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Informazione
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Diffusione presunta

Oggetto : Select financial data concerning the third
quarter of 2022 and 9-month period ended
September 30, 2022

Testo del comunicato

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9m Revenues 75.7 mln EUR (+48.2%), thanks to increased SMS volumes and BEE's growth (+65%)

Gross Profit 21.6 mln EUR (+23.1%)

EBITDA 2.8 mln EUR (-20.7%); + 27.6% in Q3 2022

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9m consolidated figures show a substantial +48.2% revenue growth (+40.1% organic) at 75.7M EUR vs. 51.1M EUR in the same period of 2021; EBITDA amounts to 2.8M EUR, -20.7% vs. 3.6M EUR in the first nine months of 2021.



PRICE SENSITIVE

PRESS RELEASE

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“The results of 9m 2022 confirm the recovery of revenue growth. The third quarter also posts recovered profitability, while the first half of the year was affected by higher costs from the SMS component (COGS), BEE (S&M) and Contactlab’s acquisition (G&A), only partially offset by the combined incremental performance from Contactlab’s integration, consolidated from May 2022.”

Matteo Monfredini, Chairman and founder of Growens

“The first nine months of 2022 confirm our strategy, dedicated to efficiently executing organic and external growth, with a special focus on BEE’s development, Contactlab’s integration (results expected in 2023) and Datatrics’ reorganisation. The so-called “rule of forty”, a key metric in our 2023-2025 strategic planning, shows a good balance between growth and profitability, with figures of ca. 52% in 9m and 69% in Q3 2022.”

Nazzareno Gorni, CEO and founder of Growens

Summary of Q3 and 9m 2022 results

The main results for the quarter ended on 30 September 2022 are as follows:

Item (EUR)	Q3 2022	%	Q3 2021	%	Change	Ch.%
SaaS Revenues	10,208,158	35.8%	6,305,694	36.2%	3,902,464	61.9%
CPaaS Revenues	18,102,195	63.5%	10,940,029	62.9%	7,162,166	65.5%
Other Revenues	217,389	0.8%	154,509	0.9%	62,879	40.7%
TOTAL REVENUES	28,527,742	100.0%	17,400,232	100.0%	11,127,510	64.0%
Gross Profit	7,960,488	27.9%	5,968,596	34.3%	1,991,891	33.4%
EBITDA	1,466,068	5.1%	1,149,057	6.6%	317,011	27.6%
EBT	234,164	0.8%	163,370	0.9%	70,794	43.3%

The main results for the 9-month period ended September 30, 2022 are as follows:

Item (EUR)	30/09/2022	%	30/09/2021	%	Change	Ch.%
SaaS Revenues	27,105,704	35.8%	18,807,709	36.8%	8,297,995	44.1%
CPaaS Revenues	47,909,323	63.3%	31,676,898	62.0%	16,232,425	51.2%
Other Revenues	695,949	0.9%	607,013	1.2%	88,936	14.7%
TOTAL REVENUES	75,710,976	100.0%	51,091,619	100.0%	24,619,357	48.2%
Gross Profit	21,628,196	28.6%	17,564,166	34.4%	4,064,031	23.1%
EBITDA	2,822,824	3.7%	3,557,651	7.0%	(734,827)	(20.7%)
EBT	(724,490)	(1.0%)	608,508	1.2%	(1,332,998)	(219.1%)

The **SaaS business line** (Software-as-a-Service) includes services supplied to clients via cloud platforms, sold through mostly recurring multi-period contracts / c.d. *subscriptions*. In terms of Business Units, it combines revenues from MailUp+ Contactlab, BEE, Acumbamail and Datatrics. The **CPaaS business line** (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 9m 2022 data include revenues and costs for five months. Compare data as of 30 September 2021 and NFP as of 31 December 2021 do not include Contactlab's figures.

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

Consolidated Net Financial Position	30/09/2022	31/12/2021	Change	Ch.%
A. Cash	7,807,432	13,324,983	(5,517,551)	(41.4%)
B. Cash equivalents	0	0	0	-
C. Assets held for sale	0	0	0	-
D. Cash and cash equivalents (A) + (B) + (C)	7,807,432	13,324,983	(5,517,551)	(41.4%)
E. Current debt	939,926	1,164,171	(224,245)	(19.3%)

F. Current part of non current debt	2,566,019	1,068,841	1,497,178	140.1%
G. Current financial position (E) + (F)	3,505,945	2,233,012	1,272,933	57.0%
H. Net current financial position (G) - (D)	(4,301,486)	(11,091,971)	6,790,485	(61.2%)
I. Non current debt	5,154,935	4,571,252	583,683	12.8%
J. Debt financial instruments	0	0	0	-
K. Trade and other non current debt	0	0	0	-
L. Non current financial position (I) + (J) + (K)	5,154,935	4,571,252	583,683	12.8%
M. Net financial position (H) + (L)	853,449	(6,520,719)	7,374,168	(113.1%)
o/w E. Current fin. Liab. Rights of Use IFRS 16	680,332	998,388	(318,056)	(31.9%)
o/w I. Non curr. fin. Liab. Rights of Use IFRS 16	1,785,680	2,300,390	(514,710)	(22.4%)
N. Net financial position ex IFRS 16 effect	(1,612,564)	(9,819,497)	8,206,934	(83.6%)

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

The above-mentioned results are unaudited.

Consolidated 9m 2022 P&L posts total **Revenues** around **75.7M EUR**, showing a +48% increase (+40% organic) versus 51.1M EUR in the same period of 2021, mainly driven by the 44% growth of the SaaS component, for a 36% incidence on total revenues, and the 51+% growth of CPaaS, for a 63% incidence on total revenues. The incidence of other revenues on turnover remains stable.

Consolidated recurring revenues (from SaaS product subscriptions) weigh 27% of total revenues and amount to ca. **20.3M EUR**, growing 31% YoY.

Foreign revenues amount to **49.3M EUR**, representing 66% of total revenues and growing by 82.3%.

New clients include A2A, Sky Italia, Università degli Studi di Napoli Federico II, Lonely Planet, Penn State University, Keele University, Mia Aesthetics, OAD, Dutch Home Label, WeColour, Totto Costa Rica, Telefonica, Fundación Cruzcampo y Heineken, Biblioteca Nacional de España.

Consolidated **EBITDA** exceeds 2.8M EUR in the 9-month period ended on 30 September 2022, decreasing by 21% versus 9m 2021, with a 4% margin on revenues. Gross Profit and EBITDA margin are affected by a variety of factors, among which: (i) as per COGS (+61%), effects on 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 (+39%), focus on BEE's development; (iii) as per G&A (+38%), the incidence of one-off acquisition costs of Contactlab, vs. an incremental economic performance started in May.

Q3 normally includes seasonality from summer months, but posts an EBITDA of 1.5M EUR, growing by 28% on Q3 2021, back to regular development and profitability trends.

As a consequence of the above, **EBT** is **negative for 0.7M EUR** in the first 9m of 2022, while it is positive for 0.2M EUR in Q3 2022, for a 1% margin on revenues and a growth rate of 43% YoY.

The consolidated **Net Financial Position** as of 30 September 2022 amounts to **0.9M EUR**, decreasing versus the previously recorded (net cash) amount of 6.5M EUR as of 31 December 2021. The negative change is mainly due to the cash outs for both Contactlab's acquisition and Datatrics' earn-out. Figurative debt from IFRS 16's adoption amounts to ca. 2.5M EUR. Cash amounts to 7.8M EUR.

Revenues by Business Unit

The main results by Business Unit for the 9-month period ended September 30, 2022 are as follows:

in Euro	REVENUES			EBITDA		
	30/09/2022	30/09/2021	%	30/09/2022	30/09/2021	%
MailUp+Contactlab	17,142,264	12,380,834	38.5%	1,919,151	2,181,518	(12.0%)
Agile Telecom	50,887,066	33,650,246	51.2%	1,365,156	1,696,444	(19.5%)
BEE	6,372,308	3,870,743	64.6%	670,212	138,215	384.9%
Datatics	1,840,816	1,949,012	(5.6%)	(1,299,421)	(716,148)	(81.4%)
Acumbamail	1,827,834	1,457,392	25.4%	312,723	325,551	(3.9%)
Holding	7,261,968	4,724,661	53.7%	(318,385)	(326,933)	2.6%
TOTAL	85,332,256	58,032,888	47.0%	2,649,436	3,298,646	(19.7%)
Consol. Adj.	(9,621,280)	(6,941,269)		173,388	259,005	
TOTAL	75,710,976	51,091,619	48.2%	2,822,824	3,557,651	(20.7%)

The **Agile Telecom** Business Unit posted the biggest revenues of ca. 50.9M EUR, growing +51% over the same period of the previous year. Growth is driven by new strategic client acquisitions and foreign business.

The fastest growing Business Unit is **BEE (beefree.io)**, with a 65% increase in revenues at constant EUR/USD exchange rate, at 6.4M EUR or 6.8M USD, 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 10M USD as of September 2022.

Acumbamail's performance is also excellent (growing 25+%), whereas MailUp (including Contactlab from May 2022) posts revenue growth in excess of 38% (+5% organic), due to the product-led strategy and development of the indirect channel abroad. The **Datatics** Business Unit revenues, operating in the Predictive Marketing space with a proprietary Customer Data Platform, decreased by 5.6%.

Main KPIs

KPI SaaS	MailUp+ Contactlab	Datatics	Acumbamail	BEE	Time ref.
ARR	€ 14,913,120	€ 2,384,076	€ 2,093,496	\$10,162,740	Sept. 2022
ARR growth	+32%	-4%	+18%	+33%	Sept. 2022
Gross margin	62%	48%	86%	71%	H1 2022
EBITDA margin	11%	-69%	14%	10%	Q3 2022
Net Revenue Retention	95%	82%	92%	111%	Sept. 2022

Data from management accounts, not subject to a BoD resolution, unaudited.

Investor Relations

Growens Chairman and CEO will comment on Q3 2022 results in a conference call to be held on 9 November 2022 at 4 pm CET. Registration at this [link](#).



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), Contactlab (Email marketing enterprise). 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 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 35%.

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

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

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