

Italy – Marketing Technology

Enduring sales growth, tiny recovery in margins

11th November 2022

Q3/9M-22 RESULTS RELEASE

RIC: GROWE.MI
BBG: GROW IM

Growens reported 9M-22 results characterised by increasing revenues thanks to the strong performance of Agile Telecom and BEE, coupled with the consolidation of Contactlab as of May. After a tough H1, in Q3 Growens experienced a slight recovery in profitability despite the unfavourable seasonality related to summer months.

Rating:

Neutral

Price Target:

€ 5.00

Upside/(Downside): 16.6%

Last Price: € 4.29

Market Cap.: € 66.0m

1Y High/Low: € 5.48 / € 3.95

Avg. Daily Turn. (3M, 6M): € 21k, € 19k

Free Float: 34.9%

Major shareholders:

Nazzareno Gorni	10.4%
Alberto Miscia	10.4%
Matteo Monfredini	10.3%
Luca Azzali	10.0%
Matteo Bettoni	9.8%



Stock price performance

	1M	3M	12M
Absolute	-1.2%	-13.3%	-4.5%
Rel.to FTSE IT Growth	-7.3%	-7.8%	13.9%
Rel.to Peers median	-15.3%	7.7%	58.0%

Analysts:

Luca Arena
+39 02 30343 395
luca.arena@cfosim.com

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Estimates, rating and PT unchanged

9M-22 results showed growing revenues and a certain recovery in profitability in Q3, after a H1 affected by higher COGS related to the SMS business, significant S&M expenses with regard to BEE and some one-off costs linked to the acquisition of Contactlab. In 9M-22, Sales and EBITDA represented ca. 75% and 60% of CFO SIM's forecasts for FY-22, respectively. Considering the favourable seasonality in Q4 thanks to the several marketing campaigns for Black Friday and Christmas, we believe Growens can easily reach our forecasts. As a consequence we have left unchanged our estimates and PT. The limited upside to current price levels shows that Growens is currently fairly priced on fundamentals, thus we reiterate the Neutral recommendation on the stock. Nevertheless, further upside potential may arise from M&A: a possible target might be to enrich BEE's offer.

Total revenues at € 75.7m, up by 48 % YoY (40% organically)

In 9M-22, total revenues soared by 48.2% YoY to € 75.7m, compared to € 51.1m in 9M-21, thanks to organic growth to the tune of 40% coupled with the consolidation of Contactlab as of May-22. The SaaS division soared by 44.1% YoY while the CPaaS division raised by 51.2% YoY. Recurring revenues amounted to more than 27% of total, growing by 31.0% YoY. Foreign revenues grew by 82.3% YoY, representing 66% of total.

Organic growth driven by BEE and Agile Telecom

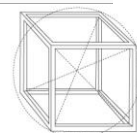
MailUp + Contactlab totalled € 17.1m, growing by 38.5% YoY thanks to 5% organic growth coupled with the consolidation of Contactlab as of May. Organic growth was driven by the recently-implemented product-led strategy and the development of the indirect channel abroad. Agile Telecom rose by 51.2% YoY, reaching € 50.9m, driven by the acquisition of new strategic promising customers. Sales stemming from these new customers are characterised by a limited entry-level profitability due to commercial purposes. BEE soared by 64.6% YoY, totalling € 6.4m (\$ 6.8m), mainly thanks to increasing volumes. ARR amounted to \$ 10.0m as of the end of September 2022. Datatrics declined by 5.6% YoY to € 1.8m, showing certain difficulties in returning to growth. Acumbamail totalled € 1.8m, up by 25.4% YoY, confirming its steady double-digit growth trend.

EBITDA benefited from a recovery in profitability in Q3-22

EBITDA declined by 20.7% YoY to € 2.8m, 3.7% margin (vs € 3.6m, 7.0% margin in 9M-21), mainly as a result of 1) a different revenue mix, namely higher sales stemming from the CPaaS division, characterised by lower profitability; 2) increasing S&M costs related to BEE's development; and 3) some one-off costs due to the acquisition of Contactlab. It is worth noting that, in Q3-22, EBITDA totalled € 1.5m, up by 27.6% YoY, slightly recovering from the drop in profitability experienced in Q2-22 despite the unfavourable seasonality related to summer months. NFP declined to € 0.9m debt from € 6.5m cash at the end of 2021, mainly as a consequence of the cash-out for the acquisition of Contactlab (€ 3.75m), the payment of Datatrics' earn-out (€ 1.0m) and a certain increase in NWC.

Growens, key financials and ratios

€ m	2020	2021	2022e	2023e	2024e
Total Revenues	65.2	71.2	99.0	114.3	126.8
EBITDA	5.1	5.2	4.5	8.0	9.7
EBIT	1.4	1.1	(0.5)	2.9	4.7
Net profit	0.6	0.4	(0.3)	1.8	2.9
NFP (cash)/debt	(2.5)	(6.5)	(1.8)	(5.9)	(11.2)
EBITDA margin	7.8%	7.3%	4.6%	7.0%	7.6%
EBIT margin	2.1%	1.6%	-0.5%	2.6%	3.7%
EPS €	0.04	0.02	(0.02)	0.12	0.19
EPS growth	-50.9%	-34.8%	n.m.	n.m.	61.8%
Free Cash Flow Yield	3.0%	7.4%	-7.1%	6.1%	8.1%
PER x	n.m.	n.m.	n.m.	36.6	22.6
PCF x	16.8	15.2	14.2	9.6	8.4
EV/Sales x	1.06	0.86	0.65	0.53	0.43
EV/EBITDA x	13.6	11.7	14.2	7.5	5.7
EV/EBIT x	50.2	53.9	n.m.	20.5	11.7



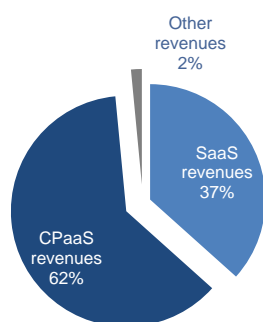
The Company at a Glance

Founded in Cremona (Italy) in 2002 as an email service provider, Growens is now a leading international player in the Global Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 26,000 customers in more than 115 countries with a wide range of solutions. Growens operates two business divisions, spread across five synergic business units, corresponding to five different companies.

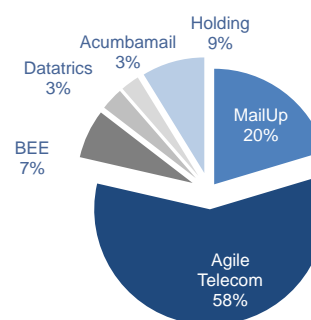
- The SaaS (Software-as-a-Service) division is characterised by subscription-based services supplied to customers via cloud platforms. It includes the following business units: MailUp + Contactlab, BEE, Datatrics and Acumbamail.
- The CPaaS (Communication-Platform-as-a-Service) division includes the Agile Telecom business unit, which provides messaging services on a wholesale basis using APIs.

The group has been on a significant growth path since its establishment: set up as a start-up in 2002, Growens closed FY-21 with revenues of € 71.2m, EBITDA of € 5.2m, 7.3% margin and over 260 employees. Moreover, EBIT stood at € 1.1m and Net Income totalled € 0.4m. Net Financial Position was € 6.5m cash, thanks to huge cash-flow generation. Since the IPO in 2014 the group's revenues increased by a CAGR₁₃₋₂₁ of 33.2%, thanks to organic growth boosted by a few acquisitions.

2021 breakdown by business division...



... and by business unit



Current shareholder structure

Shareholders	%	# m
Nazzareno Gorni	10.4%	1.61
Alberto Miscia	10.4%	1.61
Matteo Monfredini	10.3%	1.59
Luca Azzali	10.0%	1.55
Matteo Bettoni	9.8%	1.51
Pronti Gianluca	5.9%	0.91
BMC Holding B.V. *	6.6%	1.01
Ex Contactlab's shareholders *	1.2%	0.19
Treasury shares	0.3%	0.05
Free Float	34.9%	5.37
Total	100.0%	15.39

Source: Company data

* subject to lock-up (does not enter the free float)

Peer group absolute performance

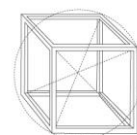
%	1D	1W	1M	3M	6M	YTD
dotDigital Group PLC	6.0	5.1	(5.3)	(25.0)	(13.4)	(62.3)
CM.com NV	5.2	20.1	26.4	6.9	(5.5)	(52.7)
Kaleyra Inc	9.2	(20.9)	(15.4)	(69.5)	(79.9)	(93.5)
Link Mobility Group Holding	4.4	8.6	31.3	(33.2)	(21.6)	(54.0)
Sinch AB (publ)	11.3	12.7	144.0	68.4	(2.3)	(64.1)
Mobile Messaging median	7.2	10.7	28.9	(13.1)	(13.6)	(59.0)
HubSpot Inc	17.0	8.9	14.2	(21.0)	(2.1)	(54.0)
Neosperience SpA	0.3	0.3	2.5	(18.9)	(27.3)	(49.1)
Predictive Marketing median	8.7	4.6	8.3	(20.0)	(14.7)	(51.5)
Growens SpA	0.0	0.2	(1.2)	(13.3)	(12.1)	(14.5)

Source: Thomson Reuters Eikon

Peer group multiples table

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
dotDigital Group PLC (Email Marketing)	2.62	2.49	8.2	7.7	12.2	11.7	18.2	18.8
CM.com NV	1.25	1.07	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Kaleyra Inc	0.51	0.47	8.3	6.6	n.m.	n.m.	n.m.	n.m.
Link Mobility Group Holding ASA	1.04	0.86	8.3	6.4	23.5	13.5	15.9	10.7
Sinch AB (publ)	1.53	1.30	15.0	11.9	n.m.	39.4	n.m.	59.0
Mobile Messaging median	1.15	0.97	8.3	6.6	23.5	26.4	15.9	34.9
HubSpot Inc	7.95	6.53	63.9	55.3	88.4	77.9	113.0	98.8
Neosperience SpA	1.40	0.94	4.6	3.0	13.8	6.2	20.2	9.1
Predictive Marketing median	4.68	3.73	34.2	29.2	51.1	42.0	66.6	53.9
Growens SpA	0.65	0.53	14.2	7.5	n.m.	20.5	n.m.	36.6

Sources: CFO SIM, Thomson Reuters Eikon





Income statement (€ m)	2020	2021	2022e	2023e	2024e
Total revenues	65.2	71.2	99.0	114.3	126.8
COGS	(43.9)	(47.4)	(70.3)	(77.7)	(85.0)
Gross Profit	21.4	23.8	28.7	36.6	41.9
Sales & Marketing	(6.4)	(7.3)	(10.4)	(11.7)	(12.7)
Research & Development	(2.9)	(3.2)	(4.5)	(5.1)	(5.7)
General costs	(7.0)	(8.1)	(9.3)	(11.8)	(13.8)
EBITDA	5.1	5.2	4.5	8.0	9.7
D&A	(3.7)	(4.1)	(5.0)	(5.0)	(5.0)
EBIT	1.4	1.1	(0.5)	2.9	4.7
Financials	(0.2)	(0.0)	(0.1)	(0.1)	(0.1)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Extraordinary	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	1.2	1.1	(0.5)	2.9	4.6
Income taxes	(0.6)	(0.7)	0.2	(1.1)	(1.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	0.6	0.4	(0.3)	1.8	2.9
Net Profit adj.	0.6	0.4	(0.3)	1.8	2.9
Balance sheet (€ m)	2020	2021	2022e	2023e	2024e
Net Working Capital	(1.5)	(1.7)	0.9	1.2	1.2
Net Fixed Assets	27.1	26.9	29.6	27.6	25.6
Equity Investments	0.1	0.1	0.1	0.1	0.1
Other M/L Term A/L	(10.9)	(14.2)	(15.2)	(15.8)	(16.1)
Net Invested Capital	14.8	11.0	15.4	13.1	10.7
Net Financial Position	(2.5)	(6.5)	(1.8)	(5.9)	(11.2)
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	17.3	17.5	17.2	19.0	21.9
Financial Liabilities & Equity	14.8	11.0	15.4	13.1	10.7
Cash Flow statement (€ m)	2020	2021	2022e	2023e	2024e
Total net income	0.6	0.4	(0.3)	1.8	2.9
Depreciation	3.7	4.1	5.0	5.0	5.0
Other non-cash charges	0.9	4.3	1.0	0.5	0.4
Cash Flow from Oper. (CFO)	5.2	8.7	5.6	7.4	8.3
Change in NWC	(0.2)	0.3	(2.6)	(0.3)	0.1
FCF from Operations (FCFO)	5.0	9.0	3.0	7.0	8.3
Net Investments (CFI)	(3.0)	(4.1)	(7.8)	(3.0)	(3.0)
Free CF to the Firm (FCFF)	2.0	4.9	(4.7)	4.0	5.3
CF from financials (CFF)	(1.0)	(1.4)	0.0	0.0	(0.0)
Free Cash Flow to Equity (FCFE)	0.9	3.5	(4.7)	4.0	5.3
Financial ratios	2020	2021	2022e	2023e	2024e
EBITDA margin	7.8%	7.3%	4.6%	7.0%	7.6%
EBIT margin	2.1%	1.6%	-0.5%	2.6%	3.7%
Net profit margin	0.9%	0.5%	-0.3%	1.6%	2.3%
Tax rate	53.0%	65.9%	37.0%	37.0%	37.0%
Op NWC/Sales	-2.3%	-2.4%	0.9%	1.1%	0.9%
Interest coverage x	0.13	0.04	(0.15)	0.02	0.01
Net Debt/EBITDA x	(0.49)	(1.25)	(0.40)	(0.74)	(1.16)
Debt-to-Equity x	(0.15)	(0.37)	(0.11)	(0.31)	(0.51)
ROIC	3.8%	3.3%	-2.1%	13.7%	27.2%
ROCE	5.1%	4.1%	n.m.	9.5%	13.6%
ROACE	5.1%	4.1%	-1.6%	9.9%	14.4%
ROE	3.3%	2.1%	-1.9%	9.5%	13.3%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2020	2021	2022e	2023e	2024e
Number of shares # m	14.97	14.97	15.39	15.39	15.39
Number of shares Fully Diluted # m	17.37	17.37	16.53	16.53	16.53
Average Number of shares Fully Diluted # m	17.37	17.37	16.95	16.53	16.53
EPS stated FD €	0.03	0.02	(0.02)	0.11	0.18
EPS adjusted FD €	0.03	0.02	(0.02)	0.11	0.18
EBITDA €	0.29	0.30	0.27	0.48	0.59
EBIT €	0.08	0.07	(0.03)	0.18	0.28
BV €	0.99	1.01	1.04	1.15	1.33
FCFO €	0.29	0.52	0.18	0.43	0.50
FCFF €	0.11	0.28	(0.28)	0.24	0.32
FCFE €	0.05	0.20	(0.28)	0.24	0.32
Dividend €	0.00	0.00	0.00	0.00	0.00



Q3-22 and 9M-22 Results

Growens reported 9M-22 results showing increasing revenues thanks to the strong performance of Agile Telecom and BEE, coupled with the consolidation of Contactlab as from May-22. In Q3 Growens experienced a tiny recovery in profitability, after a first half of 2022 affected by higher COGS related to the SMS business, significant S&M expenses with regard to BEE and some one-off costs linked to the acquisition of Contactlab.

Table 1 – Growens, Q3-22 and 9M-22 results

€ m	Q3-22	Q3-21	% YoY	9M-22	9M-21	% YoY
SaaS Revenues	10.2	6.3	61.9	27.1	18.8	44.1
CPaaS Revenues	18.1	10.9	65.5	47.9	31.7	51.2
Other revenues	0.2	0.2	40.7	0.7	0.6	14.7
Total revenues	28.5	17.4	64.0	75.7	51.1	48.2
Gross Profit	8.0	6.0	33.4	21.6	17.6	23.1
% margin	27.9	34.3		28.6	34.4	
EBITDA	1.5	1.1	27.6	2.8	3.6	(20.7)
% margin	5.1	6.6		3.7	7.0	
Pre-Tax Profit	0.2	0.2	43.3	(0.7)	0.6	n.m.
% margin	0.8	0.9		(1.0)	1.2	
NFP (cash)/debt *	0.9	(6.5)	n.m.	0.9	(6.5)	n.m.

Sources: Company data, CFO SIM analysis * compared to FY-21 NFP

In 9M-22, **total revenues soared by 48.2% YoY to € 75.7m**, compared to € 51.1m in 9M-21, thanks to **organic growth to the tune of 40%** coupled with the consolidation of Contactlab as of May-22. The SaaS division soared by 44.1% YoY while the CPaaS division raised by 51.2% YoY.

Recurring revenues amounted to more than 27% of total, growing by 31.0% YoY. Foreign revenues grew by 82.3% YoY, representing 66% of total.

Gross Profit rose by 23.1% YoY to € 21.6m, 28.6% margin, compared to € 17.6m, 34.4% margin in 9M-21. **The decline in gross margin was due to lower profitability with regard to the CPaaS division**, which was affected by the sales to new strategic customers characterised by a low entry-level profitability.

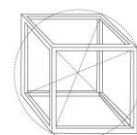
EBITDA declined by 20.7% YoY to € 2.8m, 3.7% margin (vs € 3.6m, 7.0% margin in 9M-21), mainly as a result of 1) a **different revenue mix**, namely higher sales stemming from the CPaaS division (i.e. Agile Telecom, SMS business), characterised by lower profitability; 2) **Datatrics' persisting operating loss**; 3) increasing sales & marketing costs related to **BEE's development**; and 4) higher general & administrative expenses, mainly due to **one-off costs stemming from the acquisition of Contactlab** (€ 0.3m).

Net Financial Position declined to € 0.9m debt from € 6.5m cash at the end of 2021, mainly as a consequence of the cash-out for the acquisition of Contactlab (€ 3.75m), the payment of Datatrics' earn-out (€ 1.0m) and a certain increase in NWC due to the different collection/payment timing with regard to the Agile Telecom business unit as a consequence of the acquisition of certain promising strategic customers.

By excluding the right of use liabilities stemming from the adoption of IFRS16, NFP stood at € 1.6m cash compared to € 9.8m cash at the end of 2021.

Cash and cash equivalents amounted to € 7.8m, compared to € 13.3m at the end of 2021.

Moreover, new gained customers 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.



In terms of business units:

- **MailUp + Contactlab totalled € 17.1m, growing by 38.5% YoY** thanks to **5% organic growth** coupled with the consolidation of Contactlab as of May-22. Organic growth was driven by the recently-implemented product-led strategy and the development of the indirect channel abroad. EBITDA was affected by some one-off costs related to the acquisition of Contactlab.
- **Agile Telecom rose by 51.2% YoY, reaching € 50.9m**, driven by the acquisition of new strategic promising customers. Sales stemming from these new customers are characterised by a limited entry-level profitability due to commercial purposes. As a consequence, **EBITDA declined to € 1.4m, 2.7% margin** (€ 1.7m, 5.0% margin in 9M-21).
- **BEE soared by 64.6% YoY, totalling € 6.4m (\$ 6.8m)**, mainly thanks to increasing volumes. ARR amounted to \$ 10.0m as of the end of September 2022.
- **Datatrix declined by 5.6% YoY to € 1.8m**, showing certain difficulties in returning to growth following the business reorganisation in 2021 as well as a **persisting operating loss**. It is worth remembering that the earn-out to be paid to Datatrix' selling shareholder was recently reduced from € 3.0m (to be paid entirely in Growens' shares) to € 2.0m (paid half cash and half through newly-issued shares in July).
- **Acumbamail totalled € 1.8m, up by 25.4% YoY**, confirming its steady double-digit growth trend.

Table 2 – Growens, 9M-22 results by business unit

€ m	9M-22	9M-21	% YoY
MailUp + Contactlab	17.1	12.4	38.5
Agile Telecom	50.9	33.7	51.2
BEE	6.4	3.9	64.6
Datatrix	1.8	1.9	(5.6)
Acumbamail	1.8	1.5	25.4
Holding	7.3	4.7	53.7
Consol. Adj.	(9.6)	(6.9)	
Total revenues	75.7	51.1	48.2
EBITDA MailUp + Contactlab	1.9	2.2	
EBITDA Agile Telecom	1.4	1.7	
EBITDA BEE	0.7	0.1	
EBITDA Datatrix	(1.3)	(0.7)	
EBITDA Acumbamail	0.3	0.3	
EBITDA Holding	(0.3)	(0.3)	
Consol. Adj.	0.2	0.3	
Total EBITDA	2.8	3.6	(20.7)
EBITDA % MailUp + Contactlab	11.2	17.6	
EBITDA % Agile Telecom	2.7	5.0	
EBITDA % BEE	10.5	3.6	
EBITDA % Datatrix	(70.6)	(36.7)	
EBITDA % Acumbamail	17.1	22.3	
EBITDA % Holding	(4.4)	(6.9)	
Total EBITDA %	3.7	7.0	

Sources: Company data

It is worth noting that, in Q3-22, EBITDA totalled € 1.5m, up by 27.6% YoY, slightly recovering from the drop in profitability experienced in Q2-22 despite the unfavourable seasonality related to summer months.

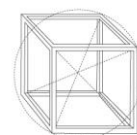


Table 3 – Growens, quarterly results by business unit

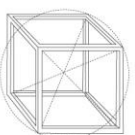
€ m	Q1-22	Q1-21	% YoY	Q2-22	Q2-21	% YoY	Q3-22	Q3-21	% YoY
MailUp + Cont.	4.3	3.9	10.5	6.3	4.3	45.6	6.6	4.2	57.2
Agile Telecom	14.7	11.0	33.5	17.3	11.3	53.1	19.0	11.4	66.5
BEE	1.9	1.1	65.9	2.1	1.2	68.4	2.4	1.5	60.5
Datatics	0.6	0.7	(7.7)	0.6	0.7	(9.2)	0.6	0.6	0.9
Acumbamail	0.5	0.5	17.1	0.6	0.5	22.6	0.7	0.5	36.6
Holding	2.0	1.3	52.6	2.7	2.1	28.9	2.5	1.3	96.4
Consol. Adj.	(2.9)	(1.9)		(3.6)	(3.0)		(3.2)	(2.0)	
Total revenues	21.2	16.6	27.7	26.0	17.1	52.0	28.5	17.4	64.0
EBITDA MailUp + Cont.	0.6	1.0		0.5	0.5		0.8	0.8	
EBITDA Agile Telecom	0.4	0.5		0.3	0.6		0.7	0.6	
EBITDA BEE	0.3	0.2		0.1	(0.1)		0.3	(0.0)	
EBITDA Datatics	(0.4)	(0.1)		(0.5)	(0.3)		(0.4)	(0.3)	
EBITDA Acumbamail	0.1	0.1		0.1	0.1		0.2	0.1	
EBITDA Holding	(0.0)	(0.4)		(0.2)	0.2		(0.1)	(0.1)	
Consol. Adj.	0.1	0.1		0.1	0.1		0.0	0.1	
Total EBITDA	1.1	1.4	(20.7)	0.3	1.0	(74.7)	1.5	1.1	27.6
EBITDA % MailUp + Cont.	14.9	25.1		7.7	10.5		12.1	18.0	
EBITDA % Agile Telecom	3.0	4.7		1.6	5.1		3.4	5.4	
EBITDA % BEE	16.5	17.9		3.7	(5.1)		11.8	(0.1)	
EBITDA % Datatics	(69.8)	(11.9)		(75.2)	(50.8)		(66.7)	(48.9)	
EBITDA % Acumbamail	18.3	25.2		9.9	17.3		22.9	24.9	
EBITDA % Holding	(1.2)	(31.3)		(8.9)	10.9		(2.0)	(11.2)	
Total EBITDA %	5.2	8.3		1.0	6.0		5.1	6.6	

Sources: Company data, CFO SIM analysis

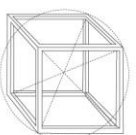
Table 4 – Growens, SaaS division's KPIs

KPIs - SaaS	MailUp	Datatics	Acumbamail	BEE	Date
ARR	€ 14.9m	€ 2.4m	€ 2.1m	\$ 10.2m	Sep-22
ARR growth	32%	-4%	18%	33%	Sep-22
Gross margin	62%	48%	86%	71%	H1-22
EBITDA margin	11%	-69%	14%	10%	Q3-22
Net Revenue Retention	95%	82%	92%	111%	Sep-22

Sources: Company data



This page has been intentionally left blank



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **LUCA ARENA**, Head of the Equity Research Department, **GIANLUCA MOZZALI** and **LUCA SOLARI**, Equity Analysts. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Luca Arena and Gianluca Mozzali are ordinary members of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above. CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Specialist and Corporate Broker for Growens stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
11/11/2022	€5.00	NEUTRAL
13/09/2022	€5.00	NEUTRAL
12/07/2022	€6.20	BUY
16/05/2022	€6.20	BUY
12/04/2022	€6.60	BUY
25/03/2022	€6.20	BUY
11/11/2021	€5.90	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/-15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

