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Informazione
Regolamentata

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Diffusione

Oggetto : The Board of Directors approved the consolidated half-year report as of 30 June 2023

Testo del comunicato

Results net of items related to the Email Service Provider business, treated as Discontinued Operations in accordance with IFRS 5 accounting standard, first time adoption

- Consolidated REVENUES of EUR 35.6M, -4.8%
- Consolidated EBITDA of EUR 0.3M
- Consolidated NET EARNINGS from Continuing Operations of EUR - 2.9M
- Consolidated NET FINANCIAL POSITION of EUR 3.3M debt, versus EUR 66k cash as of 31 Dec. 2022



PRICE SENSITIVE

PRESS RELEASE

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31 Dec. 2022***

Milan, 18 September, 2023 – 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 2023, prepared in compliance to IAS/IFRS accounting standards.

In the consolidated semi-annual report as of 30 June, 2023, the Business Units belonging to the Email Service Provider business (MailUp, Contactlab, and Acumbamail), which were sold to TeamSystem S.p.A. in a transaction completed on 13 July, 2023, have been treated as Discontinued Operations in accordance with the IFRS 5 accounting standard. Consequently, all financial data for the first half of 2022 has been restated to allow for a like-for-like comparison with the data for the first half of 2023 and are not comparable to what was previously reported.

Consolidated figures show

- a slight decrease in revenues below 5% in 1H 2023, 35.6M EUR, vs 37.4M EUR in 1H 2022, caused by the contraction in CPaaS revenues according to the strategic focus on margins; and
- a positive EBITDA figure of 0.3M EUR, vs. the negative margin of -0.3 in 1H 2022.

"The results of the first half of 2023 mark a significant turning point in the history of our Group, represented by the sale of the ESP business to TeamSystem, and the consequent focus of our strategy on the growth of Beefree. I would like to thank all of our employees and consultants for their diligent work. I am confident that, following this transition, which will see significant investments in the coming years, the strategic metric of the so-called 'rule of forty' will be met in the medium term."

Matteo Monfredini, Chairman and founder of Growens

"The extraordinary deals of 2023 represent a premise for the future concentration of our execution efforts on the Beefree Business Unit, with a view to both internal and external growth. Having completed the rebranding project, we plan to focus investments on the development of these activities on a global scale. Specifically, in addition to investments for external growth, we expect to invest a minimum of 15 M EUR in organic growth over the next three fiscal years."

Nazzareno Gorni, CEO and founder of Growens

Summary of 1H 2023 results

As a result of the sale of Growens' business unit MailUp and stakes in Contactlab S.p.A. (now MailUp S.p.A), Acumbamail S.L., MailUp Nordics A/S and its subsidiary Globase International A.p.S. (collectively, the "**Email Service Provider**" or "**ESP**" activities) to TeamSystem S.p.A. for a total consideration of 76.7M EUR, as announced on 3 February and 13 July, 2023, in Growens' consolidated semi-annual report, the ESP business, considering its significance and uniqueness, has been treated as Discontinued Operations in accordance with the IFRS 5 accounting standard.

Specifically:

- in the income statement for 1H 2023 and, for comparative purposes, 1H 2022, the line items of revenues&income and costs&expenses from 1 January, 2023, for the activities that constitute the Discontinued Operations have been reclassified under the line item 'Net Result from Discontinued Operations';
- in the balance sheet, the assets and liabilities related to the ESP business have been reclassified under 'Assets and Liabilities Held for Sale'; the balance sheet figures as of 31 December, 2022 have not been restated;
- in the cash flow statement for 1H 2023, cash flows from operating, investing, and financing activities for the period from 1 January, 2023 to 30 June, 2023 and, for comparative purposes, 1H 2022, the cash flows generated by the activities that constitute the Discontinued Operations have been reclassified into dedicated line items.

Additionally, it should be noted that the existing relationships between Continuing and Discontinued Operations have been treated as relationships between independent parties, and that the economic and balance sheet items related to Discontinued Operations also include the effect of the elimination of the consolidated relations of such relationships. In Growens' consolidated half-year report and in this press release, therefore, all financial data for 1H 2022 has been restated to allow for a like-for-like comparison

with the data for 1H 2023; whereas the balance sheet data as of 31 December, 2022 are in line with those published in the consolidated financial statements for the year ended 31 December, 2022.

The main results for the semester ended 30 June 2023 are as follows:

Item (EUR)	1H 2023	%	1H 2022	%	Change	Ch.%
SaaS Revenues	5,876,718	16.5%	5,263,529	14.1%	613,189	11.6%
CPaaS Revenues	29,480,375	82.7%	31,806,170	85.0%	(2,325,795)	(7.3%)
Other Revenues	278,905	0.8%	354,175	0.9%	(75,269)	(21.3%)
TOTAL REVENUES	35,635,998	100.0%	37,423,874	100.0%	(1,787,875)	(4.8%)
Gross Profit	7,194,827	20.2%	6,139,713	16.4%	1,055,114	17.2%
EBITDA	280,625	0.8%	(294,493)	(0.8%)	575,118	195.3%
EBT	(2,876,450)	(8.1%)	(1,642,533)	(4.6%)	(1,233,917)	(75.1%)

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 Beefree and Datatrics. The **CPaaS** division (Communication-Platform-as-a-Service) covers the messaging services provided on a wholesale basis using APIs, supplied by the Agile Telecom Business Unit.

Here follow the half-year Group results by business unit as of 30 June 2023:

in Euro	REVENUES			EBITDA		
	30/06/2023	30/06/2022	%	30/06/2023	30/06/2022	%
Agile Telecom	29,600,085	31,929,774	(7.3%)	1,389,764	714,571	94.5%
BEE	4,785,032	3,980,491	20.2%	123,059	387,805	(68.3%)
Datatrics	1,066,222	1,232,720	(13.5%)	(624,869)	(893,738)	30.1%

Consolidation adjustments have not been specified, as for the purposes of applying the IFRS 5 accounting standard, such adjustments have been applied at the consolidated level along with those for the Discontinued Operations, and as a result, they would not be reconcilable with the data from the individual Business Units.

The consolidated net financial position as of 30 June 2023 is the following:

Consolidated Net Financial Position	30/06/2023	31/12/2022	Change	Ch.%
A. Cash	11,631,822	7,153,665	4,478,157	62.6%
B. Cash equivalents				
C. Assets held for sale				
D. Cash and cash equivalents (A) + (B) + (C)	11,631,822	7,153,665	4,478,157	62.6%
E. Current debt	9,625,358	1,076,709	8,548,649	794.0%
F. Current part of non-current debt	1,207,237	1,621,736	(414,500)	(25.6%)
G. Current financial position (E) + (F)	10,832,595	2,698,445	8,134,149	301.4%

H. Net current financial position (G) - (D)	(799,227)	(4,455,220)	3,655,992	(82.1%)
I. Non-current debt	4,081,246	4,389,700	(308,454)	(7.0%)
J. Debt financial instruments				
K. Trade and other non-current debt				
L. Non current financial position (I) + (J) + (K)	4,081,246	4,389,700	(308,454)	(7.0%)
M. Net financial position (H) + (L)	3,282,019	(65,519)	3,347,538	n.m.
o/w E. Current financial liabilities Rights of Use IFRS 16	868,243	817,672	50,571	6.2%
o/w I. Non-current financial liabilities Rights of Use IFRS 16	2,001,305	1,520,629	480,676	31.6%
N. Net financial position ex IFRS 16 effect	412,471	(2,403,820)	2,816,291	(117.2%)

ESMA guidelines 32-382-1138 of 04/03/2023
par. 175 guideline 39

Comments to 1H 2023 results

1H 2023 P&L posts total **Revenues** around 35.6M EUR, showing a -5% decrease versus 37.4M EUR in the same period of 2022. Such result is driven by the growth of the SaaS component, of ca. 12% for a 17% incidence on total revenues, counterbalanced by the CPaaS line contraction by ca. 7%, for an 83% incidence on total revenues.

The **Agile Telecom** Business Unit posted the biggest revenues of ca. 29.6M EUR, decreasing by ca. 7% over the same period of the previous year. Focus on the profitability of contracts has allowed for a good recovery in their relative margins, which have nearly doubled.

The fastest growing Business Unit is **BEE (beefree.io)**, with a 20% increase in revenues (or 19% at constant EUR/USD exchange rate), at 4.8M EUR or 5.2M 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 11.4M USD as of August 2023.

The **Datatrix** Business Unit revenues, operating in the Predictive Marketing space with a proprietary Customer Data Platform, decreased by -13.5%.

Foreign revenues amount to 28+M EUR, representing 79% of total revenues, substantially stable (+0.6%) vs 1H 2022. Recurring revenues amount to 17% of total revenues, growing ca. 12% with an increased incidence (+2%) vs 1H 2022.

Consolidated **EBITDA** amounts to 0.3M EUR in 1H 2023, growing by 195% versus 1H 2022, with a 1% margin on revenues. 1H 2023 Gross Profit (growing +17%) and EBITDA margin are affected by a variety of factors, among which: (i) on the one hand, the material margin recovery in the CPaaS line, substantially doubled; (ii) on the other hand, S&M (+11%) and R&D (+33%) investments, mainly tied to the focus on Beefree's development. As a consequence of the above, given the impact of general depreciation and capitalized R&D costs, as well as a further impairment of the goodwill on Datatrix amounting to 1.3M EUR, **EBT** is negative for ca. 2.9M EUR.

Net earnings from Continuing Operations in 1H 2023, after current and deferred taxation estimates, amounts to ca. -2.9M 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 2023 is positive (for net debt) and amounts to 3.3M EUR, decreasing versus the previously recorded (net cash) amount of 66kM EUR as of 31 December, 2022, with a variation largely influenced by the bridge loan contracted to meet the financial needs of the Group pending the closing of the sale of the ESP business, which resulted in a net inflow, after amounts held in escrow, of over 72 M EUR on 13 July, 2023. The aforementioned short-term liabilities were therefore settled during the month of July 2023. Figurative debt from IFRS 16's adoption amounts to ca. 2.9M EUR. Cash exceeds 11.6M EUR.

The approved data has been submitted to BDO Italia S.p.A., appointed audit firm, for their review.

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

Investor Relations

The Half-Year Consolidated Report as of 30 June 2023 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 2023 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 2023 results in a conference call to be held on 21 September 2023 at 4,30 pm CET, registration at this link: <https://my.demio.com/ref/VrqfJ82AaA6bm1Wg>.

CONSOLIDATED PROFIT & LOSS AS OF 30/06/2023 – ACCORDING TO IFRS5

Item	30/06/2023	%	30/06/2022	%	Change	Ch.%
SaaS Revenues	5,876,718	16.5%	5,263,529	14.1%	613,189	11.6%
CPaaS Revenues	29,480,375	82.7%	31,806,170	85.0%	(2,325,795)	(7.3%)
Other Revenues	278,905	0.8%	354,175	0.9%	(75,269)	(21.3%)
Total Revenues	35,635,998	100.0%	37,423,874	100.0%	(1,787,875)	(4.8%)
COGS	28,441,171	79.8%	31,284,160	83.6%	(2,842,989)	(9.1%)
Gross Profit	7,194,827	20.2%	6,139,713	16.4%	1,055,114	17.2%
Sales & Marketing costs	2,227,075	6.2%	2,008,046	5.4%	219,029	10.9%
Research & Development Opex	1,193,261	3.3%	1,005,651	2.8%	187,609	18.7%
<i>R&D Capex</i>	(1,732,834)	(4.9%)	(1,198,738)	(3.2%)	(534,096)	44.6%
<i>R&D costs</i>	2,926,094	8.2%	2,204,390	5.9%	721,705	32.7%
General & Admin Costs	3,493,867	9.8%	3,420,509	9.1%	73,358	2.1%
Total Costs	6,914,203	19.4%	6,434,206	17.2%	479,996	7.5%
EBITDA	280,625	0.8%	(294,493)	(0.8%)	575,118	195.3%
General Depreciation Costs	135,680	0.4%	108,678	0.3%	27,002	24.8%
Right of Use Amortization Costs	241,333	0.7%	259,609	0.7%	(18,276)	(7.0%)
R&D Amortization Costs	1,334,738	3.7%	1,070,779	2.9%	263,960	24.7%
Other Depreciations	1,286,000	3.6%	0	0.0%	1,286,000	
EBIT	(2,717,126)	(7.6%)	(1,733,558)	(4.9%)	(983,568)	(56.7%)
Net financial income/(charges)	(159,324)	(0.4%)	91,025	0.2%	(250,349)	(275.0%)
EBT	(2,876,450)	(8.1%)	(1,642,533)	(4.2%)	(1,233,917)	(75.1%)
Current Income Taxes	(112,046)	(0.3%)	(140,242)	(0.4%)	28,196	20.1%
Deferred Taxes	127,016	0.4%	134,665	0.4%	(7,649)	(5.7%)
Net Profit (Loss) from Continuing Operations	(2,861,479)	(8.0%)	(1,648,110)	(4.4%)	(1,213,370)	(73.6%)
Net Result from Discontinued Operations	186,713	0.5%	710,750	1.9%	(524,037)	(73.7%)
Net Profit (Loss)	(2,674,766)	(7.5%)	(937,360)	(2.5%)	(1,737,407)	(185.4%)
<i>Group Net Profit (Loss)</i>	<i>(2,649,961)</i>	<i>(7.4%)</i>	<i>(930,945)</i>	<i>(2.5%)</i>	<i>(1,719,016)</i>	<i>(184.7%)</i>
<i>Minority Net Profit (Loss)</i>	<i>(24,805)</i>	<i>(0.1%)</i>	<i>(6,415)</i>	<i>(0.0%)</i>	<i>(18,390)</i>	<i>(286.7%)</i>

Data in €

CONSOLIDATED BALANCE SHEET AS OF 30/06/2023 – ACCORDING TO IFRS5

Item	30/06/2023	31/12/2022	Change	Ch %
Tangible fixed assets	261,939	1,204,296	(942,358)	(78.2%)
Right of Use	2,449,084	2,282,409	166,675	7.3%
Intangible fixed assets	7,651,913	10,942,158	(3,290,245)	(30.1%)
Goodwill	11,471,991	17,400,305	(5,928,314)	(34.1%)
Equity investments in associates and joint ventures	422,042	261,003	161,039	61.7%
Other non-current assets	1,387,343	1,306,276	81,066	6.2%
Deferred tax assets	1,787,476	1,832,486	(45,010)	(2.5%)
Total non-current assets	25,431,788	35,228,934	(9,797,146)	(27.8%)
Receivables from customers	10,476,893	16,721,062	(6,244,169)	(37.3%)
Other current assets	1,802,998	2,034,383	(231,385)	(11.4%)
Cash and cash equivalents	3,793,734	7,153,665	(3,359,931)	(47.0%)
Total current assets	16,073,625	25,909,110	(9,835,485)	(38.0%)
Total assets in continuity	41,505,413	61,138,044	(19,632,631)	(32.1%)
Assets Held for Sale	23,538,584	0	23,538,584	
Total assets	65,043,997	61,138,044	3,905,953	6.4%
Share capital	384,834	384,834	0	0.0%
Reserves	16,764,834	19,279,481	(2,514,647)	(13.0%)
Profit (Loss) for the period	(2,649,961)	(2,516,005)	(133,956)	5.3%
Net Equity (third parties)	(83,764)	(59,974)	(23,790)	39.7%
Total equity	14,415,942	17,088,335	(2,672,393)	(15.6%)
Payables to banks and other financiers	2,805,950	4,128,592	(1,322,642)	(32.0%)
Liabilities Right of Use long-term	1,636,279	1,520,629	115,650	7.6%
Provisions for risks and charges	33,333	354,667	(321,333)	(90.6%)
Provisions for personnel	1,084,891	3,976,471	(2,891,580)	(72.7%)
Deferred taxes	722,666	915,844	(193,178)	(21.1%)
Total non-current liabilities	6,283,118	10,896,202	(4,613,084)	(42.3%)
Trade and other payables	11,629,694	14,871,582	(3,241,888)	(21.8%)
Due to banks and other lenders short term	9,625,786	1,880,773	7,745,013	411.8%
Liabilities Right of Use short-term	868,243	817,672	50,571	6.2%
Other current liabilities	5,520,549	15,583,479	(10,062,930)	(64.6%)
Total current liabilities	27,644,272	33,153,506	(5,509,234)	(16.6%)
Total liabilities in continuity	48,343,332	61,138,043	(12,794,711)	(20.9%)
Liabilities Held for Sale	16,700,664	0	16,700,664	
Total Liabilities	65,043,997	61,138,044	3,905,953	6.4%

Data in €

CONSOLIDATED CASH FLOW STATEMENT AS OF 30/06/2023 – ACCORDING TO IFRS5

Consolidate Cash Flow statement	30/06/2023	30/06/2022
Period profit/(loss)	(2,674,766)	(937,360)
Income tax	182,245	173,416
Prepaid/deferred tax	(324,611)	(194,709)
Interest expense/(interest income)	174,531	65,102
Exchange (gains)/losses	53,608	(131,179)
(Dividends)		
(Gains) / losses arising from the sale of assets		
1 Year profit/(loss) before income tax, interest, dividends and capital gains/losses on disposals	(2,588,993)	(1,024,731)
Value adjustments for non-monetary elements that have no equivalent item in net working capital:		
Provisions for TFR	539,530	360,928
Other provisions	103,113	121,500
Amortization and depreciation of fixed assets	2,984,317	2,335,841
Write-downs for permanent losses in value	1,286,000	
Other adjustments for non-monetary items	(245,418)	(41,103)
2 Cash flow before changes in NWC	2,078,549	1,752,435
Changes to net working capital		
Decrease/(increase) in trade receivables	3,357,671	(71,704)
Increase/(decrease) in trade payables	(2,688,420)	263,109
Decrease/(increase) in accrued income and prepaid expenses	(2,588,193)	78,946
Increase/(decrease) in accrued liabilities and deferred income	913,133	(319,346)
Increase/(decrease) tax receivables	(125,060)	(217,950)
Increase/(decrease) tax payables	297,917	(155,020)
Increase/(decrease) other receivables	(90,810)	24,707
Increase/(decrease) other payables	(132,887)	32,768
Other changes in net working capital		
3 Cash flow after changes in NWC	1,021,899	1,387,945
Other adjustments		
Interest collected/(paid)	(88,327)	(11,937)
(Income tax paid)		(463,425)
(Gains) / losses arising from the sale of current assets		
Dividends collected		
(Use of provision)	(140,839)	(225,566)
4 Cash flow after other adjustments	792,733	687,017
A Cash flow from operations	792,733	687,017
Tangible fixed assets	(95,002)	(74,155)
(Investments)	(95,002)	(74,155)
Divestment realisation price		
Intangible fixed assets	(2,752,371)	(2,284,805)
(Investments)	(2,752,371)	(2,284,805)
Divestment realisation price		
Financial fixed assets	(269,055)	(47,448)
(Investments)	(269,055)	(47,448)
Divestment realisation price		
Financial not fixed assets		
(Investments)		
Divestment realisation price		
Acquisition or sales of subsidiaries companies		(3,750,000)
B Cash flow from investments	(3,116,428)	(6,156,408)
Minority interest funds	6,805,020	762,738
Increase (decrease) in short-term payables to banks	497,005	9,067
Stipulation of loans	8,000,000	2,000,000
Repayment of loans	(1,691,985)	(1,246,329)
Own funds	(3,169)	(348,805)

Capital increase by payment		
Sale (purchase) of treasury shares	(3,169)	(348,805)
Change to share premium reserve		
C Cash flow from loans	6,801,851	413,933
Increase (decrease) in liquid funds (A ± B ± C)	4,478,157	(5,055,458)
Initial cash and cash equivalents	7,153,665	13,324,983
Final cash and cash equivalents	11,631,822	9,761,497
Change in cash and cash equivalents	4,478,157	(5,055,458)
Initial cash and cash equivalents	7,153,665	
Final cash and cash equivalents	11,631,822	
Final cash and cash equivalents Discontinued Operation	7,838,088	
Final cash and cash equivalents Discontinued Operations	3,793,734	
Detail of cash flow from net dismissed operations:		
Flusso di cassa delle società cedute	30/06/23	
Initial cash and cash equivalents discount operations	6,940,296	
Cash flow from operations Discontinued Operations	1,378,883	
Cash flow from investments Discontinued Operations	(325,040)	
Cash flow from loans Discontinued Operations	(156,051)	
Cash flow from loans Discontinued Operations	7,838,088	

Data in €



Growens (GROW) is a leading European player in the field of Cloud Marketing Technologies, serving thousands of clients worldwide. Its suite of SaaS and CPaaS solutions allows SMEs and large corporations globally to master the evolving ways of communicating with customers. Starting from the original business MailUp the Group grew steadily since 2002, both organically and via M&A, peaking with the launch of innovative products such as [Beefree.io](https://beefree.io).

The company is admitted to trading on the Euronext Growth Milan (EGM) market managed by the Italian Stock Exchange, with a free float above 42%.

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

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

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