

Growens

Sector: Marketing Technology



Analysts

Marco Greco

+39 02 80886654

marco.greco@value-track.com

Luca Bernini

luca.bernini@value-track.com

Looking for a (Beefree) revenue accelerator

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.

1H23: Revenues subdued, margins stand out

On a like-for-like basis, 1H23 results fell a bit short of our expectations in terms of revenue, while profit margins were a bit higher. Net Financial Position end of June is not accounting for the proceeds from ESP disposal, which were cashed in as of July. Focusing on the three BUs that are remaining in the consolidation perimeter, we note that:

- ◆ **Agile Telecom** is adopting a profitability-focused strategy, with revenues down -7.3% y/y but EBITDA margin doubling y/y and approaching 5%;
- ◆ **BEE** (now renamed as Beefree) is continuing its growth path, even if on a slower short-term pace (+20% y/y, ARR at €10.4mn), with EBITDA positive by some €0.1mn;
- ◆ **Datatrics** still lags the needed turnaround: Revenues are down -13.5% y/y and EBITDA loss stands at €-0.6mn (vs. €-0.9mn as of 1H22).

ESP deal done, now PTO. What's next?

Back as of July, the Board of Directors announced a voluntary partial purchase offer on max 2.65mn Growens ordinary shares (i.e. approximately 17.2% of total outstanding capital) at a €6.80 unitary price, for maximum €18mn total consideration. The PTO has been recently approved by the AGM and we expect the offer period to be scheduled between end of October and November. Noteworthy, the company has announced that it will not cancel the shares bought back, but it will use them for M&A.

Once finalized the PTO the focus should get back on Beefree business development, either organic and via the acquisition of some kind of revenue accelerating asset (our guess: lead generation technologies, API, advanced generative AI capabilities). This is, in our view, the priority challenge of the company for the future.

Estimates and fair value update

Our updated Sum-of-the-Parts based fair value stands at €7.0 per share (from €6.80), assuming Datatrics completely written off, Beefree at 4.0 EV/ARR, Agile Telecom at average between 0.5x EV/Sales and 10x EV/EBITDA 2023E and Net Cash Position post PTO valued at ca. 20x the return net of tax that it should generate in the future unless some revenue accelerating M&A deal is finalized.

Fair Value (€) 7.0
Market Price (€)(*) 6.54
Market Cap. (€m)(*) 100.7

KEY FINANCIALS (€m)	2023PFE	2024E	2025E
REVENUES	79.8	89.8	102.7
EBITDA	1.1	1.4	2.1
EBIT	-0.7	-0.4	0.1
NET PROFIT	67.2	0.0	0.5
EQUITY	84.3	84.3	84.8
NET CASH POS.	50.4	47.0	45.4
EPS ADJ. (€)	-0.04	0.00	0.03
DPS (€)	0.00	0.00	0.00

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

KEY FINANCIALS (€m)	2023PFE	2024E	2025E
EBITDA MARGIN (%)	1.4	1.6	2.1
EBIT MARGIN (%)	nm	nm	0.1
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / EQUITY (x)	nm	nm	nm
EV/SALES (x)(*)	0.7	0.6	0.6
EV/EBITDA (x)(*)	47.2	38.5	26.9
EV/EBIT (x).(*)	nm	nm	nm
P/E ADJ. (x)(*)	nm	nm	nm

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

STOCK DATA

FAIR VALUE (€)	7.0
MARKET PRICE (€)(*)	6.54
SHS. OUT. (m)	15.4
MARKET CAP. (€m)(*)	100.7
FREE FLOAT (%)	42.6
AVG. -20D VOL. (#)	29,110
RIC / BBG	GROW.MI / GROW IM
52 WK RANGE	3.71-6.68

Source: Stock Market Data

(*) Prices as of September 21st 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 mobile text messages (for both transactional and marketing purposes), email editing support, Predictive Marketing Customer Data Platform.

Key Financials

€mn	2023PFE	2024E	2025E
Total Revenues	79.8	89.8	102.7
Chg. % YoY	-22.8%	12.5%	14.5%
EBITDA	1.1	1.4	2.1
EBITDA Margin (%)	1.4%	1.6%	2.1%
EBIT	-0.7	-0.4	0.1
EBIT Margin (%)	-0.9%	-0.4%	0.1%
Net Profit	67.2	0.0	0.5
Chg. % YoY	nm	nm	nm
Adjusted Net Profit	-0.6	0.0	0.5
Chg. % YoY	-60.5%	-93.7%	nm
Net Fin. Position	50.4	47.0	45.4
Net Fin. Pos. / EBITDA (x)	nm	nm	nm
Capex	-4.0	-5.0	-5.0
OpFCF b.t.	-2.5	-2.3	-1.9
OpFCF b.t. as % of EBITDA	nm	nm	nm

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

Investment case

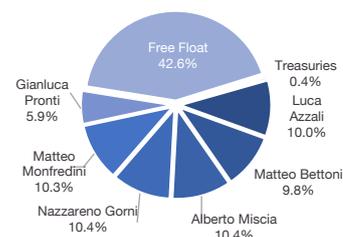
Strengths / Opportunities

- ◆ 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

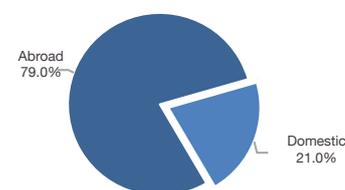
- ◆ Much smaller size if compared to Anglo-Saxons competitors;
- ◆ MarTech moves fast and Growens capability to keep up with the pace could be limited.

Shareholders Structure



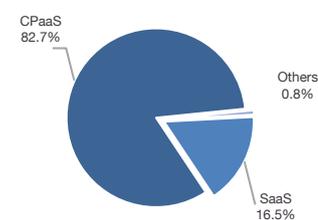
Source: Growens SpA

1H 2023 Revenues by geography



Source: Growens SpA

1H 2023 Revenues by business line



Source: Growens SpA

Stock multiples @ €7.0 Fair Value

	2023E	2024E
EV / SALES (x)	0.7	0.7
EV / EBITDA (x)	53.6	43.4
EV / EBIT (x)	nm	Nm
EV / CAP.EMP. (x)	1.7	1.7
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

1H23 Results

Growens 1H23 figures are drawn according to the new consolidation scope resulting from the disposal of the ESP business, the latter being accounted as “discontinued asset”.

On a like-for-like basis, the results fell a bit short of our expectations in terms of revenue, while profit margins were a bit higher. Noteworthy, as of 30.06.23 the Net Financial Position did not incorporate yet the proceeds from the ESP business disposal.

- ◆ **Total Revenues stood at €35.6mn** (-4.7% y/y), with the decline attributable to the contraction in CPaaS revenues, a result of the choice to focus on profitability;
 - **SaaS** component was up 11.6% y/y to €5.9mn, (16.5% incidence on total);
 - **CPaaS** component decline by 7.3% y/y to €29.5mn (82.7% incidence on total).
- ◆ **EBITDA at €0.3mn vs €-0.3mn in 1H22PF** due to Agile Telecom margin recovery and despite increasing S&M (+11%) and R&D (+33%) costs, mainly tied to the focus on Beefree development;
- ◆ **Net loss of €2.9mn**, affected by €1.3mn impairment of the goodwill related to Datatrics;
- ◆ **Net Debt at €3.3mn**, not accounting yet for the proceeds of ESP deal. On July 13th, the company received an inflow of €72mn, net of €4.6mn held in an escrow account to be periodically released according to the standard practice (*decalage* method).

Growens: 1H23PF vs 1H22PF

	1H22	1H23	Δ YoY (%)
Total Revenues	37.4	35.6	-4.7%
EBITDA	-0.3	0.3	nm
<i>EBITDA margin (%)</i>	<i>-0.8%</i>	<i>0.8%</i>	
EBIT	-1.7	-2.7	-56.7%
<i>EBIT margin (%)</i>	<i>-4.6%</i>	<i>-7.6%</i>	
Net Profit	-1.6	-2.9	-73.6%
Net Financial Position	0.1	-3.3	-3.3mn

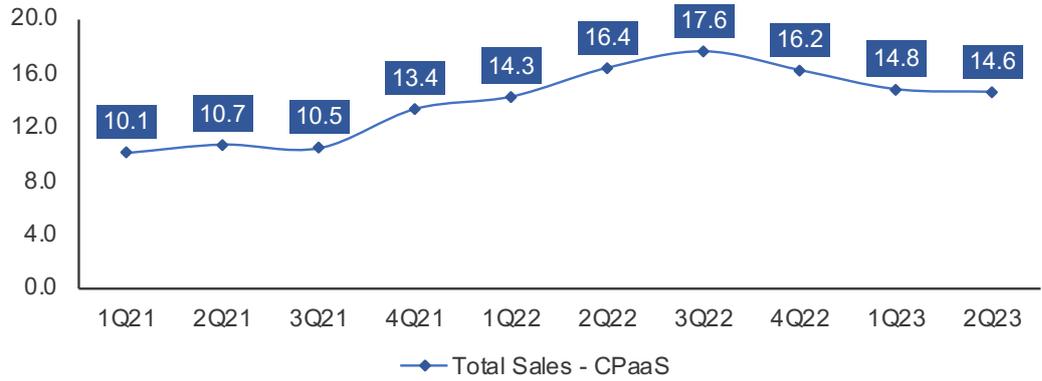
Source: Value Track Analysis

Focus on 1H23 results of Agile Telecom, BEE, Datatrics

Regarding the three retained business units, we note the following:

- ◆ **Datatrics** Business Unit recorded Revenues down by -13.5% y/y and was responsible for €1.3mn goodwill impairment charge. The long-awaited turnaround doesn't seem close;
- ◆ **Agile Telecom** posted the biggest revenues of ca. €29.6mn in 1H23, yet down by 7% y/y due to a profitability-focused strategy, which resulted in reduced revenues but nearly doubled the EBITDA, (€1.3mn in 1H23 compared to €0.7mn as of 1H22);
- ◆ **Beefree** is the fastest growing Business Unit, with Revenues up +20.0% y/y and Annual Recurring Revenues (**ARR**) at **€10.4mn level**. Growth, however, that is lower than expected with respect to our FY23 estimates due to the new freemium business model, which emphasizes building customer loyalty initially and then shifting focus to conversions. This approach may lead to a temporary slowdown in marginal revenue growth during the initial phase.

Growens: Evolution of CPaaS Total Sales (€mn)



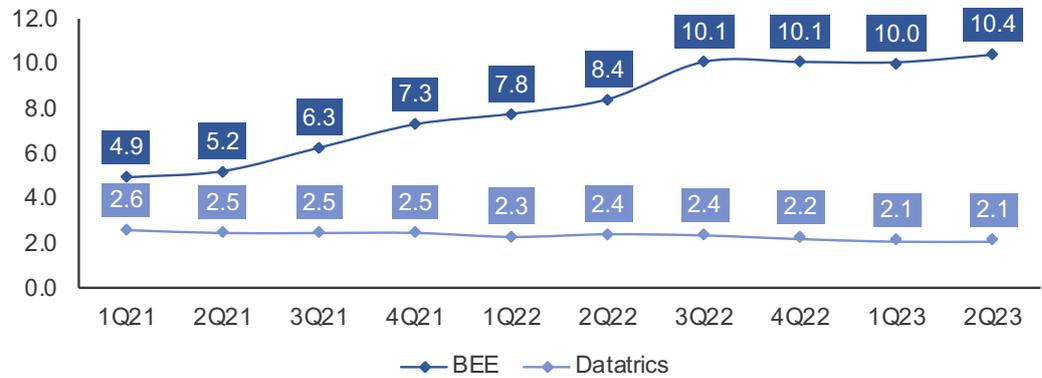
Source: Growens

Growens: Evolution of SaaS Annual Recurring Revenue (ARR, €mn)

€mn	4Q21	1Q22	2Q22	4Q22	1Q23	2Q23	2Q23/2Q22
BEE	7.3	7.8	8.4	10.1	10.0	10.4	23.5%
Datatics	2.5	2.3	2.4	2.2	2.1	2.1	-12.6%
Total ARR - SaaS	9.8	10.1	10.8	12.3	12.1	12.5	15.4%

Source: Growens

Growens: Evolution of SaaS Annual Recurring Revenue (ARR, €mn)



Source: Growens

Recap on recent corporate events

ESP Business Disposal

Back as of February 2023, Growens has announced the signing of a binding agreement for the disposal of the “Email Service Provider” business to TeamSystem.

The deal’s perimeter involved the following business units: MailUp+Contactlab, Acumbamail, MailUp Nordics+Globase.

The transaction resulted in a **new Group perimeter**, consisting of Beefree, Agile Telecom and Datatrics. The massive amount of proceeds generated from the deal (which approaches the most recent market capitalization of the entire Group) represents a game-changing event for the company and open the way to new strategies.

The updated purchase price of **€76.7mn** (vs. previous €70mn), results in deal multiples of ca. 2.9x EV/Sales and ca. 24.2x EV/EBITDA for the FY22.

Voluntary Partial Tender Offer

Back as of July, the Board of Directors announced a voluntary partial purchase offer on Growens ordinary shares at a price of **€6.80 per share**, for a maximum total consideration of **€18mn**.

The offer regards max 2,647,058 shares i.e. approximately 17.2% of the total issued ordinary shares.

The PTO has been recently approved by the AGM. We expect the subscription period to be scheduled between October and November.

Noteworthy, the company has announced that it will not cancel the shares bought back, but it will use them for M&A deals.

Growens: Shareholder Structure actual (lhs) and expected (rhs,*)



Source: Growens, (*) under the assumption that all the shares acquired would be sourced from the publicly traded free float.

Ahead: Beefree under the spotlight

Growens has announced that more than €15mn will be devoted to organic growth in the next three years, and we expect to see an allocation of resources strongly tilted towards Beefree, with heavy marketing investments to support the business growth.

At the same time, the company has stated that M&A will be part of Beefree growth strategy. Indeed, the amount of proceeds cashed in makes it possible to look beyond Europe and assume acquisitions even at US multiples.

2014-23: From zero to \$11mn ARR

Back in 2014, Growens initiated its “mission to revolutionize email creation” with a powerful and intuitive tool initially named BEE, an abbreviation for “Best Email Editor”. Then in 2015, BEE Plugin was introduced, an embeddable email editor designed for SaaS applications.

After 6 years from the official launch in 2017, the software has evolved from being solely an email editor to a **comprehensive design suite with AI capabilities and advanced features** and the related Business Unit has consistently demonstrated remarkable growth and has become the primary focus of the Group’s strategy due to its game-changing potential.

Since the launch date, BEE has kept always growing its users / clients base and as of today accounts for ca. 350k users per month, thus being by far the #1 player worldwide in this segment by market presence and among the top three by customers satisfaction, according to users’ reviews.

Beefree: Business Unit Highlights

Company

- MailUp spin-off in 2017
- Business team and IP in USA + tech team in Italy
- **9,000+ Clients**, from freelancers to large corporations, 50% in North America
- Ca. **1m free users**
- 70+ employees

Competition

- #1 player **worldwide**
- **Few players**, mainly start-ups and Beefree followers
- Upmarket: companies focused on enterprise clients: Stensul, Knak

Strategy

- **Growth**: to become the world leading standard for email and landing page creation
- Leverage the free version to **expand globally** and a new enterprise offering to maximize the value creation

KPIs

- ARR: \$11m (+24%)
- Net Rev. Retention: 107%
- LTV Beefree: \$807
LTV Beefree SDK: \$68,371
- Payback period: 15 months
- NPS: 56
- Recurring revenues: 99%
- EBITDA: 3%
- Gross Margin: 79%

Source: Growens

Worthy to note, in these years BEE has consistently adhered to the “efficiency rule of 40%,” achieving double-digit growth rates while almost always maintaining positive operating profitability even in the face of rising investments in research and development and sales and marketing activities.

BEE: Quarterly evolution of gross revenues

	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21	1H22	2H22	1H23
Revenues (€mn)	0.43	0.77	1.07	1.53	1.83	2.09	2.38	3.21	3.98	4.90	4.79
Growth YoY (%)	n.a.	n.a.	224%	43%	71%	36%	30%	54%	67%	53%	20%
EBITDA (€mn)	0.10	0.30	0.32	0.43	0.09	0.39	0.14	0.18	0.39	-0.19	0.12
EBITDA Margin (%)	17%	36%	27%	25%	5%	19%	6%	6%	10%	-4%	3%

Source: Growens, Value Track Analysis

2023: From BEE to Beefree

In the latest few weeks BEE was subject to:

- ◆ A **business model upgrade**, that emphasizes a commitment to providing users with a design experience free of technical constraints and pricing complexities;
- ◆ A related **rebranding**, that aligns with the company's: 1) commitment to providing accessible solutions through a freemium model; 2) vision to become the standard for no-code design across businesses.

As a result, the product names, BEE Pro and BEE Plugin, have evolved to Beefree and Beefree SDK, respectively, and were showcased at premier conferences, SaaStr Annual and HubSpot's Inbound, from September 6 to 8, 2023.

#1 From BEE to Beefree

BEE, a pioneer in no-code email creation tools, has officially rebranded as Beefree.

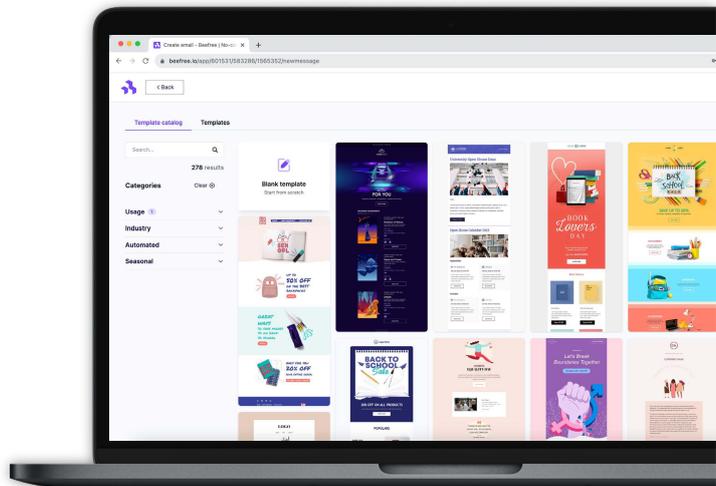
The transition reflects the software's expansion beyond email editing, integrating advanced AI features and collaboration tools, serving over 350,000 users across 120 countries, including industry giants like Amazon, Google, and Disney.

Beefree's user-friendly builders are accessible directly on beefree.io, used by 40,000+ monthly users, and integrated into 600+ SaaS applications via the Beefree SDK.

Beefree

Beefree For Email Designers

- ▶ 1,500+ templates thanks to a great designer community
- ▶ Advanced Co-editing and collaboration features
- ▶ Integrated with the main marketing platforms
- ▶ Free editor (also a Gmail extension) generates *product-led* growth
- ▶ 1m free users; 9,000+ clients
- ▶ Beefree Enterprise: comprehensive contracts



Source: Growens

#2 From BEE Plugin to Beefree SDK

As BEE becomes Beefree, BEE Plugin has also transitioned to become Beefree SDK.

This change reflects the expanded functionalities and integration capabilities of this software development kit.

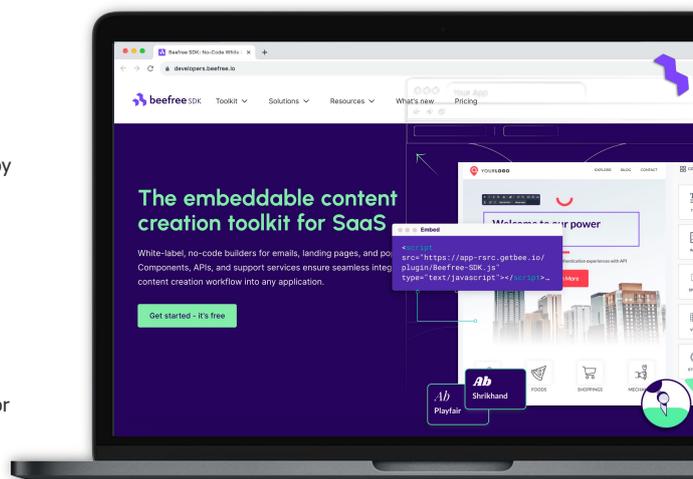
Beefree SDK offers a comprehensive content creation toolkit, including landing page builders, popup builders, a file manager, and more. It seamlessly integrates into existing platforms, streamlining content design processes.

This evolution should benefit the developers with a reduced workload, accelerated time to market and great user experience.

Beefree SDK

Beefree SDK Embeddable editor for SaaS applications

- ▶ A completely customizable editor
- ▶ Easy «Make vs Buy» pitch: companies save money and time by embedding Beefree vs. building their own drag-n-drop editor
- ▶ Clear advantages:
 - ✓ Fast deployment (<30 days) and easy integration
 - ✓ Low maintenance costs
 - ✓ Reliable technology that scales automatically
 - ✓ Fully customizable and seamlessly embeddable
 - ✓ Hosted on AWS, 99.5% uptime, ISO 27001 certified for added reliability and security



Source: Growens

2023E-25E Estimates

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

Agile Telecom forecasts

Focus should be on profitability over growth, following the trend observed in 1H23:

- ◆ **Revenues** - reaching the previous year's peak and growing 10% annually;
- ◆ **EBITDA** - margin improving and normalizing at ca.5% target.

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

(€mn)	2022	2023PFE	2024E	2025E	CAGR 22-25
Revenues	67.6	67.6	74.4	81.8	6.6%
Chg. YoY (%)	42%	0%	10%	10%	
EBITDA	2.3	3.4	3.7	4.1	21.9%
EBITDA Margin (%)	3%	5%	5%	5%	

Source: Value Track analysis

Beefree forecasts

We expect double digit top line growth (ca. 30% per annum in the next couple of years, but it could be more or less depending on the resources that this BU will be devoted), even if this accelerated growth should drive negative profitability due to higher Labour and S&M costs (in particular in 2024E).

BEE: 2022A-25E Revenues and EBITDA forecasts

(€mn)	2022	2023PFE	2024E	2025E	CAGR 22-25
Revenues	8.9	10.7	13.9	19.4	29.7%
Chg. YoY (%)	59%	20%	30%	40%	
EBITDA	0.2	-0.2	-0.7	-0.6	nm
EBITDA Margin (%)	2%	-2%	-5%	-3%	

Source: Value Track analysis

Datatrics forecasts

- ◆ **Revenues** - forecasted at €2mn and then stable over the period;
- ◆ **EBITDA** - still unprofitable at operating level, while limiting operating losses.

Datatrics: 2022A-25E Revenues and EBITDA forecasts

(€mn)	2022	2023PFE	2024E	2025E	CAGR 22-25
Revenues	2.5	2.0	2.0	2.0	-7.2%
Chg. YoY (%)	-2%	-20%	0%	0%	
EBITDA	-1.6	-1.0	-0.6	-0.4	-36.3%
EBITDA Margin (%)	-62%	-50%	-30%	-20%	

Source: Value Track analysis

2023E-25E forecasts for Growens group

Our forecasts for the years 2023 to 2025 are shown as if the deconsolidation of ESP business had occurred on January 1st, 2023. Noteworthy, the forecast includes:

- ◆ On the Balance Sheet side, an approximate €50mn Net Cash Position, which incorporates the €68.4mn net proceeds, as well as €18mn cash out for the PTO;
- ◆ On the Cash Flow side, ca. €4/5mn per year investments primarily dedicated to BEE's organic growth, according to the management guidance and without factoring growth by external lines.

Growens: P&L figures 2023E-25E

€mn	2023PFE	2024E	2025E
Total Revenues	79.8	89.8	102.7
COGS + Labour Costs	-62.7	-66.8	-78.0
Reported EBITDA	-16.0	-21.5	-22.6
EBITDA Margin (%)	1.1	1.4	2.1
Depreciation & Amortization	1.4%	1.6%	2.1%
EBIT	-1.8	-1.8	-2.0
Net Fin. Income (charges)	-0.7	-0.4	0.1
Extraordinary items	-0.3	0.3	0.5
Taxes	-0.8	0.0	-0.2
Net Profit	67.2	0.0	0.5
Adjusted Net Profit	-0.6	0.0	0.5

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
Net Fixed Assets	40.8	44.2	47.2
Provisions	1.9	1.9	2.3
Total Capital Employed	33.9	37.3	39.4
Group Net Equity	84.3	84.3	84.8
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	50.4	47.0	45.4

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

Growens: Cash Flow figures 2023E-25E

€mn	2023PFE	2024E	2025E
Reported EBITDA	1.1	1.4	2.1
Change in NWC / Provisions	0.4	1.3	1.0
Capex	-4.0	-5.0	-5.0
Cash Taxes	0.3	0.0	-0.2
Other (Incl. Fin. Charges, Fin. Inv. / Disposal)	52.5	-1.2	0.5
Net Cash generated	50.3	-3.4	-1.6

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

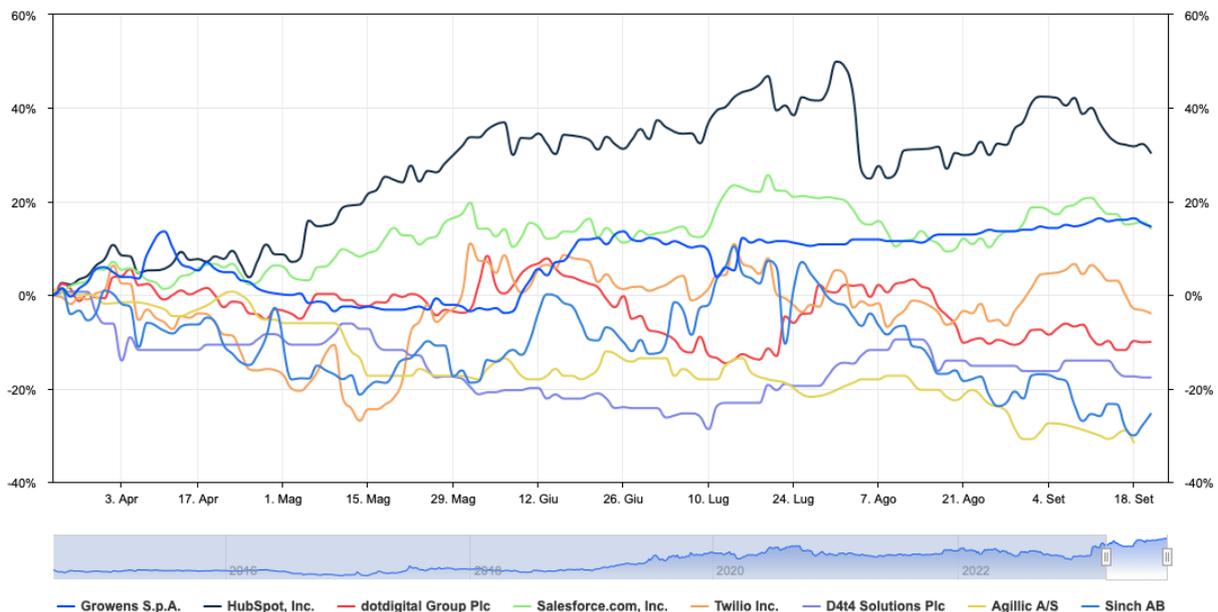
Valuation

International Tech market stance

When analysing the performance of tech stocks over the past 6 months, some comments can be made:

- ◆ SaaS cluster continues to outperform the Cpaas one, amid marked differences in the cluster. i.e. between the excellent performance of industry giants like HubSpot (+30%) and Salesforce (+14%), and the weak stance of the smaller players like D4t4 (-17%) and Agillic (-32%);
- ◆ Cpaas companies, on the other hand, are facing difficulties with the entire cluster showing negative performance. This includes SinchAB (-25%), Dotdigital (-10%) and Twilio (-4%). The sole exception is Kaleyra, which has exhibited positive performance following the acquisition by Tata Communications at an impressive 80% premium on stock market price, with a calculated 0.7x EV/Sales acquisition multiple;

Growens: last 6 months performance vs. comparables



Source: Market Screener, Value Track Analysis, (*) Kaleyra excluded

Positive momentum for SaaS companies IPOs

In the US there is a favourable IPO momentum especially for SaaS companies, as evidenced by the recent IPOs of Instacart, and Klaviyo, e-commerce marketing automation provider which raised \$576mn and achieved a fully diluted value of approximately \$9bn, i.e. ca.19x EV/Sales.

While this may awaken investors’ appetite for SaaS companies with scalable revenues model and potentially set the stage for a potential SaaS IPO rush, it may also imply higher valuations for potential U.S.-based targets of Beefree. This, in turn, could further underscore the need to justify a valuation discount on available cash.

Updated valuation

Our Sum-of-the-Parts based fair value stands at ca. €7.0 per share (from €6.80), built as follows:

- ◆ Datatrics now valued at zero. Indeed, the turnaround is taking some time and we believe that the losses of the next few quarters should progressively offset its gross asset value;
- ◆ Agile Telecom valued at average of 0.5x EV/Sales and 10x EV/EBITDA 2023E;
- ◆ Beefree valued at 4x EV/ARR;
- ◆ €1.2mn holding costs (post ESP disposal), capitalized at ca. 8.5%;
- ◆ €18mn cash to be devoted at the PTO taken at face value;
- ◆ €50mn residual Net Cash post ESP disposal valued at ca. 20x P/E, assuming that for the time being it will be invested at 2.6% yield net of tax (3.5% gross) thus generating some €1.2mn annual positive impact on group's bottom line.

Growens: Sum-of-the-Parts valuation

Company	Stake (%)	EV (€mn)	Valuation Method
Agile Telecom	100%	33.8	0.5x EV/Sales '23 - 10.0x EV/EBITDA '23
BEE	95.2%	39.6	4.0x EV/ARR (Annual Recurring Revenue)
Datatrics	100%	0.0	Written off
Holding costs		-10.0	
PTO cash at face value		18.0	
Residual Net Cash Position at 20.0x P/E		26.0	
Net Asset Value (€mn)		107.4	
Fair equity value per share (€ p.s.)(*)		7.00	

Source: Value Track Analysis (*) Calculated on outstanding shares net of 62.5k treasury ones

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE “**FINANCIAL PROMOTION ORDER**”), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-TER, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: – BALANCE SHEET TOTAL: 20,000,000 EURO, – NET REVENUES: 40,000,000 EURO, – OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF “QUALIFIED INVESTORS” AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“EEA”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION “2010 PD AMENDING DIRECTIVE” MEANS DIRECTIVE 2010/73/EU. **GROWENS SPA (THE “COMPANY”) IS A RESEARCH CLIENT OF VALUE TRACK S.R.L.** HOWEVER ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY AND MAY MAKE A MARKET OR ACT AS A PRINCIPAL IN ANY TRANSACTIONS IN SUCH SECURITIES.