



PRICE SENSITIVE

PRESS RELEASE

## **Select financial data concerning the third quarter of 2023 and 9-month period ended September 30, 2023**

- 9m Revenues 54.6M EUR (-5.3%), focus on and Beefree's growth (+14.1%)
- Gross Profit 10.4M EUR (+19.2%)
- EBITDA 0.3M EUR (-60.1%); EBT 61.7 mln EUR
- Net Financial Position 57.4M EUR cash
- Results net of items related to the Email Service Provider and Datatrics businesses, treated as Discontinued Operations in accordance with IFRS 5 accounting standard

**Milan, 7 November, 2023** – The Board of Directors of Growens S.p.A. –ticker GROW (the “**Company**” or the “**Issuer**” or “**Growens**”), a company admitted to trading on *Euronext Growth Milan* and operating in the cloud marketing technology field, examined today certain consolidated financial data concerning the third quarter of 2023 and 9-month period ended September 30, 2023.

9m consolidated figures show slightly decreasing revenues at 54.6M EUR vs. 57.6M EUR in the same period of 2022; EBITDA amounts to 0.3M EUR, -60.1% vs. 0.8M EUR in the first nine months of 2022.

*“The results of the first nine months of 2023 confirm the turning point in the organization of the Group, which as of today consists of only two business units, Beefree and Agile Telecom, after the significant disposals of the ESP business and Datatrics. The performance is positively influenced by the significant income, which has substantially changed the financial profile of the Group.”*

**Matteo Monfredini, Chairman and founder of Growens**

*“The first nine months of 2023 confirm our strategy, dedicated to execution with a view to both external and internal growth, with a specific focus on the development of Beefree. Having completed the rebranding project, we plan to concentrate investments in the development of such activities on a global scale.”*

**Nazzareno Gorni, CEO and founder of Growens**

### Summary of Q3 and 9m 2023 results

As a result of the sales closed in 2023, namely of (i) 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 well as (ii) 100% of the share capital of Dutch-incorporated subsidiary Datatrics BV ("Datatrics") to Squeezely BV, a subsidiary of Spotler group, for a total consideration of 1.6 million Euro, in Growens' consolidated Q3 and 9m report, the ESP business, considering its significance and uniqueness, and Datatrics have been treated as Discontinued Operations in accordance with the IFRS 5 accounting standard.

Specifically, in the income statement for Q3 2023 and the nine-month period ended on 30 September, 2023 and, for comparative purposes, the same periods of 2022, the line items of revenues&income and costs&expenses from 1 January, 2023, for the activities that constitute the Discontinued Operations have been represented under the line item 'EBT from Discontinued Operations'.

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 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 Q3 and 9m 2022 have been restated to allow for a like-for-like comparison with the data for 2023.

The main results for the quarter ended 30 September, 2023 are as follows:

Item (EUR)	Q3 2023	%	Q3 2022	%	Change	Ch.%
SaaS Revenues	2,564,555	12.8%	2,286,186	10.7%	278,368	12.2%
CPaaS Revenues	17,131,586	85.7%	18,951,816	88.6%	(1,820,230)	(9.6%)
Other Revenues	305,289	1.5%	163,709	0.8%	141,581	86.5%
<b>TOTAL REVENUES</b>	<b>20,001,430</b>	<b>100.0%</b>	<b>21,401,711</b>	<b>100.0%</b>	<b>(1,400,281)</b>	<b>(6.5%)</b>
Gross Profit	3,667,318	18.3%	3,083,020	14.4%	584,298	19.0%
EBITDA	(361,408)	(1.8%)	520,572	2.4%	(881,980)	(169.4%)
EBT from Continuing Operations	(1,411,791)	(7.1%)	(88,330)	(0.4%)	(1,323,461)	n.m.
EBT from Discontinued Operations	65,962,785	n.m.	935,815	4.4%	65,026,970	n.m.
<b>EBT</b>	<b>64,550,993</b>	<b>n.m.</b>	<b>847,485</b>	<b>4.0%</b>	<b>63,703,509</b>	<b>n.m.</b>

The main results for the 9-month period ended September 30, 2023 are as follows:

Item (EUR)	30/09/2023	%	30/09/2022	%	Change	Ch.%
SaaS Revenues	7,338,051	13.4%	6,430,766	11.1%	907,286	14.1%
CPaaS Revenues	46,611,961	85.3%	50,757,986	88.0%	(4,146,025)	(8.2%)
Other Revenues	674,254	1.2%	517,883	0.9%	156,370	30.2%
<b>TOTAL REVENUES</b>	<b>54,624,266</b>	<b>100.0%</b>	<b>57,706,635</b>	<b>100.0%</b>	<b>(3,082,369)</b>	<b>(5.3%)</b>
Gross Profit	10,356,317	19.0%	8,689,622	15.1%	1,666,694	19.2%
EBITDA	298,956	0.5%	749,454	1.3%	(450,498)	(60.1%)
EBT from Continuing Operations	(2,490,863)	(4.6%)	(1,106,431)	(1.9%)	(1,384,432)	125.1%
EBT from Discontinued Operations	64,195,273	n.m.	381,941	0.7%	63,813,332	n.m.
<b>EBT</b>	<b>61,704,411</b>	<b>n.m.</b>	<b>(724,489)</b>	<b>(1.3%)</b>	<b>62,428,900</b>	<b>n.m.</b>

The **SaaS business line** (Software-as-a-Service) includes services supplied to clients via cloud platforms, sold through mostly recurring multi-period contracts / so-called *subscriptions* by the Beefree Business Unit. 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.

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

Consolidated Net Financial Position	30/09/2023	31/12/2022	Change	Ch.%
A. Cash	18,962,190	7,153,665	11,808,525	165.1%
B. Cash equivalents				
C. Assets held for sale	43,000,060		43,000,060	n.m.
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>61,962,250</b>	<b>7,153,665</b>	<b>54,808,585</b>	<b>n.m.</b>
E. Current debt	576,669	1,076,709	(500,040)	(46.4%)
F. Current part of non current debt	1,218,798	1,621,736	(402,938)	(24.8%)
<b>G. Current financial position (E) + (F)</b>	<b>1,795,467</b>	<b>2,698,445</b>	<b>(902,978)</b>	<b>(33.5%)</b>
<b>H. Net current financial position (G) - (D)</b>	<b>(60,166,783)</b>	<b>(4,455,220)</b>	<b>(55,711,564)</b>	<b>n.m.</b>
I. Non current debt	2,747,810	4,389,700	(1,641,890)	(37.4%)
J. Debt financial instruments				
K. Trade and other non current debt				
<b>L. Non current financial position (I) + (J) + (K)</b>	<b>2,747,810</b>	<b>4,389,700</b>	<b>(1,641,890)</b>	<b>(37.4%)</b>
<b>M. Net financial position (H) + (L)</b>	<b>(57,418,973)</b>	<b>(65,519)</b>	<b>(57,353,454)</b>	<b>n.m.</b>
Other Financial Assets Long term	(4,600,000)		(4,600,000)	n.d
o/w E. Current fin. Liab. Rights of Use IFRS 16	352,456	817,672	(465,216)	(56.9%)
o/w I. Non curr. fin. Liab. Rights of Use IFRS 16	982,786	1,520,629	(537,843)	(35.4%)
<b>N. Adjusted Net financial position</b>	<b>(63,354,215)</b>	<b>(2,403,820)</b>	<b>(60,950,395)</b>	<b>n.m.</b>

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

The above-mentioned results are unaudited.

Consolidated 9m 2023 P&L posts total **Revenues** around **54.6M EUR**, showing a 5% decrease versus 57.7M EUR in the same period of 2022, mainly driven by the 14+% growth of the SaaS component, for a 13% incidence on total revenues, and the 8% decrease of CPaaS, for an 85% incidence on total revenues. The **Beefree** Business Unit posted a like-for-like revenue growth of 16.8% at constant EUR/USD exchange rate, thanks to volumes increase. 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 11.6M USD as of September 2023. **Agile Telecom** keeps on focusing on increasing margins, even in spite of short-term topline growth.

**Consolidated recurring revenues** (from SaaS product subscriptions) weigh 13.6% of total revenues and amount to ca. **7.3M EUR**, growing 14.1% YoY.

**Foreign revenues** amount to **44.1M EUR**, representing 82% of total revenues, essentially stable (-1.1%).

New clients include University of Southern California, Dior, Lee Enterprises, Expleo Group, University of Sydney.

Consolidated **EBITDA** equals -0.4M EUR in Q3 2023 and 0.3M EUR in the 9-month period ended on 30 September 2023, decreasing by 169% and 61% respectively versus the same periods of 2022. Gross Profit (growing over 19% in the first nine months) is positively affected by margins recovery on the CPaaS line. EBITDA margin is impacted by costs for the focus on Beefree's development.

**EBT amounts to 61.7M EUR** in the first 9m of 2023, or 64.6M EUR in Q3 2023, positively influenced by the cash-in from disposals of the ESP and Datatrics businesses, closed and announced on 13 July and 20 October respectively.

The consolidated **Net Financial Position** as of 30 September 2023 amounts to **57.4M EUR**, noncomparable to the previously recorded net cash amount of 65k EUR as of 31 December 2022. Net of the escrow amount for the ESP business disposal (for 4.6M EUR) and figurative debt from IFRS16's adoption (for 1.3M EUR), net cash position would exceed 63.4M EUR. Cash&equivalents amount to 62M EUR.

### Main KPIs

KPI SaaS	Beefree	Time ref.
ARR	\$11,645,196	Sept. 2023
ARR growth	+14.4%	Sept. 2023
Gross margin	79.0%	H1 2023
EBITDA margin	2.7%	Q3 2023
Net Revenue Retention	92.0%	Sept. 2023

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

### Investor Relations

Growens Chairman and CEO will comment on Q3 2023 results in a conference call to be held on 13 November 2023 at 5 pm CET. Registration at this [link](https://my.demio.com/ref/VrqfJ82AaA6bm1Wg): my.demio.com/ref/VrqfJ82AaA6bm1Wg



**Growens (GROW)** is a leading European player in the field of Cloud Marketing Technologies, serving thousands of clients worldwide. Its SaaS and CPaaS solutions allow 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 40%.

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

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

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