

# Growens

Sector: Marketing Technology



Analysts

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## Waiting for new strategies post ESP deal

Growens is an integrated industrial group developing technologies for predictive marketing, mobile messaging and content creation, meant for organisations wishing to communicate effectively with their customers worldwide.

### FY2022: Revenues and margins in line, amid one-offs

FY2022 came in substantially line with our FY22E expectations in terms of top line, while margins and Net Cash Position were a bit below burdened by some one-off items. Focusing on the three BUs that will remain in the consolidation perimeter after the disposal of ESP assets, we note that:

- ◆ **Agile Telecom** kept growing at very fast pace (+42.5% y/y) with EBITDA margin rebounding from 1H (FY4.3% 2H22 vs. 2.2% in 1H22);
- ◆ **BEE** was the fastest growing BU (+59% y/y, ARR at \$10.7mn), with EBITDA at some €0.2mn;
- ◆ **Datatrics** is still not performing well: Revenues down -2.0% y/y and €1.6mn EBITDA loss (vs. €0.9mn as of 2021FY).

### Navigating the transitional phase

As far as 2023 -2026 growth drivers are concerned, we highlight: 1) commitment to the 40% rule; 2) focus on BEE development, both organically (higher S&M / R&D investments) and through external lines (add-ons); 3) opportunistic approach to divestments; 4) focus on return for investors.

### Estimates update

We do not believe that the “accounting view” of Growens as a group is particularly relevant in 2023E-24E. Indeed, Growens P&L forecasts are a mere aggregation of Agile T., BEE, Datatrics while on the Balance Sheet side the point to underline is the ca. €60mn Net Cash Position. The financial evolution of the three BU should follow different paths:

- ◆ **Agile Telecom.** Push on double digit top line growth while maintaining stable profitability;
- ◆ **BEE.** Push on high double digit top line growth even if this growth effort might drive negative profitability;
- ◆ **Datatrics.** Attempt to turnaround the business.

### Fair value confirmed at €6.80 p.s.

We confirm Growens Sum-of-the-Parts based fair value at ca. €6.80 per fully diluted share, that assumes the Net Cash Position valued at ca. 25% discount on its nominal value.

**Fair Value (€)** 6.80  
**Market Price (€)(\*)** 5.70  
**Market Cap. (€m)(\*)** 87.7

KEY FINANCIALS (€m)	2023EPF	2024E	2025E
REVENUES	92.5	114.0	140.9
EBITDA	1.6	2.4	3.7
EBIT	-0.2	0.6	1.7
NET PROFIT	60.9	0.7	1.6
EQUITY	78.0	78.0	79.7
NET CASH POS.	61.7	61.7	60.4
EPS ADJ. (€)	-0.02	0.04	0.11
DPS (€)	0.00	0.00	0.00

Source: Growens (historical figures), Value Track (2023E-25E estimates)

KEY FINANCIALS (€m)	2021A	2022E	2023E
EBITDA MARGIN (%)	1.7	2.1	2.6
EBIT MARGIN (%)	nm!	0.6	1.2
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / EQUITY (x)	nm	nm	nm
EV/SALES (x)(*)	0.3	0.2	0.2
EV/EBITDA (x)(*)	17.5	11.4	7.9
EV/EBIT (x).(*)	nm	nm	17.0
P/E ADJ. (x)(*)	nm	nm	nm

Source: Growens (historical figures), Value Track (2023E-25E estimates)

### STOCK DATA

FAIR VALUE (€)	6.80
MARKET PRICE (€)(*)	5.70
SHS. OUT. (m)	15.4
MARKET CAP. (€m)(*)	87.7
FREE FLOAT (%)	35.0
AVG. -20D VOL. (#)	15,015
RIC / BBG	GROW.MI / GROW IM
52 WK RANGE	3.71-6.10

Source: Stock Market Data

(\*) Prices as of March 24th market close

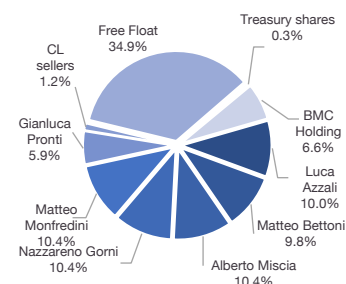


## Business Description

Growens is a leading cloud based digital marketing technology hub currently offering its solutions to several thousand customers worldwide, with a consolidated expertise on small to medium-sized enterprises.

In greater detail, Growens is involved in the provisioning of email marketing services, delivery of mobile text messages (for both transactional and marketing purposes), email editing support, Predictive Marketing CDP and professional services to business clients.

## Shareholders Structure



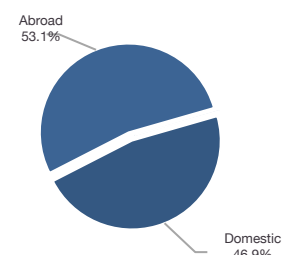
Source: Growens SpA

## Key Financials

€mn	2023E	2024E	2025E
<b>Total Revenues</b>	<b>92.5</b>	<b>114.0</b>	<b>140.9</b>
Chg. % YoY	nm	23.3%	23.7%
<b>EBITDA</b>	<b>1.6</b>	<b>2.4</b>	<b>3.7</b>
EBITDA Margin (%)	1.7%	2.1%	2.6%
<b>EBIT</b>	<b>-0.2</b>	<b>0.6</b>	<b>1.7</b>
EBIT Margin (%)	-0.2%	0.6%	1.2%
<b>Net Profit</b>	<b>60.9</b>	<b>0.7</b>	<b>1.6</b>
Chg. % YoY	nm	nm	nm
<b>Adjusted Net Profit</b>	<b>-0.3</b>	<b>0.7</b>	<b>1.6</b>
Chg. % YoY	nm	nm	nm
<b>Net Fin. Position</b>	<b>61.7</b>	<b>61.7</b>	<b>60.4</b>
Net Fin. Pos. / EBITDA (x)	nm	nm	nm
Capex	-4.0	-5.0	-5.0
<b>OpFCF b.t.</b>	<b>-1.9</b>	<b>-1.3</b>	<b>-1.2</b>
OpFCF b.t. as % of EBITDA	nm	nm	-31.1%

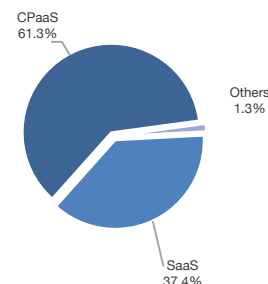
Source: Growens SpA (historical figures), Value Track (estimates)

## FY2022 Revenues by geography



Source: Growens SpA

## FY2022 Revenues by business line



Source: Growens SpA

## Investment case

### Strengths / Opportunities

- ◆ Strong Net Cash Position as a result of the ESP business disposal;
- ◆ Highly diversified customer base ranging from professional marketers to developers and to wholesalers both at a domestic and international level;
- ◆ Intense and effective R&D effort generating high-value opportunities.

### Weaknesses / Risks

- ◆ Much smaller size if compared to Anglo-Saxons competitors;
- ◆ MarTech moves fast and Growens capability to keep up with the pace could be limited.

## Stock multiples @ €6.80 Fair Value

	2023E	2024E
EV / SALES (x)	0.5	0.4
EV / EBITDA (x)	28.1	18.4
EV / EBIT (x)	nm	nm
EV / CAP.EMP. (x)	2.7	2.7
OpFCF Yield (%)	nm	nm
P / E (x)	nm	nm
P / BV (x)	1.3	1.3
Div. Yield. (%)	0.0	0.0

Source: Value Track

## FY2022 Results

Growens FY2022 results came substantially in line with our FY22E expectations in terms of top line, while margins and Net Cash Position were a bit below our estimates, due to the impact of some one-off costs. Key messages are as follows:

- ◆ **Total Revenues at €103.4mn vs €106.1 mn est.**, driven by both core SaaS and CPaaS revenue components. Indeed:
  - **SaaS** component was up 48.3% y/y to €38.7mn, (37.4% incidence on total);
  - **CPaaS** component grew by 53.4% y/y to €44.1mn (65.4% incidence on total).
- ◆ **EBITDA margin at 4.0% vs. our 4.2% estimate** burdened by: 1) Ca. €500k one-off costs related to the acquisition of Contactlab; 2) ca. €300k exit packages for Contactlab's redundant managers; 3) ca. €300k variable compensations historically referred to FY2021 but paid in FY2022; 4) ca. €90k *una tantum* payment under national trade agreements for the period 2020-2022 to Growens and Agile Telecom employees;
- ◆ **EBIT margin at -2.7% vs. our -0.8% estimate** due to higher than expected D&A, mainly related to €1.5mn partial write-off on Datatrics goodwill, following impairment;
- ◆ **Net financial position slightly below expectations**, as an effect of the above.

### Growens: 2022E vs VT 2022A

	2022E	2022A	A vs. E - Δ(%)
<b>Total Revenues</b>	<b>106.1</b>	<b>103.4</b>	<b>-2.6%</b>
<b>EBITDA</b>	<b>4.5</b>	<b>4.1</b>	<b>-8.9%</b>
<i>EBITDA margin (%)</i>	<i>4.2%</i>	<i>4.0%</i>	<i>-28bps</i>
<b>EBIT</b>	<b>-0.83</b>	<b>-2.85</b>	<b>nm</b>
<i>EBIT margin (%)</i>	<i>-0.78%</i>	<i>-2.75%</i>	<i>-197bps</i>
<b>Net Profit</b>	<b>-0.9</b>	<b>-2.6</b>	<b>nm</b>
<b>Net Financial Position</b>	<b>0.5</b>	<b>0.1</b>	<b>-87.4%</b>

Source: Value Track Analysis

### Focus on 2022 results of Agile Telecom, BEE, Datatrics

The **disposal of the EMS business** materially modifies Growens' financial profile, as it reduces 2022 pro-forma group figures by **€27.6mn Revenues** and **€3.3mn EBITDA** respectively.

With regards to the three business units that will be retained (Agile Telecom, BEE, Datatrics), the following observations can be made.

- ◆ **Agile Telecom** posted the biggest revenues of ca. €67.6m, growing +42.5% over the same period of FY2021 driven by new strategic client acquisitions and foreign business. EBITDA margin stood at 3.3%, benefitting from a rebound in the second semester (4.3% 2H22 vs. 2.2% in 1H22);
- ◆ **BEE** is the fastest growing Business Unit, with **Revenues up +59.0% y/y** and Annual Recurring Revenues (**ARR**) **exceeding US\$10.7mn level**. Relevant actions implemented during FY2022 include: (i) launch of BEE Pro's free plan, which resulted in a 50% increase in signups to over 15,000 per month; (ii) start of a Growth Team to ensure that increased signups translate into increased usage, up 72% YoY; (iii) adding new collaboration and visual features;

- ◆ **Datatrix** Business Unit recorded **Revenues down** by -2.0% y/y. In January 2023, Datatrix welcomed a new CEO while the CDP was recently updated with two new functions: 1) Audience 2.0, a 360-degree client profile which automatically unifies client data from 50 channels via AI; and 2) Touchpoint Builder, which allows marketers to customize templates.

#### “New” Growens: 2022A vs 2022A “Stub”

	2021A	2022A	Carve - out ESP	2022A Stub
<b>Total Revenues</b>	<b>71.2</b>	<b>103.4</b>	<b>27.6</b>	<b>75.8</b>
MailUp + Contactlab	16.6	25.0	25.0	0.0
<b>Agile Telecom</b>	<b>47.5</b>	<b>67.6</b>		<b>67.6</b>
Acumbamail	2.1	2.6	2.6	0.0
<b>BEE</b>	<b>5.6</b>	<b>8.9</b>		<b>8.9</b>
<b>Datatrix</b>	<b>2.6</b>	<b>2.5</b>		<b>2.5</b>
Holding + Cons. Adj.	-3.1	-3.3		-3.3
<b>EBITDA</b>	<b>5.2</b>	<b>4.1</b>	<b>3.3</b>	<b>0.8</b>
<b>EBITDA margin (%)</b>	<b>7.30%</b>	<b>3.96%</b>	<b>11.81%</b>	<b>1.10%</b>
MailUp + Contactlab	2.6	2.7	2.7	0.0
<b>Agile Telecom</b>	<b>2.3</b>	<b>2.3</b>		<b>2.3</b>
Acumbamail	0.5	0.5	0.5	0.0
<b>BEE</b>	<b>0.3</b>	<b>0.2</b>		<b>0.2</b>
<b>Datatrix</b>	<b>-0.9</b>	<b>-1.6</b>		<b>-1.6</b>
Holding + Cons. Adj.	0.3	-0.1		-0.1

Source: Value Track Analysis

#### SAAS BU: Main KPIs

KPI	Datatrix		BEE	
	FY2021	FY2022	FY2021	FY2022
ARR (mn)	€2.5	€2.2	US\$8.4	US\$10.7
ARR growth	-10.2%	-10.1%	53.7%	26.3%
Gross margin	55.4%	46.0%	73.0%	72.1%
EBITDA margin	-29.8%	-69.0%	5.9%	1.9%
Net Revenue Retention	75.0%	76.8%	113.0%	106.7%

Source: Growens, Press Release

#### CPAAS BU: Main KPIs

KPI	FY2022	FY2021
Revenues (mn)	€67.6	€47.5
EBITDA (mn)	€2.3	€2.3
# Sent messages (m)	2.202	2.009

Source: Growens, Press Release

## Strategy and Estimates Update

1H23 is going to be a transition phase for Growens, as on the one side the closing of the ESP business disposal is expected in June, and on the other one the definition of “post disposal” corporate strategies is currently a “work in progress”.

Indeed, the €70mn gross proceeds generated from the deal represents a game-changing event for the company and open the way to new possible strategies, in terms of use of proceeds and business focus.

### Business focus

In the conference call post FY22 figures the management reaffirmed that only BEE is a “must have” and that will be the focus of future business development.

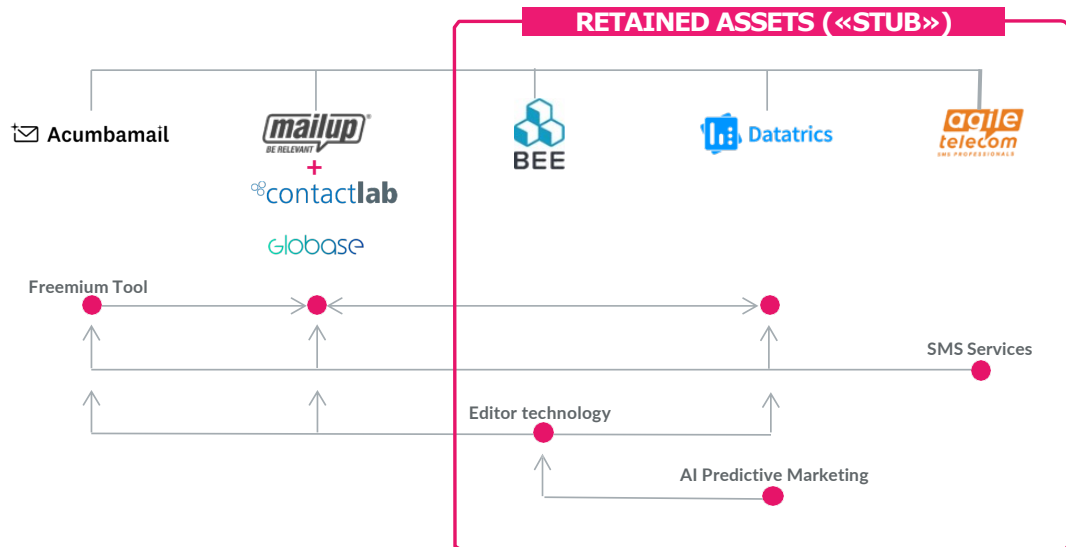
On the contrary, the attitude towards Datatrics and Agile Telecom is very flexible, depending on:

- ◆ the success of the turnaround effort on Datatrics;
- ◆ the possibility that some industrial or financial player may unveil a bid on Agile Telecom.

As a matter of fact, we cannot exclude the possibility that Growens future business perimeter may be related to BEE only.

At the same time, we cannot exclude the possibility that in the medium term a different type of corporate structure, such as an unlisted company or listed only in the US, could be taken into account.

### Growens: New business perimeter post ESP disposal



Source: Value Track Analysis, Growens

## Use of proceeds

Two possible utilizations of the proceeds from ESP disposal:

1. Much higher resources allocated on BEE, to foster its growth (and value);
2. Dividends to shareholders

### #1 Use of proceeds: focus on BEE

Growens management has announced an allocation of resources strongly tilted towards BEE: More in details, the resources should be aimed at fostering:

- ◆ **Organic growth**, with higher investments in marketing, technology and people;
- ◆ **M&A growth**, as the amount of proceeds obtained makes it possible to look beyond Europe and assume acquisitions even at US multiples.

### #2 Use of proceeds: ensuring returns for investors

We expect Growens to incorporate in its strategy a heavier focus on investor returns as well as a premium for those who have proven to be more loyal.

Once the guarantee period to TeamSystem is over (not before 2024) we expect Growens to evaluate a possible dividend distribution.

## 2023E-25E forecasts for Agile Telecom, BEE, Datatrics

As long as Agile Telecom, BEE, Datatrics belong to Growens, their financial evolution should follow different paths:

- ◆ **Agile Telecom.** Push on double digit top line growth (we estimate some 20% per annum), thanks to the acquisition of new strategic customers and the activation of new routes, while maintaining stable profitability at ca. 4% EBITDA margin;
- ◆ **BEE.** Push on high double digit top line growth (we estimate some 40% per annum in the next couple of years, but it could be more or less depending on the amount of resources that this BU will be devoted), even if this accelerated growth will drive negative profitability due to higher and higher costs;
- ◆ **Datatrics.** Effort on restructuring following the appointment of the new CEO in January. Restructuring means stabilizing revenues (and then getting back to growth) and abating operating losses. If no turnaround is achieved, it is possible that relocating staff members to other business units will be contemplated as an alternative course of action.

### Agile Telecom forecasts

- ◆ **Revenues** - growth expected to occur at a 20% CAGR22A-25;
- ◆ **EBITDA** - margin catching up to 4% target, continuing the recovery path already observed in the second half of 2022.

#### Agile Telecom: 2022A-25E Revenues and EBITDA forecasts

(€mn)	2022E	2023E	2024E	2025E	CAGR 22-25
<b>Revenues</b>	<b>67.6</b>	<b>81.1</b>	<b>97.4</b>	<b>116.9</b>	<b>20.0%</b>
Chg. YoY (%)	42%	20%	20%	20%	
<b>EBITDA</b>	<b>2.3</b>	<b>3.2</b>	<b>3.9</b>	<b>4.7</b>	<b>27.5%</b>
EBITDA Margin (%)	3%	4%	4%	4%	

Source: Value Track analysis

## BEE

- ◆ **Revenues** - forecasted to experience a substantial growth rate of 40% CAGR22A-25E;
- ◆ **EBITDA** - margins slightly negative over the forecast period, as we expect higher labour and S&M costs.

### BEE: 2022A-25E Revenues and EBITDA forecasts

(€mn)	2022E	2023E	2024E	2025E	CAGR 22-25
<b>Revenues</b>	<b>8.9</b>	<b>12.9</b>	<b>18.0</b>	<b>25.2</b>	<b>41.6%</b>
<i>Chg. YoY (%)</i>	59%	45%	40%	40%	
<b>EBITDA</b>	<b>0.2</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.8</b>	<b>nm</b>
<i>EBITDA Margin (%)</i>	2%	-5%	-4%	-3%	

Source: Value Track analysis

## Datatrics

- ◆ **Revenues** - forecasted to rebound at 5% CAGR22A-25E;
- ◆ **EBITDA** - still unprofitable at operating level, with margins converging to a break-even in 2025E.

### Datatrics: 2022A-25E Revenues and EBITDA forecasts

(€mn)	2022E	2023E	2024E	2025E	CAGR 22-25
<b>Revenues</b>	<b>2.5</b>	<b>2.5</b>	<b>2.7</b>	<b>2.9</b>	<b>4.9%</b>
<i>Chg. YoY (%)</i>	-2%	0%	5%	10%	
<b>EBITDA</b>	<b>-1.6</b>	<b>-0.8</b>	<b>-0.8</b>	<b>0.0</b>	<b>nm</b>
<i>EBITDA Margin (%)</i>	-62%	-40%	-20%	0%	

Source: Value Track analysis

## 2023E-25E forecasts for Growens group

In the Conference Call post FY22 figures, Growens management stated that the disposed business should be deconsolidated in 2H23, once the closing takes place.

We do not believe that the “accounting view” of Growens as a group is particularly relevant in 2023E-24E. That said, we’re hereby exhibiting our 2023E-25E forecasts as if the deconsolidation of ESP assets would have taken place as of January 1<sup>st</sup> 2023.

As a matter of fact, Growens P&L forecasts are a mere aggregation of the forecasts of Agile T., BEE, Datatrics while on the Balance Sheet side the point to underline is the ca. €60mn Net Cash Position.

### Growens: P&L figures 2023E-25E

€mn	2023PFE	2024E	2025E
<b>Total Revenues</b>	<b>92.5</b>	<b>114.0</b>	<b>140.9</b>
COGS + Labour Costs	-90.9	-111.5	-137.2
<b>Reported EBITDA</b>	<b>1.6</b>	<b>2.4</b>	<b>3.7</b>
EBITDA Margin (%)	1.7%	2.1%	2.6%
Depreciation & Amortization	-1.8	-1.8	-2.0
<b>EBIT</b>	<b>-0.2</b>	<b>0.6</b>	<b>1.7</b>
Net Fin. Income (charges)	-0.1	0.3	0.5
Extraordinary items	62.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>61.7</b>	<b>0.9</b>	<b>2.2</b>
Taxes	-0.7	-0.3	-0.6
<b>Net Profit</b>	<b>60.9</b>	<b>0.7</b>	<b>1.6</b>
<b>Adjusted Net Profit</b>	<b>-0.3</b>	<b>0.7</b>	<b>1.6</b>

Source: Growens (historical figures), Value Track (forecasts)

### Growens: Balance Sheet figures 2023E-25E

€mn	2023PFE	2024E	2025E
Net Working Capital	5.0	5.0	5.5
As % of Revenues	5.4%	4.4%	3.9%
Net Fixed Assets	13.2	13.2	16.2
Provisions	1.9	1.9	2.5
<b>Total Capital Employed</b>	<b>16.3</b>	<b>16.3</b>	<b>19.2</b>
Group Net Equity	78.0	78.0	79.7
<b>Net Fin. Position [i.e. Net Debt (-) Cash (+)]</b>	<b>61.7</b>	<b>61.7</b>	<b>60.4</b>

Source: Growens (historical figures), Value Track (forecasts)

### Growens: Cash Flow figures 2023E-25E

€mn	2023PFE	2024E	2025E
<b>Reported EBITDA</b>	<b>1.6</b>	<b>2.4</b>	<b>3.7</b>
Change in NWC	-4.2	0.0	-0.5
Change in Provisions	0.5	1.3	0.6
Capex	-4.0	-5.0	-5.0
Fin. Inv. / Disposal	67.8	1.2	0.0
Cash Taxes	0.2	-0.3	-0.6
Other (Incl. Net Fin. Charges)	-0.3	0.3	0.5
<b>Net Cash generated</b>	<b>61.6</b>	<b>0.0</b>	<b>-1.3</b>

Source: Growens (historical figures), Value Track (forecasts)



## Valuation update

We confirm Growens Sum-of-the-Parts based fair value at ca. €6.80 per fully diluted share, built as follows:

- ◆ Agile Telecom, BEE, Datatrics separately valued, each one on the basis of its growth / profitability profile;
- ◆ Net Cash Position post ESP business disposal valued at ca. 25% discount, averaging 10% discount on possible one-off dividend in 2024E and 30% discount on residual M&A cash pile. Indeed, we remind that the company has announced that part of the cash pile will be used to foster BEE growth, both organically and via M&A, so we deem fair to apply some kind of visibility / execution discount to such amount, also because M&A in the USA (where BEE could find targets to complement its product offer) can be extremely expensive.
- ◆ Some holding costs, capitalized at Ke.

### Growens: Assigning a market value to the €70mn cash in from assets disposal

Company	Face Value (€mn)	Discount (%)	Mkt Value (€mn)
Possible €1.0 p.s. one-off dividend in 2024	15.4	10%	13.9
M&A cash pile	46.6	30%	32.6
<b>Proceeds from assets disposal</b>	<b>62.0</b>	<b>25.0%</b>	<b>46.5</b>

Source: Value Track Analysis

### Growens: Sum-of-the-Parts valuation post disposals

Company	Stake (%)	EV (€mn)	Valuation Method
Agile Telecom	100%	36.5	0.5x EV/Sales '23 - 10.0x EV/EBITDA '23
BEE	95.2%	39.0	4.0x EV/ARR (Annual Recurring Revenue)
Datatrics	100%	6.6	3.0x EV/ARR (Annual Recurring Revenue)
Holding costs		-24.3	
Mkt Value of Net Cash Position PF		46.5	
<b>Net Asset Value (€mn)</b>		<b>104.2</b>	
<b>Fair equity value per share (€ p.s.)</b>		<b>6.80</b>	

Source: Value Track Analysis

## Appendix – Recap on ESP disposal deal




### Terms of the ESP disposal deal

Back as of February 3<sup>rd</sup> 2023, Growens has announced the signing of a €70mn binding agreement for the disposal of the “Email Service Provider” company branch to TeamSystem. The deal’s perimeter involves the following business units: MailUp+Contactlab, Acumbamail, MailUp Nordics+Globase.

The transaction involves:

- ◆ **Total gross cash in of €70mn**, subject to adjustments according to Net Financial Position figures of disposed assets as of the closing date, i.e. June 2023;
- ◆ **€62mn capital gain** gross of tax, (ca. €61mn net of tax, participation exemption applies);
- ◆ Ca. €1.1mn deal transaction costs and ca. €2.2mn one off cash payment to ContactLab previous shareholders.

### ESP disposal – Deal overview

 <b>Strategic Rationale</b>	 <b>Deal Consideration</b>	 <b>Key Milestones</b>
<ul style="list-style-type: none"> <li>· Derisking of Group position in mature business</li> <li>· Consistent cash-in</li> <li>· Focus on development of BEE</li> <li>· Provide return to stakeholders</li> <li>· Fundamental change of business under EGM Regulations for Companies</li> </ul>	<ul style="list-style-type: none"> <li>· Sale of               <ul style="list-style-type: none"> <li>· MailUp business (carve-out from Growens)</li> <li>· 100% of Contactlab S.p.A.</li> <li>· 100% of Acumbamail S.L.</li> <li>· 100% of MailUp Nordics/Globase</li> </ul> </li> <li>· Euro 70 million total gross consideration (subject to closing adj)</li> </ul>	<ul style="list-style-type: none"> <li>· Signing February 2, 2023</li> <li>· GSM March 9, 2023</li> <li>· Closing by end of June 2023</li> <li>· Conditions precedent:               <ul style="list-style-type: none"> <li>· carve-out of MailUp business from Growens</li> <li>· GSM ordinary/extraordinary</li> <li>· Golden Power and Antitrust greenlight</li> </ul> </li> </ul>

Source: Growens

As far as FY2022A figures are concerned, the disposed assets accounted for ca. €27.6mn Revenues (27% of total Group Revenues), ca. €3.3mn EBITDA (80% of total Group EBITDA), ca.260 people in Italy, Spain and Denmark, and (according to our estimates) ca. €4.4mn Net Cash.

### Growens: 2021-22A Group Revenues split between disposed assets and “stub”

	2021FY	1H22	2H22A	2022A
Disposed assets (ESP)	18.7	11.7	12.9	27.6
Retained assets (Stub)	52.5	35.5	40.3	75.8
Total Growens Group	71.2	47.2	56.2	103.4

Source: Value Track Analysis

### Growens: 2021-22A Group EBITDA split between disposed assets and “stub”

	2021FY	1H22	2H22A	2022A
Disposed assets (ESP)	3.2	1.3	2.0	3.3
Retained assets (Stub)	2.0	0.1	0.7	0.8
Total Growens Group	5.2	1.4	2.7	4.1

Source: Value Track Analysis

### Next steps

During the period of March - June, some conditions have to be achieved in order to finalize the sale of the ESP business, including:

- 1) The successful integration of the MailUp business unit (including the stake in MailUp Nordics) into Contactlab S.p.A;
- 2) Obtaining approval from the Antitrust authority;
- 3) Obtaining clearance according the "Golden Power" rule under Italian laws and regulations.

In addition, the agreement includes Material Adverse Change (MAC) clauses in line with market practice.

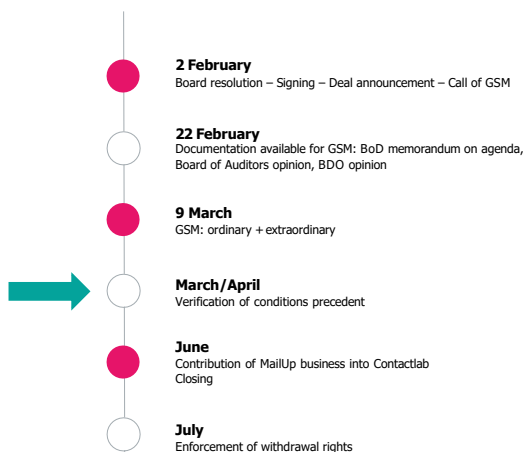
Nevertheless, both parties' management is fully dedicated to ensuring the agreement is successfully finalized, with no perceived obstacles standing in the way of a smooth completion.

We remind that withdrawal right for Growens shareholders has been set at €4.39 per share.

### Growens: Timeline (lhs) and Conditions Precedent (rhs)



#### Timeline



#### Conditions Precedent

- |    |  |    |  |
|----|--|----|--|
| 01 | <b>Corporate reorganisation</b><br>Contribution of the MailUp business unit into Contactlab S.p.A.   | 02 | <b>GSM</b><br>Affirmative vote of the Company's ordinary and extraordinary General Shareholders' Meeting (non- renounceable) |
| 03 | <b>Golden Power</b><br>Clearance according to "Golden Power" rule under Italian laws and regulations | 04 | <b>Antitrust</b><br>Approval of Antitrust authority under Italian and Spanish regulations                                    |
| 05 | <b>MAC</b><br>Lack of material adverse changes   |    |  |

Source: Growens

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