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Diffusione presunta

Oggetto : Growens signs binding agreement to acquire 100% of Contactlab S.p.A. thus consolidating its leadership in the cloud marketing technology in Italy

Testo del comunicato

Milan, 4 April, 2022 – Growens S.p.A. – GROW (the “Company” or the “Issuer” or “Growens”), a company admitted to trading on the multilateral trading facility Euronext Growth Milan and operating in the cloud marketing technology field, signed today a binding agreement for the acquisition of 100% of the share capital of Contactlab S.p.A. (“Contactlab”), primary Italian player in the cloud marketing services (the “Acquisition” or the “Transaction”).



PRICE SENSITIVE

PRESS RELEASE

Growens signs binding agreement to acquire 100% of Contactlab S.p.A. thus consolidating its leadership in the cloud marketing technology in Italy

- *The deal consideration is Eur 5 million, to be paid to Contactlab's current shareholders, Massimo Fubini, Elisa Martelli and P101, part in cash and part in Growens shares, plus an Earn-out up to Eur 6.6 million upon certain 2022-2024 targets*
- *The acquisition of Contactlab – primary player in Italy in cloud marketing services – will substantially contribute to consolidate the Group leadership position*
- *Closing by May 2022*

Milan, 4 April, 2022 – Growens S.p.A. – GROW (the “**Company**” or the “**Issuer**” or “**Growens**”), a company admitted to trading on the multilateral trading facility Euronext Growth Milan and operating in the cloud marketing technology field, signed today a binding agreement for the acquisition of 100% of the share capital of Contactlab S.p.A. (“**Contactlab**”), primary Italian player in the *cloud marketing* services (the “**Acquisition**” or the “**Transaction**”).

Contactlab owns a proprietary digital marketing platform based on Engagement Intelligence and serves circa 330 enterprise clients in various industries, among which Eataly, Scalo Milano, Christian Dior Couture, Patrizia Pepe, San Pellegrino, Stroili, Peuterey, Dsquared2, AIRC, with FY 2021 preliminary revenues of ca. Eur 10.9 million, and EBITDA ca. Eur 1 million (9.3% margin on sales). The client base – 85% of which is concentrated in Italy – is highly complementary with that of MailUp, which in turn is focused on the SMB (small-medium business) segment.

Contactlab is composed of two divisions: a product division (Tech Division) and a digital services agency (Agency Division) specializing in customer engagement. Following the Acquisition by the Growens Group, the Tech Division activity will be combined and coordinated with the MailUp business unit, thus increasing the service range in order to serve more sophisticated clients with real-time data management and marketing automation. Hence Contactlab's products will be maintained and developed, and no client migration will be performed. The Agency Division will form a new Group unit, aggregating the professional services offer related to the whole Group customer engagement on various proprietary and

non-proprietary platforms, as well as serving certain BEE internal activities currently appointed to foreign partners.

Contactlab's staff functions will be integrated in Growens' holding structure, which already includes centralized People&Culture, IT, Legal, Accounting, Controlling and Finance functions. For what concerns personnel, Growens and Contactlab structures will be completely integrated, considering the current competence and seniority layout, aiming at enhancing both similar and complementary know-how.

Following the Transaction, Massimo Fubini (current CEO and founder of Contactlab) will be responsible for the combined MailUp+Contactlab business unit.

The Transaction is consistent with the Growens Group (the "**Group**") development and consolidation strategy, as one of the main targets, in line with external growth drivers to diversify and increase the product offer. The Acquisition hence supports dimensional and capitalization growth, in view of creating a more sizeable, more integrated player in the cloud marketing technology field, with a clear Italian leadership.

The Group management believes the Transaction represents an important milestone in the Growens growth strategy in an increasingly data-centered competitive landscape. The Issuer aims at increasing the average return per customer, leveraging on the enhancement of the product and solutions portfolio with a complementary technology with the MailUp platform, the BEE (beefree.io) email template editor and the Datatrics offer.

Matteo Monfredini, Chairman and founder of Growens, stated *"Contactlab's acquisition is consistent with our strategic goal to increase SaaS sales while creating organizational and technological synergies within the business line, as well as positive interplay in the CPaaS business line for the SMS component. We devoted significant time and resources to the Transaction, with the intention of building an integrated business plan, supported by high-profile advisors, making sure that the deal meets both a solid business rationale and a wide cultural fit"*.

Nazzareno Gorni, CEO and founder of Growens, stated *"The Transaction has a dual significance: on the one hand Contactlab's technology and services will enhance our service portfolio, materially increasing our offer to customers; on the other, a widely complementary customer base will allow a material consolidation of our leadership position on the Italian market. Contactlab's integration will also facilitate cross-selling opportunities, rare martech talent acquisition, as well as material synergies."*

Massimo Fubini, CEO and founder of Contactlab, stated *"In current market conditions, corporate clients attach great value to the ability to collect customer data in order to personalize communication. CRM policies streamline media investment and significantly improve average spending and purchase frequency. The combination of Contactlab and MailUp marks the starting point for building a unique market player in terms of dimensions, skills and expertise, in both marketing technologies and the ability to design, enforce and execute CRM and engagement projects for all sorts of clients."*

CONTACTLAB

Contactlab provides top-quality products and services to maximize *customer engagement strategies* and design digital marketing campaigns, via the integrated offer of two divisions:

- **Tech Division** (Contactlab Marketing Cloud product): a proprietary SaaS platform - developed in-house - allows to (i) collect data on customer behaviors, (ii) gain insights and create customer segments, also

via artificial intelligence, (iii) automatically develop multi-channel personalized campaigns (iv) analyze the return on investments. The product is scalable and apt to different client needs; it is offered as a SaaS platform (*cloud*, IT system externalization) and relies on quick and customizable APIs, able to integrate into the client ecosystem and external tools. The platform embeds BEE Plugin (a product of the Growens Group) for digital content creation;

- **Agency Division** (professional services): provides consulting and digital training services, as well as multi-channel and loyalty marketing strategies. The offer also includes a 24/7 operations team to support customers in executing global campaigns. Services are provided by highly experienced personnel, cover the main marketing platforms and support global clients with coverage in English and across time zones.

Contactlab was founded in 1998 by current CEO and majority shareholder Massimo Fubini. In 2014 venture capital fund Programma 101 SICAF S.p.A., managed by P101 SGR S.p.A. (“**P101**”) acquired a minority stake in Contactlab. Contactlab is headquartered in Milan and employs circa 140 people. For further information, please refer to the website [Contactlab.com](https://www.contactlab.com).

TRANSACTION STRUCTURE AND DETAILS

The Transaction contemplates the purchase of n. 1,228,572 Contactlab shares (representing 100% of its share capital) from current shareholders Massimo Fubini, Elisa Martelli and P101 (the “**Selling Shareholders**”) for a total consideration (*Equity Value*) of **Eur 5 million** to be paid as follows:

- (i) as per Eur 3.750 million in cash (from the Company liquid funds) versus the purchase of n. 827,617 class A and B Contactlab shares (respectively owned by all the Selling Shareholders amounting to ca. 67.4% of its share capital), to be paid on the date of closing;
- (ii) as per Eur 1.250 million, versus the purchase of the remaining n. 400,955 class A and B Contactlab shares respectively owned by all the Selling Shareholders amounting to ca. 32.6% of its share capital, in kind, via the attribution of n. 188,822 treasury shares of the Issuer, on the date of closing (the “**Purchase Price Shares**”). The implied value of the Purchase Price Shares is Eur 6.62 per share, with a ca. 29% premium on the official price of 1 April, 2022.

In addition to the above, an earn-out provision will be granted to the Selling Shareholders for a total consideration up to Eur 6.6 million, upon achieving certain strategic and cumulated combined profitability goals for Growens and Contactlab over the time span 2022-2024.

The potential earn-out will be paid: (i) to P101, exclusively in cash, (ii) to the remaining Selling Shareholders other than P101, at Growens’ choice in cash or in kind up to 40% in Growens shares (the “**Earn-out Shares**”), based on the weighted average official price of Growens shares over the last 90 trading days before the earn-out maturity date, plus 10%.

As anticipated, in order to close the Transaction, today the Issuer signed a binding agreement with the Selling Shareholders (the “**Binding Agreement**”).

The Binding Agreement includes usual provisions for similar deals, among which: (i) appropriate representations and warranties from the Selling Shareholders, and related indemnity obligations in favor of the Company and/or ContacLab, (ii) an indemnity provision in case of supervening liabilities, supported by appropriate usual collaterals (including a dedicated escrow account and the pledge of part of the Purchase Price Shares), (iii) non-compete and non-solicitation of employees, (iv) certain *lock-up* undertakings on both the Purchase Price Shares and the Earn-Out Shares for a total duration between 18 and 48 months from the closing of the Transaction.

Finally, in order to ensure Contactlab current management's collaboration and continuity, the Transaction will also include certain management agreements, including the appointment of Massimo Fubini as a director within the Group.

Among the reasons for the decision to complete the Transaction by means of a partial payment in both Purchase Price Shares and Earn-out Shares is the opportunity to align the Selling Shareholders' (particularly Contaclab CEO's) and the Group's and their shareholders' interests, while limiting the cash-out for the Issuer.

Following the Transaction (and net of the potential Earn-out Shares attribution), the Selling Shareholders will own an aggregate stake in the Issuer of ca. 1.3% of its share capital.

The closing of the Transaction will indicatively take place by the end of May 2022.



The Transaction does not constitute a "*related party transaction*" according to the relevant Issuer procedure and applicable law.

The Issuer was assisted by Intermonte S.p.A. as financial advisor, Simmons&Simmons as legal advisor and Deloitte for due diligence and business planning & post-merger integration activities.

The Selling Shareholders were assisted by Fineurop Soditic as financial advisor and White&Case as legal advisor.

This press release is online on www.emarketstorage.com and on the Issuer website growens.io, Investor Relations/Press Releases section.

Growens CEO and IR will comment on the news in a **conference call** to be held on 7 April 2022 at 4.00pm CET, registration here: <https://my.demio.com/ref/VrqfJ82AaA6bm1Wg>.



Growens (GROW) is a vertically integrated player in the field of Cloud Marketing Technologies. with a combined SaaS and CPaaS offer. Its growing suite of data-driven solutions allows SMEs and large corporations globally to master the evolving ways of communicating with customers. Starting from the parent company, which includes the MailUp business unit (Email marketing technology), the group boasts a steady growth path both organically and through acquisitions: Acumbamail (Spanish and LatAm markets), Agile Telecom (wholesale SMS market) and Datatrics (artificial intelligence). The brand portfolio is completed by BEE, an email editor launched in 2017 as a complementary business line, already covering thousands of customers worldwide. Today, Growens is a leading European player in the field of Cloud Marketing Technologies. serving ca. 26.000+ customers in 100+ countries.

The company is admitted to trading on the Euronext Growth Milan (EGM) market managed by the Italian Stock Exchange, with a free float of ca. 37%.

ISIN IT0005040354 - Reuters: GROW.MI - Bloomberg: GROW IM

Media & Guidelines: growens.io/en/media-guidelines

For further information please contact:

Growens Investor Relations

Micaela Cristina Capelli

+39 02 71040485

investor.relations@growens.io

Growens Press Office

Maria Giulia Ganassini

+39 392 9743859

press@growens.io

growens.io

Euronext Growth Advisor

BPER Banca

+39 051 2756537

growens@bper.it

iCorporate - Growens Press Office

Danja Giacomini

+39 334 2256777

Alberto Colombini

+39 346 6016675

growens@icorporate.it

Arrowhead Business and Investment Decisions. LLC

Thomas Renaud

+1 212 619 6889

enquire@arrowheadbid.com

arrowheadbid.com

Fine Comunicato n.20054-36

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