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Oggetto : The Board of Directors approved the
consolidated half-year report as of 30 June
2021

Testo del comunicato

Milan, 14 September, 2021 – Growens S.p.A. -ticker GROW-(the “Company” or the “Issuer” or “Growens”), a company admitted to trading on the multilateral trading facility AIM Italia and operating in the cloud marketing technology field, has announced today that the Board of Directors passed a resolution to approve the consolidated report for the six-month period ended on 30 June 2021, prepared in compliance to international accounting standards (IAS/IFRS).

Consolidated figures show a significant growth, 6.3% for 1H 2021 sales at 33.7M EUR vs. 31.7M EUR in 1H2020; and +10.6% for 1H 2021 EBITDA at 2.4M EUR vs. 2.2M EUR in 1H 2020.



PRICE SENSITIVE

PRESS RELEASE

The Board of Directors approved the consolidated half-year report as of 30 June 2021

Consolidated REVENUES of EUR 33.7M, +6.3%

Consolidated EBITDA of EUR 2.4M, +10.6%

Consolidated NET EARNINGS of EUR 0.3M, -26.2%

**Consolidated NET CASH POSITION of EUR 1.6M, versus EUR 2.5M as of 31 December
2020**

Milan, 14 September, 2021 – Growens S.p.A. - ticker GROW - (the “Company” or the “Issuer” or “Growens”), a company admitted to trading on the multilateral trading facility *AIM Italia* and operating in the cloud marketing technology field, has announced today that the Board of Directors passed a resolution to approve the consolidated report for the six-month period ended on 30 June 2021, prepared in compliance to international accounting standards (IAS/IFRS).

Consolidated figures show a significant growth, 6.3% for 1H 2021 sales at 33.7M EUR vs. 31.7M EUR in 1H2020; and +10.6% for 1H 2021 EBITDA at 2.4M EUR vs. 2.2M EUR in 1H 2020.

“We are particularly pleased with the half-year results which confirm the resilience of our business and the strategic choice to focus on growing the SaaS component and increase the marginality of the CPaaS component.”

Matteo Monfredini, Chairman and founder of Growens

“The first half of 2021 shows sound global business recovery, especially in its most recent months. We keep the focus on execution, with a view to both organic and external growth. From the M&A standpoint, we are currently engaged on several opportunities, aiming at integrating one or more SaaS companies. As per financial communication, we introduced and developed a few new elements, in order to foster an easier and more immediate comprehension of our results, in line with international standards. In detail, we adopted a new representation of revenues, split into the SaaS and CPaaS strategic business units, and we started to disclose the main KPIs for our businesses.”

Nazzareno Gorni, CEO and founder of Growens

Summary of 1H 2021 results

The main results for the quarter ended 31 March 2021 are as follows:

Item (EUR)	1H 2021	%	1H 2020	%	Change	Ch.%
SaaS Revenues	12,502,015	37.1%	11,567,246	36.5%	934,769	8.1%
CPaaS Revenues	20,736,869	61.5%	19,336,959	61.0%	1,399,910	7.2%
Other Revenues	452,503	1.3%	786,266	2.5%	(333,762)	(42.4%)
TOTAL REVENUES	33,691,387	100.0%	31,690,470	100.0%	2,000,917	6.3%
Gross Profit	11,595,569	34.4%	10,333,142	32.6%	1,262,427	12.2%
EBITDA	2,408,593	7.1%	2,177,411	6.9%	231,182	10.6%
EBT	445,138	1.3%	488,521	1.5%	(43,383)	(8.9%)

Starting from 1H 2021, corporate consolidated reporting includes the split of revenues according to the two main divisions, i.e. SaaS and CPaaS, instead of by product lines (Email, SMS, Predictive Marketing), in order to (i) better represent two areas of business with coherent dynamics, business models, *go-to-market*, KPIs (Key Performance Indicators) and financials; (ii) disclose corporate information consistent with the Group's operational and management logics, as well as strategic choices; (iii) simplify reporting in view of facilitating comprehension and comparability within international standards.

The **SaaS** division (Software-as-a-Service) includes services supplied to clients via cloud platforms, sold through mostly recurring multi-period contracts / c.d. *subscription*. In terms of Business Units, it combines revenues from MailUp, BEE, Acumbamail and Datatrics. The **CPaaS** division (Communication-Platform-as-a-Service) covers the messaging services provided on a wholesale basis using APIs, especially supplied by the Agile Telecom Business Unit.

Furthermore, in order to (i) better represent operational figures consistent with human resources dynamics, especially in the areas of COGS, S&M, R&D and G&A, (ii) facilitate comparison between different periods, the previous accounting of certain headcounts was restated consistently with the current status, thus 1H 2020 data were updated. Such restatement is unaudited.

Here follow the half-year Group results by business unit as of 30 June 2021:

in Euro	SALES			EBITDA		
	30/06/2021	30/06/2020	%	30/06/2021	30/06/2020	%
MailUp	8,198,657	8,063,098	1.7%	1,428,180	1,947,254	(26.7%)
Agile Telecom	22,263,273	20,686,323	7.6%	1,084,360	622,603	74.2%
BEE	2,380,229	1,831,647	30.0%	139,105	94,208	47.7%
Datatrics	1,346,619	1,476,402	(8.8%)	(421,583)	(739,910)	(43.0%)

Acumbamail	977,079	745,452	31.1%	206,189	127,447	61.8%
Holding	3,453,786	2,587,000	33.5%	(184,276)	(47,000)	292.1%
TOTAL	38,619,642	35,389,922	9.1%	2,251,975	2,004,602	12.3%
Consol. Adj.	(4,928,255)	(3,699,452)		156,618	172,809	
TOTAL	33,691,387	31,690,470	6.3%	2,408,593	2,177,411	10.6%

The consolidated net financial position as of 30 June 2021 is the following:

Consolidated Net Financial Position	30/06/2021	31/12/2020	Change	Ch.%
A. Cash	9,829,725	9,866,364	(36,639)	(0.4%)
B. Cash equivalents				
C. Assets held for sale	195	195	0	0%
D. Cash and cash equivalents (A) + (B) + (C)	9,829,920	9,866,559	(36,639)	(0.4%)
E. Current debt	1,121,471	1,098,499	22,972	2.1%
F. Current part of non current debt	885,567	916,100	(30,533)	(3.3%)
G. Current financial position (E) + (F)	2,007,039	2,014,599	(7,561)	(0.4%)
H. Net current financial position (G) - (D)	(7,822,881)	(7,851,959)	29,078	(0.4%)
I. Non current debt	6,238,595	5,338,052	900,543	16.9%
J. Debt financial instruments				
K. Trade and other non current debt				
L. Non current financial position (I) + (J) + (K)	6,238,595	5,338,052	900,543	16.9%
M. Net financial position (H) + (L)	(1,584,286)	(2,513,907)	929,621	(37.0%)
o/w E. Current financial liabilities Rights of Use IFRS 16	1,058,896	1,029,099	29,797	2.9%
o/w I. Non current financial liabilities Rights of Use IFRS 16	2,496,740	2,696,519	(199,779)	(7.4%)
N. Net financial position ex IFRS 16 effect	(5,139,922)	(6,239,525)	1,099,603	(17.6%)

ESMA guidelines 32-382-1138 of 04/03/2021
par. 175 guideline 39

Comments to 1H 2021 results

1H 2021 P&L posts total **Revenues** around 33.7M EUR, showing a +6.3% organic increase versus 31.7M EUR in the same period of 2020: such growth is mainly driven by the growth of the SaaS component, in excess of 8% for a 37+% incidence on total sales. CPaaS grows by more than 7% for a 61.5% incidence on total sales. Other revenues decrease because of the reduction in non-refundable government grants and windfall profits vs. 1H 2020.

The **Agile Telecom** Business Unit posted the biggest sales of ca. 22.3M EUR, growing +7.6% over the same period of the previous year. Data for the most recent months of the semester and the following months

show excellent signs of recovery of the SMS data traffic, as a consequence of the reopening economic activities after lockdowns, especially in Italy.

The fastest growing Business Unit is **BEE (beefree.io)**, with a 42.2% increase in sales at constant EUR/USD exchange rate, at 2.4M EUR or 2.8M USD turnover, driven by increasing volumes. ARR (Annual Recurring Revenues, a very popular key performance indicator for a subscription business, showing the average annual recurring value of existing contracts) exceeds 7M USD as of August 2021.

Acumbamail's performance is also excellent (growing over 31.1%), whereas MailUp posts substantially stable sales (+1.7%), due to the impact of the crisis in Italy (where the business unit's sales are most exposed), especially given the termination of certain recurring contracts during the previous fiscal year, which the Group plans to recover via product-led strategy and development of the indirect channel abroad.

The **Datatrix** Business Unit sales, operating in the Predictive Marketing space with a proprietary Customer Data Platform, decreased by -8.8%; however, in 2021 certain intercompany sales came less between Datatrix Srl and Datatrix BV, hence the 1H 2020 sales data were amended consistently in order to better represent the business trend. The reorganisation initiatives launched in 2020 caused an increase in lead generation and client pipeline. Effects from such reorganization are expected within Q3 2021, with a reprise in growth in 2022.

Foreign sales amount to 17.7+M EUR, representing 53+% of total sales and growing by 0.6%. Italian turnover grows by ca. 17%, mainly driven by increasing volumes of Agile Telecom.

Consolidated **EBITDA** amounts to 2.4M EUR in 1H 2021, growing by +10.6% versus 1H 2020, with a 7.1% margin on sales. 1H 2021, and especially its most recent months, shows strong evidence of recovery, with EBITDA solidly growing more than sales, and Gross Profit growing ca. 200 bps on sales (from 32.6% to 34.4%), with an almost double growth rate than sales (+12.2%), proof of the ongoing effect of optimizations and cost savings. Both Gross Profit and EBITDA margins are positively affected by a variety of factors, among which: (i) lockdown-related cost savings, especially S&M both in absolute (-0.9%) and margin-wise terms (from 10.6% to 9.8% on sales), due to the lack of in-person events and related travel; (ii) general double-digit EBITDA margin increase of Agile Telecom (+74.2%), in line with the corporate strategy, BEE (+47.7%), Acumbamail (+61.8%); (iii) the reduction of Datatrix' operating loss by ca. 60%, as a positive effect of the above-mentioned measures. Cost-wise, as already disclosed, the Group chose not to suspend or defer the planned strategic projects, especially fundamental R&D (+33.5%) where the biggest investments are currently concentrated. As a consequence of the above, **EBT** is stable to a positive 0.5M EUR, or 1.3% on sales.

Net earnings in 1H 2021, after current and deferred taxation estimates, amounts to ca. 0.3M EUR; the change versus the previous period is influenced by the allocated tax figures, provided that consolidated taxation results from the aggregate amounts of individual taxation, applied on each legal entity.

The consolidated **Net Financial Position** as of 30 June 2021 is negative (for net cash) and amounts to 1.6M EUR, decreasing versus the previously recorded (net cash) amount of 2.5M EUR as of 31 December 2020. Figurative debt from IFRS 16's adoption amounts to ca. 3.5M EUR. Cash exceeds 9.8M EUR.

Net Working Capital dynamics show cash absorption of ca. 0.9M EUR, vs FY2020, as a combined result of payment terms, especially for Agile Telecom, and generally for the pandemic-driven slowdown in collections as well as the contraction of certain subscriptions, alongside a few material collections that were delayed beyond the accounting end of the term, but nevertheless were successfully completed after the period-end.

BDO Italia S.p.A., appointed audit firm, performed a limited review of on the half-year consolidated report for the six months period ended on 30 June 2021 and issued today an unqualified opinion.

Consolidated P&L, balance sheet and cash flow statement are attached.

Investor Relations

The Half-Year Consolidated Report as of 30 June 2021 will be available to the public as per AIM regulations as well as on Growens' website www.growens.io, Section 'Investor Relations/Financial Statements'.

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

The updated corporate presentation, including 1H 2021 data and main KPIs per Business Unit will be available to the public on the Issuer website www.growens.io, Section 'Investor Relations/Presentations'.

Growens' Chairman and CEO will comment 1H 2021 results in a conference call to be held on 16 September 2021 at 4 pm CET, registration at this link: <https://my.demio.com/ref/VrqfJ82AaA6bm1Wg>.

Growens' CEO and Executive Director&IR will participate to "ISMO – Italian Stock Market Opportunities Paris Virtual" by Intesa Sanpaolo IMI CIB" on 29 September 2021.

CONSOLIDATED PROFIT & LOSS AS OF 30/06/2021

Item	30/06/2021	%	30/06/2020	%	Change	Ch.%
SaaS Revenues	12,502,015	37.1%	11,567,246	36.5%	934,769	8.1%
CPaaS Revenues	20,736,869	61.5%	19,336,959	61.0%	1,399,910	7.2%
Other Revenues	452,503	1.3%	786,266	2.5%	(333,762)	(42.4%)
Total Revenues	33,691,387	100.0%	31,690,470	100.0%	2,000,917	6.3%
COGS	22,095,818	65.6%	21,357,328	67.4%	738,490	3.5%
Gross Profit	11,595,569	34.4%	10,333,142	32.6%	1,262,427	12.2%
Sales & Marketing costs	3,315,335	9.8%	3,343,846	10.6%	(28,510)	(0.9%)
Research & Development Opex	1,840,168	5.5%	1,316,618	4.2%	523,550	39.8%
<i>R&D Capex</i>	(1,183,686)	(3.5%)	(948,398)	(3.0%)	(235,288)	24.8%
<i>R&D costs</i>	3,023,854	9.0%	2,265,016	7.1%	758,838	33.5%
General & Admin Costs	4,031,472	12.0%	3,495,267	11.0%	536,205	15.3%
Total Costs	9,186,976	27.3%	8,155,731	25.7%	1,031,245	12.6%
EBITDA	2,408,593	7.1%	2,177,411	6.9%	231,182	10.6%
General Depreciation Costs	184,055	0.5%	175,660	0.6%	8,395	4.8%
Right of Use Amortization Costs	548,002	1.6%	541,835	1.7%	6,167	1.1%
R&D Amortization Costs	1,197,678	3.6%	931,489	2.9%	266,190	28.6%
EBIT	478,858	1.4%	528,428	1.7%	(49,569)	(9.4%)
Net financial income/(charges)	(33,720)	(0.1%)	(39,906)	(0.1%)	6,186	(15.5%)
EBT	445,138	1.3%	488,521	1.5%	(43,383)	(8.9%)
Current Income Taxes	(396,865)	(1.2%)	(264,621)	(0.8%)	(132,245)	50.0%
Deferred Taxes	250,678	0.7%	181,088	0.6%	69,590	38.4%
Net Profit (Loss)	298,951	0.9%	404,989	1.3%	(106,038)	(26.2%)

Data in €

CONSOLIDATED BALANCE SHEET AS OF 30/06/2021

Item	30/06/2021	31/12/2020	Variazione	Var.%
Intangible fixed assets	6,027,601	5,188,299	839,301	16.2 %
Goodwill	16,477,023	16,477,023	0	0.0 %
Tangible fixed assets	1,629,174	1,700,842	(71,668)	(4.2 %)
Rights of Use (IFRS 16)	3,518,015	3,701,056	(183,041)	(4.9 %)
Financial fixed assets	224,785	223,748	1,037	0.5 %
Fixed Assets	27,876,599	27,290,970	585,629	2.1 %
Receivables from customers	11,547,033	10,354,302	1,192,731	11.5 %
Payables to supplier	(11,098,684)	(11,795,918)	697,234	(5.9 %)
Payables to associated companies	(30,000)	(31,220)	1,220	(3.9 %)
Commercial Trade Working Capital	418,350	(1,472,835)	1,891,185	(128.4 %)
Tax receivables and payables	1,675,109	2,420,896	(745,787)	(30.8 %)
Accruals and deferrals	(6,723,217)	(7,405,599)	682,382	(9.2 %)
Other receivables and payables	(4,371,325)	(3,449,879)	(921,445)	26.7 %
Net Working Capital	(9,001,082)	(9,907,417)	906,335	(9.1 %)
Provisions for risks and charges	(711,635)	(630,970)	(80,665)	12.8 %
Provisions for severance and pension	(2,072,935)	(1,983,682)	(89,253)	4.5 %
Net Capital Invested	16,090,946	14,768,900	1,322,045	9.0 %
Share capital	374,276	374,276	0	0.0 %
Reserves	17,002,005	16,343,604	658,400	4.0 %
Profit (Loss) for the period	298,951	564,927	(265,976)	(47.1 %)
Net Equity	17,675,232	17,282,807	392,424	2.3 %
(Cash) / ST debt	(8,881,582)	(8,880,864)	(719)	0.0 %
AFS Financial Assets	(195)	(195)	0	0.0 %
Medium/long-term debt	6,238,595	5,338,052	900,543	16.9 %
Net financial position	(1,584,286)	(2,513,907)	929,621	(37.0 %)
<i>ST Financial liabilities right of use (IFRS16)</i>	1,058,896	1,029,099	29,797	2.9 %
<i>LT Financial liabilities right of use (IFRS16)</i>	2,496,740	2,696,519	(199,779)	(7.4 %)
Net financial position ex IFRS16	(5,139,922)	(6,239,525)	1,099,603	(17.6%)
Totale sources	16,090,946	14,768,900	1,322,045	9.0 %

Data in €

CONSOLIDATED CASH FLOW STATEMENT AS OF 30/06/2021

ITEM	30/06/2021	30/06/2020
Period profit/(loss)	298,951	404,989
Income tax	396,865	264,621
Prepaid/deferred tax	(250,678)	(181,088)
Interest expense/(interest income)	25,505	27,019
Exchange (gains)/losses	8,215	12,887
1 Profit/(loss) before income tax, interest, dividends and capital gains/losses on disposals	478,858	528,428
<i>Value adjustments for non-monetary elements that have no equivalent item in net working capital:</i>		
Provisions for TFR	255,129	235,983
Other provisions	147,932	70,157
Amortisation and depreciation of fixed assets	1,844,502	1,600,994
Other adjustments for non-monetary items	17,069	(63,297)
2 Cash flow before changes in NWC	2,743,490	2,372,264
<i>Changes to net working capital</i>		
Decrease/(increase) in trade receivables	(1,192,731)	2,365,300
Increase/(decrease) in trade payables	(698,454)	(1,769,519)
Decrease/(increase) in accrued income and prepaid expenses	(561,915)	(81,542)
Increase/(decrease) in accrued liabilities and deferred income	(120,467)	1,174,142
Increase/(decrease) tax receivables	479,060	(1,086,547)
Increase/(decrease) tax payables	266,727	563,687
Increase/(decrease) other receivables	410,071	200,264
Increase/(decrease) other payables	511,374	(399,970)
Decrease/(increase) in trade receivables	(1,192,731)	2,365,300
3 Cash flow after changes in NWC	1,837,155	3,338,079
<i>Other adjustments</i>		
Interest collected/(paid)	21,061	(28,490)
(Income tax paid)	(40,717)	(121,302)
(Use of provision)	(82,051)	(78,107)
4 Cash flow after other adjustments	1,735,448	3,110,180
A Cash flow from operations	1,735,448	3,110,180
Tangible fixed assets	(158,526)	(308,678)

(Investments)	(158,526)	(308,678)
Intangible fixed assets	(1,905,607)	(1,296,680)
(Investments)	(1,905,607)	(1,296,680)
Financial fixed assets	(1,037)	(35)
(Investments)	(1,037)	(35)
B Cash flow from investments	(2,065,170)	(1,605,393)
Minority interest funds	528,021	(496,442)
Increase (decrease) in short-term payables to banks	(6,825)	(25,593)
Stipulation of loans	1,600,000	484,115
Repayment of loans	(1,065,154)	(954,964)
Own funds		
Capital increase by payment	(234,938)	(43,464)
Sale (purchase) of treasury shares		
Minority interest funds	(234,938)	(43,464)
C Cash flow from loans	293,082	(539,906)
Increase (decrease) in liquid funds (A ± B ± C)	(36,639)	964,881
Initial cash and cash equivalents	9,866,364	8,946,689
Final cash and cash equivalents	9,829,725	9,911,569
Change in cash and cash equivalents	(36,639)	964,881

Data in €



Growens (GROW) is a vertically integrated player in the field of Cloud Marketing Technologies. 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 AIM Italia market managed by the Italian Stock Exchange, with a free float of 37+%.

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

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

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