

The Board of Directors of Creactives Group S.p.A. examined and approved the consolidated half-year report as at 31 December 2022

“Annual Recurring Revenues” (ARR) of € 4,39 mln, up 42% from the previous period

Recurring revenue 63% of total revenue

88% of turnover outside Italy, of which 32% in Germany

Consolidated Financial Highlights - 1H23 vs 1H22

PRODUCTION VALUE OF EUR 2,9M COMPARED TO EUR 2,5M

RECURRING REVENUE OF EUR 1.452 THOUSAND, 63% OF TOTAL REVENUE, COMPARED TO EUR 1.245 THOUSAND

EBITDA OF EUR -405 THOUSAND COMPARED TO EUR -219 THOUSAND

LOSS OF EUR -1,2M, INCLUDING APPROXIMATELY EUR 323 THOUSAND IN EXTRAORDINARY TAXES, COMPARED TO EUR -360.000

PFN (NET DEBT) OF EUR 1,8M COMPARED TO EUR 400 THOUSAND

Paolo Gamberoni, Chairman of the Board of Directors, comments: *'In the first half of the year, we recorded significant growth in both the value of production, which increased by 17%, and above all in annual recurring turnover, which grew by 42% to € 4.39 million. Several global partners - KPMG, NTT DATA, LKS NEXT - have successfully used our Knowledge Engineering Platform VANESSA at their customers, which proves the validity of the indirect sales channel. Recurring revenues are now 63% of total revenues, and international sales account for 88% of the group's total turnover, with 32% of sales in Germany, a kind of unicum for our technology scenario. Despite the uncertain macroeconomic scenario, we are therefore looking to the future with confidence, strengthened also by the recently completed stock market listing'.*

Verona, 27 March 2023. Creactives Group S.p.A. ("Creactives Group" or the "Company") (ISIN IT0005408593 - ticker: CREG), an international company and Innovative SME, listed on Euronext Growth Milan - Professional Segment ("Euronext Growth Milan Pro") and on the Direct Market of the Vienna Stock Exchange, which develops artificial intelligence technologies in the field of Supply Chain, today approved the consolidated half-yearly report as of 31 December 2022, voluntarily subject to limited audit.

The Group's economic result saw the 'Value of Production' rise to about € 2,88 mln with an increase of about € 0,42 mln (+17%) in line with the typical business trend in the first half-year.

There was a significant growth in 'recurring revenues' with ARR ('Annual Recurring Revenues') rising to € 4,39 mln with an increase of € 1,30 mln (+42%) compared to 31/12/2021 and € 0,70 mln (+19%) compared to 30/06/2022.

Profit and Loss Account		Projects	SAAS	Licenses	SW maintenance	Recurrent	R&D	Total 31/12/2022	as of 31/12/2021
Direct sales revenue	A	733.239	1.040.099	0	161.501	1.201.601	0	1.934.840	1.458.500
Indirect sales revenue		113.500	252.055	0	0	252.055	0	365.555	103.083
WIP on direct sales		(82.168)	0	0	0	0	0	(82.168)	269.208
WIP on indirect sales		10.545	0	0	0	0	0	10.545	152.909
Increases in imm.ni for work in economy		0	0	0	0	0	653.425	653.425	455.160
Other income		1.130	1.084	0	77	1.161	0	2.291	16.856
Intercompany Revenues		0	0	0	0	0	0	0	0
Value of production	B=Σ↑	776.246	1.293.239	0	161.578	1.454.817	653.425	2.884.488	2.455.716

Investments are continuing apace (€ 0,65 million) to anticipate the implementation of product functionalities and Vanessa, the AI platform, in particular to better support the partner network.

Regarding the Partner network, in the first few months a 'global collaboration agreement' was signed with LKS Next, the consulting company brand of MONDRAGON, the first Basque industrial group and the seventh in Spain, with 260 companies and more than 80.000 people. LKS Next has implemented the Creactives Centre of Excellence in Spain and is deploying Creactives solutions worldwide for its global industrial customer Acerinox.

In parallel, joint go-to-market activities continued with current partners (NTT Data in Central and South America - KPMG in Belgium, France - INDRA / Minsait in Spain) and the development of relations with other international partners.

The export share of turnover reached 88% for the Group, demonstrating the company's aptitude for international market expansion.

Against the increase in production value of about € 428 thousand driven by the share of revenues from recurring services, which reached 63% of total revenues, EBITDA of € -404 thousand in the first half of the year contracted by about € 186 thousand; this reduction was due to the increase in costs mainly related to

- 1) Personnel for the introduction of important experienced figures to support growth
- 2) Hosting, cybersecurity and strengthening the technological structure
- 3) Marketing to support growth, brand awareness and presence at significant industry events internationally.

There was also an extraordinary cost of € 323 thousand for one-off taxes related to the regularisation of R&D tax credits from previous years, which impacted the net loss of € - 1,2 million as of 31 December 2022.

Net Financial Indebtedness, amounting to €1,84 million (€0,39 million as at 30 June 2022), is strongly influenced by the reduction in the use of non-recourse factoring for about €1 million compared to 30 June 2022; this reduction is related to

a delay in the invoicing of recurring services to some major customers whose invoices in the past had been assigned to factoring, and to the delay in the approval of factoring lines for new customers.

Net Equity amounted to € 673 thousand compared to € 1,8M.

Main events during the six-month reporting period

In September 2022 Creactives confirmed its ISO/IEC 27001:2013 (ISO 27001) certification with a very successful maintenance audit by BSI; ISO27001 is the international standard that outlines best practices for information security management systems. Cybersecurity and data protection are of paramount importance to Creactives and our customers, and being ISO27001 certified provides Creactives' customers with significant assurance that best practices in secure information management and cybersecurity are being applied.

In September 2022, Creactives took part in the second edition of the "NEXT GEMs" conference at Borsa Italiana - Euronext Group in Milan, dedicated to listed companies with a capitalisation not exceeding 100 million euros. The conference offers an important opportunity to meet with leading Italian and international institutional investors, with the possibility of presenting the business project, the results achieved and future prospects in one-to-one and group meetings.

In October 2022, Creactives was selected for the second year in a row as one of the 50 fastest-growing technology companies by "Spend Matters". 2022 marks the eighth year of publication of Spend Matters' "50 Providers to Watch" list and its counterpart, the "50 to Know" list. Each year, Spend Matters' entire team of analysts evaluates the capabilities of a range of companies in 10 sectors of the procurement technology market to determine the lists, with a total of 100 suppliers in the industry. These represent best-in-class companies to know and emerging and growing companies to monitor. The '50 suppliers to watch' list represents the best of the commercial suppliers serving procurement organisations at enterprise level. This list is published to recognise growing solution providers in the procurement and supply chain market, and Creactives has earned a place on the list because of its technology dedicated to identifying cost-saving opportunities in supply chains and ensuring data quality at source. Vendors are independently selected by Spend Matters' team of analysts creating an Almanac list, a valuable vendor intelligence directory that provides insight into the procurement vendor landscape.

On 20 October 2022, Creactives was selected as one of the ProcureTech100 - the 100 pioneering solutions for digital procurement:

1) The '2021 ProcureTech100' is a collaboration between ProcureTech and Kearney, a global management consulting firm. More than 4,000 digital solutions were analysed across 50 key data points, including growth, cybersecurity, customer, finance, innovation and employee data, to create a shortlist of solutions, which was then reviewed by more than 60 global procurement leaders, technology experts and B2B investors, in 14 categories. The ProcureTech100 are the 100 pioneering solutions for digital procurement. Pioneers that inspire and drive digital transformation. Pioneers that are customer-centric, innovative, high-growth and socially impactful. Pioneers that are empowering procurement, the enterprise and the digital procurement ecosystem.

2) has been confirmed for the third consecutive time as a key player in Kearney's Modern Procurement Platform Stack. The map, developed by Kearney partner and Procurement Futurist Dr Elouise Epstein, identifies the most relevant players in the Procurement technology landscape and all appropriate use cases for large multinational companies and their Procurement and Supply Chain Departments - which are Creactives' target market. The novelty of the latest release has reserved Creactives the most strategic position in the centre of the Spider Chart, right in the middle of the Data Foundation. Creactives stands alongside the major global players (such as SAP-

Ariba and Coupa - recently acquired by Thoma Bravo for \$8 billion) as the only Material Master Data solution that enables most of the correct implementations of solutions mapped around the core).

1 December 2022. Creactives Group SpA announces that on 29 November 2022 the resolution of the Shareholders' Meeting of 24 November 2022 on the revision of the terms and conditions for the assignment of free shares was registered at the Verona Companies' Register.

Pursuant to the resolution of the Shareholders' Meeting, the bonus shares would have been allotted to shareholders who have continuously held the shares arising from the conversion of the Balaban Technology Convertible Bond Loan ("POC") from the date of commencement of trading on the Vienna Multilateral Trading System (20 May 2020) until the fourth business day following the registration of the resolution of the Shareholders' Meeting of 24 November 2022 (29 November 2022), and therefore until 5 December 2022 (record date).

Instead, the allotment of the free shares took place on the business day following the record date, i.e. on 6 December 2022, according to the ratio of one free share for each share subscribed as part of the capital increase to service the POC conversion.

It should be noted that the issue of the free shares was carried out without giving rise to any capital increase, with the effect of reducing the implicit accounting parity of the shares that will remain in circulation at the time of the free assignment.

In December 2022, Creactives was awarded ISO/IEC 9001:2015 (ISO9001) certification with a very positive outcome of the three-year renewal audit by BSI, which confirmed Creactives' concrete adoption of a very robust quality management system, consisting of a broad set of procedures and best practices that permeate and guide the company's operations and activities from the top strategy to day-to-day operations.

Subsequent events

On 1 February 2023, Creactives Group S.p.A. announced that the Ordinary Shareholders' Meeting held on that date, after increasing the number of directors from 3 to 4, appointed the candidate indicated by the Board of Directors, Mr. Saverio Merlo, as the new director meeting the requirements of independence pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance, and set the gross annual remuneration to be attributed to him at €20.000,00 pro rata temporis.

On 13 February 2023, Creactives Group S.p.A announced that its subsidiary Creactives SpA ('Crei') has reached a positive agreement with the Italian Revenue Agency regarding tax credits for research and development expenses for the 2017/2018 tax year.

Pursuant to the same agreement, Crei has also committed to the spontaneous payment of the amounts for the years 2016/2017 and 2018/2019 and to the payment by means of an active penalty for the subsequent years concerned, resubmitting supplementary declarations where necessary. Crei therefore, pursuant to the agreement reached with the Agenzia delle Entrate, will have to pay for all the annuities concerned a total amount of approximately € 323 thousand, plus any interest, to be paid in 36 months.

The company reached the agreement by reaffirming its confidence that it had acted in accordance with applicable law and in good faith.

On 7 March 2023 Creactives Group S.p.A. (ISIN IT0005408593 - ticker: CREG) successfully debuted on Euronext Growth Milan - Professional Segment.

The listing process at Euronext Growth Milan - Professional Segment, was aimed at qualified investors and Italian and foreign institutional investors, and concerned a capital increase for a total of 576.000 newly issued ordinary shares, whose placement price was set at €1,75 each, for a total raising of approximately €1 million.

The capitalisation at the start of trading was about € 21,5 million and the company's free float was about 18,28% of the share capital, the minimum lot being 3.000 ordinary shares.

Foreseeable development of operations

During the second half of the year, the company will focus on the development of partnerships, which will be defined with new international players. With regard to the partnerships already signed, the focus will be on new contracts and the operational development of existing ones, contributing to the company's growth in terms of turnover and margins.

The company will also continue to invest in its AI ('Artificial Intelligence') technology, the Vanessa platform and applications, through collaboration with our international customers. It will also start an investment path for further product integration with the SAP world.

The company is further developing its presence with major European companies in new industrial sectors, especially with the establishment of solutions dedicated to warehouse management and master data, and is also starting to seize opportunities outside the European market, particularly on the American continent.

Despite the uncertainties stemming from the international geopolitical and financial situation, the company nevertheless expects to pursue its growth path mainly through increased recurring revenues.

This press release is available in the Investor Relations section at www.creativesgroup.com.

Attached are the Consolidated Balance Sheet and Consolidated Income Statement, the Consolidated Cash Flow Statement and the Consolidated Net Financial Position.

Consolidated balance sheet as at 31/12/2022

BALANCE SHEET

ASSETS	31/12/2022	30/06/2022
(A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL DUE		
Total receivables from shareholders for payments still due (A)	0	0
B) FIXED ASSETS		
I - Intangible fixed assets		
1) Start-up and expansion costs	166.199	116.946
3) Industrial Patent Rights and Rights to Use Intellectual Works	2.696.262	2.393.374
4) Concessions, licences, trade marks and similar rights	810.595	851.880
7) Others	22.326	11.305
Total intangible fixed assets	3.695.382	3.373.505
II - Tangible fixed assets		
4) Other Assets	15.272	13.438
Total tangible fixed assets	15.272	13.438
III - Financial fixed assets		
1) Participations		
(d-bis) Other enterprises	650	650
Total participations	650	650
2) Credits		
(d-bis) To others		
Due beyond the next financial year	8.309	8.809
Total receivables from others	8.309	8.809
Total Receivables	8.309	8.809
4) Derivative financial instruments receivable	89.430	54.022
Total financial fixed assets	98.389	63.481
Total fixed assets (B)	3.809.043	3.450.424
(C) CURRENT ASSETS		
I - Inventories		
3) Contract Work in Progress	813.201	884.824
Total inventories	813.201	884.824
II - Credits		
1) Towards customers		
Due within the next financial year	1.192.489	648.731
Total receivables from customers	1.192.489	648.731

5-bis) Tax Credits		
Due within the next financial year	321.731	168.335
Total tax receivables	321.731	168.335
5-ter) Deferred tax assets	326.001	333.917
5-quater) Towards Others		
Due within the next financial year	5.597	7.930
Total receivables from others	5.597	7.930
Total credits	1.845.818	1.158.913
III - Financial assets not constituting fixed assets		
6) Other Titles	16.380	16.380
Total financial assets not constituting fixed assets	16.380	16.380
IV - Cash and cash equivalents		
1) Bank and postal deposits	204.769	1.291.369
3) Cash and valuables on hand	474	344
Total cash and cash equivalents	205.243	1.291.713
Total current assets (C)	2.880.642	3.351.830
(D) ACCRUALS AND DEFERRALS	165.750	220.446
TOTAL ASSETS	6.855.435	7.022.700

BALANCE SHEET

LIABILITY	31/12/2022	30/06/2022
A) GROUP SHAREHOLDERS' EQUITY		
I - Capital	259.896	259.896
II - Share premium reserve	2.247.623	2.247.623
III - Revaluation Reserves	792.000	792.000
IV - Legal reserve	2.681	2.681
V - Statutory Reserves	0	0
VI - Other reserves, separately indicated		
Consolidation reserve	380.605	380.605
Reserve from translation differences	0	0
Various other reserves	3	-1
Total other reserves	380.608	380.604
VII - Reserve for expected cash flow hedging transactions	67.967	41.057
VIII - Profits (losses) carried forward	-1.884.629	-1.525.264
IX - Profit (loss) for the year	-1.192.967	-359.365
Loss set-off in the year	0	0
X - Negative reserve for treasury shares in portfolio	0	0

Total group equity	673.179	1.839.232
Minority shareholders' equity		
Capital and reserves of third parties	0	0
Minority interest in profit (loss)	0	0
Total third-party assets	0	0
Total consolidated shareholders' equity	673.179	1.839.232
B) PROVISIONS FOR RISKS AND CHARGES		
1) For pensions and similar obligations	136.730	111.027
2) For taxes, including deferred taxes	21.463	12.965
4) Others	0	5.720
Total provisions for risks and charges (B)	158.193	129.712
(C) SEVERANCE PAY	567.996	495.075
D) DEBTS		
4) Due to Banks		
Due within the next financial year	906.882	383.432
Due beyond the next financial year	1.163.874	1.306.640
Total due to banks	2.070.756	1.690.072
6) Advances		
Due within the next financial year	766.314	534.000
Total advance payments	766.314	534.000
7) Accounts Payable to Suppliers		
Due within the next financial year	753.725	573.890
Total payables to suppliers	753.725	573.890
12) Tax Payables		
Due within the next financial year	584.695	207.298
Total tax payables	584.695	207.298
13) Payables to social security institutions		
Due within the next financial year	152.139	76.290
Total due to social security institutions	152.139	76.290
14) Other debts		
Due within the next financial year	229.593	334.726
Total other payables	229.593	334.726
Total debts	4.557.222	3.416.276
(E) ACCRUALS AND DEFERRALS	898.845	1.142.405
TOTAL LIABILITIES	6.855.435	7.022.700

PROFIT AND LOSS ACCOUNT

	31/12/2022	31/12/2021
(A) VALUE OF PRODUCTION		
1) Revenues from sales and services	2.300.395	1.561.558
3) Changes in contract work in progress	-71.623	422.117
4) Increases in fixed assets for internal work	653.425	455.160
5) Other revenues and income		
Operating grants	0	12.000
More	2.291	5.520
Total other income and revenues (5)	2.291	17.520
Total value of production (A)	2.884.488	2.456.355
(B) PRODUCTION COSTS:		
6) For raw materials, consumables and goods	3.098	2.126
7) For services	1.423.662	1.178.242
8) For use of third party assets	205.672	143.778
9) For the staff:		
(a) Wages and salaries	1.127.574	936.983
(b) Social charges	321.124	270.891
(c) Severance pay	107.302	84.867
(e) Other costs	48.345	35.762
Total personnel costs (9)	1.604.345	1.328.503
10) Depreciation and Amortisation:		
a) Amortisation of intangible fixed assets	417.740	330.233
b) Depreciation of tangible fixed assets	4.196	8.341
d) Impairment of receivables included in current assets and cash and cash equivalents	0	30.000
Total depreciation and amortisation (10)	421.936	368.574
12) Provisions for risks	20.460	25.740
14) Sundry operating expenses	38.333	35.188
Total production costs (B)	3.717.506	3.082.151
Difference between value and cost of production (A-B)	-833.018	-625.796
(C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income:		
d) Income other than the above		
More	480	25
Total income other than above (d)	480	25
Total other financial income (16)	480	25

17) Interest and other financial charges		
More	28.705	32.182
Total interest and other financial expenses (17)	28.705	32.182
17-bis) Foreign Exchange Gains and Losses	-1.085	-3
Total financial income and expenses (C) (15+16-17+-17-bis)	-29.310	-32.160
(D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES:		
Total value adjustments of financial assets and liabilities (D) (18-19)	0	0
PROFIT BEFORE TAX (A-B+-C+-D)	-862.328	-657.956
20) Current, Deferred and Prepaid Income Taxes for the Year		
Current taxes	322.723	0
Deferred and prepaid taxes	7.916	0
Total income taxes for the year, current, deferred and prepaid	330.639	0
21) Consolidated profit (loss) for the year	-1.192.967	-657.956
Result attributable to minority interests	0	0
Group result	-1.192.967	-657.956

CASH FLOW STATEMENT (INCOME FLOW WITH INDIRECT METHOD)		
	Exercise Current	Exercise Previous
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the year	(1.192.967)	(359.365)
Income Taxes	330.639	32.877
Interest expense/(income)	28.225	61.333
(Dividends)	0	0
(Gains)/Losses on disposal of assets	0	0
1. Profit/(loss) for the year before income tax, interest, dividends and capital gains/losses on disposal	(834.103)	(265.155)
<i>Adjustments for non-monetary items not reflected in net working capital</i>		
Provisions to Funds	135.783	212.720
Depreciation of fixed assets	421.936	754.586
Impairment losses	0	0
Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements	(35.408)	(54.022)
Other adjustments up/(down) for non-monetary items	0	32.690
<i>Total adjustments for non-monetary items that did not have a balancing entry in net working capital</i>	522.311	945.974
2. Cash flow before changes in net working capital	(311.792)	680.819
<i>Changes in net working capital</i>		
Decrease/(Increase) in inventories	71.623	(691.054)
Decrease/(Increase) in trade receivables	(543.758)	860.222
Increase/(Decrease) in trade payables	179.835	59.230
Decrease/(Increase) in accrued income and prepaid expenses	54.696	(25.680)
Increase/(Decrease) in accrued liabilities and deferred income	(243.560)	305.033
Other decreases / (Other increases) in net working capital	(8.682)	901.502
<i>Total changes in net working capital</i>	(489.846)	1.409.253
3. Cash flow after changes in net working capital	(801.638)	2.090.072
<i>Other corrections</i>		
Interest received/(paid)	(28.225)	(61.333)
(Income taxes paid)	0	0

Dividends received	0	0
(Use of funds)	80.942	(151.185)
Other receipts/(payments)	0	0
<i>Total other adjustments</i>	52.717	(212.518)
Cash flow from operating activities (A)	(748.921)	1.877.554
B. Cash flows from investing activities		
<i>Tangible fixed assets</i>		
(Investments)	(6.030)	(9)
Disinvestments	0	0
<i>Intangible fixed assets</i>		
(Investments)	(739.617)	(997.219)
Disinvestments	0	0
<i>Financial fixed assets</i>		
(Investments)	(35.408)	(54.022)
Disinvestments	500	2.650
<i>Financial assets not held as fixed assets</i>		
(Investments)	0	(6.710)
Disinvestments	0	0
(Acquisition of subsidiaries net of cash and cash equivalents)	0	0
Disposal of subsidiaries net of liquid assets	0	0
Cash flow from investing activities (B)	(748.147)	(1.001.288)
C. Cash flows from financing activities		
<i>Third-party means</i>		
Increase/(Decrease) short-term payables to banks	577.586	(5.915)
Funding start-up	0	1.020.000
(Repayment of loans)	(196.902)	(1.117.857)
<i>Own means</i>		
Paid-in capital increase	26.914	0
(Repayment of capital)	0	0
Sale (Purchase) of Treasury Shares	0	0
(Dividends and interim dividends paid)	0	0
Cash flow from financing activities (C)	407.598	(103.772)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(1.086.470)	772.494
Exchange rate effect on cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the year		

Bank and postal deposits	1.291.369	518.900
Cheques	0	0
Cash and valuables on hand	344	319
Total cash and cash equivalents at beginning of year	1.291.713	519.219
Of which not freely usable	0	0
Cash and cash equivalents at year-end		
Bank and postal deposits	204.769	1.291.369
Cheques	0	0
Cash and valuables on hand	474	344
Total cash and cash equivalents at year-end	205.243	1.291.713
Of which not freely usable	0	0
Acquisition or disposal of subsidiaries		
Total fees paid or received	0	0
Part of the fees consisting of liquid assets	0	0
Cash acquired or disposed of in acquisitions/disposals of subsidiaries	0	0
Book value of assets/liabilities transferred	0	0

Variables	30/06/2022	31/12/2022
Long-term liabilities	1.306.640	1.163.874
Short-term liabilities	383.432	908.764
Liquidity and cash equivalents	-1.299.643	-224.751
Net financial position	390.429	1.847.888

About Creactives Group

Creactives Group S.p.A. (“Creactives Group”) (ISIN IT0005408593 - ticker: **CREG**), Innovative SME based in Verona, develops Artificial Intelligence technologies for the Supply Chain industry, delivered in “Software as a Service” mode. It has over 40 multinational customers worldwide, international revenue, and a direct presence in Italy, Germany, France, and Spain.

For more information, please visit: www.creactivesgroup.com

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