable financial structure compared to the already brilliant results of the previous year. As in the past, the Group does not use external indebtedness to finance its core business, while leverage through bank borrowing is aimed specifically at financing extraordinary M&A activities and investments in research and development projects. For a detailed analysis of the items making up the NFP, with reference to the Explanatory Notes contained in the file of the Consolidated Half-Year Report.

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 the year, no incidents took place nor any injuries at work involving staff on the payroll nor indeed were any charges recorded with regards to occupational diseases on employees or former employees and mobbing cases.
As at 30/06/2018, the Group's workforce numbers 163 employees, of whom 4 managers, 8 middle managers, 150 white-collar workers and 1 part-time labourer.
As at 31/12/2017, the Group's workforce numbered 140 employees, of whom 4 managers, 7 middle managers, 128 white-collar workers and 1 part-time labourer.
As at 30/06/2018, the MailUp workforce totalled 134 employees, of whom 2 executives, 6 middle managers and 126 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 company does not entail risks nor any onset of situations that may damage the environment.

Investments

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

Fixed assets	Period acquisitions
Platform development costs	798,560
Third-party software and trademarks	70,623
IT infrastructure, electronic office machines and systems	112,603
Office furniture and furnishings	18,010

of which investments pertaining to the parent company alone, as specified below:

Fixed assets	Period acquisitions
Platform development costs	512,939
Third-party software and trademarks	70,623
IT infrastructure, electronic office machines and systems	95,259
Office furniture and furnishings	18,010

Given the nature of its business, the investments made by MailUp are historically concentrated on intangible assets and, in particular, on the incremental development of the SaaS proprietary digital marketing platform, of which, for HY1 2018, specific details are given in the next paragraph regarding the development activity carried out.
The material investments of MailUp are typically represented by equipment, servers and electronic machines designed to enhance and update the IT infrastructure, absolutely strategic for its core business, as well as furniture and furnishings related to the set-up of offices.

Research and development

In accordance with Civil Code article 2428, paragraph 2, number 1, it is specified that in HY1 2018, the Group entered development costs for Euro 798,560, of which 512,939 related the parent company alone. As at 30/06/2018, net of the related amortization/depreciation, these totalled Euro 3,857,641. The parent company mainly carries out incremental development activities in relation to the SaaS MailUp platform of digital marketing on the cloud. The costs incurred for this development were capitalized by virtue of the future economic use, certifying the potential economic and financial recovery of the investment. It is also noted that BEE software development costs amounted to Euro 280,657 in HY1 2018. The BEE editor, originally developed by MailUp, was transferred at the end of 2016, in its two main versions, BEE Plugin and BEE Pro, to the American subsidiary MailUp Inc, which deals exclusively with its commercialization. The development activity, contracted by the subsidiary to the parent company by virtue of specific contractual agreements, is carried out by an Italian team of developers under MailUp assisted by an American colleague and coordinated by the management of MailUp Inc.

Below we summarize the main additions and improvements made to our software in the first half of the year as a result of research and development.

MailUp Platform:

- The first months of the year were dedicated to the management of external content, new messaging channels and the inclusion of the latest adaptations in view of the entry into force of the GDPR. The work on the messaging channels, which allow sending campaigns on Facebook Messenger and Telegram, has undergone numerous postponements due to the temporary and unilateral closure by Facebook towards the development of third-party integrations. The situation was then released in August, allowing the publication of the function in the first autumn release;

- The import engine for the insertion of recipients in MailUp was completely redesigned in the first six months of the year, achieving a faster, more robust and scalable solution than the previous one. The first to benefit from this new solution were customers who have customized solutions;

- The web services provided as REST API have been enhanced by a new authorization module, which allows more granular control over the use of the services and allows the introduction of usage limits according to the plan signed during the purchase phase. The development of this module was performed in the second quarter of 2018.

- The error management system (bounce) has been completely revised to introduce more advanced algorithms for more correct management of temporary errors. The introduction of these new algorithms implements a solution that enhances the important MailUp know-how in terms of deliverability and creates an element of distinction with respect to the competition. After a prolonged period of production simulation, the algorithms will be fully operational from October 2018.

- In April, we launched the first major update of the year, which collects the results of seven months of processing. The main features introduced concern the management of content from external sources and automatic campaigns. Simplified access to external sources is a very important addition for MailUp. External content can be taken automatically from an external source (ex. RSS feed) and made available in the Bee editor or even inserted in an automatic campaign (ex. automatically send an e-mail every time there are 3 new news items from a certain RSS feed). In addition, the release provides the pop-up registration forms that the customer MailUp can provide on its website.

- In May, MailUp launched a new set of features, to import external content into the BEE editor and insert it as modules – from the predefined and optimized layout – into the e-mail. Thanks to content sources and customized forms, MailUp thus makes the process of creating e-mail with external content, such as blog articles or additions in an e-commerce catalogue, quick and automated. Introduced in April, content sources have been extended to allow uploading RSS and Atom feeds, as well as csv, json and zip files. Particularly useful for e-commerce and realities that use constantly updated blogs and website, the sources make loading of content on the platform immediate, with the possibility of automating the creation and sending of e-mails. To integrate and develop the sources, the customized modules make the contents loaded through the source available in the BEE editor. From the predefined and optimized layout, customized forms can be inserted into the e-mail body with simple drag and drop operations, with the possibility of retouching images, texts and call to action.

BEE Editor:

BEE, the drag-and-drop editor for e-mails and landing pages owned by the subsidiary MailUp Inc., is continuing to record sharp growth both as a component to be integrated into other software applications (BEE Plugin), and as a suite for e-mail creation for freelance designers, digital agencies, and marketing teams of companies (BEE Pro). In the first six months of the year 2018, the business unit invested in the development and distribution of both versions:

- BEE Pro: many improvements have been introduced, both from the point of view of managing the purchase funnel and in the product itself. From the point of view of the acquisition of new customers, various areas of the beefree.io site have been updated and enriched and the conversion process from the free version to the paid version has been optimized, with an increase of about 20% of the monthly number of trial accounts. From the point of view of the product, many new features have been developed. The following is a partial list. Considering that the fonts used are a key element in e-mail design, features have been introduced to add and manage new fonts, and limit the fonts available according to those approved in the company brandbook; the possibility has been introduced for an administrator user to block specific areas of an e-mail message (ex. a footer containing legal information) so that other users with less permissions (ex. a young employee) cannot alter such contents; the management of additional users has been improved and a quantity discount structure has been introduced to encourage the creation of new users; new connectors have been added and improved to some of the most popular e-mail marketing platforms, including MailChimp, SendGrid, HubSpot, and of course MailUp; numerous improvements to the user experience have also been made, such as the ability to copy and move entire projects. All this not only led to a sharp growth in the turnover generated by the product, but also to a value of Net Promoter Score (NPS) constantly higher than 50, a very positive benchmark in measuring customer satisfaction for SaaS applications in the business-to-business sector;

- BEE Plugin: investments continued in the development of key features for BEE editor, making it increasingly powerful, flexible and configurable by the applications in which it is incorporated. As indicated in the long list of new additions that can be viewed at the address https://docs.beefree.io/updates/, there have been numerous improvements. Among the most important, we point out: the addition of the video content block; the custom rows function, which allows transferring predefined contents to the BEE editor (ex. products, events, blog articles, etc.) that become rows that can be dragged and modified in the message; the content dialog function, which allows the application that integrates the editor to communicate interactively with the same, improving the user experience (ex. a window can be displayed in which the user can look for the link to associate with an image or a button, instead of having to select it and copy it elsewhere); the hide on mobile devices function, which allows the designer to hide elements of content not suitable for viewing on a smartphone; improvements to the interface and functionality of the image manager, including the possibility to upload multiple files at the same time, as well as many other new features.

- 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 customer of BEE Plugin. It is in fact a software application that incorporates the BEE editor integrating it through the BEE Plugin service. Acumbamail and MailUp, two other applications within MailUp Group, are in turn customers of BEE Plugin. This means that the improvements in the BEE editor have a positive impact on the other applications of the Group, generating a virtuous cycle that is extremely important and positive as it contributes to the constructive exchange of information and product innovation to the advantage of all the Group business units.

Always in the context of research and development, we note the completion of the project **Innovative Big Data Analytics System**, completed at the end of February 2018, which benefits from a contribution from the Lombardy Region of Euro 860 thousand against an investment of over Euro 2 million, already collected for half of the amount, a project now fully reported. In the section Significant events after the reporting half-year, the positive conclusion of the preliminary investigation procedure for the assignment of a loan of Euro 5.1 million is reported (the funds include a non-repayable contribution for Euro 1.3 million) of 16/07/2018. This is a research and development project called **NIMP – New Innovative Multilateral Platform**, to be carried out in the three-year period that started on 01/03/2018 with the participation, among others, of the Politecnico of Milan as a scientific partner and financed by the Ministry of Economic Development and Cassa Depositi e Prestiti, as well as Banca Popolare dell'Emilia Romagna as a banking partner. The proposed project is part of the intervention of the **Digital Agenda** and in particular in the area of Technologies for the innovation of the creative industry, content and social media.

Transactions with subsidiaries, associates, parents and other related companies

In HY1 2018, MailUp entered into transactions with subsidiaries included in the Group scope, associated companies and other related parties, as part of the Group's core business. Interventions all aimed to promote the 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. The transactions essentially concern the provision of services that are part of the Group's typical activities, the holding activities provided by the parent company, for example accounting, legal, administrative services in general, funding and the use of financial resources. Said relations come under the scope of ordinary business management and are stipulated at arm's length, or at the conditions that would have been established between independent parties.

Company	Fixed Receivables	Trade receivables	Trade payables	Other receivables	Other payables	Dividends	Sales	Purchases
MailUp Inc	180,134	457,240	27,755				277,858	37,037
MailUp Nordics	408,143							
Globase International Aps		171,148					74,686	
Agile Telecom		144,719	1,810,095	873,933	814,372	873,933	145,250	1,115,674
Subsidiaries	**588,277**	**773,107**	**1,837,850**	**873,933**	**814,372**	**873,933**	**497,794**	**1,152,711**
Consorzio CRIT Scarl	64,641	26,646	1,220					
Associates	**64,641**	**26,646**	**1,220**					
Floor Srl								75,000
Zoidberg Srl					1,400,000			
Other related companies					**1,400,000**			**75,000**

With regards to the table above, please note that other payables due to Agile Telecom (Euro 814,372 vs the original Euro 1,206,512) are represented by the residual assumption, by MailUp, of debt by the seller with regards to Agile, which took place when the controlling shareholding was acquired. The amount due to Zoidberg for Euro 1,400,000 represents the second and third tranche of the earn-out to the seller of Agile Telecom and contractually defined by the parties. On 02/07/2018, as reported in the significant events after the reporting half-year, MailUp paid the second tranche for Euro 800 thousand, thus reducing the corresponding debt to the current Euro 600 thousand, expected to be paid 30/06/2019.
In addition to the 2016 loan granted by the Danish sub-holding MailUp Nordics to its 100% subsidiary Globase International ApS for Euro 203,693, on 26/06/2017, MailUp granted a loan, also interest bearing, to the same Nordics for Euro 202,448, which was subsequently transferred to Globase to support its operations. On 21/03/2018, a further Euro 201,383 were disbursed by MailUp as an interest-bearing loan from MailUp Nordics, which also transferred this provision to Globase, then at the same time converting the total amount financed, Danish Crowns 4,748,172, to the equity reserve.
The real estate Floor Srl, owned by some of the parent company's reference partners, has signed with MailUp the lease contract for the building where the offices of the Cremona premises are located. The items highlighted refer to the existing real estate lease.

Treasury stock and shares/holdings in parent companies

MailUp owns 62,400 treasury shares for a total of Euro 136,522, purchased in part in 2015, at a price of Euro 57,502, in 2016, at a price of Euro 54,964, in January 2017, for Euro 2,753 and in HY1 2018 for Euro 21,333, corresponding to 10,140 pieces. The average purchase price was globally equal to Euro 2.19 per share, while in the HY under review, this value was Euro 2.10 per share. The purchases made in 2018 were carried out as part of the program approved by the shareholders' meeting on 26/04/2018, which resolved to authorize the purchase and disposal of treasury shares and in particular the following:

- to revoke the previous resolution authorizing the purchase and disposal of treasury shares of 27/04/2017 with effect from the date of the meeting;
  - to authorize the Administrative Body to carry out operations involving the purchase and disposal of treasury shares to:
    (i) use its treasury shares as investment for efficient use of liquidity;

(ii) purchase treasury shares from the beneficiaries of any stock option plans approved or however implement new plans or in any case proceed with free assignments to shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with mandatory or 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) to intervene, in accordance with current regulations, also through intermediaries, to contain anomalous changes in listings and to regularize the trend of trading and prices;

- 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 company and its subsidiaries in the portfolio from time to time, does not exceed the 10% limit of the share capital.

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 to the segments in which it goes about its business, as well as to risks deriving from strategic choices or internal operating risks.
The identification and mitigation of such risks has been carried out systematically, allowing for the monitoring and timely overseeing of the risk levels detected.
Under the scope of the business risks, the main risks identified, monitored and managed by the company are as follows:
- risk connected with the general economic trend;
- market-related risks;
- risks connected with financial operations.

Risk connected with 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, although in a general context of growth of the Italian economy and the Eurozone, there are still general economic uncertainties and regarding international policy, the effects of which are unpredictable and cannot be easily measured. The current positive phase is following a long period of recession that has resulted in a significant deterioration of the economy. In Italy, like in other EU countries, widespread austerity measures have been adopted, which have negatively influenced consumer trust, their buying power and spending capacity. The MailUp Group has been able to grow and achieve important objectives. However, the possible re-emergence of the national and international crisis and the unpredictable effects of the same, can still have negative effects on the Group's business.

Market risks

The sectors in which MailUp and the Group operate are characterized by rapid technological development and suffer the competitive pressure deriving from the past pace of development of technology. The Group and company's success depends, amongst other aspects, on the capacity to innovate and strengthen its technologies, in order to respond to the technological progress in the sector in which it operates. The Group may consequently find itself having to cope with a more acute competition by virtue of the emerging technologies and services that may be introduced or implemented in the future. The new technologies, in fact, may limit or reduce the company's business and/or encourage the development and growth of new operators. In particular, the SMS system may be surpassed by other network-based systems (such as Messenger, WhatsApp, WeChat, Push Notifications), with the consequence that the Group may not be able to successfully and/or quickly manage any transition to the use of these technological platforms, although R&D activities are already underway in order to allow MailUp to be integrated with such systems.

If the solutions offered by the Group should be unable to satisfy the needs of clients and/or respond to technological progress, improvements will need to be made quickly to its technology platform 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 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 a new technology, negative effects may be seen on the consolidated economic, equity and financial position.

Risks connected with 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 finance and administration department, which, on the basis of formalized assessment and appointment procedures of commercial partners, seeks to minimize the risk. Following the economy's difficulties recently, stricter procedures have been adopted to quantify and control client risk levels. In order to reduce the risk of insolvency deriving from trade receivables, a series of measures has been introduced aiming to encourage the use of electronic payment systems (credit cards, PayPal) by customers, for example strengthening and innovating the e-commerce sale system. This choice resulted in the constant growth of collections made by electronic payment systems, 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. At present, also thanks to its listing on the AIM market and the excellent relations with the banking system, the MailUp Group enjoys a good level of liquidity and reduced debt, aimed exclusively at growth by external lines, implemented through acquisitions and the financing of investments in research and development.

In order to optimize the management of financial resources, reducing the liquidity risk, the Group has adopted processes for the systematic monitoring of prospective liquidity conditions, in connection with the business planning process. The Group expects to cope with its financial needs through the flows deriving from operations and cash on hand. Considering the positive trend of sales volumes, which is expected to be maintained in the forthcoming years, it is expected that in FY 2018, financial resources can be generated that, together with current funds, will be able to guarantee suitable support for the ordinary and extraordinary investments planned too.

It is considered that the liquidity risk is not significant.

Interest rate risk

The parent company has prudently resorted, from the end of 2015, to the financial leverage through the medium and long-term banking channel, also with respect to the favourable trend of debt costs, to support extraordinary growth operations by external lines and investments related to software development activities. As at 30/06/2018, consolidated bank debt is Euro 2,631,164, of which Euro 1,657,465 in the short-term, as compared with liquid funds of Euro 11,070,510.

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 mainly negotiated at variable rates. It is not possible to exclude that a rise in interest rates could result in an increase in related financial expenses with consequent negative effects on the economic and financial situation of the company, even if the net prevalence of own financial resources compared to recourse to indebtedness to third parties greatly reduces the possible impact.

Exchange rate risk

There are trade receivables and payables held in foreign currencies by MailUp, for limited amounts, mainly with regards to foreign subsidiaries, as well as marginal amounts for trade payables in foreign currencies with third-party suppliers and customers. The companies relating to the subsidiary MailUp Nordics, in particular Globase, operate on the Danish and Northern European market and the consolidated assets and liabilities in this Half-Year Report are originally denominated in Danish Krone. Also for MailUp Inc, the consolidated values are denominated in foreign currency, particularly in US Dollars. The Danish Krone/Euro exchange rate is extremely stable and historically oscillates only minimally. Exposure to risks connected with exchange rate fluctuation is therefore very limited.

Risk of recovery/impairment assets

The risk of recovering the value of the assets held by the Group takes concrete form in connection with the economic performance of the companies consolidated and the capacity to produce sufficient cash flow to guarantee recovery of the investment value.

This risk is monitored by the management through the regular verification of economic results, including under the scope of specific valuation procedures, such as, for example, by carrying out impairment tests at least once a year.

Significant events after HY end

On 02/07/2018, MailUp paid the **second Earn-out tranche**, in compliance with the agreements contained in the purchase and sale agreement of 29/12/2015, equal to Euro 800 thousand, to the seller **of Agile Telecom SpA**. The third and final tranche of the additional payment, amounting to Euro 600 thousand, will be paid by the parent company on 30/06/2019.

On 16/07/2018, MailUp Group announced the **positive conclusion of the preliminary investigation procedure for the assignment of a loan of Euro 5.1 million** (the funds include a non-repayable contribution of Euro 1.3 million), concerning a research and development project called NIMP – New Innovative Multilateral Platform, to be carried out in the next three years with the participation, among others, of the Politecnico of Milan as a scientific partner. The proposed project is part of the intervention of the Digital Agenda and in particular in the area of Technologies for the innovation of the creative industry, content and social media. It will allow the company to improve its competitive positioning in the area of relational marketing oriented to multi-channel and collaboration. In particular, the planned investments will allow the creation of new services and functionalities integrated with the MailUp platform, such as real-time content customization, automation and multi-channel (SMS, e-mail, social, chat, etc.), with the aim of providing customers with customer loyalty strategies through consumer engagement.

The loan includes a line at a subsidized rate of Euro 3.5 million from Cassa Depositi e Prestiti, a market rate to be disbursed by Banca Popolare dell'Emilia Romagna amounting to Euro 0.4 million, both of which have a duration of five plus three years of pre-amortization, plus a non-repayable loan of Euro 1.3 million. The funds, based on investments and costs incurred in the three-year period from 01/03/2018 to 28/02/2021, will be disbursed against the final balance of the expenses actually incurred, subject to the usual guarantees and the adoption of the necessary resolutions.

On 01/08/2018, MailUp Group announced the **exercise of the Put Option** by shareholders holding the remaining 30% **of the Spanish subsidiary Acumbamail**, within the respective Put/Call options provided for by the acquisition contract and by the shareholder agreements stipulated on the occasion of the acquisition of 70% of Acumbamail, communicated on 03/08/2015. This option was linked to the achievement of certain economic performance objectives of the subsidiary in the three-year period 2015-2018, which were positively verified. The purchase price of the remaining 30% of Acumbamail, equal to Euro 593 thousand, was paid by using the company's cash and cash equivalents. The value of the 70% shareholding in Acumbamail was recorded in the Financial Statements as at 31/12/2017 for Euro 499 thousand. In 2017, revenues of Acumbamail amounted to Euro 717 thousand (+59% compared to 2016), EBITDA amounted to Euro 289 thousand (up 104% compared to 2016) and net profit equal to Euro 209 thousand (up 97% compared to 2016). Sales of Acumbamail amounted to Euro 497 thousand in HY1 2018 (up 50% compared to the same period of the previous year), with EBITDA of Euro 186 thousand, +54% compared to the same result for the period of 2017.

Acumbamail is strategic for strengthening the Group in Spanish-speaking countries and entry-level customer ranges not otherwise covered by MailUp. In particular, Acumbamail is active in e-mail marketing with a complete suite of solutions in Spanish for the generation of newsletters, e-mail marketing campaigns and transactional communications, with freemium model. This model envisages an initial level of free use of the platform, which thereafter requires payment where a certain threshold of use is surpassed, thereby also capturing customers with limited volumes and a reduced number of addressees. Spanish-speaking markets (Spain and South America), with more than 500 million people and an Internet penetration rate that is growing strongly, representing one of the scenarios of the international digital economy with highest growth. The founders of Acumbamail, Rafael Cabanillas Carrillo and Ignacio Arriaga Sanchez, remain at the helm of the company as Managing Directors, with a constraint to remain for the next two years starting from the payment date, supported by Nazzareno Gorni, founder and CEO of MailUp Group, appointed on 11/07/2018 Chairman of the Board of Directors, with a decisive vote for specific strategic matters, replacing the resigning Giandomenico Sica.

On 12/09/2018, MailUp announced its **entry into the SaaS 1000**, the global ranking of companies in the Software-as-a-Service (SaaS) market with the highest growth rate. On a quarterly basis, SaaS 1000 bases its ranking on a range of indicators such as recruitment trends and team expansion rates. Over the years, SaaS 1000 has rewarded companies from all over the world, analyzing the growth trends of enterprises such as those of emerging start-ups. In its latest edition, relating to the second quarter of 2018, SaaS 1000 included MailUp (business unit and parent company of the MailUp Group) in 379th place. The inclusion in the ranking – as indicated in the note of SaaS 1000 – testifies "the growth and achieved operational excellence of MailUp among the thousands of SaaS companies, a market, that of software, that is particularly competitive today. Many of the companies at the top of the SaaS 1000 list – continues the note – have continued to gain international recognition for excellence in the sector".

On 19/09/2018, MailUp signed a **binding agreement for the acquisition of a totalitarian shareholding in Datatrics BV**, a Dutch company founded in 2012 and owner of a cutting-edge proprietary predictive marketing platform, able to make data-science accessible to marketers. In fact, the technology of Datatrics allows the marketing teams to build experiences for its customers based on data managed by artificial intelligence, resulting in a better customer experience and a consequent increase in conversion and loyalty of customers, through a data management platform developed with a self-learning algorithm. The aforementioned proprietary technology allows marketing teams to directly use data combinations without the intervention of the information technology department or data analysts for complex integrations. The use of artificial intelligence allows the combination of data from multiple sources, both internal of customers (CRM, e-mail, social networks, e-commerce, web analytics and other) and external (demographic data, weather, traffic and other) using an open customer data platform approach. The marketing managers consequently obtain detailed, complete and unified consumer profiles that allow efficient and effective use of the various communication tools and channels. Datatrics was founded by the current CEO Bas Nieland and subsequently funded (through direct investment in the capital) by the investment company Go Holding BV. The target started to generate revenues in 2017 (Euro 0.3 million in the year) and currently serves around 100 customers (up 43% in the first six months of 2018), including Siemens, LeasePlan, KLM, PostNL, British Petroleum, CarGlass and Rabobank. The company is based in Enschede and has offices in Amsterdam, Utrecht and London.
The transaction is part of the broader development and consolidation plan of the MailUp Group, representing one of the main strategic objectives for the same, in line with the expansion plan by external lines, diversification and expansion of its commercial offer. With the completion of the acquisition, the Group therefore intends to increase its size and capitalization, creating an integrated operator also in artificial intelligence, with the consequent creation of industrial synergies through the sharing of the main business support processes already existing within the Group and due to the integration of a company operating in a strictly complementary market context. In the opinion of management, the transaction represents a significant step in the Group's growth strategy in a competitive environment increasingly focused on data. In fact, the Group pursues the objective of increasing average revenue per customer, leveraging the improvement of the portfolio of products and solutions offered through a technology already integrated with the MailUp platform and with the e-mail template editor BEEfree.io.
The transaction involves the sale of the entire share capital of Datatrics by the current sellers, Go Holding BV and Inbeta Holding BV, a company vehicle owned by the founder Bas Nieland, or other company vehicle they have invested in, to which shares may be transferred before closing, for a total of approximately Euro 3.8 million to be settled: (i) for a total of approximately Euro 2.24 million, on a cash basis, using own funds, based on the sale of 590 Datatrics shares (equal to 59.05% of the share capital), to be paid for around one-third at closing and for the remaining part in 4 instalments of the same amount within 24 months of the same; (ii) for a total of approximately Euro 1.56 million, through the transfer of the remaining 409 Datatrics shares (equal to 40.95% of the share capital) upon the release of a specific share capital increase in kind of MailUp for the same amount, and precisely, a paid share capital increase in divisible form with exclusion of the option right pursuant to article 2441, paragraph 4, first period, of the Civil Code, as reserved for Sellers, by issuing a variable number of new MailUp shares without indication of the nominal value expressed at the subscription price resulting from the weighted average price of the MailUp shares on AIM Italia during the 90-day stock exchange period ending two days before the closing date. In addition to the above, payment to sellers of a further earn-out component in MailUp shares is envisaged for a counter-value up to a maximum of Euro 3 million, in variable number, deriving from the division between the earn-out actually due and the aforementioned subscription price, subject to the achievement of certain Datatrics average monthly turnover targets to be calculated over a maximum period of 4 years.

Outlook

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

- expansion of the already rich and diversified range of modules and technological solutions offered to digital marketing professionals through the strengthening of existing tools and the inclusion of innovative features oriented to concepts such as:
  - Customer Data Platform;
  - data driven omni-channel marketing orchestration;
  - marketing automation;
  - advertising;
  - customization.

- strengthening the ARPU (Average Revenue Per Unit) and the perception by the market of the uniqueness of the Group's offer compared to that of its competitors;

- dissemination of MailUp Group products in geographical areas not yet covered and acquisition of technological know-how through M&A transactions of strategic shareholdings in the Marketing Technology ecosystem;

- overcoming the role of simple service provider, integrating the provider of high value-added professional consulting services in the MarTech sector available to loyal national customers;

- continuation of the process of expanding integrations with third-party applications, offering users and external developers the possibility to connect and synchronize the platform with external databases, CRM, CMS, e-commerce and other software;

- internal development of innovative solutions and full exploitation of the growth potential of BEE in order to make it the global editor of e-mails and landing pages. The start-up based in Silicon Valley is in fact recording excellent results with constant improvement of the main indicators (KPI): acquisition of customers, churn rate and growth;

- strengthening of intra-group synergies through the cross-fertilization of knowledge among Group companies and in particular:
  - sharing best practices, experiences and skills;
  - maintaining an unbundled approach to better meet the different needs of segments and/or markets.

Organization and management models of Legislative Decree no. 231/2001

In compliance with said regulation of Legislative Decree no. 231 of 8 June 2001 on the Discipline of administrative liability of legal persons, companies and associations also without legal personality - which introduced in our system the administrative responsibility of entities (legal persons, companies and associations also without legal personality) for certain types of offence committed in the interest or benefit of the entity by persons who are with the entity itself in particular management relations or collaboration - in 2015, MailUp adopted its own organizational model and Code of Ethics that meet the requirements of the Decree. In 2016, this was followed by specific training of employees and implementation of the main operational procedures, developed in collaboration with the appointed Supervisory Body.

The constant regulatory amendments and company reorganizations that have affected the Group have, however, prompted MailUp to initiate in 2017 a review of its internal documents and procedures. In collaboration with well-established professionals, a complex audit and internal audit process was initiated, which will be completed in HY1 2018.

In compliance with the provisions of Legislative Decree no. 231 of 8 June 2001 (Discipline of the administrative responsibility of legal entities, companies and associations also without legal personality), in 2015, MailUp adopted its own organizational model and its own Code of Ethics meeting the requirements of the Decree. In collaboration with proven professionals, in the course of the last months of 2017, a complex process of internal audit and revision began, concluded with the approval by the Board of Directors on 15/05/2018 of a new Organizational Model and a new Code of Ethics. On the same date, the administrative body also appointed the Lawyer Gabriele Ambrogetti as monocratic Supervisory Body of the company. Subsequent to the date of establishment, the monocratic Supervisory Body coordinated several times with the company's legal department and met with the Board of Statutory Auditors in order to plan the information flows and the sharing of the results of the activities involved. In addition, on 04/09/2018, a training session was organized that saw the participation of the personnel responsible for carrying out responsibility functions with reference to the various company areas.

The Supervisory Body has also provided that, with reference to the last quarter of 2018, three verification tasks are carried out, in relation to the Special Parties aimed at preventing the following families of offences:

- market abuse offences;
- corporate offences;
- offences regarding copyright violation.

Personal data processing

MailUp, for the characteristics of its business, which requires the utmost correctness and attention in the processing of data held by the customers of the platform, has always been strategically and particularly sensitive to issues of Data Protection. The internal procedures on these matters are constantly formalized, monitored and updated, as is specific training of personnel. The Group has also for years been assisted by legal advisors of proven competence and experience, on both national and international level, on these matters. The prevention and contrast of potential abuses by customers (spam) is also highly overseen, thanks to the presence of a technical department exclusively dedicated to this function, as demonstrated by the participation of MailUp, as already mentioned, in several organizations and international working groups at the forefront in combating unfair practices and engaged in the dissemination of industry best practices also in regarding personal data processing.
The regulatory amendments introduced by the new EU 2016/679 Data Protection Regulation, which entered into force in all European countries on 25 May 2018, known as GDPR (General Data Protection Regulation), also extend to non-European organizations, have however pushed MailUp to start the activities necessary to make its infrastructure fully compliant with the new regulations. Although the MailUp platform has always operated in the utmost respect of Italian and European privacy regulations, with provisions that are even more stringent than those of law, the new Regulation is, in fact, a strategic factor in support of the international growth path undertaken starting from admission to trading on AIM Italia in July 2014.
With regard to the personal data protection criteria, MailUp has undertaken an initial assessment (Gap Analysis) aimed at identifying all the activities necessary to comply with the GDPR, defining, for each activity, a risk assessment and, as a result, a priority.
This led to the definition of a roadmap consisting of remedial actions, planned from May 2017 until December 2019 on the basis of previously defined priority values. By 25/05/2018, all the remedial actions with the highest risk coefficient have been completed and the actions identified as medium risk will be completed by the end of the year. The process was evaluated by an external auditor, the Lawyer Marco Maglio, also on 25/05/2018 and the second assessment is scheduled for the end of 2018.
Thank you for the trust placed in us.

Milan, 27 September 2018

Matteo Monfredini, The Chairman of the Board of Directors

MailUp S.p.A. Consolidated Balance Sheet as at 30/06/2018

Balance Sheet	Notes	30/06/2018	31/12/2017	Delta	Delta %
Tangible assets	1	980,231	1,011,029	(30,799)	(3.0 %)
Intangible assets	2	4,060,575	3,891,514	169,061	4.3 %
Goodwill	3	9,908,988	9,908,988	0	0.0 %
Equity investments in associates and joint ventures	4	107,821	107,821	0	0.0 %
Other non-current assets	5	216,653	255,614	(38,961)	(15.2 %)
Deferred tax assets	6	703,920	813,374	(109,454)	(13.5 %)
Total non-current assets		**15,978,188**	**15,988,340**	**(10,152)**	**(0.1 %)**
Trade and other receivables	7	4,922,205	3,685,963	1,236,243	33.5 %
Receivables from associates	7	26,646	19,368	7,278	37.6 %
Other current assets	8	2,089,350	1,745,568	343,782	19.7 %
Financial assets not held as fixed assets	9	501,494		501,494	
Liquid funds and equivalent	10	11,070,510	10,706,217	364,293	3.4 %
Total current assets		**18,610,205**	**16,157,116**	**2,453,090**	**15.2 %**
Total assets		**34,588,393**	**32,145,456**	**2,442,937**	**7.6 %**
Share capital	11	354,987	354,237	750	0.2 %
Reserves	12	13,556,194	12,924,712	631,482	4.9 %
Period result		479,766	549,013	(69,247)	(12.6 %)
Shareholders' equity of minority interests	13	155,135	121,788	33,347	27.4 %
Total shareholders' equity		**14,546,082**	**13,949,751**	**596,332**	**4.3 %**
Amounts due to banks and other lenders	14	973,876	1,772,007	(798,132)	(45.0 %)
Provisions for risks and charges	15	137,805	97,739	40,067	41.0 %
Staff funds	16	1,179,130	1,115,151	63,980	5.7 %
Deferred tax liabilities	17	47,914	31,841	16,073	50.5 %
Total non-current liabilities		**2,338,725**	**3,016,737**	**(678,013)**	**(22.5 %)**
Trade and other payables	18	5,648,196	4,710,537	937,659	19.9 %
Payables to associates	18	1,220		1,220	
Amounts due to banks and other lenders	19	1,657,289	1,679,691	(22,402)	(1.3 %)
Other current liabilities	20	10,396,881	8,788,740	1,608,141	18.3 %
Total current liabilities		**17,703,586**	**15,178,968**	**2,524,618**	**16.6 %**
Total liabilities		**34,588,393**	**32,145,456**	**2,442,937**	**7.6 %**

MailUp S.p.A. Consolidated Income Statement as at 30/06/2018

Income Statement Amounts expressed in units of Euros	Notes	30/06/2018	%	30/06/2017	%	Delta	Delta %
Email revenues	21	5,066,870	28.1 %	4,702,584	35.9 %	364,286	7.7 %
SMS revenues	21	11,951,648	66.3 %	7,512,506	57.4 %	4,439,142	59.1 %
Professional service revenues	21	243,705	1.4 %	218,413	1.7 %	25,292	11.6 %
Bee revenues	21	425,933	2.4 %	183,624	1.4 %	242,309	132.0 %
Other revenues	21	346,311	1.9 %	467,524	3.6 %	(121,213)	(25.9 %)
Total revenues		**18,034,467**	**100.0 %**	**13,084,651**	**100.0 %**	**4,949,816**	**37.83 %**
Cost of good sold (COGS)	22	11,685,772	64.8 %	7,358,342	56.2 %	4,327,430	58.8 %
Gross Profit		**6,348,694**	**35.2 %**	**5,726,309**	**43.8 %**	**622,385**	**10.87 %**
Sales & Marketing costs	23	1,358,425	7.5 %	1,542,898	11.8 %	(184,473)	(12.0 %)
Research & Development costs	24	420,234	2.3 %	454,058	3.5 %	(33,824)	(7.4 %)
Capitalised R&D payroll cost	24	(766,124)	(4.2 %)	(444,063)	(3.4 %)	(322,061)	72.5 %
Total R&D costs	24	1,186,358	6.6 %	898,121	6.9 %	288,237	32.1 %
General & Admin costs	25	2,704,756	15.0 %	2,531,451	19.3 %	173,305	6.8 %
Total operating costs		4,483,415	24.9 %	4,528,407	34.6 %	(44,992)	(1.0 %)
Ebitda		**1,865,279**	**10.3 %**	**1,197,902**	**9.2 %**	**667,377**	**55.7 %**
Amortisation, depr. & prov. G&A	26	(81,321)	(0.5 %)	(82,270)	(0.6 %)	949	(1.2 %)
Amortisation, depr. & prov. R&D	26	(660,055)	(3.7 %)	(489,103)	(3.7 %)	(170,953)	35.0 %
Amortisation, depr. & prov. COGS	26	(116,468)	(0.6 %)	(140,617)	(1.1 %)	24,148	(17.2 %)
Total Amortisation, deprecation and provisions		(857,845)	(4.8 %)	(711,989)	(5.4 %)	(145,855)	20.5 %
Ebit		**1,007,435**	**5.6 %**	**485,913**	**3.7 %**	**521,522**	**107.3 %**
Net financial income (expense)	27	11,707	0.1 %	(42,928)	(0.3 %)	54,635	(127.3 %)
Ebt		**1,019,142**	**5.7 %**	**442,985**	**3.4 %**	**576,157**	**130.1 %**
Income tax	28	(377,285)	2.1 %	(313,487)	(2.4 %)	(63,798)	20.4 %
Advance tax	28	(112,671)	0.6 %	44,279	0.3 %	(156,950)	(354.5 %)
Deferred tax	28	(16,073)	0.1 %	(16,046)	(0.1 %)	(27)	0.2 %
Profit (loss) for the year		**513,113**	**2.8 %**	**157,731**	**1.2 %**	**355,382**	**225.3 %**
Group interest in profit (loss)		479,766	2.7 %	130,831	1.0 %	348,936	266.71 %
Minority interest in profit (loss)		33,347	0.2 %	26,900	0.2 %	6,447	23.97 %
Other income statement items							
Profit/(loss) that will not be subsequently reclassified to the year result:							
Actuarial profit/(loss) net of the tax effect		4,644	0.0 %	15,119	0.1 %	(10,475)	(69.3 %)
Profit/(loss) that will be subsequently reclassified to the year result:							
Profit/(loss) deriving from the conversion of the financial statements of consolidated companies carried in currencies other than the Euro		(8,455)	(0.0 %)	9,952	0.1 %	(18,407)	(185.0 %)
Total profit (loss) for the year		**509,302**	**2.8 %**	**182,802**	**1.4 %**	**326,500**	**178.6 %**
Profit for the year attributabe							
Parent company's shareholders		475,956		155,902			
Minority Shareholders		33,347		26,900			
Earnings:							
Per share	29	0.0340		0.0140			
Per share (diluted)	29	0.0336		0.0130			

Consolidated Statement of Changes in Equity as at 30/06/2018

Figures in euros	31/12/2017	Allocation of MailUp result	Share capital increase	Purchase of own shares	Comprehensive IS result	Stock option plan	Profit/(loss) carried forward	Period result	30/06/2018
Share capital	354,237					750			354,987
Share premium reserve	11,041,306					62,400			11,103,706
Legal reserve	60,000	20,000							80,000
Extraordinary reserve	1,520,535	1,039,104							2,559,639
Reserve for treasury stock	(115,219)			(21,333)					(136,552)
Reserve for exchange rate gains	25,289								25,289
Profit/(loss) carried forward	896,400	549,013					(1,059,216)		386,197
Stock option reserve	93,448					45,394			138,842
OCI reserve	(116,664)				(3,881)				(120,545)
FTA reserve	(613,449)								(613,449)
Merger reserve	133,068								133,068
Period result	549,013	(549,013)						479,766	479,766
Shareholders' equity	**13,827,962**	**1,059,104**	**-**	**(21,333)**	**(3,881)**	**108,544**	**(1,059,216)**	**479,766**	**14,390,947**

Figures in euros	31/12/2016	Allocation of MailUp result	Share capital increase (*)	Purchase of own shares	Comprehensive IS result	Stock option plan	Period result	30/06/2017
Share capital	283,266		3,125					286,391
Share premium reserve	4,607,721		396,875					4,914,596
Legal reserve	60,000							60,000
Extraordinary reserve	295,624	1,224,912						1,520,535
Reserve for treasury stock	(112,466)			(2,753)				(115,219)
Reserve for exchange rate gains	25,289							25,289
Profit/(loss) carried forward	1,473,972	780,519						874,831
Stock option reserve	243,316					90,848		334,165
OCI reserve	(106,628)				25,071			(81,557)
FTA reserve	(590,317)							(613,449)
Merger reserve								133,068
Period result	780,519	(780,519)					130,831	130,831
Shareholders' equity	**6,960,296**	**122,912**	**400,000**	**(2,753)**	**25,071**	**90,848**	**130,831**	**7,469,480**

(*) as stated in the Board of Directors' deliberation of 20/06/2017

Consolidated Cash Flow Statement as at 30/06/2018

Statement of Cash Flows Amounts expressed in units of euros	30/06/2018	31/12/2017
Profit (loss) for the year	513,113	611,809
Income tax	377,285	585,331
Deferred/(advance) tax	128,743	5,162
Interest expense/(interest income)	(2,808)	27,190
Exchange (gains)/losses	(8,899)	50,607
1 Period profit (loss) before income tax, interest, dividends and capital gains/losses on disposals	**1,007,435**	**1,280,098**
Value adjustments for non-monetary elements that have no equivalent item in net working capital:		
Provisions for TFR	150,378	314,059
Other provisions	56,140	52,668
Amortisation and depreciation of fixed assets	850,856	1,591,584
Other value adjustments for non-monetary elements	116,249	
2 Cash flow before changes in NWC	**2,181,057**	**3,238,409**
Changes to net working capital:		
Decrease/(increase) in trade receivables	(1,243,430)	(309,067)
Increase/(decrease) in trade payables	938,879	1,762,956
Decrease/(increase) in accrued income and prepaid expenses	(233,235)	(35,191)
Increase/(decrease) in accrued liabilities and deferred income	705,335	242,745
Decrease/(increase) in tax receivables	(369,074)	(295,322)
Increase/(decrease) in tax payables	18,849	(58,520)
Decrease/(increase) in other receivables	395,682	191,537
Increase/(decrease) in other payables	350,228	(1,839,723)
Other changes in net working capital		(5,486)
3 Cash flow after changes in NWC	**2,744,291**	**2,892,339**
Other adjustments:		
Interest collected/(paid)	2,808	(29,810)
(Income tax paid)		(477,231)
(Gains)/losses on disposal of assets	1,004	
(Use of provisions)	(91,042)	(132,435)
4 Cash flow after other adjustments	**2,657,061**	**2,252,863**
A Cash flow from operating avtivities	**267,061**	**2,252,863**
Tangible fixed assets	(120,166)	(608,279)
(Investments)	(120,166)	(608,279)
Divestment realisation price		
Intangible fixed assets	(868,952)	(1,420,380)
(Investments)	(868,952)	(1,420,380)
Divestment realisation price		
Financial fixed assets	38,961	(65,885)
(Investments)	38,961	(65,885)
Divestment realisation price		
Financial assets not held as fixed assets	(501,494)	
(Investments)	(501,494)	
Divestment realisation price		
C Cash flow from investing activities	**(1,451,651)**	**(2,094,544)**
Minority interest funds	(820,534)	83,835
Increase (decrease) in short term payables to banks	(337)	13,881
Stipulation of loans		1,400,000
Loan Repayments	(820,197)	(1,330,046)
Own funds	(20,853)	6,002,843
Capital increase by payments	750	67,846
Sale (purchase) of treasury shares	(21,333)	(2,753)
Change to share premium reserve		5,937,750
C Cash flow from loans	**(841,117)**	**6,086,678**
Increase (decrease) in liquid funds (A ± B ± C)	**364,293**	**6,244,997**
Initial cash and cash equivalents	10,706,217	4,461,219
Final cash and cash equivalents	11,070,510	10,706,217
Change in cash and cash equivalents	**364,293**	**6,244,997**

Explanatory Notes to the Consolidated Financial Statements as at 30/06/2018

General information

The MailUp Group (hereinafter the Group or MailUp Group) is an established business in the marketing technology on the cloud sector (newsletters/e-mails, text messages, social networks). It leads Italy in the ESP sector in terms of the number of e-mails sent and number of clients. The parent company MailUp has been admitted to trading since July 2014 on the AIM Italia market of Borsa Italiana (Italian Stock Exchange). For further details and information on the company's business, please refer to the Report on Operations to the Half-Year Consolidated Financial Statements as at 30/06/2018 that forms an integral part of these Financial Statements.

Accounting standards

Criteria for the preparation of the Group Consolidated Financial Statements

In accordance with article 4 of Italian Legislative Decree no. 38 of 28 February 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 July 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 December 2016. The term IFRS is used to refer to the International Financial Reporting Standards, the revised International Accounting Standards (IAS), all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
The date of transition to the IFRS, as defined by IFRS 1 no. 1 First time adoption of IFRS was 1 January 2015, and these 2017 Half-Year Financial Statements as at 30 June 2018 present a comparison for the Balance Sheet, with the same values as at 31 December 2017, while for the Income Statement, with values corresponding to 30 June 2017, also prepared in accordance with IAS/IFRS standards. In this regard, please note that the IFRS accounting standards applied in drafting the Half-Year Financial Statements closed as at 30/06/2018 are those in force on that date and are compliant with those adopted for preparing the Annual Financial Statements as at 31 December 2017, with the exception of as outlined in the paragraph Change in accounting standards.
For the purpose of preparing the accounting schedules, prevalence is given to the economic substance of transactions rather than to their legal form.
With reference to IAS 1, paragraphs 25 and 26, the Directors confirm that, in view of the economic prospects, the capitalisation and financial position of the company, there is no uncertainty as the fact that the Group can operate as a going concern and that, consequently, in preparing the Half-Year Financial Statements as at 30 June 2018, it should adopt accounting standards precisely under these terms.
The Consolidated Half-Year Financial Statements closed as at 30/06/2018 have been submitted to limited audit by BDO Italia SpA, under the appointment conferred upon it for the period 2017-2019, even if the Group respects the cases for exoneration from the obligation to draw up Consolidated Financial Statements pursuant to article 27 of Legislative Decree no. 127/1991.
Please note that despite it holds controlling investments in MailUp Inc., Agile Telecom SpA, Acumbamail SL and, MailUp Nordics A/S, MailUp is not required to prepare Consolidated Financial Statements. However, as the parent company of subsidiaries, strictly linked in terms of the creation of value within the Group business and in connection with the AIM Italia issuers' regulation, MailUp has prepared the Consolidated Annual Financial Statements already since 2014.

Consolidation standards applied in preparing the Consolidated Financial Statements

The Consolidated Financial Statements have been prepared consolidating the financial statements of the parent company on a line-by-line basis, and those of all companies in which the company directly or indirectly holds the majority of voting rights as at 30 June 2018 (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 eases.
According to the provisions of IFRS 3, the subsidiaries acquired by the Group are accounted for according to the acquisition method (purchase account).
The cost of acquisition corresponds to the current value of the assets acquired, shares issued or liabilities assumed as at the date of acquisition.
The equity investment in the associate that is scarcely significant within the Group has been accounted for using the purchase cost method.
In preparing these Consolidated Financial Statements, the items of the assets and liabilities, as well as income and expenses of the businesses included in the consolidation area, have been stated on a line-by-line basis.
The following have then been eliminated:

- the book value of the investments held by the parent company in subsidiaries included in the consolidation area and the corresponding portions of the companies' equity;
- intra-group financial and trade receivables and payables;
- income and expenses relating to transactions implemented between consolidated companies;
- dividends distributed between Group companies;
- intra-group guarantees;
- the surplus acquisition cost with respect to the current value of the shares pertaining to the Group of the equity investments, is booked amongst the assets as goodwill. Any negative goodwill is booked on the Income Statement;
- 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.

Full subsidiaries consolidated on a line-by-line basis

The line-by-line consolidation concerned the companies listed below:

company name	City or foreign country	Share capital	Shareholders' equity	Profit/ Loss	% held
MAILUP INC.	U.S.A.	41,183*	334,846	(45,246)	100
ACUMBAMAIL SL	SPAIN	4,500	517,117	111,156	70
MAILUP NORDICS A/S	DENMARK	67,001*	1,015,162	(5,684)	100
GLOBASE INTERNATIONAL APS	DENMARK	16,750*	31,006	(104,239)	100**
AGILE TELECOM SpA	CARPI (MO)	500,000	1,498,282	898,282	100

(* historic exchange rate applied as at the date of first consolidation)
(** the 100% shareholding in Globase is held by MailUp Nordics in turn 100% controlled by the parent company MailUp)

MailUp Inc., organized according to the dual company model, with a business team located in San Francisco, in the heart of Silicon Valley, and technological team in Italy, focused on the development and commercialization of the innovative editor for BEE e-mail messages (Best E-mail Editor). Thanks to the rapid growth and the interest from professional digital marketing operators since the launch, BEE is establishing itself as a leading solution both in the Plug-in version, used by over 3,500 teams of developers and SaaS applications, to which it can be easily integrated, and in the Pro version, appreciated by over 4,000 e-mail designers in more than 100 countries.

Acumbamail SL is a Spanish e-mail marketing provider that also provides SMS packages and transactional services with a freemium business model that is particularly attractive for small and micro businesses. The Acumbamail platform allows the creation, sending and management of multi-channel marketing campaigns, allowing to track the relative performance in real time. More than 2,700 customers use the services of the Spanish subsidiary that sends over 400 million e-mails per year. On 01/08/2018, the parent company MailUp purchased the remaining 30% shareholding in Acumbamail; see the Report on Operations to these Half-Year Financial Statements for details.

MailUp Nordics A/S sub-holding that controls 100% of **Globase International ApS**, a Danish company specialized in advanced digital marketing automation services that allow over 100 customers located in the Nordics, most of which are medium-large and with strong needs for customization and consulting services, creating communication campaigns based on data-driven personalization and segmentation of recipients, with the possibility of monitoring the efficiency of campaigns through statistical analysis Globase is also completing, in close collaboration with MailUp, the transition to the new V3 platform, directly derived from MailUp, which will improve sending performance and efficiency in the delivery of messaging services.

Agile Telecom SpA, with registered office in Carpi (MO), is an operator authorized by the Ministry of Economic Development and Communication to offer a public communication service and is also registered with the Register of Operators in Communication (ROC) held by the Italian Authority for Telecommunications Guarantees (AGCOM). Agile Telecom is a leader in the Italian wholesale SMS market with 380 million messages sent per year and offers promotional and transactional messages (One-Time Password, notifications and alerts) to over 3,600 customers. It is also practically the parent company's exclusive provider of reference for the SMS delivery services provided by the MailUp platform, thus making it possible to better exploit the economic and technological synergies between Group companies.

The Consolidated Half-Year Financial Statements refer to the same closing date of the parent company.

Criteria for converting financial statements not prepared in euros

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

* the assets and liabilities have been converted at exchange rates current as at 29/06/2018;
* the items of the income statement have been converted at average exchange rates for HY1 2018;
* the emerging exchange differences have been debited or credited to a specific reserve of consolidated equity referred to as Other Comprehensive Income;
* equity items are converted at historical exchange rates on the date of the first consolidation;
* where such exists, goodwill and adjustments to fair value connected with the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the exchange rate in force on the date of first consolidation.

The following are the exchange rates used:

	Exchange rate as at 29/06/2018	Average exchange rate HY1 2018	Exchange rate as at 31/12/2017	Average exchange rate HY1 2017
USA Dollar	Euro 1.1658	Euro 1.2108	Euro 1.2065	Euro 1.0825
Danish Corona	Euro 7.4507	Euro 7.4476	Euro 7.4437	Euro 7.4368

Source http://cambi.bancaditalia.it/

Tables of the financial statements

The tables of the financial statements used have the following characteristics:
a) On the Balance Sheet - Statement of financial position, the assets and liabilities are stated in increasing order of liquidity; an asset/liability is classified as current when it meets one of the following criteria:
- it is expected to be realized/extinguished or expected to be sold or used in the normal operative cycle;
- it is mainly held for trading;
- it is expected to be realized/extinguished within 12 months of year end.
If none of these three conditions are 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 first year. This choice was dictated by the greater ease of reading and comparability with respect to the financial statements of the other players in the same sector. In the reclassification adopted, revenues are segmented among the characteristic business lines, highlighting the different contribution of the individual components on the total volumes.

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 analyzing 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, equal to the operating result net of tangible and intangible depreciation and amortization.
c) Other comprehensive income highlights all changes to Other comprehensive profits/(losses) occurring during the year, generated by transactions other than those implemented with shareholders and in accordance with the specific IAS/IFRS accounting standards. The company has chosen to show said changes in a separate statement with respect to the Income Statement. Changes in Other comprehensive profits/(losses) are stated net of the related tax effects, separately identifying, in accordance with IAS 1R in force as from 1 January 2013, the components intended to be reversed on the Income Statement in subsequent years and those for which there is no provision for any reversal on the Income Statement.
d) The Statement of Changes in Equity, as required by international accounting standards, provides separate evidence of the period result and all other changes not carried on the Income Statement, but instead allocated directly to Other comprehensive profits/(losses) on the basis of specific IAS/IFRS accounting standards and transactions with shareholders in their capacity as shareholders.
e) The Statement of Cash Flows is prepared applying the indirect method.

Measurement criteria

With reference to the measurement criteria applied in these Consolidated Half-Year Financial Statements, for a detailed analysis, reference is made to the notes to the Separate Financial Statements as at 31/12/2017 of MailUp in the Consolidated and Separate Financial Statements, available here http://mailupgroup.com/wp-content/uploads/2018/04/20180426-Fascicolo-di-bilancio-consolidato-e-separato-31.12.2017_ENG-v2_signed_.pdf for consultation, as the same criteria, inspired by the IAS/IFRS Accounting Standards, has remained substantially unchanged.

Changes in accounting standards

As reported in the Consolidated Financial Statements for the year ended 31 December 2017, the following accounting standards are applicable from 1 January 2018:

- IFRS 15 Revenues from contracts with customers;
- IFRS 9 Financial instruments.

IFRS 15 requires the recognition of revenues for an amount that reflects the fee to which the entity believes to be entitled in the economic exchange transaction with the customer for the transfer of products or services. The new standard requires more evaluation elements and choices made by Directors to define the revenue recognition policy.

The new standard introduces a methodology divided into five steps to analyze transactions and define revenue recognition with reference to the timing of recognition and the amount of the same.

From the analyzes carried out by management, no changes have been made to the method used to record the revenues already adopted by the Group.

IFRS 9 combines all three aspects related to the project on accounting of financial instruments: classification and measurement, impairment loss and hedge accounting. With the application of the new standard, the Group has not opted for the restatement of comparative information.

The main areas of intervention on the discipline implemented by the standard are described below.

Classification and measurement of financial assets and liabilities

The impacts resulting from the application of the classification and measurement requirements envisaged by IFRS 9 are not significant for the Group. In particular, the Group does not currently hold financial liabilities designated to FVTPL due to the adoption of the fair value option. With regard to financial assets, the new standard provides that the classification of assets depends on the characteristics of the financial flows correlated with that asset and the business model used by the Group for their management.

Impairment

IFRS 9 requires the Group to record expected credit losses on all portfolio bonds, loans and trade receivables, with reference to either a 12-month period or the entire contractual term of the instrument (ex. lifetime expected loss). The Group has opted for the simplified approach and will therefore record the expected losses on all trade receivables based on their residual contractual duration. The Group still continues to analytically consider the specificity of the sector and of some customers in its evaluations.

Hedge accounting

Should the Group decide in the future to carry out hedging transactions using derivative financial instruments and to implement hedge accounting, it shall adopt the rules of IFRS 9. Given that IFRS 9 does not change the general principle that an entity accounts for effective hedging relationships, compared to the provisions of the previous IAS 39, the main changes are as follows: the hedge effectiveness test is only prospective and may also be based on qualitative aspects, substituting the previous 80-125% test and focusing on the economic relationship between the hedging instrument and the hedged item; the possibility of designating as a hedging object only a risk component also for non-financial elements (provided that the risk component is separately identifiable and reliably estimated); introduction of the concept of costs of hedging; greater possibilities to designate groups of items as hedging items, including stratifications and some net positions. In the absence of hedge accounting, changes in the fair value of derivative financial instruments will continue to be recognized in the Income Statement.

Based on the above considerations, the application of IFRS 9 did not have any impact on the Group.

Furthermore, it is noted that the following accounting standards, amendments and interpretations, applicable from 1 January 2018, are not significant or have not produced effects for the Group:

- amendments to IFRS 4: joint application of IFRS 9 Financial instruments and IFRS 4 Insurance contracts;
- interpretation IFRIC 22 Foreign currency transactions and advance payments;
- amendments to IAS 40 Changes in the use of the property investments;
- amendments to IFRS 2 Classification and measurement of transactions with share-based payment;
- amendments to IFRS 1 First adoption of International Financial Reporting Standards: cancellation of short-term exemptions for first-time adopters;
- amendments to IAS 28 Investments in associates and joint ventures: clarification that the recognition of a shareholding at fair value recorded in the profit/(loss) for the year is a choice that applies to the individual shareholding.

As reported in the Consolidated Financial Statements for the year ended 31 December 2017, among the standards issued by the IASB, but not yet mandatory for the preparation of these Financial Statements, attention is focused on IFRS 16 Leases, which will be applicable starting from 1 January 2019.

IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all lease contracts in the financial statements, including contracts qualified according to current practice as operating (such as some leases and rentals), on the basis of a single model substantially similar to that used to account for financial leases in accordance with IAS 17. At the start of the lease contract, lessees will recognize a liability for future lease payments (i.e. lease liabilities) and an asset that represents the right to use the underlying asset for the duration of the contract (i.e. right to use the asset). Lessees will have to separately account for the interest expenses on the lease liability and amortization of the right to use the asset.

Lessees will also have to remeasure the lease liability related to lease contracts upon the occurrence of certain events (for example: a change in the conditions of the lease contract, a change in future lease payments resulting from the change of an index or rate used to determine said payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as a correction of the right to use the asset.

The standard provides for two exemptions for recognition by lessees:

- lease contracts relating to low value assets;
- short-term lease contracts (for example contracts expiring within 12 months or less).

The Group will continue to define the effects of IFRS 16 on its Consolidated Financial Statements, also taking into account the possible changes that will occur in the contractual positions at the date of this Report as well as the hypotheses of early adoption and simplifications provided for by the standard.

Disclosure on the book value of financial instruments
In order to provide information capable of illustrating the exposure to financial risks, the information provided by the companies regarding the fair value measurement of financial instruments, as required by accounting standard IFRS 7, is of great importance.
The fair value hierarchy has three levels:
• level 1: if the financial instrument is listed on an active market;
• level 2: if the fair value is measured on the basis of valuation techniques that refer to parameters that can be observed 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 that refer to parameters that are not observable on the market.

30 June 2018 MailUp Group			
(Euro units)	**Book value**	**Fair value**	**Fair value hierarchy**
Other financial assets			
Other non-current financial assets	90,756	**90,756**	Level 3
Financial assets not held as fixed assets	501,494	**501,494**	Level 1

Reference is made to the explanatory notes for further details.

Potential liabilities
In addition to that indicated in the paragraph on Provisions for risks, no legal or tax disputes are currently underway involving the Group companies.

NOTES ON THE EQUITY, FINANCIAL AND ECONOMIC STATEMENTS

Assets

Non-current assets

Tangible assets (1)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
980,231	1,011,029	(30,799)

Description	30/06/2018	31/12/2017	Changes
Plants and machinery	140,845	109,854	30,991
Other assets	839,386	901,176	(61,790)
Total	**980,231**	**1,011,029**	**(30,799)**

The item Other assets relates to office furniture and fittings, the set-up of new offices, electronic office machines, signs and mobile telephones, booked net of period amortization/depreciation and consolidation adjustments. The item plant and machinery includes the photovoltaic system and the alarm system.
No impairment or write-backs were applied this year or during previous years.

Intangible assets (2)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
4,060,575	3,891,514	169,061

Description	30/06/2018	31/12/2017	Changes
Platform development	3,857,641	3,719,137	138,504
Third-party software	162,080	119,795	42,284
Other	40,855	52,582	(11,727)
Total	**4,060,575**	**3,891,514**	**169,061**

The item Platform development includes costs for the development of the MailUp platform, net of relevant amortization/depreciation, of which details are given below; the same item also includes costs for projects to develop the MailUp platform currently in progress, activities not yet completed at period-end and which have therefore not been amortized yet. The capitalized developments relative to the BEE software should also be mentioned. This asset was conferred by the parent company to the subsidiary MailUp Inc on 31/12/2016.
The item Third-party software includes costs relative to software purchased from third-party suppliers. The item Trademarks includes the expenses incurred for the deposit and protection of the MailUp trademark in Italy and in other countries considered as strategic in commercial terms.
Other fixed assets mainly consist of the costs for translating platform components of multiple-year use, incurred into order to allow for its use on export markets (ex. English, Spanish) under the scope of the general strategic international growth project pursued by the Group.

For an in-depth analysis of the new functionalities introduced in HY1 2018 to the MailUp platform and to the BEE software as part of the development activities carried out by MailUp, please refer to the paragraph Research and development activities of the Report on Operations to the Half-Year Financial Statements as at 30/06/2018, an integral part of these Financial Statements.

Always in the context of research and development, we note the completion of the project Innovative Big Data Analytics System, completed at the end of February 2018, which benefits from a contribution from the Lombardy Region of Euro 860 thousand against an investment of over Euro 2 million, already collected for half of the amount, a project now fully reported. In the Report on Operations to these Half-Year Financial Statements, the positive conclusion of the preliminary investigation procedure for the assignment of a loan of Euro 5.1 million is also reported (the funds include a non-repayable contribution for Euro 1.3 million) of 16/07/2018. This is a research and development project called NIMP – New Innovative Multilateral Platform, to be carried out in the three-year period that started on 01/03/2018 with the participation, among others, of the Politecnico of Milan as a scientific partner and financed by the Ministry of Economic Development and Cassa Depositi e Prestiti, as well as Banca Popolare dell'Emilia Romagna as a banking partner. The proposed project is part of the intervention of the Digital Agenda and in particular in the area of Technologies for the innovation of the creative industry, content and social media.

Goodwill (3)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
9,908,988	9,908,988	0

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

Description	**30/06/2018**
MailUp Inc	162,418
Acumbamail SL	464,923
MailUp Nordics A/S	485,636
MailUp Nordics /Globase	460,137
Agile Telecom SpA	8,335,875
Total	**9,908,988**

The item relating to Agile Telecom includes the goodwill relating to the Faxator business line for Euro 79,155.

Impairment testing of goodwill

The Directors verify, at least once a year, the potential recovery of goodwill recorded in the Consolidated Financial Statements, using specific assessments (impairment tests) on each cash generating unit (or CGU). Goodwill is calculated as the difference in purchase value of the equity in subsidiaries and shareholders' equity of the subsidiary at the time of first consolidation. In the specific case, the CGUs are represented by the specific subsidiary to which goodwill refers. The potential recovery of the investment is determined with reference to forecast cash flow. Since there was no evidence and/or indicators of impairment of goodwill recorded with respect to the accounting data, in HY1 2018 and up to the date of preparing this document, compared with the assumptions already made in the impairment test in the previous consolidated annual financial statements, it is considered appropriate to postpone this verification to the 2018 Annual Financial Statements.

Equity investments in associates (4)

Company name	**Country**	**31/12/2017**	**Revaluations**	**Write-downs**	**Purchases**	**30/06/2018**
Consorzio CRIT	Italy	107,821				107,821
Total		**107,821**				**107,821**

The amount booked amongst the assets of the Balance Sheet refers to the equity investment of MailUp in Consorzio CRIT (CRemona Information Technology). The Consortium does not prepare the Half-Year Financial Statements for which it was decided to keep the value of the shareholding unchanged compared to the end of the previous year.
The CRIT has allowed, as fundamental stimulus factor and meeting place for the players involved, not only consortium members but also the institutions, the creation of the Digital Innovation Center in Cremona, the new building complex officially inaugurated on 10 June 2017, where the consortium members are established, including MailUp, which transferred its operational and administrative office from Cremona in July 2017. Also the co-working space called Cobox, managed by the CRIT consortium, has been transferred to the Center.

All these initiatives refer to the strategic objectives of the CRIT, i.e. to enable synergies to be achieved between consortium members, develop services of mutual interest, both managerial and operative in nature (start-up incubator, common training structures, canteen, meeting rooms) and construct a centre of excellence that can generate new businesses and transfer economic opportunities and better quality of life to the local world of businesses and communities, deriving from the use of new communication and information technologies.

Other non-current assets (5)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
216,653	255,614	(38,961)

Description	31/12/2017	Increase	Decrease	30/06/2018
Receivables from associated companies	64,641			64,641
Receivables from others	65,076	10,280	(49,241)	26,115
Tax receivables due beyond 12 months	125,897			125,897
Total	**255,614**	**10,280**	**(49,241)**	**216,653**

Receivables all have a maturity in excess of 12 months.

The item Receivables from others refers to caution deposits due beyond the year. The changes shown in the table refer to the closing of the previous lease contract of the Danish subsidiary Globase, with the relative return of the existing security deposit by the property, following the transfer of the offices to a co-working space. The new contract, in addition to being much less expensive than the previous one, required the payment of a much lower deposit.

Prepaid tax assets (6)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
703,920	813,374	(109,454)

Prepaid tax assets refer to temporary differences recorded in the individual financial statements and consolidation differences that will reverse over the next few years as well as differences arising upon first transition to IAS standards (First Time Adoption) completed with the 2016 Financial Statements. These assets are recorded in accordance with the IAS 12 standard.

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

Description	30/06/2018
MailUp SpA	454,051
MailUp Inc	143,297
Acumbamail SL	1,073
MailUp Nordics A/S	81,872
MailUp Nordics /Globase	21,474
Agile Telecom SpA	2,153
Total	**703,920**

Current assets

Trade and other receivables (7)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
4,948,851	3,705,331	1,243,521

Description	30/06/2018	31/12/2017	Changes
Receivables from customers	4,922,205	3,685,963	1,236,242
Associated companies	26,646	19,368	7,278
Total	**4,948,851**	**3,705,331**	**1,243,521**

Receivables from customers are presented net of the related write-down provision; the changes in the first half of 2018 are shown below.

Description	31/12/2017	Increases	Uses	30/06/2018
Provision for doubtful debt	28,884	6,389	(8,323)	26,950
Total	**28,884**	**6,389**	**(8,323)**	**26,950**

Below is the breakdown of receivables by geographic area:

Receivables divided by Geographic Area	From customers	From associated companies	Total
Italy	3,114,480	26,646	3,141,126
EU	1,026,702		1,026,702
Non EU	781,023		781,023
Total	**4,922,205**	**26,646**	**4,948,851**

Other current assets (8)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
2,089,350	1,745,568	343,782

Description	30/06/2018	31/12/2017	Changes
Inventories	13,920	6,603	7,317
Tax receivables	1,020,945	514,717	506,228
Receivables from others	521,412	924,410	(402,998)
Accruals and deferrals	533,073	299,838	233,235
Total	**2,089,350**	**1,745,568**	**343,782**

The item Receivables from others includes the receivable from the Lombardy Region for the contribution on the Big Data Analytics project, already mentioned previously, for Euro 430 thousand of which the first tranche was collected at the beginning of 2018, equal to 50% of the total amount. The item Tax receivables includes the VAT credit of Agile Telecom for Euro 704 thousand, of which Euro 387 thousand relating to the fourth quarter of 2017, then offset with tax payables starting from 02/07/2018, and Euro 317 thousand referring to the first half of 2018, in addition to the tax credit on research and development for Euro 175 thousand, other items relating to receivables for withholdings of Euro 78 thousand and IRES and IRAP credits for 2016 and 2017 for Euro 64 thousand, also used in compensation starting from the second half of 2018.

For details on the research and development activities carried out by the Group in the first half of 2018, please refer to the specific section of the Consolidated Half-Year Report on Operations as at 30/06/2018.

Financial assets not held as fixed assets (9)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
501,494	0	501,494

The Group has allocated a fraction of the available liquidity that is not destined, in the short term, to finance the core business or other strategic projects, such as M&A transactions or research and development projects, in investment of shares listed on AIM Italia with a view to short-term disinvestment.

Liquid funds (10)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
11,070,510	10,706,217	364,293

Description	30/06/2018	31/12/2017	Changes
Cash at bank and post office	11,069,586	10,705,318	364,268
Cash and cash equivalents	923	899	25
Total	**11,070,510**	**10,706,217**	**364,293**

The balance represents liquid funds and cash as well as valuables held as at 30/06/2018.

Liabilities

Group Shareholders’ Equity

Share capital (11)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
354,987	354,237	750

The share capital of the parent company MailUp S.p.A. is entirely paid in and is represented as at 30/06/2018 by 14,199,467 ordinary shares with no par value, whose accounting parity comes to Euro 0.025 each.

The share capital changed as follows:
- on 25/06/2018 - due to the share capital increase for the stock option plan referred to as 2016 Plan, approved by the Board of Directors of the company on 29 March 2016 - 30,000 shares that will have a lock-up period of 12 months were actually assigned, following the exercise of the related stock options by the recipients of the Plan. Following the capital increase, the subscribed and paid-up share capital of the company reached 354,986.68 divided into 14,199,467 ordinary shares without nominal value.

All shares issued are ordinary. There are no debenture loans in place.

Reserves (12)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
13,556,194	12,924,712	631,482

Description	31/12/2017	Increases	Decreases	30/06/2018
Share premium reserve	11,041,306	62,400		11,103,706
Stock option reserve	93,448	107,794	(62,400)	138,842
Legal reserve	60,000	20,000		80,000
Extraordinary or optional reserve	1,520,535	1,039,104		2,559,640
Reserve for exchange rate gains	25,289			25,289
FTA reserve	(613,449)			(613,449)
OCI reserve	(109,353)	4,644		(104,709)
Negative reserve for treasury stock	(115,219)		(21,333)	(136,552)
Merger surplus reserve	133,068			133,068
Translation reserve	(7,312)		(8,525)	(15,837)
Rounding off	(1)			(1)
Profit/(loss) carried forward	896,400	549,013	(1,059,216)	386,197
Total	**12,924,712**	**1,782,955**	**(1,151,474)**	**13,556,194**

The FTA reserve was generated during the transition to the IFRS of the individual and Consolidated Financial Statements. The OCI reserve represents the effects deriving from the remeasuring of the defined benefits plan as well as the translation of Financial Statements in currency other than the Euro, as represented in the Statement of Comprehensive Income.
The stock options reserve originates from the incentive plan to the benefit of senior management and accounted for in accordance with IFRS 2. The main aim of the Incentive Plan is to help strengthen the involvement of the people holding key positions and consequently ensure loyalty, in the pursuit of the Group's operative objectives. The provision for the stock options reserve is calculated based on a specific initial assessment, with the help of experts, of the fair value of MailUp shares and based on the number of options granted and the duration of the vesting periods for the individual beneficiaries established within the plan. When the options are exercised and the shares are subsequently issued, the difference between accounting par value and fair value is released from the stock option reserve and recognized as a share premium in the specific reserve.
The negative reserve for treasury stock corresponds to the purchase price of own shares in the parent company held as at 30/06/2018.
The translation reserve expresses the net effect of the conversion in the Consolidated Financial Statements of the financial statements of foreign subsidiaries held in currencies other than the euro (MailUp Inc and MailUp Nordics/Globase).

Period result
The net period result is positive and comes to Euro 513,113 with respect to Euro 157,731 as at 30/06/2017, including the minority share of Euro 33,347. For an in-depth analysis of the consolidated results, please refer to the specific section of the Consolidated Half-Year Report on Operations as at 30/06/2018, an integral part of this document.

Other comprehensive income
The section of the accounting schedules includes the Statement of Comprehensive Income, which highlights the other components of the comprehensive economic results, net of the tax effect.

Shareholders' equity of minority interests (13)

Description	30/06/2018	31/12/2017	Changes
Minority interests in capital and reserves	121,788	58,993	62,795
Third party income	33,347	62,795	(29,448)
Total	**155,135**	**121,788**	**33,347**

This equity and profit refers to the residual shareholding, equal to 30%, held by third parties in Acumbamail SL. In this regard, it is noted that on 01/08/2018, the acquisition of 100% of the Spanish subsidiary by the parent company was completed. For details of this transaction, please refer to the section of significant events subsequent to the reporting half-year of the Consolidated Half-Year Report on Operations as at 30/06/2018.

Non-current liabilities

Amounts due to banks and other lenders (14)

Description	30/06/2018	31/12/2017	Changes
Amounts due to banks	973,876	1,772,007	(798,132)
Total	**973,876**	**1,772,007**	**(798,132)**

The item medium-term amounts due to banks refers exclusively to the parent company.

It is noted that the Group's indebtedness at 30/06/2018 is at variable rates, except for the loan granted on 14 June 2017 to the parent company for Euro 1 million at fixed rate by Credito Emiliano, and is represented by unsecured loans.

Provisions for risks and charges (15)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
137,805	97,739	40,067

Description	31/12/2017	Increases	Decreases	Reclassifications	30/06/2018
Provision for legal disputes	57,739				57,739
Provision for term-end indemnity of directors	40,000	40,067			80,067
Total	**97,739**	**40,000**			**137,805**

A provision has been established for current legal disputes. The parent company currently has a lawsuit underway with the Financial Administration in connection with the companies' income tax, regional production tax and value added tax for 2004.
The office has issued a notice of assessment on the basis of the use of the results of the sector studies' calculation; the reconstruction of revenues prepared by the Authority entailed greater tax, totalling Euro 58,468 and sanctions for Euro 49,344, already paid in full.
The petition proposed by the company has been rejected on a first and second instance and the company has submitted an appeal in cassation. The company's lawyers believe that they are likely to be successful in the last instance of proceedings. An amount has been allocated on the financial statements considering the reduction, by the tax courts, of the office claims. In the petitions submitted, it has, amongst other aspects, been shown that the recalculation of the sector study with a more evolved study, brings about a more favourable result for the company. Therefore, a provision for risks has been allocated, in accordance with article 2423-bis of the Civil Code and accounting standard OIC 19, for an amount equal to the greater tax deriving from the application of said study.

The provision for pension and similar commitments allocated by the parent company refers to the indemnity due to Directors upon cessation of office.

Staff funds (16)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
1,179,130	1,115,151	63,980

The change is as follows.

Description	31/12/2017	Increases	Decreases	Actuarial Gains/Losses	30/06/2018
Staff funds	1,115,151	127,434	(58,811)	4,644	1,179,130
Total	**1,115,151**	**127,434**	**(58,811)**	**4,644**	**1,179,130**

The increases relate to year provisions. The decreases relate to year uses. The result of the actuarial valuation derives from the analysis carried out by experts according to the accounting standard IAS 19R.

Payables for deferred taxes (17)

Description	31/12/2017	Increases	Decreases	30/06/2018
Deferred tax provision	31,841	16,073		47,914
Total	**31,841**	**16,073**		**47,914**

The provision for deferred taxes relates to consolidation differences deriving from the elimination of intra-group amortization/depreciation.

Current liabilities

Trade and other payables (18)

Description	30/06/2018	31/12/2017	Changes
Amounts due to suppliers	5,648,196	4,710,537	937,659
Amounts due to associated companies	1,220		1,220
Total	**5,649,416**	**4,710,537**	**938,879**

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

Payables divided by Geographic area	Due to suppliers	Due to associated companies	Total
Italy	4,255,943	1,220	4,257,163
EU	1,070,172		1,070,172
Non EU	322,081		322,081
Total	**5,648,196**	**1,220**	**5,649,416**

Amounts due to banks and other lenders (19)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
1,657,289	1,679,691	(22,402)

The item exclusively consists of amounts due to banks and is related to the residual short-term portions of unsecured variable-rate loans stipulated by the parent company with Banco BPM, Credito Valtellinese and by the subsidiary Agile Telecom with Deutsche Bank, in addition to an unsecured fixed-rate loan with Credito Emiliano.

Other current liabilities (20)

Balance as at 30/06/2018	Balance as at 31/12/2017	Changes
10,396,881	8,788,741	1,608,141

Below is the breakdown of current liabilities:

Description	30.06.2018
Advances	25,305
Tax payables	902,521
Amount due to social security institutions	327,032
Amounts due to Directors for emoluments	28,488
Amounts due to employees for salaries, holidays, permits and additional months' salaries	1,380,943
Amounts due to Zoidberg s.r.l.	1,400,000
Accrued liabilities	4,729
Deferred income	6,327,863
Total	**10,396,881**

Tax payables mainly refer to withholdings applied to income from employment and autonomous work to be paid during the following period, as debt for direct taxes allocated and due and VAT.
Amounts due to social security institutions mainly relates to various types of social charges to be paid during the following period with reference to the remuneration of the month of June, the thirteenth and fourteenth month's salary and holiday accrued and not taken.
Amounts due to employees refer to remuneration for the month of June liquidated in July, holiday accrued, not taken and staff premiums, and to the accrued thirteenth and fourteenth month.
The amount due to Zoidberg Srl relates to the acquisition of the company Agile Telecom on 29 December 2015. It consists of the second and third tranches of the earn-out agreed by the parties, as detailed in the Report on Operations of this Half-Year Report. On 02/07/2018, MailUp paid the second tranche for Euro 800 thousand, for which the residual debt currently amounts to Euro 600 thousand.
Deferred income: most of the revenues of MailUp come from recurring charges. MailUp collects the recurring charges deriving from the e-mail service, but, on an accruals basis, only part of the charges are used to form the year's income, whilst the part of future competence is used as a basis for the following year's income.

Income statement

Revenues (21)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
18,034,467	13,084,651	4,949,816

Description	30/06/2018	30/06/2017	Changes
Revenues from sales of mail	5,066,870	4,702,584	364,286
Revenues from sales of SMS	11,951,648	7,512,506	4,439,142
Revenues from sales of professional services	243,705	218,413	25,292
Revenues from sales of BEE	425,933	183,624	242,309
Other revenues	346,311	467,524	(121,213)
Total	**18,034,467**	**13,084,651**	**4,949,816**

The increase in turnover compared to the previous year is mainly due to the economic consolidation of the revenues of Agile Telecom and the contribution of the SMS segment. The significant increase in revenues by external lines is in addition to the organic growth of turnover in any case significant and however over 13% compared to HY1 2017. For a

detailed analysis of the dynamics of revenues and other income items, we invite you to consult the notes to the economic results presented in the Report on Operations to this 2018 Half-Year Report.
In the item Other revenues, the main amounts refer to contributions on the Lombardy Region call for Competitiveness Agreements and to contributions related to the tax credit for research and development for a total of Euro 266,271, to revenues from the sale of hosting services and video surveillance for Euro 31,121 and for the remaining part, equal to Euro 48,918, income and contingent assets generally including the sale of tickets in view of the upcoming MailUp Marketing Conference at the end of November and revenues for commission income.

COGS (Cost of Goods Sold) (22)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
11,685,772	7,358,342	4,327,430

The breakdown is as follows:

Description	30/06/2018
SMS sending purchases	9,539,224
Costs for services	660,539
Cost of rents and leases	11,795
Payroll costs	1,459,381
Sundry operating expenses	14,834
Total	**11,685,772**

The COGS are determined by the costs directly attributable to the provision of the services that represent the core business of the Group, i.e. the technological platforms managed by the companies included in the scope of consolidation. This category includes the costs for the IT technological infrastructure, including the costs of the specific personnel, the costs of the areas directly involved in the provision of the service, for example the deliverability departments, help desk, the areas that deal with the personalization of services on customer request and other variable costs directly related to services sold to customers. The largely predominant part is represented by the purchases of sending of text messages by Agile Telecom as well as by the parent company.

Sales & Marketing costs (23)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
1,358,425	1,542,898	(184,473)

The breakdown is as follows:

Description	30/06/2018
Capital goods purchases	4,017
Costs for services	441,583
Cost of rents and leases	3,060
Payroll costs	906,744
Sundry operating expenses	3,021
Total	**1,358,425**

This includes the costs of departments that deal with commercial and marketing activities on behalf of the MailUp Group. In addition to payroll costs, mainly relating to sales, there are some typical costs of marketing such as Pay per Click or events, including the MailUp Marketing Conference, already previously mentioned.

Research & Development costs (24)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
420,234	454,058	(33,824)

The breakdown is as follows:

Description	30/06/2018
Capital goods purchases	471
Services	94,109
Cost of rents and leases	5,729
Payroll costs	1,086,048
Capitalized payroll cost	(766,124)
Total	**420,234**

These costs relate to research and development activities carried out by Group companies. For purposes of greater clarity of exposure, the amount of capitalized payroll costs is recorded as a direct reduction in the total gross cost of personnel, then highlighting the resulting net cost in the Income Statement scheme adopted. The capitalization is carried out in relation to the future usefulness of the software development projects of the MailUp platforms and the BEE software. The research and development activity for HY1 2018 is described in detail in the specific section of the Consolidated Half-Year Report on Operations.

General costs (25)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
2,704,756	2,531,451	173,305

The breakdown is as follows:

Description	30/06/2018
Purchases of goods, consumables and other materials	37,253
Costs for services	1,412,842
Cost of rents and leases	309,032
Payroll costs	899,370
Sundry operating expenses	46,259
Total	**2,704,756**

General costs express structure expenses, mainly related to the offices instrumental to the activity performed, (rents, 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 Statutory Auditors and the independent auditors, legal, tax, accounting, labour and other consultancy in general, costs related to the status of listed company and attributable to M&A activity.

Amortization, depreciation and impairment (26)

Below are details by destination:

Description	30/06/2018	30/06/2017	Changes
Amortization, depreciation and impairment	81,321	82,270	(949)
Amortization R&D	660,055	489,103	170,953
Amortization COGS	116,468	140,617	(24,148)
Total	**857,845**	**711,989**	**145,855**

Financial operations (27)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
11,707	(42,928)	54,635

The breakdown is as follows:

Description	30/06/2018	30/06/2017	Changes
Financial income	28,342	7,024	21,318
Financial expense	(25,534)	(21,679)	(3,855)
Exchange gains	34,987	8,940	26,047
Exchange losses	(26,088)	(37,213)	11,125
Total	**11,707**	**(42,928)**	**54,635**

The amount consists of interest income on bank current accounts and other remunerated deposits of liquidity, exchange rate gains and losses, interest expense on medium/long-term bank loans. It is noted that in the first half of 2018, exchange rate gains realized amounted to Euro 3,222 and estimated to Euro 31,765, while exchange rate losses are divided between realized for Euro 25,256 and estimated for Euro 832.
Financial expenses also include the interest cost deriving from the actuarial valuation according to IAS 19R.

FY income tax (28)

Balance as at 30/06/2018	Balance as at 30/06/2017	Changes
506,029	282,254	220,775

Description	30/06/2018	30/06/2017	Changes
Current tax	377,285	313,487	63,798
Deferred (prepaid) tax	128,744	(28,233)	156,977
Total	**506,029**	**285,254**	**220,775**

The Group companies have set up year taxes on the basis of the application of current tax regulations in force in the relevant country. The period's 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 years other than those during which they are booked. Prepaid/deferred tax connected with the consolidation entries deriving from the elisions of intra-group margins and the related effect on the consolidation amortization/depreciation shares, have also been calculated.

Earnings per share (29)

Basic earnings per share are calculated by dividing the net period income attributable to ordinary company shareholders by the weighted average number of ordinary shares, excluding own shares, in issue during HY1 2018. Below is the income and information on shares used to calculate the basic earnings per share.

Description	30/06/2018
Net profit attributable to shareholders	479,766
Opening number of ordinary shares	14,169,467
Opening portfolio treasury shares	52,260
Closing number of ordinary shares	14,199,467
Closing portfolio treasury shares	62,400
Weighted number of shares in issue	14,127,137
Basic earnings per share	**0.0340**

Diluted earnings per share were calculated as follows:

Description	30/06/2018
Net profit attributable to shareholders	479,766
Opening number of ordinary shares	14,169,467
Opening portfolio treasury shares	52,260
Opening shares potentially assignable	143,720
Closing number of ordinary shares	14,199,467
Closing portfolio treasury shares	62,400
Closing shares potentially assignable	143,720
Weighted number of shares in issue	14,270,857
Basic earnings per share	**0.0336**

Workforce

The table below shows the Group workforce as at 30/06/2018, broken down according to geographic area:

Level of classification	Total number	%	Italy	United States of America	Spain	Denmark
Labourers	1	1%	1			
Office workers	150	92%	136	3	8	3
Middle managers	8	5%	8			
Managers	4	2%	2	1		1
Total	**163**	**100%**	**147**	**4**	**8**	**4**

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 Consolidated Half-Year Report on Operations as at 30/06/2018.

Potential assets and liabilities

The Group has no potential assets and liabilities as at 30/06/2018.

Fees to Directors and Auditors

Directors' fees came to Euro 447,283, whilst the fees to the Boards of Auditors, where present, came to Euro 21,750.

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 Half-Year Report as at 30/06/2018 totalled Euro 25,800, including costs and expenses.

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.

Subsequent events

Please refer to the specific section of the Consolidated Half-Year Report on Operations as at 30/06/2018, for further details on the matter.

Milan, 27 September 2018

The Chairman of the Board of Directors

Matteo Monfredini

MailUp S.p.A.

Independent Auditors' review report

Condensed consolidated financial statement as of June 30^{th} , 2018

MCP/CCT/cpo - RC037242018BD0298

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Independent Auditors' review report on condensed consolidated interim financial statements

To the Board of Directors of
MailUp S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of MailUp S.p.A. and its subsidiaries (hereinafter the "MAILUP Group") comprising the statement of financial position as of June 30, 2018, the statement of comprehensive income, the statement of cash flow and the statement of changes in shareholders' equity for the period then ended and other explanatory notes. The directors of MailUp S.p.A. are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) adopted by the European Union. Our responsibility is to express a conclusion on this interim consolidated financial reporting based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of MAILUP Group as of June 30, 2018, is not prepared, in all material respects, in accordance with the *International Accounting Standard* applicable to interim financial reporting (IAS 34), as adopted by the European Union.

Milan, September 27th, 2018

BDO Italia S.p.A.

Signed by Manuel Coppola

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

MAILUP GROUP

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