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Informazione
Regolamentata

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Diffusione presunta

Oggetto : The Board of Directors approved the
consolidated half-year report as of 30 June
2022

Testo del comunicato

Consolidated REVENUES of EUR 47.2M, +40%

Consolidated EBITDA of EUR 1.4M, -44%

Consolidated NET EARNINGS of EUR -0.9M

Consolidated NET CASH POSITION of EUR 1M, versus EUR 6.5M as of 31 Dec. 2021

Milan, 8 September, 2022 – 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 2022, prepared in compliance to international accounting standards (IAS/IFRS).

Consolidated figures show a significant growth, +40% for 1H 2022 sales at 47.2M EUR vs. 33.7M EUR in 1H2021 (or +35% organic at 45.5M EUR), including consolidation of Contactlab from 1 May 2022; and +44% for 1H 2022 EBITDA at 1.4M EUR vs. 2.4M EUR in 1H 2021.



PRICE SENSITIVE

PRESS RELEASE

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“The first half of 2022 shows sound top-line recovery, whereas costs are affected by the SMS component (COGS), BEE (S&M) and acquisition related costs (SG&A), only partially offset by the incremental performance brought on by Contactlab’s integration, starting from 1 May 2022 according to IFRS accounting principles.”

Matteo Monfredini, Chairman and founder of Growens

“The first half of 2022 consolidates global business recovery. We keep the focus on execution, with a view to both organic and external growth, especially focusing on BEE’s development. Our medium-term strategic goal is to adhere to the so-called “rule of forty” metric, used by Anglo-Saxon investors to evaluate a SaaS business success: it consists of the sum of sales % growth and EBITDA margin exceeding 40%. This metric (equal to ca. 43% in 1H 2022) will allow assessing the balance of growth and profitability, ultimately cash flow, as a key metric in 2023-2025 strategic planning.”

Nazzareno Gorni, CEO and founder of Growens

Summary of 1H 2022 results

The main results for the semester ended 30 June 2022 are as follows:

Item (EUR)	1H 2022	%	1H 2021	%	Change	Ch.%
SaaS Revenues	16,897,544	35.8%	12,502,015	37.1%	4,395,530	35.2%
CPaaS Revenues	29,807,128	63.2%	20,736,869	61.5%	9,070,259	43.7%
Other Revenues	478,560	1.0%	452,503	1.3%	26,057	5.8%
TOTAL REVENUES	47,183,233	100.0%	33,691,387	100.0%	13,491,845	40.0%
Gross Profit	13,667,708	29.0%	11,595,569	34.4%	2,072,139	17.9%
EBITDA	1,356,755	2.9%	2,408,593	7.1%	(1,051,838)	(43.7%)
EBT	(958,654)	(2.0%)	445,138	1.3%	(1,403,792)	n.m.

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+Contactlab, 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.

Consolidation of Contactlab's data started from 1 May 2022, according to IFRS accounting principles. As a consequence, consolidated 1H 2022 data include: (i) revenues and costs of the months of May and June in the P&L, (ii) BS balance as of 30 June 2022. Compare P&L data as of 30 June 2021 and BS data as of 31 December 2021 do not include Contactlab's figures.

Here follow the half-year Group results by business unit as of 30 June 2022:

in Euro	REVENUES			EBITDA		
	30/06/2022	30/06/2021	%	30/06/2022	30/06/2021	%
MailUp+Contactlab	10,569,831	8,198,657	28.9%	1,126,394	1,428,180	(21.1%)
Agile Telecom	31,929,774	22,263,273	43.4%	714,571	1,084,360	(34.1%)
BEE	3,980,491	2,380,229	67.2%	387,805	139,105	178.8%
Datatrics	1,232,720	1,346,619	(8.5%)	(893,738)	(421,583)	(112.0%)
Acumbamail	1,171,950	977,079	19.9%	162,408	206,189	(21.2%)
Holding	4,766,392	3,453,786	38.0%	(268,278)	(184,276)	45.6%
TOTAL	53,651,158	38,619,642	38.9%	1,229,162	2,251,975	(45.4%)
Consol. Adj.	(6,467,925)	(4,928,255)		127,593	156,618	
TOTAL	47,183,233	33,691,387	40.0%	1,356,755	2,408,593	(43.7%)

The consolidated net financial position as of 30 June 2022 is the following:

Consolidated Net Financial Position	30/06/2022	31/12/2021	Change	Ch.%
A. Cash	9,761,497	13,324,983	(3,563,486)	(26.7%)
B. Cash equivalents				
C. Assets held for sale	0	0	0	0%
D. Cash and cash equivalents (A) + (B) + (C)	9,761,497	13,324,983	(3,563,486)	(26.7%)
E. Current debt	1,100,598	1,164,171	(63,572)	(5.5%)
F. Current part of non-current debt	2,531,204	1,068,841	1,462,362	136.8%
G. Current financial position (E) + (F)	3,631,802	2,233,012	1,398,790	62.6%
H. Net current financial position (G) - (D)	(6,129,695)	(11,091,971)	4,962,276	(44.7%)
I. Non-current debt	5,111,326	4,571,252	540,074	11.8%
J. Debt financial instruments				
K. Trade and other non-current debt				
L. Non current financial position (I) + (J) + (K)	5,111,326	4,571,252	540,074	11.8%
M. Net financial position (H) + (L)	(1,018,369)	(6,520,719)	5,502,350	(84.4%)
o/w E. Current financial liabilities Rights of Use IFRS 16	925,749	998,388	(72,640)	(7.3%)
o/w I. Non-current financial liabilities Rights of Use IFRS 16	1,744,570	2,300,390	(555,821)	(24.2%)
N. Net financial position ex IFRS 16 effect	(3,688,687)	(9,819,497)	6,130,810	(62.4%)

ESMA guidelines 32-382-1138 of 04/03/2022
par. 175 guideline 39

Comments to 1H 2022 results

1H 2022 P&L posts total **Revenues** around 47.2M EUR, showing a +40% increase (+35% organic) versus 33.7M EUR in the same period of 2021. Such growth is driven by the growth of both the SaaS component, in excess of 35% (21+% organic) for a 36% incidence on total sales and the CPaaS line, by more than 44% for a 63% incidence on total sales. Other revenues are steady vs. 1H 2021.

The **Agile Telecom** Business Unit posted the biggest sales of ca. 32M EUR, growing +43+% over the same period of the previous year. Growth is driven by new strategic clients acquisitions, which contribute a limited entry-level profitability for commercial purposes.

The fastest growing Business Unit is **BEE (beefree.io)**, with a 67+% increase in sales (or 52% at constant EUR/USD exchange rate), at 4M EUR or 4.3M 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) amounts to 10M USD as of August 2022.

MailUp+Contactlab's performance is also excellent (+29%, of which 7% organic) as well as **Acumbamail's** (growing over 20%).

The **Datatricks** Business Unit sales, operating in the Predictive Marketing space with a proprietary Customer Data Platform, decreased by -8.5%.

Foreign revenues amount to 30+M EUR, representing 64+% of total sales and growing by 70%, thanks to Agile Telecom's growth. Recurring revenues amount to 27+% of total sales, growing 27+% (21% organic), whereas their reduced incidence (-2.8%) results from the dilution from the substantial growth of Agile Telecom's non-recurring revenues. Italian turnover grows by ca. 7%, mainly driven by Contactlab's acquisition.

Consolidated **EBITDA** amounts to 1.4M EUR in 1H 2022, decreasing by 44% versus 1H 2021, with a 3% margin on sales. 1H 2022 Gross Profit and EBITDA margin are affected by a variety of factors, among which: (i) as per COGS (+52%), CPaaS line profitability, caused by the sale of certain strategic routes which implied strong top-line growth but entry-level Gross Margin dilution; (ii) as per S&M (+44%), focus on BEE's development; (iii) as per G&A (+34%), the incidence of one-off acquisition costs of Contactlab, vs. an incremental economic performance accounted for in the last two months of the semester. As a consequence of the above, **EBT** is negative for 1M EUR.

Net earnings in 1H 2022, after current and deferred taxation estimates, amounts to ca. -0.9M EUR. 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 2022 is negative (for net cash) and amounts to 1M EUR, decreasing versus the previously recorded (net cash) amount of 6.5M EUR as of 31 December 2021, mainly influenced by the cash-out for Contactlab's acquisition. Figurative debt from IFRS 16's adoption amounts to ca. 2.7M EUR. Cash exceeds 9.7M EUR.

Net Working Capital dynamics show cash absorption of ca. 1.2M EUR, vs FY2021, as a result of increased receivables, of which ca. 2.7M EUR from Contactlab's acquisition, alongside the mixed collection/cash-out effects from the Agile Telecom Business Unit, due to the acquisition of promising strategic clients with entry-level low profitability as well as certain invoice collections postponed after the semester financial close, successfully closed at the beginning of July. One last factor is related to Agile Telecom's new supply contracts, which bear great medium-term potential but feature low or negligible deferred payment terms in the first phase of collaboration.

Finally, as per the cashflow statement, flows are not directly comparable with balance sheet figures changes, in that Contactlab was consolidated from 1 May 2022, hence figures as of 1 May 2022 were used as opening figures. As a consequence, Contactlab's flows are generated by balance sheet changes between 1 May and 30 June, as well as net earnings generated in the same period. Cash changes include separate statement of Contactlab's initial cash position, whereas the Balance Sheet changes in cash do not include it, consistently with criteria adopted to represent stand-alone data as of 31 December 2021.

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 2022 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 2022 will be available to the public as per EGM 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 2022 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 2022 results in a conference call to be held on 9 September 2022 at 4 pm CET, registration at this link: <https://my.demio.com/ref/VrqfJ82AaA6bm1Wg>.

Growens' CEO and Executive Director&IR will participate to “**Think Equity Conference**” in New York City, on 26 October 2022.

CONSOLIDATED PROFIT & LOSS AS OF 30/06/2022

Item	30/06/2022	%	30/06/2021	%	Change	Ch.%
SaaS Revenues	16,897,544	35.8%	12,502,015	37.1%	4,395,530	35.2%
CPaaS Revenues	29,807,128	63.2%	20,736,869	61.5%	9,070,259	43.7%
Other Revenues	478,560	1.0%	452,503	1.3%	26,057	5.8%
Total Revenues	47,183,233	100.0%	33,691,387	100.0%	13,491,845	40.0%
COGS	33,515,524	71.0%	22,095,818	65.6%	11,419,706	51.7%
Gross Profit	13,667,708	29.0%	11,595,569	34.4%	2,072,139	17.9%
Sales & Marketing costs	4,778,496	10.1%	3,315,335	9.8%	1,463,161	44.1%
Research & Development Opex	2,144,470	4.5%	1,840,168	5.5%	304,302	16.5%
<i>R&D Capex</i>	<i>(1,599,738)</i>	<i>(3.4%)</i>	<i>(1,183,686)</i>	<i>(3.5%)</i>	<i>(416,052)</i>	<i>35.1%</i>
<i>R&D costs</i>	<i>3,744,208</i>	<i>7.9%</i>	<i>3,023,854</i>	<i>9.0%</i>	<i>720,354</i>	<i>23.8%</i>
General & Admin Costs	5,387,987	11.4%	4,031,472	12.0%	1,356,515	33.6%
Total Costs	12,310,953	26.1%	9,186,976	27.3%	3,123,977	34.0%
EBITDA	1,356,755	2.9%	2,408,593	7.1%	(1,051,838)	(43.7%)
General Depreciation Costs	217,587	0.5%	184,055	0.5%	33,532	18.2%
Right of Use Amortization Costs	504,315	1.1%	548,002	1.6%	(43,687)	(8.0%)
R&D Amortization Costs	1,659,584	3.5%	1,197,678	3.6%	461,906	38.6%
EBIT	(1,024,731)	(2.2%)	478,858	1.4%	(1,503,589)	n.m.
Net financial income/(charges)	66,077	0.1%	(33,720)	(0.1%)	99,797	n.m.
EBT	(958,654)	(2.0%)	445,138	1.3%	(1,403,792)	n.m.
Current Income Taxes	(173,416)	(0.4%)	(396,865)	(1.2%)	223,449	(56.3%)
Deferred Taxes	194,709	0.4%	250,678	0.7%	(55,969)	(22.3%)
Net Profit (Loss)	(937,360)	(2.0%)	298,951	0.9%	(1,236,311)	n.m.
<i>Group Net Profit (Loss)</i>	<i>(930,945)</i>	<i>(2.0%)</i>	<i>298,951</i>	<i>0.9%</i>	<i>(1,229,896)</i>	<i>n.m.</i>
<i>Minority Net Profit (Loss)</i>	<i>(6,415)</i>	<i>(0.0%)</i>		<i>0.0%</i>	<i>(6,415)</i>	<i>n.m.</i>

Data in €

CONSOLIDATED BALANCE SHEET AS OF 30/06/2022

Item	30/06/2022	31/12/2021	Variazione	Var.%
Intangible fixed assets	10,610,339	6,934,260	3,676,079	53.0%
Goodwill	18,764,885	15,326,343	3,438,542	22.4%
Tangible fixed assets	1,411,901	1,451,491	(39,590)	(2.7%)
Rights of Use (IFRS 16)	2,613,694	3,168,182	(554,488)	(17.5%)
Financial fixed assets	310,012	200,985	109,027	54.2%
Fixed Assets	33,710,831	27,081,261	6,629,570	24.5%
Receivables from customers	16,294,203	12,465,270	3,828,932	30.7%
Payables to supplier	(15,099,948)	(14,188,380)	(911,568)	6.4%
Payables to associated companies		(2,000)	2,000	n.m.
Commercial Trade Working Capital	1,194,255	(1,725,110)	2,919,365	n.m.
Tax receivables and payables	975,861	290,878	684,983	n.m.
Accruals and deferrals	(9,200,532)	(7,845,047)	(1,355,485)	17.3%
Other receivables and payables	(4,633,512)	(3,589,466)	(1,044,046)	29.1%
Net Working Capital	(11,663,928)	(12,868,744)	1,204,816	(9.4%)
Provisions for risks and charges	(1,424,686)	(936,801)	(487,884)	52.1%
Provisions for severance and pension	(4,220,419)	(2,265,831)	(1,954,588)	86.3%
Net Capital Invested	16,401,799	11,009,885	5,391,914	49.0%
Share capital	374,276	374,276	(0)	(0.0%)
Reserves	17,992,293	16,775,315	1,216,978	7.3%
Profit (Loss) for the period	(930,945)	387,098	(1,318,043)	n.m.
Minority Interest	(15,456)	(6,086)	(9,371)	n.m.
Net Equity	17,420,167	17,530,603	(110,436)	(0.6%)
(Cash)	(9,761,497)	(13,324,983)	3,563,486	(26.7%)
ST debt	3,631,802	2,233,012	1,398,790	n.m.
AFS Financial Assets				
Medium/long-term debt	5,111,326	4,571,252	540,074	24.1%
Net financial position	(1,018,369)	(6,520,719)	5,502,350	(84.4%)
<i>ST Financial liabilities right of use (IFRS16)</i>	925,749	998,388	(72,640)	(7.3%)
<i>LT Financial liabilities right of use (IFRS16)</i>	1,744,570	2,300,390	(555,821)	(24.2%)
Net financial position ex IFRS16	(3,688,687)	(9,819,497)	6,130,810	(62.4%)
Totale sources	16,401,799	11,009,885	5,391,914	49.0%

Data in €

CONSOLIDATED CASH FLOW STATEMENT AS OF 30/06/2022

ITEM	30/06/2022	30/06/2021
Period profit/(loss)	(937,360)	298,951
Income tax	173,416	396,865
Prepaid/deferred tax	(194,709)	(250,678)
Interest expense/(interest income)	65,102	25,505
Exchange (gains)/losses	(131,179)	8,215
1 Profit/(loss) before income tax, interest, dividends and capital gains/losses on disposals	(1,024,731)	478,858
<i>Value adjustments for non-monetary elements that have no equivalent item in net working capital:</i>		
Provisions for TFR	360,928	255,129
Other provisions	121,500	147,932
Amortisation and depreciation of fixed assets	2,335,841	1,844,502
Other adjustments for non-monetary items	(41,103)	17,069
2 Cash flow before changes in NWC	1,752,435	2,743,490
<i>Changes to net working capital</i>		
Decrease/(increase) in trade receivables	(71,704)	(1,192,731)
Increase/(decrease) in trade payables	263,109	(698,454)
Decrease/(increase) in accrued income and prepaid expenses	78,946	(561,915)
Increase/(decrease) in accrued liabilities and deferred income	(319,346)	(120,467)
Increase/(decrease) tax receivables	(217,950)	479,060
Increase/(decrease) tax payables	(155,020)	266,727
Increase/(decrease) other receivables	24,707	410,071
Increase/(decrease) other payables	32,768	511,374
Decrease/(increase) in trade receivables		
3 Cash flow after changes in NWC	1,387,945	1,837,155
<i>Other adjustments</i>		
Interest collected/(paid)	(11,937)	21,061
(Income tax paid)	(463,425)	(40,717)
(Use of provision)	(225,566)	(82,051)
4 Cash flow after other adjustments	687,017	1,735,448
A Cash flow from operations	687,017	1,735,448
Tangible fixed assets	(74,155)	(188,992)

(Investments)	(74,155)	(188,992)
Intangible fixed assets	(2,284,805)	(3,889,778)
(Investments)	(2,284,805)	(3,889,778)
Financial fixed assets	(47,448)	(10,195)
(Investments)	(47,448)	(10,195)
Acquisition/divestment of subsidiaries	(3,750,000)	
B Cash flow from investments	(6,156,408)	(2,065,170)
Minority interest funds	762,738	528,021
Increase (decrease) in short-term payables to banks	9,067	(6,825)
Stipulation of loans	2,000,000	1,600,000
Repayment of loans	(1,246,329)	(1,065,154)
Own funds		
Capital increase by payment	(348,805)	(234,938)
Sale (purchase) of treasury shares		
Minority interest funds	(348,805)	(234,938)
C Cash flow from loans	413,933	293,082
Increase (decrease) in liquid funds (A ± B ± C)	(5,055,458)	(36,639)
Initial cash and cash equivalents	13,324,983	9,866,364
Initial cash Contactlab 01/05/2022	1,491,972	
Final cash and cash equivalents	9,761,497	9,829,725
Change in cash and cash equivalents	(5,055,458)	(36,639)

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 Euronext Growth Milan 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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